

UPPER HUTT CITY

Annual Report 2014 – 2015

1 JULY 2014 – 30 JUNE 2015



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Foreword

FROM HIS WORSHIP THE MAYOR AND THE CHIEF EXECUTIVE

We are very pleased to present to our Upper Hutt community this Annual Report, which highlights our efforts and performance as a Council over the past year measured against our Annual and Long Term Plans. It also tells a story of prudent economic management, planning for our future, and working to enable growth and success for our people and for our business community.

In preparing this year's Annual Report, it was very clear to see what our city has been able to achieve through working together: Our community has stood united on determining the fate of our future; stood shoulder to shoulder remembering our proud heritage of service in commemoration of the start of the First World War; we have sat side by side in workshops to collaboratively build opportunities for local economic success; and met face to face to share opinions, values, and ideas under various consultations.

As you take the time to read through this Annual Report you may find yourself reflecting, as we have, about just how lucky we are to call Upper Hutt 'home.'

We were also reminded of this when the proposed amalgamation of Councils in the Wellington region was tabled by the Local Government Commission. Widely panned by the region, Upper Hutt residents were immediately mobilised and remained a steadfast, collective voice throughout the process of consultation. Despite having the most to lose, our voice remained dignified and was heard loud and clear. Our city had the greatest number of participants in this regional process and the Local Government Commission decided not to proceed with the proposed amalgamation.

This process was long, involving exceptional commitment, effort, and drive from members of our community leading the charge. Perhaps the best thing to come out of the process is that Upper Hutt is now riding a wave of reinvigorated civic pride and a greater understanding and appreciation of who we are as a city, and what we like about being part of this community.

We stood shoulder to shoulder remembering our proud heritage of service in commemoration of the start of the First World War.

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Our local business leaders are becoming the architects of Upper Hutt's economic future.

This understanding helped Council to develop a strapline for our city—a bold statement that describes why Upper Hutt is a great place to live, work, and play. When our Long Term Plan was launched, we also launched *'Life. Leisure. Live it!'* And as our city continues to grow, it is clear that Upper Hutt is becoming a destination of choice for many businesses and families, and this statement helps to communicate what these people might expect here.

More and more people are realising the potential of our great city—that Upper Hutt is not just a city of beauty but also a city of opportunity. An opportunity for a better quality of life, fantastic outdoor leisure pursuits, and full of energy and optimism for a bright future. Some are already reaping the rewards of investing here, and many more have begun the journey of starting up or relocating their business to Upper Hutt.

Our local business leaders are becoming the architects of Upper Hutt's economic future. Our commercial landscape is constantly evolving and our boutique industries, such as technology and brewing, are setting the foundation for an optimistic future—one which we, as a Council, are working hard to support.

As a Council, our strategies are underpinned by a clear vision for our city, and our relationships with others are critical to our ability to get things done. Council works alongside our community, community groups, and other partners to ensure that our commitment to enhancing the life of our residents is delivered, with a clear understanding of the needs of our community. To these partners, agencies, and individuals who have contributed so significantly to this vision, we thank you.

We would also like to thank our residents – our neighbours, friends, and family who are so proud to call Upper Hutt home. It is the people of our city that makes this place special.

W N Guppy | MAYOR

C B Upton | CHIEF EXECUTIVE

Our vision

MEASURING OUR VISION/OUTCOMES

Our vision statements are focused 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 2014 – 2015 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.



ENHANCING OUR ENVIRONMENT

Love Food Hate Waste nationwide campaign

Upper Hutt City Council is part of the national *Love Food Hate Waste* campaign. The campaign aims to raise awareness about household food waste and the importance of planning food purchases and meals, being smart about food storage and being creative with leftovers. A recent study revealed that every year, the average family in the Wellington region throws away more than \$599 worth of edible food.



Waste minimisation and sustainability

Upper Hutt City Council is signatory to the Wellington Regional Waste Management and Minimisation Plan (WMMP). Most of the actions undertaken have been from the Wellington Region Waste Minimisation Education Strategy. These have included funding Enviroschools, providing information on waste minimisation, and offering Zero Waste Fund grants to schools and community gardens to reduce their waste. In addition, the annual hazardous waste collection day was held in September 2014, and through Council's Eco Design Advice programme, almost 50 home energy audit visits were undertaken.





Outdoor recreation

STOPBANK TRAIL

The completed sealed trail along the stopbank from Moonshine Park to Poplar Grove, and into the city centre is proving to be a great success. The trail is almost 2.85 km long and provides a fun, safe route through to the city centre for recreational cyclists, walkers, and families.

YOUTH IN PARKS

Once again the Activation team made full use of our parks during the summer months. Over 150 students, along with several 'brave' parents/caregivers attended a number of the *Youth in Parks* activities. The aim of the programme is to connect sports organisations and clubs, and to provide fun activities across our parks.



PAWS IN THE PARK

Activation, along with Greater Wellington Regional Council and Hutt City Council held the first of the 2015 *Paws in the Park* events at Tunnel Gully in January. Following the walk through Tunnel Gully, the Upper Hutt Dog Agility School and A-Grade Animals Dog Training set up demonstrations and activities showcasing some amazing skills from dogs and their owners. Close to 200 participants (including dogs) enjoyed this very popular annual family outing.

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.



STRENGTHENING OUR COMMUNITY

Community street clean-up

Streets in Timberlea were a hive of activity on Saturday 20 June 2015 as residents cleaned up their neighbourhood as part of the Together Our Place (TOP) Timberlea Safer Communities project. Several tonnes of rubbish were either recycled or sent to the landfill from the street clean-up.



Funding expo for community groups

Council hosted and facilitated a funding expo at Upper Hutt Central Library in May 2015. The activity was to increase awareness of the funding opportunities available and how community groups and organisations can apply. The expo was very well received.

Upper Hutt City Library

Upper Hutt City Library continues to offer a range of services and programmes for all ages, including *Stepping Up* (a computer support programme), *Cognitive Health and Wellbeing* workshops (focussing on stress and resilience), and school holiday activities.



The Central Library is also a vital community hub for a multitude of activities such as cheese-making classes, ukulele performances, and for groups such as *Unscripted* (an over 50's theatre sports group).





Positive ageing week 2014

Positive ageing week offered 20 diverse events and programmes where residents over 50 could learn new skills while having fun and connecting with friends, family, whanau, community groups, and organisations.

Activation

Activation hosts a vast range of activities. Among them is a programme for the Teen Parent Unit, designed to encourage mums and their families back into active recreation. The Growing Old Living Dangerously (GOLD) programme offers residents aged 50+ the opportunity to take part in adventurous activities. Adrenalin-fuelled events like whitewater rafting at Otaki Gorge and the aerial obstacle course at Adrenalin Forest offered like-minded people a chance to connect and were a huge success.



Our Heritage

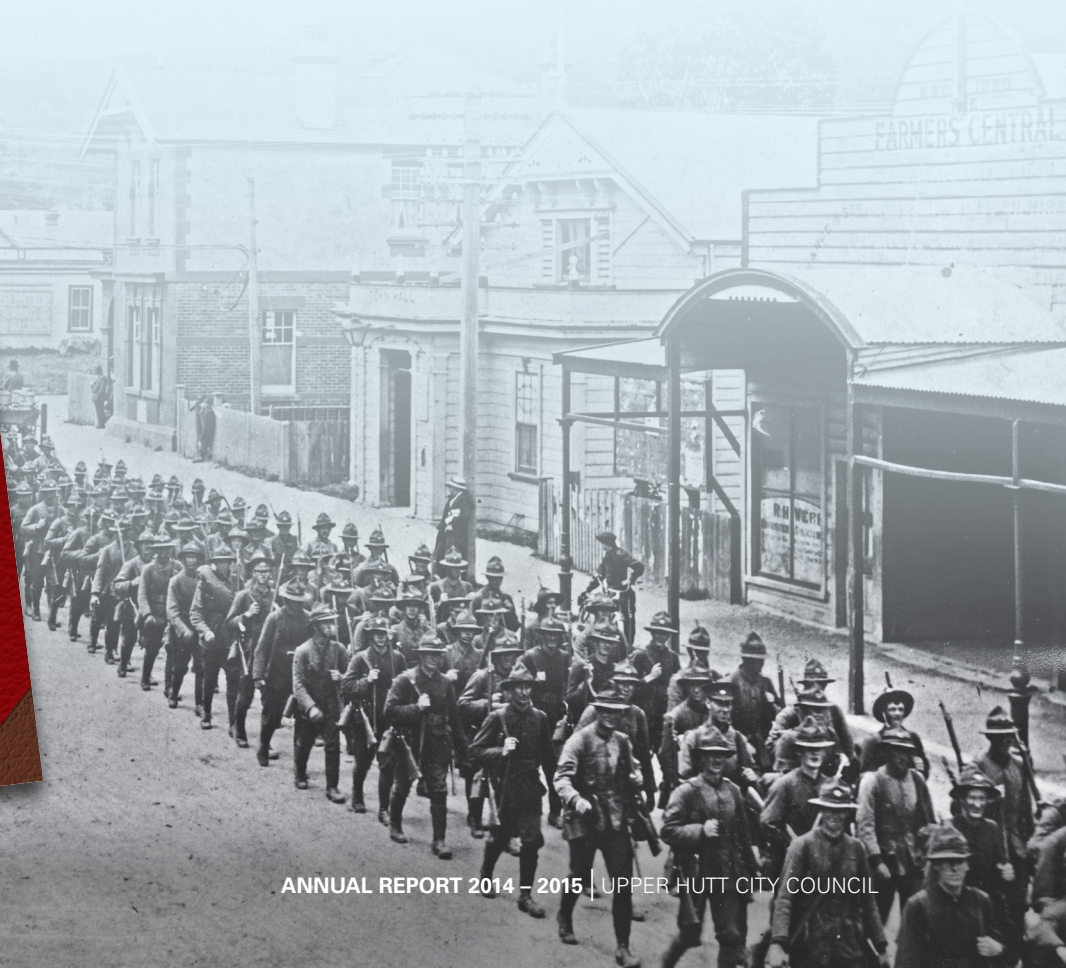
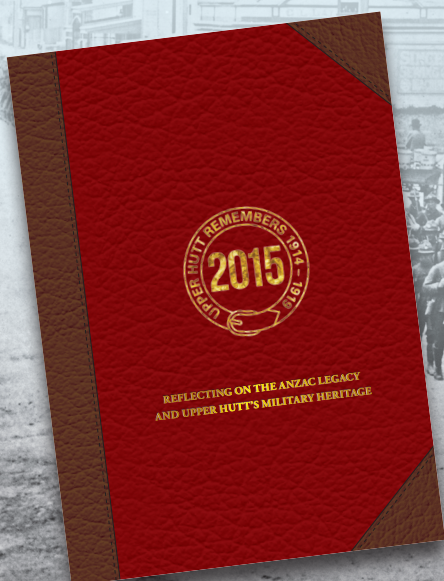
ANZAC DAY

To commemorate the centenary of the landings of our armed forces at Gallipoli a special service of dedication took place on Saturday 25 April 2015 in Upper Hutt. The service was attended by around 3,500 people who gathered in front of the civic buildings.



'MEMORIES OF MAIN STREET' POP-UP MUSEUM

A very popular 'pop-up' museum, entitled *Memories of Main Street*, was set up in The Mall and ran from 24 – 27 September 2014, where photographs celebrating the history of Upper Hutt's city centre were displayed. A flatbed scanner was made available for visitors to add their own content. Feedback from the almost 900 visitors was extremely positive with several requests for something similar to be held again this year.



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.



SUPPORTING OUR CITY CENTRE

Working with retailers

PROFESSIONAL DEVELOPMENT SEMINARS AND WORKSHOPS

Council's commitment to supporting our retail community with practical advice, support, and promotional opportunities continued this year with increased participation from the retail community. A number of professional development seminars and workshops were organised by Council and included topics such as digital marketing and social media, retail promotions and advertising, merchandising, security, and digital commerce.



RETAIL EVENT PLANNING GROUP

This group helped shape the promotion activities and events within the city centre, and Council thanks them for their time and input.

March Madness Fair 2015

The March Madness Fair 2015 built on the success of the previous year, with stall numbers exceeding 200. It was estimated that over 25,000 people attended the fair, many from outside of Upper Hutt.



Improving the appearance of Main Street

Council has been working closely with landlords to enhance the visual appearance of the city centre. Several store frontages have been painted and signage updated, resulting in several of the previously vacant shops now being occupied.





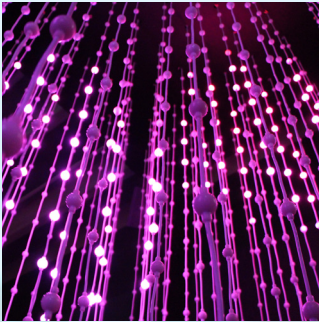
Expressions Whirinaki Arts and Entertainment Centre

NATIONAL GEOGRAPHIC 50 GREATEST PHOTOGRAPHS

Once again Expressions Whirinaki Arts and Entertainment Centre has put Upper Hutt on the map by bringing the globally recognised exhibition of the 50 Greatest Photographs of National Geographic to New Zealand.

◀ *Afghan Girl*, courtesy of National Geographic.

This was the first time The National Geographic had ever exhibited in New Zealand. The exhibition attracted over 20,000 visitors, many of whom had travelled from outside the region. Several schools took the opportunity to bring students of all ages to view the amazing photos. A number of people also came back to view the photos on more than one occasion.



SUBMERGENCE

Another very popular attraction to Expressions Whirinaki this year was the interactive Submergence Exhibition, a large immersive walkthrough installation with thousands of points of light floating in the gallery. Once inside, visitors could walk around freely, completely surrounded by light, sound, and movement.

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.



ENHANCING OUR ECONOMY

Economic developments

EXPLORING OPPORTUNITIES

Council continued to work with businesses, developers, investors, and support organisations such as Grow Wellington which forms part of the Wellington Region Economic Development Agency (WREDA). Council's business development and marketing team hosted Grow Wellington on a tour of Upper Hutt businesses. The objective was to enable Grow Wellington to promote Upper Hutt as a viable place to set up business. The tour showcased some of the great success stories, industries, and opportunities here in our city.



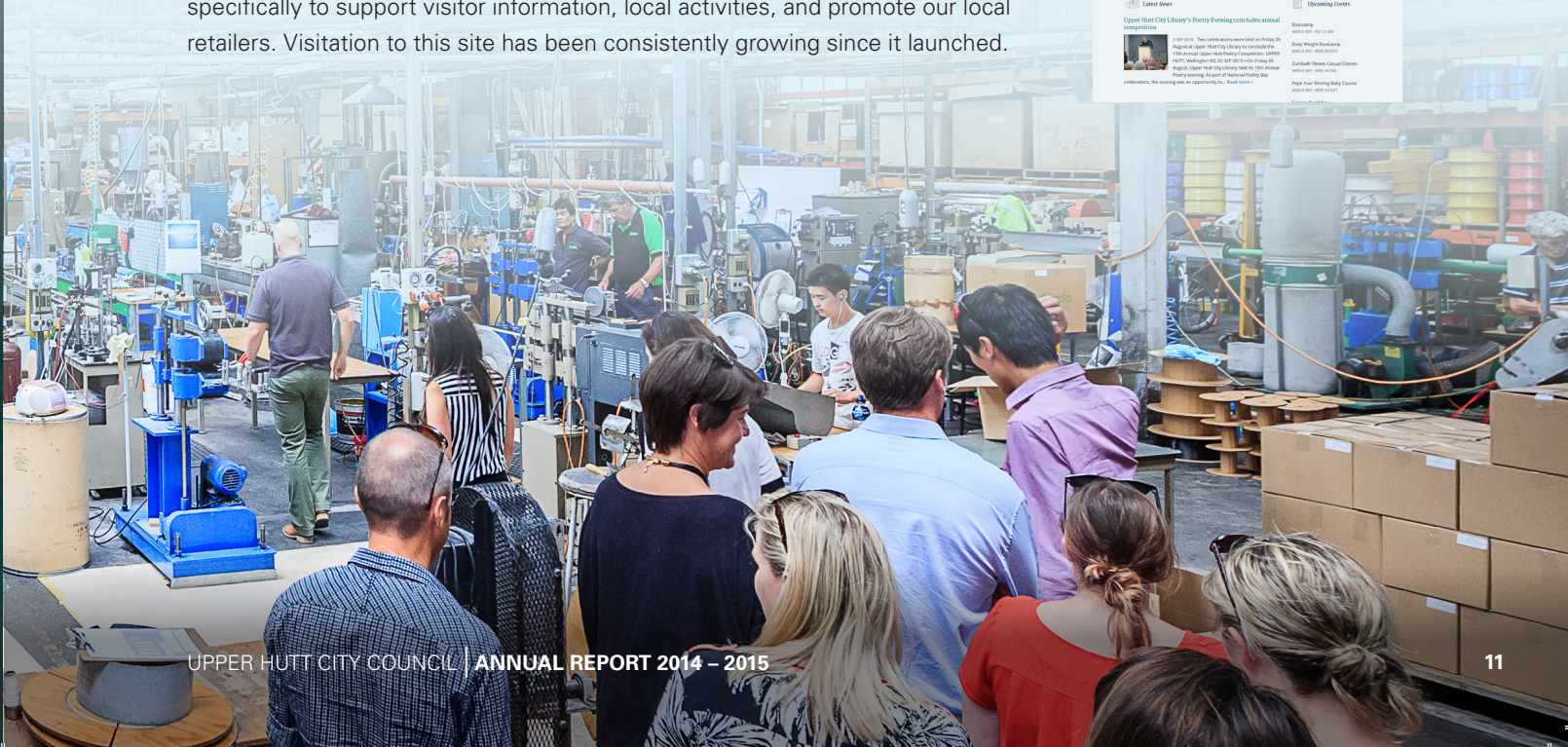
ECONOMIC DEVELOPMENT STIMULUS PACKAGE

In October 2014, Council introduced a two-year trial of a new Economic Development Stimulus Package. The purpose of this package is to stimulate economic growth within Upper Hutt by encouraging development that would provide employment and GDP growth. The policy has already had a positive effect through the attraction, retention, or expansion of businesses in the Upper Hutt community.



Communication improvements

This year Council launched its new, modern, easy to navigate, website. The main Council site (upperhuttcity.com) is the home of all Council related information and services, and also acts as a launchpad for the smaller, more specialised Council sites. One of these (visit.upperhuttcity.com) was developed specifically to support visitor information, local activities, and promote our local retailers. Visitation to this site has been consistently growing since it launched.





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.

SUPPORTING TRANSPORT OBJECTIVES

This year Council presented its first formal Infrastructure Strategy. This strategy outlines how the Council intends to manage its infrastructure assets over the next 30 years, with land transport making up a large section of infrastructure along with wastewater, stormwater, and water supply.



Roading and footpaths

A significant proportion of Council's expenditure is on roading asset renewals. In 2014 – 2015 this amounted to \$3.196 million, which comprised a wide range of activities including the resurfacing of almost 80,000 square metres of roads, and reconstruction of 4,975 square metres of footpath. In addition to the renewals programme, a further \$2.47 million was proportioned to roading maintenance which included street lighting, street cleaning, traffic services, drainage and general maintenance of the network.



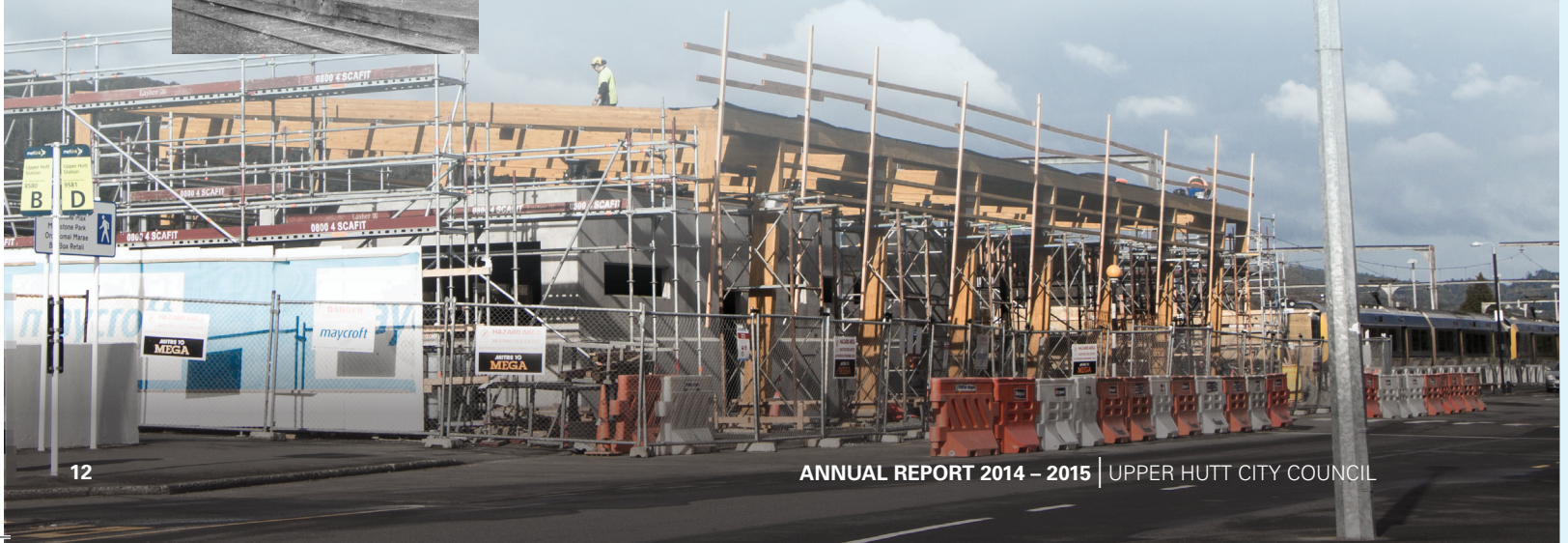
Three key projects undertaken this financial year were:

- 1 Pinehaven/Wyndham Road intersection upgrade
- 2 Seismic strengthening of Totara Park Bridge
- 3 Akatarawa Road safety upgrades.



Upper Hutt train station upgrade

In accordance with the Annual Plan, Council made a one-off contribution to Greater Wellington Regional Council towards the replacement of the Upper Hutt train station. The new station will present a significantly enhanced, architecturally designed entrance to our city and key transport hub.



Did you know?

Parks and reserves

We know that the people of Upper Hutt value our wonderful outdoors. Here are a few interesting facts.

Within Upper Hutt there are:

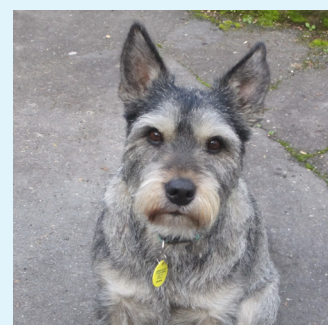
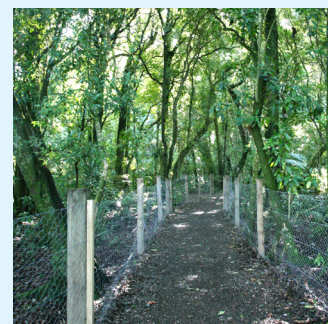
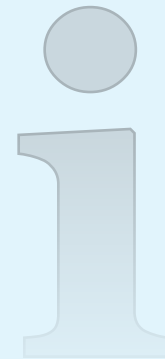
- 67 sports fields (26 for summer and 41 for winter sports)
- 32 regional and neighbourhood playgrounds
- 50 km of walking and cycling tracks – soon to be significantly increased
- 54 individual parks and reserves
- 380 hectares of parks and reserves. 220 hectares are bush covered, with 12.7 hectares of this being fenced off for conservation purposes
- public gardens covering a total area of 11.1 hectares
- mixtures of both exotic and native trees, and in terms of native regeneration; Barton's Bush and Domain Bush, within Trentham Memorial Park, are two areas of high significance
- approximately 50 new trees planted each year under the **Street Tree Planting Programme**. In addition, trees are also replaced and/or removed if they are unsafe or unhealthy. Trees are planted within reserves, based on their species, size, form, suitability to the area, and colour.

Dog rangers

Council's dog rangers are kept very busy throughout the year with a total of 1,396 complaints received during the last 12 months. The majority of these calls involved barking dogs, stray dogs, and impounding dogs, along with general complaints and enquiries. Our very experienced dog rangers frequently offer excellent tips to dog owners on ways to distract dogs from repetitive barking or straying, as boredom or separation anxiety are two of the main causes of these behaviours.

Heritage collections

UPPER HUTT RECOLLECT is the interactive database for the Upper Hutt City Library Heritage Collections. It provides easy online access to a rich store of heritage material relating to Upper Hutt City, its people, and events. The database is accessible from the City Library's home page upperhuttlibrary.co.nz





Doing business in Upper Hutt

Upper Hutt City Council takes a lead role in facilitating local business support through its own business website biz.upperhuttcity.com. Council's Economic Development Manager, Phil Gorman is the primary liaison for business owners and developers and supports local businesses to achieve excellence. Phil provides assistance for start-ups, advice about growth opportunities and navigating through Council processes.

Consultation

Have you ever wondered what Council is consulting on? Visit consultation.upperhuttcity.com to find out more and 'Have your say.'



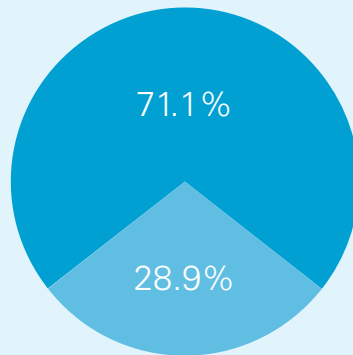
THANK YOU FOR YOUR FEEDBACK

During the Long Term Plan (LTP) 2015 – 2025 consultation, a subject that generated a notable amount of interest was a request for the development of bridleways in Mangaroa/Whitemans Valley for keen horse riders. Forty three submitters supported a proposal from Upper Valley Horse Trails whose vision is 'To make Upper Hutt the best place in New Zealand to own a horse.' As a result, it was decided that Council will carry out a bridle path feasibility study in 2015 – 2016 with a view to investigating possible trails, costs, practicality, and safety aspects.

A FEW STATISTICS ABOUT UPPER HUTT

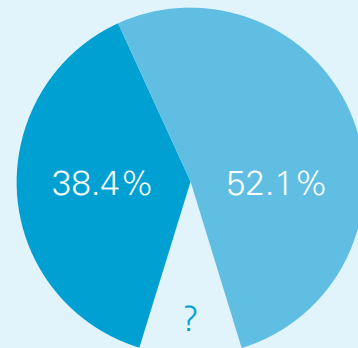
Here are some interesting facts from Statistics New Zealand (2013 Census) and Upper Hutt City Council.

UPPER HUTT WORKFORCE



Live here ■ Live elsewhere

UPPER HUTT RESIDENTS

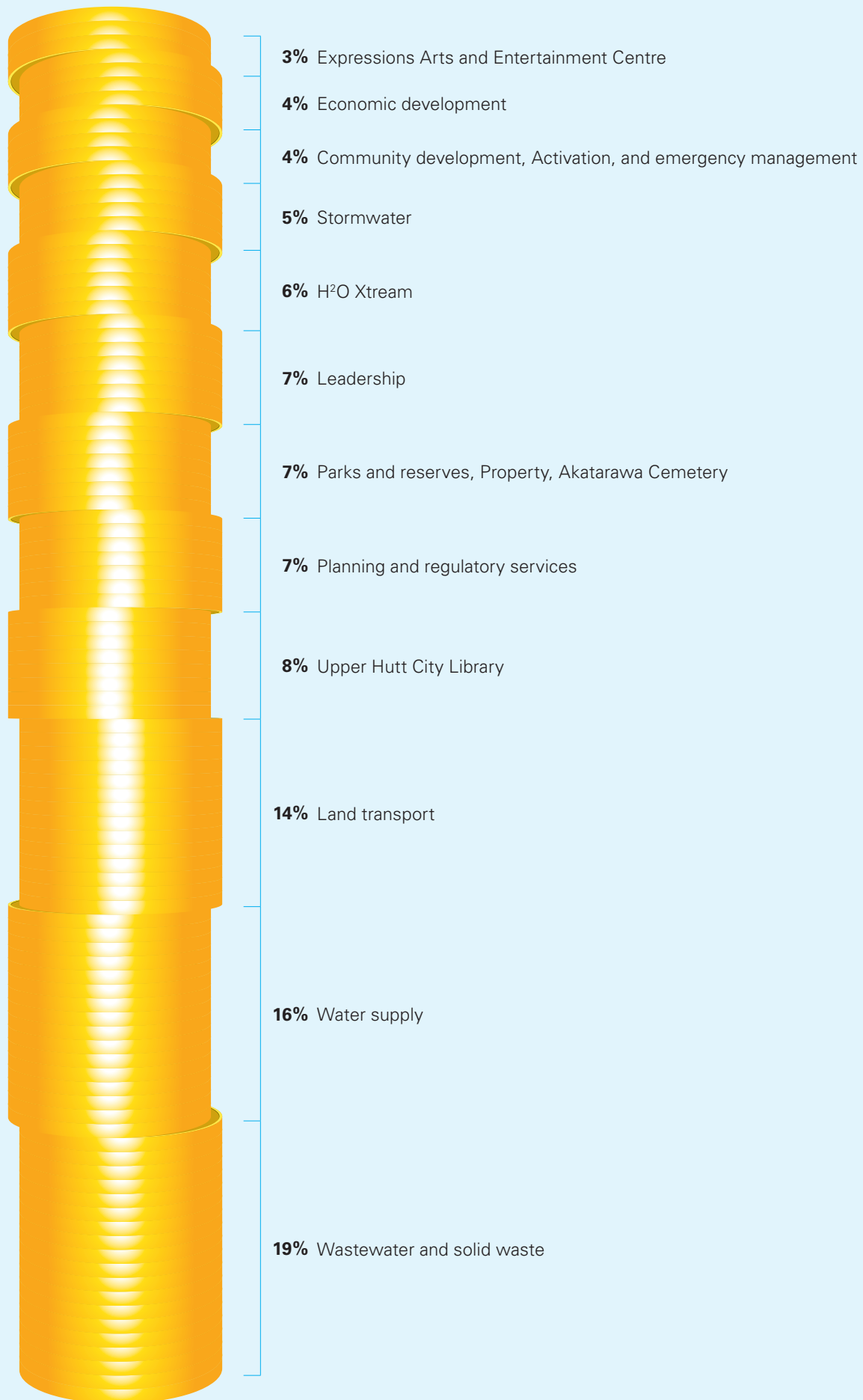


Work here ■ Work elsewhere



Economic development stimulus

WHERE YOUR RATES MONEY GOES



Measuring performance

FINANCIAL LEVELS OF SERVICE OBJECTIVES AND PERFORMANCE MEASURES

The overall rates funding requirement for the year was a surplus of \$2.777 million. After allowing for approved funding carryovers from the previous year to the next year, the effective result is a surplus of \$1.057 million.

The operating deficit (operating income less expenditure) was \$6.920 million compared to a budgeted surplus of \$655,000, an unfavourable variance of \$7.575 million.

Operating income was \$7.988 million lower than estimated. There were several components to this shortfall. Fees and charges were under budget with the main contributions being property sales, permit and licence fees and H²O Xstream charges. Subsidies and grants were \$454,000 under budget with the main shortfall being in roading subsidies. Development and financial contributions collected were \$391,000 less than expected mainly due to lower than expected roading levy contributions.

Operating expenditure was \$413,000 below budget. There were a number of items in this variance leading to depreciation being \$645,000 higher than expected and personal costs \$251,000 lower.

Term debt was less than expected, \$30.549 million, compared to the budgeted \$31.837 million. This resulted from several projects not being completed in the 2014 – 2015 period and being carried forward into 2015 – 2016. The current ratio (current assets: current liabilities) is 0.99:1 (in 2014 it was 1.213:1).

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 half-yearly basis. All of the key Council activities have set performance targets.

Council performance results

The performance targets for the key Council activities are partly measured by the Annual Community Survey and partly measured by meeting external or internal requirements, often with timeframes.

Council has extremely high expectations for its performance, with the majority (77%) of its non-financial performance targets being at 90% or above. Each year we notice a growing public expectation of an enhanced level of service and amenity provision, yet just maintaining our base level of service/infrastructure takes up the majority of our spend. Finding the right balance between maintaining low rates at the same time as achieving 90% performance satisfaction levels is no easy feat.

The number of performance measures identified in the Long Term Plan 2012 – 2022 was 32. However, when subordinate measures are also included, the number of measures increases to 39. In addition there is one overarching performance measure that calculates the total percentage of performance measures met. Two of the 39 measures described in the Long term Plan 2012 – 2022 are unable to be determined, therefore the total number of performance measures considered in the overarching measure is 37.

Further information about the exclusion of the two performance measures pertaining to solid waste can be found on page 22.

Of the 37 evaluated performance measures, 23 (62%) were achieved this year. However, four of the measures not achieved were within 1% of the target. When compared to the previous year, 15 of the measures registered an improvement, 13 showed a decline (four of these were 2% or less), and 9 measures stayed the same.




Information is provided (following the performance measures table below) that explains the circumstances around each of the performance measures that were not met.

Overall satisfaction shows the majority of respondents (93%) were satisfied with the Upper Hutt City Council in general across all services and facilities.

This is an increase from 89% satisfaction in 2014.




Performance by measure

Council has met the majority of its 37 performance targets at year's end

Target:	80% of all performance targets are met at the end of this year	
Performance:	62% of performance measures were met— <i>not achieved</i>	
Community satisfaction with the provision of information by Council ¹		
Target:	90% satisfaction	
Performance:	86% satisfaction— <i>not achieved</i>	
Average smoothness of all city roads		
Target:	Less than or equal to 120 NAASRA counts	
Performance:	Average smoothness was 115 NAASRA counts— <i>achieved</i>	

NOTES:

1. This performance measure is directly related to the results of the Annual Community Survey, which was carried out in February 2015.

Community satisfaction with the street lighting throughout the city ²	Target: 90% satisfaction	
Performance: 85% satisfaction— <i>not achieved</i>		
Community satisfaction with the cleanliness of the city's streets ²	Target: 90% satisfaction	
Performance: 89% satisfaction— <i>not achieved</i>		
Assessment of footpath conditions to mitigate dangerous surface conditions developing	Target: 90% have a defect value of 29 or less	
Performance: 98%— <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 ²	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: 91%— <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: 0.5 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: <i>Unable to be determined</i> (see explanation on page 22)		NA

NOTE:

2. These performance measures are directly related to the results of the Annual Community Survey, which was carried out in February 2015.


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

Target: Annually increase the number of households that recycle on a regular basis

Performance: *Unable to be determined* (see explanation on page 22) NA


Process resource consents within the statutory timeframes

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

Performance: 99.4% —*not achieved* 


Community satisfaction with Council's current resource management practices³

Target: 87.5% satisfaction

Performance: 59% satisfaction —*not achieved* 


Community satisfaction with Council's building and compliance services provided

Target: 92% satisfaction with the building consenting service

Performance: 94% satisfaction —*achieved* 


Community satisfaction with the control of dog nuisances in the city³

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

Performance: 86% satisfaction —*achieved* 


Community satisfaction with the enforcement of parking requirements within the city³

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

Performance: 89% satisfaction —*not achieved* 


Process building consents within the statutory timeframes

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

Performance: 100% of building consents —*achieved* 


Process LIMs within the statutory timeframes

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

Performance: 100% of building consents —*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:

3. These performance measures are directly related to the results of the Annual Community Survey, which was carried out in February 2015.


Timeliness of response to complaints of excessive noise		
Target:	Respond within one hour to 90% of excessive noise reports being confirmed	
Performance:	99.7% — <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:	88% satisfaction — <i>not 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 ⁴		
Target:	75% of households prepared	
Performance:	75% 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 ⁴		
Target:	95% satisfaction	
Performance:	92% 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:	182,170 visitors — <i>not achieved</i>	
Community satisfaction with the level of customer service provided by library staff ⁴		
Target:	95% satisfaction	
Performance:	99% satisfaction — <i>achieved</i>	

NOTE:


4. These performance measures are directly related to the results of the Annual Community Survey, which was carried out in February 2015.

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


Target 1: Increase the number of issues from that of the previous year (558,973 issues)

Performance: 502,131 issues—*not achieved* 

Target 2: Increase the number of physical visits from that of the previous year (409,966 visits)


Performance: 310,118 visits—*not achieved* 

Target 3: Increase the number of website visits from that of the previous year (47,972 visits)

Performance: 45,950 website visits—*not achieved* 

Community satisfaction with the range and number of arts opportunities provided at Expressions Arts and Entertainment Centre⁵

Target : 90% satisfaction

Performance: 94% satisfaction—*achieved* 


Number of visitors to Expressions Arts and Entertainment Centre

Target : 65,000 visitors

Performance: 133,000 visitors—*achieved* 


Community satisfaction with the level of provision of open space, amenities, and gardens⁵

Target : 95% satisfaction

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

Community satisfaction with the level of support provided to support economic development⁵

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 10 (as at June 2014)

Performance: Number of vacant shops reduced from 10 to 6—*achieved* 

Understanding why targets were not achieved

PROVISION OF INFORMATION BY COUNCIL ON COUNCIL AFFAIRS

86% of respondents were satisfied with the provision of information by the Council on Council affairs, an 11% increase from 2014.

NOTE:

5. These performance measures are directly related to the results of the Annual Community Survey, which was carried out in February 2015.

CLEANLINESS OF THE CITY'S STREETS, AND SATISFACTION WITH THE WATER SUPPLY

Both of these performance measures were within 1% of achieving the set target. Theoretically the measures were not achieved; however the results are within the statistical margin of error of 4.87%.

INTERRUPTIONS TO THE WATER SUPPLY

While most interruptions to the water supply were restored within 2 hours, a number marginally exceeded the target time, due to the nature of the repair. There were no major incidents caused as a result of this. The total number of unplanned shutdowns however is well under target, continuing a decreasing trend over the last three years.

SOLID WASTE

The only annual tonnage data currently available to Council through its refuse collection is that collected from council refuse bags. This tonnage only represents a minor part (possibly less than 10%) of the total waste collected from the Upper Hutt area as there are a number of other private waste collectors available to the Upper Hutt householders. Obtaining accurate data from the private companies is often somewhat unreliable, making it difficult to accurately report on this performance measure. A reduction or increase in the Council refuse bags does not necessarily mean there was a corresponding reduction or increase at the landfill as the householder may simply have employed another method of waste disposal. As such, this performance measure has been deemed 'unable to be measured.'

RECYCLING

Although Council can have a role in promoting recycling, the target of increasing participating households still relies heavily on non-Council (private) companies, and is not strictly within Council's control. As with solid waste, Council is reliant on the data supplied by the private companies, the accuracy of which cannot be verified.

PROCESSING RESOURCE CONSENTS WITHIN THE STATUTORY TIMEFRAMES

Of the 163 consents processed this year, one consent was not processed within the statutory timeframe.

COMMUNITY SATISFACTION WITH COUNCIL'S CURRENT RESOURCE MANAGEMENT PRACTICES

In the 2015 Annual Community Survey, only respondents (or their families) who have dealt with the Council in respect to land use and subdivision matters were further questioned about their 'satisfaction with current resource management planning practices.' This resulted in only 48 respondents (14% of the total) answering the question. Satisfaction levels in this area are often impacted by legislatively enforced processes and controversial planning projects, including plan changes, which attract differing views leading to decreased satisfaction.

SATISFACTION WITH PARKING ENFORCEMENT

This is another performance measure that only missed its target by one percent. However a significant improvement of 8% was achieved compared to the

previous year. 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.

SATISFACTION WITH THE LEVEL OF COMMUNITY ENGAGEMENT BY THE COMMUNITY DEVELOPMENT TEAM

Out of 200 community groups who were invited to take part in the *2015 Community Services Survey*, only 60 answered this question, with only 10% reporting unsatisfactory engagement experiences.

H²O XTREAM SATISFACTION

Whilst the satisfaction level did increase by 3% compared to the previous year's result, it has not met the target since this question was first asked in 2007. This is likely a result of having a target that needs to be reviewed.

H²O XTREAM ATTENDANCE FIGURES

Closure of the pool for maintenance during August and September 2014 impacted on the annual attendance figures.

CITY LIBRARY – ITEMS ISSUED

Council ceased aiming to increase items issued and this measure has been removed from the Long Term Plan 2015 – 2025. The number has been collected and reported on internally, but it is no longer relevant as a performance target as physical issues across the library sector worldwide are reducing, with libraries being used as community hubs rather than book suppliers.

CITY LIBRARY – PHYSICAL VISITS

A door counter provides the exact number of visitors entering and exiting the Library. The actual count was 344,576 but due to the inability of the counting mechanism to determine unique individual visitations, a 10% downward adjustment has been made.

CITY LIBRARY – WEBSITE VISITS

The introduction of a new reporting method which counts a different level of activity has impacted on the website visit number not being achieved.

SATISFACTION WITH THE LEVEL OF SUPPORT PROVIDED TO SUPPORT ECONOMIC DEVELOPMENT

Considering that the wider community has limited involvement in business specific activities that Council undertakes, it is unlikely that they would be able to rate this measure accurately. In saying this Council has increased its efforts significantly around the level of support it provides in our business community. It is proposed that this measure, going forward, will be targeted specifically to business owners and decision makers in the business community.

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 2015 fairly reflect the financial position and operations of Upper Hutt City Council.




 W N Guppy
 MAYOR


 C B Upton
 CHIEF EXECUTIVE


 I Johnson
 DIRECTOR OF
 CORPORATE SERVICES

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

ANZAC Day

To commemorate the centenary of the landings of our armed forces at Gallipoli, a special service of dedication took place on Saturday 25 April 2015 in Upper Hutt. Around 3,500 people gathered in front of the civic buildings to attend the dawn service.

"One hundred years ago, Upper Hutt played a significant part in New Zealand's contribution to the war effort", said Upper Hutt Mayor, Wayne Guppy during the service. "Our Trentham and Maymorn camps hosted and trained many soldiers on their journey to fight for their king and their country. As we remember the landings at Gallipoli and the ensuing battles, we salute our soldiers for their bravery and sacrifice. New Zealand and Australian armed forces played a significant role in fighting for the freedom that we enjoy today. Their sacrifice was not in vain, nor will it be forgotten."

Regional Governance/Local Government Commission

In June 2015, the Local Government Commission announced that it would not proceed with the council amalgamation proposal for the Wellington region. The new focus of the Commission is to work with the region to enhance efficiencies and effectiveness. The Commission will undertake an improved engagement process to develop greater consensus and a collaborative approach to change.

Long Term Plan 2015 – 2025

The Long Term Plan (LTP) 2015 – 2025 was adopted by Council at an Extraordinary Council Meeting on 24 June 2015. During the LTP consultation period residents told Council that the key things they love about living in Upper Hutt are the beautiful environment and the many leisure and recreational activities available. This has been reflected in the LTP 2015 – 2025.

As a result of changes brought about by the Local Government Act 2002 - Amendment Act (No 3) in 2014, Council's Long Term Plan 15 page Consultation Document (CD) was the primary source of information for consultation with the community. The CD focussed on the major matters facing our community and the key issues within the draft Long Term Plan supporting information.

Two new significant legislative requirements for the LTP 2015 – 2025 have been the development of the 30 year Infrastructure Strategy and the Financial Strategy.

Eighteen new mandatory performance measures relating to infrastructure have also been introduced this year.

Wellington Regional Mayoral Forum

On 7 November 2014, His Worship the Mayor, Wayne Guppy was re-elected to serve a seventh term as Chair for the Wellington Region Mayoral Forum.

The Mayor out-and-about

Once again the Mayor had a very full schedule attending several awards, public functions, ceremonies, graduations, school prize-givings, business group meetings, advocacy groups, unveilings, and numerous external meetings. On average the Mayor met with approximately 25 members of the public in his office each month.

The Mayor also continued his regular monthly 'Hot seat' at the library, which provides an informal setting for anyone to speak with the Mayor. The time and date of when these occur can be found on the notice board at the entrance of the library, and on the library website under the section 'Library programmes'.

Citizenship

Three citizenship ceremonies have been held at Expressions Arts and Entertainment Centre this year. In total, 241 people became New Zealand citizens in Upper Hutt, bringing vibrant and diverse cultures into our community from a wide array of countries (18 in total). These countries include: Cambodia, China, Denmark, Fiji, Germany, Greece, India, Malaysia, Philippines, Portugal, Samoa, Somalia, South Africa, Sri Lanka, Tonga, United Kingdom, Vietnam and Zimbabwe.

Achievements this year to enhance our environment

Love Food Hate Waste nationwide campaign

Upper Hutt City Council is part of the Love Food Hate Waste campaign run by councils nationwide. The campaign aims at raising the awareness of household food waste and the importance of planning food purchases and meals, being smart about food storage, and being creative with leftovers.

A recent study revealed that every year, the average family in the Wellington region throws away more than \$599 worth of edible food. The food wastage was discovered when an audit of council rubbish bins was undertaken to try and find out exactly what foods New Zealanders were throwing away and why.

The project surveyed 1,365 people and investigated 1,402 rubbish bins, to find out why food is being wasted and what can be done about it. The results found that 27% of households admit to being large food wasters who throw out more than \$21 per week of edible food, whilst 38% of households admit to wasting \$8 per week.

Waste minimisation

Upper Hutt City Council is signatory to the statutorily required Wellington Region Waste Management and Minimisation Plan (WMMP). Most of the actions that have been undertaken have been from the Wellington Region Waste Minimisation Education Strategy. These have included funding Enviroschools, and providing information on waste minimisation. In addition, the annual hazardous waste collection day was held in September 2014, and through Council's Eco Design Advice programme, almost 50 home energy audit visits were undertaken.

Eco-design advice

Council has presented to community groups, developers, and members of the public on eco-design initiatives for new homes, and energy efficiency initiatives for built homes, generally of an older nature.

Performance measures

Council is meeting the majority of its 37* performance targets at year's end.

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



Performance: 61% of performance measures were met—*not achieved*

Community satisfaction with the provision of information by Council¹

Target: 90% satisfaction



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

86% of respondents were satisfied with the *provision of information by the Council on Council affairs*. This is an 11% increase from 2014.

* The number of performance measures identified in the Long Term Plan 2012-2022 was 32. However, when subordinate measures are also included, the number of measures increases to 39. In addition there is one overarching performance measure that calculates the total percentage of performance measures met.

Two of the 39 measures described in the Long Term Plan 2012-2022 are unable to be determined, therefore the total number of performance measures considered in the overarching measure is 37.

Further information about the exclusion of the two 'Solid Waste' performance measures can be found under the Solid Waste activity section.

¹ Annual Community Survey, carried out in February 2015.

Contributions to decision making processes by Māori

The Council has a close relationship with Orongomai Marae which provides opportunities for Māori to contribute to the decision making of the Council and to contribute to the spirit and values of the Council. In particular, the following are in place:

- His Worship the Mayor is a trustee of the Orongomai Marae Community Centre
- His Worship the Mayor and the Chief Executive meet 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
- Orongomai Marae is regularly used as a venue for community groups
- Kaumatua from Orongomai Marae participate in public ceremonies and the opening of Council facilities

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

Works programme

Projects	Budget (\$ 000)	Actual (\$ 000)	Achievements at 30 June 2015
Sustainability Strategy ¹	77	36	Completed
Regional Amenities Fund ²	53	0	Carry forward
Total Leadership works programme	130	36	

¹Under the LTP 2012 – 2022 the sustainability project (\$89,569) was in Facilities and Support Services. It has been broken into two parts, \$77,232 has been transferred to Leadership as a project and the balance of \$12,237 has been allocated to staff costs under the personnel costs in Facilities.

²The total amount is \$106,000, including the carryover amount below.

Approved carryover projects from previous years budgets

Projects	Budget (\$ 000)	Actual (\$ 000)	Funded by
Project			
Regional Amenities Fund	53	53	Completed
Total	53	53	

Cost of service statement

	Actual 30 June 2015 (\$ 000)	Actual 30 June 2014 (\$ 000)	Budget 30 June 2015 (\$ 000)
Operating statement			
General rates	2,119	2,097	2,276
Regional Amenity rate	0	0	0
Operating revenue	79	123	39
Total operating revenue	2,198	2,220	2,315
Operating costs	3,138	2,230	2,363
Interest	0	0	0
Depreciation	0	0	0
Total operating costs	3,138	2,230	2,363
Operating surplus/ (deficit)	(940)	(10)	(48)
Capital and reserves funding statement			
Capital expenditure	0	0	0
Loans repayments	0	0	0
Operating (surplus)/ deficit	940	10	48
Transfer to funds	0	0	0
Total funding required	940	10	48
Funded by			
Funding from non-cash expenses	940	10	(5)
Loans raised	0	0	0
Transfer from funds	0	0	0
Accumulated funds	0	0	53
Transfer from funds applied	940	10	48

Land Transport

The Roading 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

- In June 2015 Council received news that Upper Hutt had been allocated a portion of the Urban Cycleways Fund. Nationally, the fund represents a \$100 million total pool, of which Upper Hutt's allocation is \$1.5 million. The fund will go towards two of the Council's major cycleway projects: The rail corridor route, and sealing and widening the Hutt River Trail. Originally the projects were scheduled for completion toward the latter part of the 2015 – 2025 Long Term Plan, but the funding announcement has enabled the Council to bring the projects forward.
- The completed sealed trail along the stopbank from Moonshine Park to Poplar Grove and into the city is proving to be a great success. The trail is almost 2.85Km long and provides a fun, safe route through to the city centre for recreational cyclists, walkers and families.
- Work is underway for the seismic strengthening of the Totara Park Bridge. Although programmed for this financial year, the work was delayed whilst the final design work was completed and additional funding was obtained from NZTA. The upgrade is due for completion by the end of October 2015.
- The planned city centre upgrade work, generally within Main Street, has substantially been completed with only small areas to be finalised in 2015 – 2016.
- The construction of a new roundabout at the intersection of Pinehaven and Wyndham Roads has significantly improved the safety for all road users. The roundabout gives equal opportunity to all streams of traffic, with all traffic approaching the intersection now being controlled by a Give-Way sign.
- At the time of preparing this document, construction on the 'Welcome' sign, south of the city on State Highway 2 has been completed.
- A new Road Safety Co-ordinator, appointed in February 2015, is making good progress on providing road safety education input to the Land Transport programme.
- The first stage of a two year period of safety improvements on Akatarawa Road has commenced, starting at the cemetery end of the road. At the time of preparing this document, work has extended from the cemetery entrance road to Crest Road.
- The road resurfacing programme was completed as per the Asset Management Plans.

Performance measures

Average smoothness of all city roads ²

Target: Less than or equal to 120 NAASRA* counts



Performance: Average smoothness was 115 NAASRA counts — *achieved*

Community satisfaction with the street lighting throughout the city ¹

Target: 90% satisfaction



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

Satisfaction for this performance measure is expected to improve with the Council's approval to go ahead with the LED street lighting project identified within the Long Term Plan for 2015-25.

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

Target: 90% satisfaction



Performance: 89% of respondents were satisfied or very satisfied — *not achieved*

This performance measure has not been achieved however the result is within the statistical margin of error of 4.87%.

Assessment of footpath conditions to mitigate dangerous surface conditions developing ³

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



Performance: 98% 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 2015
Asset management – to replace existing assets			
Street drainage	313	291	Completed as per the Asset Plan
Resealing	1,278	1,083	Completed as per the Asset Plan
Lighting	48	55	Completed as per the Asset Plan
Minor safety	216	217	Completed as per the Asset Plan
Footpaths	421	355	Completed as per the Asset Plan
Carparks and bus shelters	17	3	Completed as per the Asset Plan
Litter bin replacement	4	5	Completed as per the Asset Plan
Totara Park Bridge seismic strengthening	350	74	Work in progress to be completed in 2015 – 16
Structures component replacement*	30	42	Completed as per the Asset Plan
Traffic services renewals*	358	291	Completed as per the Asset Plan
Miscellaneous work	25	58	Completed as per the Asset Plan
Capital works – to improve level of service			
Cycle and walkway – rail corridor	692	8	Not funded by NZTA
Revitalisation of Upper Hutt's city centre	681	0	Work in progress to be completed in 2015 - 16
Akatarawa Road safety upgrade	725	0	Work in progress to be completed in 2015 - 16
Comprehensive road safety review of city	49	0	Work in progress to be completed in 2015 - 16
City gateway signage	107	0	Work in progress to be completed in 2015 - 16
Enhanced public space – Lion Court	165	165	Work in progress to be completed in 2015 - 16
Encouragement of future CBD development	2,300	0	Not yet expended
Projects			
Contribution to GWRC for train station replacement	1,066	1,000	Work in progress to be completed in 2015 - 16
Total land transport works programme	8,845	3,647	

Approved carryover projects from previous years budgets

Projects	Budget (\$ 000)	Actual (\$ 000)	Funded by
Project			
Minor improvements	59	92	Rates
Safety improvements – bridges	120	11	Rates
Akatarawa Road safety upgrade	608	7	Rates (\$341K)/Loans (\$267K)
Enhanced cycle linkages	560	414	Loans
City gateway signage	281	23	Loans
Works contingency	30	0	Rates
CBD developments	645	493	Loans
Road safety	24	0	Rates
Norbert Street Bridge repair	91	92	Rates
Total	2,418	1,132	

Cost of service statement

	Actual 30 June 2015 (\$ 000)	Actual 30 June 2014 (\$ 000)	Budget 30 June 2015 (\$ 000)
Operating statement			
General rates	4,507	4,479	5,220
Operating revenue	3,020	3,640	4,253
Total operating revenue	7,527	8,119	9,473
Operating costs	5,284	3,757	5,631
Interest	337	271	515
Depreciation	4,028	4,117	4,176
Total operating costs	9,649	8,145	10,322
Operating surplus/ (deficit)	(2,122)	(26)	(849)
Capital and reserves funding statement			
Capital expenditure	3,687	2,941	7,779
Loans repayments	0	353	409
Operating (surplus)/ deficit	2,122	26	849
Transfer to funds	51	34	352
Total funding required	5,860	3,354	9,389
Funded by			
Funding from non-cash expenses	3,678	2,924	3,421
Loans raised	2,150	411	5,559
Transfer from funds	32	19	409
Accumulated funds	0	0	0
Transfer from funds applied	5,860	3,354	9,389

Water supply

The water supply activity, contracted to Wellington Water, covers the provision of a safe, reliable and potable supply of water for domestic, business and firefighting purposes to urban Upper Hutt and some 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

Construction of the 2014 - 2015 watermain and ridermain renewals is complete. The work package included renewals at Gibbons Street, Plateau Road and Pinehaven Road, and the construction of emergency water supply points.

Construction of the Moonshine Road watermain renewal is complete. This is Council's part of Greater Wellington Regional Council's bulk water supply pipeline project.

Seismic strengthening of the Pinehaven number two reservoir is underway and at the time of preparing this document was scheduled for completion in August 2015.

A routine summer water restriction promotion was carried out, including the use of city billboards, flyers, and newspaper advertising. Increased monitoring and promotion was implemented in response to the extended dry period in late summer.

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*

This performance measure has not been achieved however the result is within the statistical margin of error of 4.87%. This measure also received 94% satisfaction in the previous year.

Interruptions to the water supply ³

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



Performance: 91% — *not achieved*

While most interruptions to the water supply were restored within 2 hours, a number marginally exceeded the target time, due to the nature of the repair. There were no major incidents caused as a result of this. The total number of unplanned shutdowns however is well under target, continuing a decreasing trend over the last three years.

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 2015
Asset management – to replace existing assets			
Pipeline renewal ¹	1,122	1,081	Gibbons Street, Plateau Road, Emergency Supply Points completed. Pinehaven Road progressed ahead of programme.
Reservoir upgrade ²	368	160	Plateau Reservoir ASV completed. Pinehaven Reservoir upgrade commenced and construction carried over to 2015-16.
Miscellaneous works	53	53	Telemetry upgrades and bulk meter purchase and installations complete.
Capital works – to improve the level of service			
Pressure management	83	84	Telemetry upgrades and bulk meter purchase and installations complete.
Total water supply works programme	1,626	1,378	

¹ Pipeline renewal - Funding has been reallocated from the deferred stormwater renewal programme 2015 – 2016, to meet the renewal requirements in water supply.

² Reservoir upgrade - Reservoirs are upgraded to meet seismic conditions as part of Council's asset management plan.

Cost of service statement

	Actual 30 June 2015 (\$ 000)	Actual 30 June 2014 (\$ 000)	Budget 30 June 2015 (\$ 000)
Operating statement			
Rates	4,825	4,686	4,902
Operating revenue	1,257	1,647	1,495
Total operating revenue	6,082	6,333	6,397
Operating costs	5,337	5,198	5,218
Interest	33	30	42
Depreciation	1,719	1,596	1,598
Total operating costs	7,089	6,824	6,858
Operating surplus/ (deficit)	(1,007)	(491)	(461)
Capital and reserves funding statement			
Capital expenditure	1,378	1,022	1,626
Loans repayments	71	71	71
Operating (surplus)/ deficit	1,007	491	461
Transfer to funds	0	0	0
Total funding required	2,456	1,584	2,158
Funded by			
Funding from non-cash expenses	2,064	1,484	1,558
Loans raised	225	0	433
Transfer from funds	167	100	167
Accumulated funds	0	0	0
Transfer from funds applied	2,456	1,584	2,158

Wastewater

The wastewater system, contracted to Wellington Water, 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

Construction of the Whakatiki Street and Brentwood Street wastewater pipeline renewal projects has been completed.

A citywide, planned repair (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: 0.5 blockages — *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 2015
Asset management – to replace existing assets			
Pipeline renewal upgrade ¹	1,873	1,528	Noted below
Miscellaneous works	43	43	Completed
Capital works – to improve the level of service			
Wastewater project capital ²	624	465	Noted below
Total wastewater works programme	2,540	2,036	

¹ Pipeline renewal upgrade

The 2014 - 2015 stormwater renewal programme has been deferred to 2015 - 2016 to accommodate completion of the stormwater network model calibration (as shown in the following activity area). The funding has been re-allocated into 2015 - 2016 to meet the renewal requirements in wastewater and water supply.

² Wastewater project capital

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

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

The Wastewater project capital will cover the renewal of assets, which includes pipelines, pump stations, the Seaview treatment plant and the maintenance of the protection to the pipeline. The pipelines run from Upper Hutt to the treatment plant, and then from the treatment plant to the outfall at Pencarrow.

Approved carryover projects from previous years budgets

Projects	Budget (\$000)	Actual (\$000)	Funded by
Wastewater mains renewal	525	525	Rates
Wastewater Hutt Valley Trunk Wastewater System capital	175	230	Loans
Flow monitoring	10	7	Rates
Total	710	762	

Cost of service statement

	Actual 30 June 2015 (\$ 000)	Actual 30 June 2014 (\$ 000)	Budget 30 June 2015 (\$ 000)
Operating statement			
Rates	6,228	5,368	6,696
Operating revenue	239	714	777
Total operating revenue	6,467	6,082	7,473
Operating costs	4,359	4,372	4,807
Interest	723	711	775
Depreciation	3,330	3,035	3,259
Total operating costs	8,412	8,118	8,841
Operating surplus/ (deficit)	(1,945)	(2,036)	(1,368)
Capital and reserves funding statement			
Capital expenditure	2,790	1,142	2,540
Loans repayments	196	183	196
Operating (surplus)/ deficit	1,945	2,036	1,368
Transfer to funds	0	0	0
Total funding required	4,931	3,361	4,104
Funded by			
Funding from non-cash expenses	3,420	2,785	3,180
Loans raised	694	303	624
Transfer from funds	817	273	300
Accumulated funds	0	0	0
Transfer from funds applied	4,931	3,361	4,104

Stormwater

The stormwater activity, contracted to Wellington Water, 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

Calibration and upgrading of the existing stormwater model has been completed this year, and options analysis is underway. Programming of future measures to reduce flood risk is proposed to be carried out in 2015 - 2016.

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 2015
Asset management – to replace existing assets			
Pipeline renewal	11	15	The pipeline renewal programme has been deferred to 2015 - 2016 to accommodate the completion of the stormwater network model calibration.
Telemetry upgrade	5	5	Minor upgrade completed.
Pump station renewal	45	9	Design progressed and equipment purchases made for Perry Street – renewal to be completed in 2015-16.
Capital works – to improve the level of service			
Sunbrae Drive upgrade of the stormwater project	0	0	The Sunbrae Drive upgrade of the stormwater project has been deferred until 2015 - 2016.
Total water supply works programme	61	29	

Approved carryover projects from previous years budgets

Projects	Budget (\$ 000)	Actual (\$ 000)	Funded by
Capital works			
Sunbrae Drive upgrade of the stormwater project	50	46	Stormwater rates account
Projects			
Pinehaven Stream study	4	0	Rates
Stormwater model calibration	14	14	Rates
Total	68	60	

Cost of service statement

	Actual 30 June 2015 (\$ 000)	Actual 30 June 2014 (\$ 000)	Budget 30 June 2015 (\$ 000)
Operating statement			
Rates	1,496	2,242	1,544
Operating revenue	59	419	637
Total operating revenue	1,555	2,661	2,181
Operating costs	1,598	1,752	1,527
Interest	0	0	0
Depreciation	1,657	1,582	1,590
Total operating costs	3,255	3,334	3,117
Operating surplus/ (deficit)	(1,700)	(673)	(936)
Capital and reserves funding statement			
Capital expenditure	75	751	61
Loans repayments	0	0	0
Operating (surplus)/ deficit	1,700	673	936
Transfer to funds	0	0	0
Total funding required	1,775	1,424	997
Funded by			
Funding from non-cash expenses	1,715	1,424	997
Loans raised	0	0	0
Transfer from funds	60	0	0
Accumulated funds	0	0	0
Transfer from funds applied	1,775	1,424	997

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 Management and Minimisation 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 in 2014 – 2015:

- a regional joint waste by-law
- shared services between the councils
- improved data collection
- packaging design controls.

Regional Waste Education Strategy

The Regional Waste Education Strategy seeks to engage communities and businesses in a cohesive and constructive way, helping people to better understand the benefits of adopting a waste minimisation culture. Through greater understanding and instilling the motivation to change current waste related behaviours, benefits to the region's population will include; reducing the waste of valuable resources, improving our region's economic efficiency (saving money), and reducing our impact on the environment.

Performance measures

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 N/A

Performance: See below — Unable to be determined

The only annual tonnage data currently available to Council through its refuse collection is that collected from Council refuse bags. This tonnage only represents a minor part (possibly less than 10%) of the total waste collected from the Upper Hutt area, as there are now a number of other private waste collectors available to the Upper Hutt residents. Obtaining accurate data from the private companies is often somewhat unreliable, making it difficult to accurately report on this performance measure. A reduction or increase in the Council refuse bags does not necessarily indicate a corresponding reduction or increase at the landfill, as the resident may simply have employed another method of waste disposal. This performance measure has been updated in the 2015 – 2025 Long Term Plan.

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

Target: Annually increase the number of households who recycle on a regular basis N/A

Performance: See below — Unable to be determined

Although Council can have a role in promoting recycling, the target of increasing participating households still relies heavily on non-Council (private) companies, and as such is not strictly within Council's control to achieve. As with solid waste, Council is reliant on the data supplied by the private companies, the accuracy of which cannot be verified. One key contractor withdrew from the local market, which in turn reduced the number of participating households.

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).

Works programme

Projects	Budget (\$ 000)	Actual (\$ 000)	Achievements at 30 June 2015
Project			
Waste management and minimisation plan – Wellington regional projects	4	22	School calendar promoting recycling/reduce.
Waste management and minimisation plan – Upper Hutt projects	54	42	<ol style="list-style-type: none"> 1. Carried out recycling survey 2. Participated in EnviroSchools programme 3. Provided Hazardous Waste Collection 4. Supported Nappy Lady programme 5. Zero Waste Funded Schools/Gardens 6. Sponsored World of Waste Tours 7. Carried out School Waste Audits 8. Wheelie Bin Worm Farming.
Total solid waste works programme	58	64	

Cost of service statement

	Actual 30 June 2015 (\$ 000)	Actual 30 June 2014 (\$ 000)	Budget 30 June 2015 (\$ 000)
Operating statement			
General rates	(363)	(480)	(346)
Operating revenue	594	627	525
Total operating revenue	231	147	179
Operating costs	232	147	179
Interest	0	0	0
Depreciation	0	0	0
Total operating costs	232	147	179
Operating surplus/ (deficit)	(1)	0	0
Capital and reserves funding statement			
Capital expenditure	0	0	0
Loans repayments	0	0	0
Operating (surplus)/ deficit	1	0	0
Transfer to funds	0	0	0
Total funding required	1	0	0
Funded by			
Funding from non-cash expenses	1	0	0
Loans raised	0	0	0
Transfer from funds	0	0	0
Transfer from funds applied	1	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 manages 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

Biosecurity Physical Containment Laboratory (PC3) at Wallaceville

A building consent is currently being processed for the new PC3 biosecurity containment laboratory at Wallaceville.

Alexander Road Private Plan Change

A Private Plan Change to rezone business industrial land to residential was successfully defended in the Environment Court to ensure an adequate future supply of business zoned land.

Wallaceville Private Plan Change

A Private Plan Change is currently being considered for the rezoning of land at Wallaceville to residential use to enable a major new housing development to come forward.

Dog control

'If the dog's on its own, leave it alone'

Council engaged with an outside supplier to reach all Upper Hutt primary schools teaching the children how to be safe around dogs. This programme, called 'If the dog's on its own, leave it alone', was developed by Christchurch City Council a number of years ago, and has been modified to suit different age groups.

Land Information Memorandum (LIM)

During 2014 – 2015, officers processed 378 LIM applications, an increase of 47 on the previous year.

Performance Measures

Process resource consents within the statutory timeframes ²

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



Performance: 99.4% — *not achieved*

Of the 163 consents processed this year, one consent was not processed within the statutory timeframe.

Community satisfaction with Council's current resource management practices ¹

Target: 87.5% satisfaction



Performance: 59% of respondents were satisfied or very satisfied—*not achieved*

In the 2015 Annual Community Survey, only respondents (or their families) who have dealt with the Council in respect to land use and subdivision matters were further questioned about their 'satisfaction with current resource management planning practices'. This resulted in only 48 respondents (14% of the total) answering the question. Satisfaction levels in this area are often impacted by legislatively enforced processes and controversial planning projects, including plan changes, which attract differing views leading to decreased satisfaction.

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

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



Performance: 94% of respondents were satisfied or very satisfied — *achieved*

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



Performance: 86% of respondents were satisfied or very satisfied — *achieved*

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



Performance: 89% of respondents were satisfied or very satisfied — *not achieved*

Although not achieved, a significant improvement of 8% was attained compared to the previous year. The result is within the statistical margin of error of 4.87%.

Process building consents within the statutory timeframes ²

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



Performance: 100% of building consents — *achieved*

Process LIMs within the statutory timeframes ²

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



Performance: 100% LIMs applications — *achieved*

Timeliness of food and hairdresser premises inspections ²

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*

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: 99.7% (943 out of 946) — *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 2015
Project				
CP	District Plan rolling review	106	87	Plan change 38: Utilities chapter review. Plan change notified. Plan change 39: Definition review operative
CP	Urban Growth Strategy review	33	23	Issues and options consultation document preparation underway
CP	Maymorn Structure Plan	96	0	Further work deferred pending review of the Urban Growth Strategy
Total city planning works programme		235	110	

Approved carryover projects from previous years budgets

Projects		Budget (\$ 000)	Actual (\$ 000)	Funded by
BC	Building financial assistance package claims	30	0	Rates
BC	Building consultants fees	15	0	Rates
CP	Urban Growth strategy	40	35	Rates
CP	Maymorn Structure Plan	132	0	Rates
CP	Habitat Improvement Study	87	0	Loans
Total		304	35	

CP = City planning policy cost centre

BC = Building control cost centre

Cost of service statement

Amalgamations:			
	Actual	Actual	Budget
	30 June 2015	30 June 2014	30 June 2015
	(\$ 000)	(\$ 000)	(\$ 000)
• Building and compliance services			
• Planning			
Operating statement			
Rates	2,058	2,342	2,207
Operating revenue	1,757	2,129	1,984
Total operating revenue	3,815	4,471	4,191
Operating costs	3,585	3,812	3,806
Interest	21	48	28
Depreciation	0	0	0
Total operating costs	3,606	3,860	3,834
Operating surplus/ (deficit)	209	611	357
Capital and reserves funding statement			
Capital expenditure	0	0	0
Loans repayments	69	137	89
Operating (surplus)/ deficit	(209)	(611)	(357)
Transfer to funds	220	426	310
Total funding required	80	(48)	42
Funded by			
Funding from non –cash items	78	(51)	4
Loans raised	0	3	0
Transfer from funds	2	0	38
Accumulated funds	0	0	0
Transfer from funds applied	80	(48)	42

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 team identifies the social and wellbeing needs and strengths of the community in order to develop and support initiatives to create a more resilient, informed and connected community.

Activation

The Activation team 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

Emergency Management - Civil Defence

Regular training of the staff that will be required to man the Emergency Operating Centre (EOC) in an emergency is being undertaken on a monthly basis. The training is structured to provide each member of the EOC with a thorough understanding of their role in an emergency and how it relates to the overall Council response.

Activation

Sport strapping

Activation, in partnership with ProActive Physio and USL Medical, ran six workshops on 'Sports Strapping' and 'Sports Massage' in Upper Hutt, Lower Hutt, and Wellington city. In total 74 participants took part. Activation received support from Wellington City Council, and Sport Wellington to deliver this programme.

ALIVE

Four successful programmes were run throughout the year: Stepping Up, Teen Parent Unit, The Spot, and C25K.

- **Stepping Up**

Members from Unscripted, a theatre sports group comprising of residents from around the area and initiated by the library, were invited to assist Activation to develop a 12 week recreational programme for people aged over 50. The resulting activities included several walks, indoor bowls, badminton, pétanque and dance lessons.

REPORT ON COUNCIL PERFORMANCE BY ACTIVITY

- **Teen Parent Unit**

This programme was designed to encourage young mums and their children back into active recreation.

- **The Spot**

Activation assisted the committee at Trentham Community House to initiate a Social Volleyball League.

- **C25K**

Couch to 5 kilometres (C25K). In preparation for the annual Colour Run 5 Km run/walk at Trentham Memorial Park, Activation assisted and encouraged several, normally inactive people, to a level of fitness that enabled them to take part in the event. The finish line was quite an emotional place for this group of people, having achieved their goal.

Badminton

Badminton has been a huge success for the Activation team, with an average of 30 participants arriving each week for a game or two. Due to its popularity work is now underway for a senior club to be established in Upper Hutt, in partnership with the junior club.

Sporting Chance TAB scholarship

Sporting Chance, funded by the TAB, was established to assist children and youth (ages 8 - 18) attending school in Upper Hutt to participate in sport or physical activity, where previously finance had been a barrier. Twenty one young people received funding in the form of fees (subs), clothing, equipment or footwear.

GOLD (Growing Old Living Dangerously)

GOLD is a programme that offers residents 50+ the opportunity to take part in adventurous activities. Adrenaline-fueled events like whitewater rafting at Otaki Gorge and the aerial obstacle course at Adrenaline Forest offered like-minded people a chance to connect and push themselves beyond their comfort zone. Both were a huge success.

ADAPT

The ADAPT programme was designed to expand the number of recreation activities available to local residents who have any sort of impairment or disability. Funded by the Ministry of Social Development, Activation worked with clubs and community providers in sport and recreation to provide the programme.

KIWISPORT

Funded by Sport Wellington, Activation has completed an 18 month project on Sport Engagement Promotion, Stay in Sport Promotion, Training and Club Development, Traditional/Non-Traditional College Sport and Youth in Parks.

- **Sport engagement promotion and Stay in sport promotion**

Both of these promotions were focussed on students entering college.

- **Training and club development**

Development workshops covered Funding through Funders, Sports Strapping, Sports Massage and Generic Entry Level Coaching.

- **Traditional/non-traditional college sport**

Hundreds of local college students have benefited from the many Have-A-Go opportunities such as futsal, handball, indoor bowls, lawn bowls, archery, rifle shooting, speedball, yoga, zumba, AFL, ultimate frisbee and triathlon.

- **Youth in parks**

Making great use of our wonderful parks, young people were invited to collect their mates and go along to seven free activities including water slides, water fights, bull rush, football, touch, cricket and yoga – sausage sizzles included. Over 150 students, along with several 'brave' parents/caregivers, had some great times in the parks over summer.

Community Development

Wellington International Airport Community Awards

For the 2014 Awards, Upper Hutt received 38 nominations recognising the efforts and achievements of an array of different not-for-profit community groups. Representatives from Wellington International Airport and Wellington Community Trust joined the Mayor, Wayne Guppy on 17 July, to determine the winners.

Positive Ageing Week 2014

Positive Ageing Week offered 20 diverse events and programmes where residents over 50 could learn new skills while having fun and connecting with friends, family, whanau, community groups, and organisations.

Timberlea Community Centre

Council successfully assisted with the establishment of a new governance structure for the Timberlea Community Centre, providing a more stable platform for the delivery of future community initiatives for the local residents.

Graffiti prevention

Various projects have been initiated to address graffiti prevention, including the development of the *Preventing Graffiti in Our Community*, and the *Helpful Tips for Cleaning Graffiti* brochure, providing information on both the prevention and management of graffiti. The Community Development team has supported community clean-ups of graffiti through providing free paint and equipment to residents, as well as running initiatives for the Keep New Zealand Beautiful Graffiti Free Week.

White Ribbon - Council collaborated with Orongomai Marae and the White Ribbon Riders to hold a family day at the Timberlea Community Centre. The event attracted over 300 people throughout the afternoon and was attended by the White Ribbon Ambassadors Judge Peter Boshier and Mayor Wayne Guppy.

Young Achievers Awards 2015

Council celebrated the achievements of Upper Hutt's young people at the annual Young Achievers Awards 2015. Young people were nominated in the categories of Sports, Cultural, Leadership, Social Hero and Perseverance Awards. There was also an overall Mayoral Award presented by His Worship the Mayor. The awards night had a total of over 100 attendees comprising nominees, family members, services and volunteers.

Cheers to Volunteers

In the spirit of National Volunteer Week 2015 (21 – 27 June), and the Wellington Airport Community Awards, Upper Hutt City Council hosted a successful evening for the volunteers of Upper Hutt at Expressions Whirinaki Arts and Entertainment Centre. More than 120 volunteers attended the evening, including volunteer firefighters, sports coaches, mentors, administrators, volunteers working with children and young people, and various other community groups and organisations that provide a service to the Upper Hutt community. The evening also featured guest speakers Jo Maxwell, Community Awards Manager from Wellington Airport and Scott Millar, Chief Executive of Volunteering New Zealand. Volunteers were applauded for their selfless contribution to Upper Hutt by Mayor Wayne Guppy.

Timberlea Community Street Clean Up

31 tonnes of rubbish, green waste and recycling was successfully removed from the Timberlea community on 20 June 2015. With 18 skip bins being placed on the streets in Timberlea, residents were able to send items to the landfill, or to be recycled or composted. Over 40 volunteers from local stakeholders such as Upper Hutt Community Youth Trust, Housing NZ and Safe Hutt Valley supported the day. There was positive feedback from residents, volunteers and stakeholders involved.

Funding Expo

Council hosted and facilitated a funding expo at the Upper Hutt City Library in May 2015. Four funders: Upper Hutt City Council, Department of Internal Affairs, Upper Hutt Cossie Club and Pelorus Trust presented on their funding schemes. Open to all community groups, over 80 people attended to learn about funding opportunities and how to apply for funding.

Health and Wellbeing workshops

Council engaged Umbrella Health to deliver free Health and Wellbeing workshops for the public during June and July 2015. The workshops focussed on understanding stress, resilience and developing and maintaining good cognitive health. Additionally it taught skills and strategies for coping with stress and developing resiliency. The workshop was repeated four times in two locations, Upper Hutt City Library and Timberlea Community House, to ensure accessibility for residents.

Young People

Council has focused on a range of initiatives for young people to address truancy and graffiti issues, as well as enhancing life skills and connections to support services. Community Development is working towards creating a Youth Strategy and a Youth Action Plan for Upper Hutt City alongside key stakeholders to enhance the wellbeing of Upper Hutt's rangatahi/young people.

Funding Rounds

Two key community funding rounds are administered annually by Council. Creative Communities has had two Rounds administered to support community arts based projects. The Community Grants, which supports regional and community organisations and groups that service the residents of Upper Hutt, has been allocated in its annual round.

Community Connect

To understand the needs of community groups, an evening of inspirational speakers and brainstorming was held in March 2015. The information and ideas generated from the 55 community groups that attended helped shape the way Community Development communicates with, and supports the many community groups and services in Upper Hutt.

Performance measures

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

Target: 90% satisfaction

Performance: 88% of respondents were satisfied or very satisfied—*not achieved*



Out of 200 community groups who were invited to take part in the survey only 60 answered this question, with 10% reporting unsatisfactory engagement experiences.

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: Activation: 100% — *achieved*



Community: 99.0% — *achieved*



Results for Community initiatives were based on: Breakfast Club, Health and Wellbeing, Cognitive Wellbeing, Probation Breakfast Club, and Engage as you age.

Results for Activation initiatives were based on: Sports massage and strapping, Social media workshop, ALIVE, and ADAPT.

Our community is increasingly prepared for a civil defence emergency¹

Target: 75% satisfaction

Performance: 75% 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 2015
Asset management – to replace existing assets				
EM	Vehicles	16	0	Vehicles were replaced as leases expired
Capital works – to improve the level of service				
EM	Riverstone Recreation Hall seismic upgrade	80	17	Bracing was installed to strengthen the building to 100% New Building Standards
Projects				
CS	Youth strategy	13	5	Noted under 'Actions undertaken to support the community'
CS	Safe and healthy cities	22	22	As above
CS	Focus on community safety ¹	12	11	As above
AC	Activation	242	239	As above
Total community services works programme		385	294	

CS = Community Services

AC = Activation

RF = Rural Fire

EM = Emergency Management

¹This project, shown in the LTP as 'increased capacity: graffiti and safety', has been broken up to be shown as two separate components, \$57,000 for personnel costs and \$12,000 for related projects.

Approved carryover projects from previous years budgets

Projects		Budget (\$ 000)	Actual (\$ 000)	Funded by
EM	Relocate Emergency Operations Centre equipment	50	0	Loans
EM	New Emergency Operations Centre seismic upgrade	153	146	Loans
RF	Rural fire vehicles	166	159	Special funds
Total		369	305	

Cost of service statement—Community services

Amalgamations:			
	Actual	Actual	Budget
	30 June 2015	30 June 2014	30 June 2015
	(\$ 000)	(\$ 000)	(\$ 000)
• Community services			
• Activation			
• Emergency management			
Operating statement			
Rates	1,172	1,354	1,371
Operating revenue	433	477	122
Total operating revenue	1,605	1,831	1,493
Operating costs	1,499	1,646	1,414
Interest	6	0	21
Depreciation	31	24	79
Total operating costs	1,536	1,670	1,514
Operating surplus/ (deficit)	69	161	(21)
Capital and reserves funding statement			
Capital expenditure	322	72	96
Loans repayments	0	0	0
Operating (surplus)/ deficit	(69)	(161)	21
Transfer to funds	59	180	60
Transfer of non-rate funds	54	0	0
Total funding required	366	91	177
Funded by			
Funding from non-cash items	35	18	81
Non rate funded	25	46	80
Loans raised	143	4	0
Transfer from funds	163	23	16
Accumulated funds	0	0	0
Transfer from funds applied	366	91	177

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 Whirinaki 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

Upper Hutt City Library provides a wide range of easily accessible collections and programmes that inform, inspire and engage the community. The Library enriches the lives of residents by creating a safe, welcoming environment that encourages lifelong learning and leisure. Informational, recreational and local heritage material is gathered and maintained in both print and digital formats with special emphasis given to helping those groups with the greatest need and least ability to independently access the services the Library provides.

Expressions Whirinaki Arts and Entertainment Centre

The Expressions Whirinaki Arts and Entertainment Centre provides cultural, arts and leisure opportunities in the city, based within the centre. Expressions Whirinaki engages, inspires and connects people with art, culture, recreation and heritage by providing a focal point for Upper Hutt. On offer is a varied programme of art and heritage exhibitions and events, concerts and shows, workshops and education classes for schools and community activities which vary throughout the year.

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

Expressions Whirinaki 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

- H²O Xtream Operations Team Leader, Kristin Raynes, was awarded the prestigious award of Lifeguard of the Year in October 2014.
- H²O Xtream maintenance closure was completed successfully in July/August 2014. The plant room received a major overhaul with the majority of pipes being replaced. The new roof above the offices, reception and changing rooms was completed in April 2015.
- The installation of the UV system in the spa, and the new filtration media being used for the pools, have resulted in a reduction of both the chemical budget and bacteriological testing budget for the year 2014 – 2015.
- A new social media marketing plan is underway resulting in a wider reach across many online platforms and higher customer engagement.
- The H²O Xtream holiday programme funding from the Ministry of Social Development has been confirmed for the new financial year 2015 - 2016.

Central and Pinehaven Libraries

Memories of Main Street Pop Up Museum

The Library's Heritage Collection team created a 'pop up' museum entitled *Memories of Main Street* in Maidstone Mall from 24 -27 September 2014. Photographs celebrating the history of Upper Hutt's city centre were displayed and a flatbed scanner was made available for visitors to add their own content. Over five hours of oral history recordings were made with visitors, over a dozen new heritage photographs scanned and numerous useful facts about Main Street's past were acquired for adding to the Heritage Collections. Feedback from the almost 900 visitors was extremely positive with several requests for something similar to be held again this year.

Ukuleles

A pop-up ukulele class at Trentham Military Camp has become a well-attended regular outreach programme. There is a collection of ukuleles which are available to borrow.

Participants from the ukulele classes have been involved in a range of other programmes and events held at the Library including playing for our Friday Fables Christmas party and the Carols at the Library event.

Unscripted

Unscripted, a drama programme for those aged 50+, ran for eight weeks in the Library's Rotary Lounge. The programme achieved its goal of bringing people in this age group together and helping them form stronger relationships by encouraging community participation. One participant commented that she 'had never laughed so much in 70 years!' Unscripted has now become a regular event run by the participants themselves. The group has also become involved in the wider community, including performing at local rest homes and supporting Activation's ALIVE programme.

New Zealand Music Month

The annual New Zealand Music Month celebrations were once again a success with 188 people attending four events: a performance by local music group Upper Hutt Country Music Club with traditional and crossover style country music; an interactive body percussion workshop; a performance by Upper Hutt Library's UH Ukes group; and an evening variety concert with Upper Hutt College students who performed their own compositions and works by New Zealand composers.

Stepping Up computer literacy classes

Targeted for people with little or no computing experience this course came about due to many enquiries at the library. Thirteen classes covered a range of topics from which participants could choose the classes that best suited their needs and interests. Most classes were fully booked.

Technology and Youth

The library has offered a range of technology based programmes to encourage STEM (Science, Technology, Engineering and Maths) skills. These programmes include:

- a 3D printing workshop where local students designed their own 3D object using the same sculpting techniques as used in the film industry.
- web coding workshops where participants learnt about HTML and CSS and designed a live one-page website which was published online.
- programming and robotics eight week course for year 10-13 students. Participants learnt how to programme their own games for android phones amongst other projects. Due to the popularity of this course another five sessions were also offered in term four.

Expressions Whirinaki Arts and Entertainment Centre

50 Greatest Photographs of National Geographic

An international exhibition from Washington DC was staged at Expressions Whirinaki Arts and Entertainment Centre in May 2015. This was the first time ever The National Geographic has been to New Zealand and, with over 20,000 visitors through the exhibition, was a record breaker for the Centre. Over the weekends there were large crowds and queues with many visitors travelling from outside the region. Overwhelmingly positive feedback has been received.

Submergence

A large immersive walkthrough installation with thousands of points of light floating in the gallery was another hugely popular exhibition. This breath-taking installation was created by award-winning digital artists Squidsoup, from the UK. Once inside, visitors could walk freely around, completely surrounded by light, sound and movement. Expressions received an amazing response from this artwork, with HUGE crowds each day, particularly from children and young people.

WWI: Tracing the Footsteps from Trentham

The first local history-focussed exhibition at Expressions Whirinaki, ran from 16 August to 3 October 2014 and then toured to the National Army Museum where over 20,000 visitors saw the exhibition. This exhibition told the story of the Trentham Army Camp which trained over 8000 soldiers during WW1. It received funding through the WW1 Lotteries scheme and was a finalist in the 2015 Museums Aotearoa Award for 'Best Exhibition'. The supporting public programme: the WWI Regimental Dinner, presented in association with Wellington on a Plate was the winner of the 'Most Innovative Public Programme Award'.

Late Nite Sound Bite and Little Expressions

Late Nite Sound Bite was launched in August 2014. It offered live music, cheap eats and drinks, and had all the galleries open from 6 -9 pm once a month. In addition *Little Expressions* was launched in Jan 2015: this is an art programme dedicated to pre-schoolers. Both programmes have been popular with great feedback.

Productions

As always December was busy with four dance schools holding their end of year productions.

The Upper Hutt Musical Theatre's production of Jesus Christ Super Star received sell out audiences for 10 shows.

Outdoors, Fuse Circus presented a four show 'by donation' outdoor circus to over 500 people, to the delight of local audiences.

Events in the Professionals Recreation Hall

Having transformed the hall into a magical fairy land, the first 'Christmas at Expressions' event held on 7 December 2014, directly after the Christmas parade, was a huge success with approximately 3500 people attending.

Well Made Craft Fair

The annual Well Made Craft Fair, was held on 22 November 2014 with a stand-out attendance of over 2000 people and 55 stall holders. Positive feedback was received on the quality and range of products available.

Rotary Gaint Book Fair

Over 10,000 people attended the Rotary Gaint Book Fair in June.

Parks and reserves

Tennis courts at Maidstone Park

The contract for the construction of four tennis courts at Maidstone Park, located behind the new hockey and rugby/football turfs has been awarded and construction is due to start early in the new financial year. The courts will be illuminated for evening play and surfaced with a synthetic grass, known as Omnicourt pro Court, which has the best playability of all the available synthetic surfaces.

Playground upgrades

The three large slides at Maidstone Max were replaced this year and the surface of the mound has been upgraded. The park has been enjoyed by families for well over 10 years and features an adventure playground for all ages with equipment that includes the large slides, flying foxes, one of New Zealand's tallest climbing nets, free barbecues, picnic tables, swings, seesaws, a 'roctopus' and a concreted skate/BMX park which hosts regular regional events.

The play equipment and landing surfaces at Birchville Park, Edmund Lomus Park, and Harcourt Park junior playground have also been upgraded.

Hutt River Trail upgrades

A number of areas along the Hutt River Trail have been upgraded in preparation for the widening and sealing of the trail as part of the National Cycleway upgrade. These areas included:

Riverstone Stage 8 development: The trail was formed around the edge of the development on the land that became available to Council as part of the housing development. Seats will be installed for people to take advantage of the pleasant views of the river.

Gemstone Drive: A section of the trail along the top of the stopbank from Akatarawa Road to the Pylon Reserve has been upgraded.

Topaz Street: To complete the missing link behind Topaz Street the trail has been formed where the current trail was only grass.

Awakairangi Park: Work has been carried out in this area to form trails through from the park to eventually meet with Moonshine Bridge. The work includes the area around the Totara Park Road and Totara Park Bridge. New vehicle barriers have been installed to prevent vehicle access to the stopbank.

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: 92% of respondents were satisfied or very satisfied—*not achieved*

Whilst the satisfaction level did increase by 3% points (on last year's result) it has consistently not met the target since we started surveying this way in 2007. This is likely a result of having a very high target, having an aging facility, and trying to please everyone, when in reality the target market is 10-14 year olds.

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 2015—*achieved*

H²O Xtream annual attendance figures

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



Performance: 182,170 people visited H²O Xtream —*not achieved*







Closure of the pool for maintenance during August and September 2014 impacted on the annual attendance figures.

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

Target: 95% satisfaction



Performance: 99% 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:	Increase the number of issues from that of the previous year (558,973 issues) ³	
Performance:	502,131 issues — <i>not achieved</i>	
	Council ceased aiming to increase items issued and this measure has been removed, as of the Long Term Plan 2015 – 2025. The number has been collected and reported on internally, but it is no longer relevant as a performance target as physical issues across the library sector worldwide are reducing, with libraries being used as community hubs rather than book suppliers.	
Target 2:		
	Increase the number of physical visits from that of the previous year (409,966 visits) ⁴	
Performance:	310,118 visitors — <i>not achieved</i>	
	A door counter provides the exact number of visitors entering and exiting the Library. The actual count was 344,576 but due to the inability of the counting mechanism to determine unique individual visitations, a 10% downward adjustment has been made.	
Target 3:		
	Increase the number of website visits from that of the previous year (47,972 website visits) ⁵	
Performance:	45,950 website visits — <i>not achieved</i>	
	The introduction of a new reporting method which counts a different level of activity has impacted on the website visit number not being achieved.	
Community satisfaction with the range and number of arts opportunities provided at Expressions Arts and Entertainment Centre ¹		
Target:	90% satisfaction	
Performance:	94% of respondents were satisfied or very satisfied — <i>achieved</i>	
Number of visitors to the Expressions Arts and Entertainment Centre ⁶		
Target:	65,000 visitors	
Performance:	133,000 visitors — <i>achieved</i>	
	Due to the limitations of the counting mechanism used to determine unique individual visitations a 10% downward adjustment has been made.	
Community satisfaction with the level of provision of open space, amenities, and gardens ¹		
Target:	95% satisfaction	
Performance:	98% of respondents were satisfied or very satisfied — <i>achieved</i>	

- | | | |
|--|--------------------------------|------------------------------------|
| 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 2015
Asset management to replace existing assets			
PR Toilets	53	5	Upgrading of the Whakatiki toilets was not required
PR Amenities replacement	101	99	Achieved
PR New roading seal	11	7	Achieved
PR Renewal roading sealing	43	33	Achieved
PR Play equipment	122	171	Achieved. The original budget was changed
LB Equipment replacements	6	10	Achieved
Capital works – to improve the level of service			
PR Walkway signage	3	1	Achieved
PR Upgrading of Hutt River Trail	79	0	Carried over
PR New pathways and walkways	15	0	Carried over
PR Walkway asset replacement/refurbishment	35	34	Achieved
PR Enhanced public space (Geange Street and Logan Street)	264	264	Carried over into Roding budget
LB Library resources	255	242	Expended on resources
LB APNK – public internet	21	23	Enabled free internet access
PR Maidstone Park turfs	3,732	0	Land sales not achieved
PR Tennis Courts	750	40	Balance Carried over
Projects			
HO Maintenance of H ² O Xstream	531	498	Completed - \$498K has been re-classified as capital expenditure
PR Large trees in reserve	10	8	Achieved
PR Native forest management programme	3	2	Achieved
PR Monitoring native bush	3	3	Achieved
SS Sustainable strategy programme ¹	77	36	Regional Food Waste Prevision project, Mangaroa River restoration project, Enviroschools programme, Eco design advice, Zero Waste Fund grant scheme

Projects	Budget (\$ 000)	Actual (\$ 000)	Achievements at 30 June 2015
SS Community environment education and action project ²	0	0	
Total Facilities works programme	6,114	1,476	

Key PR = Parks and Reserves HO = H²O Xstream LB = Library
PP = Property CE Cemetery SS = Support Services

¹ Under the LTP 2012 – 2022 the sustainability Strategy (\$89,509) was in Facilities under Support Services. It has now been broken down into two parts, \$77,232 has been transferred to Leadership as a project and the balance \$12,337 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 Intranet and information management redevelopment	24	24	Rates
SS Legal fees	10	11	Rates
SS Financial software consultants	10	11	Rates
SS Drainage/water software	20	20	Rates
SS Drainage/water engineering services	20	37	Rates
SS Director Asset Management Operations and consultants	102	71	Rates
PR Sealing Hutt River Trail	100	53	Rates
PR New enhanced public space	22	22	Loans
HO HAPAI Club external maintenance	41	0	Rates
Total	349	249	

Cost of service statement

Facilities amalgamations:			
Cemetery			
Expressions			
H ² O Xtream			
Library			
Parks and Reserves			
Property			
Support services			
	Actual 30 June 2015 (\$ 000)	Actual 30 June 2014 (\$ 000)	Budget 30 June 2015 (\$ 000)
Operating statement			
General rates	7,544	6,794	7,613
Operating revenue	2,150	2,417	14,867
Total operating revenue	9,694	9,211	22,480
Operating costs	8,427	8,551	9,178
Interest	284	275	291
Depreciation	2,225	1,721	1,620
Total operating costs	10,936	10,547	11,089
Operating surplus/ (deficit)	(1,242)	(1,336)	11,391
Capital and reserves funding statement			
Capital expenditure	1,585	939	5,490
Loans repayments	615	138	1,663
Operating (surplus)/ deficit	1,242	1,336	(11,391)
Transfer to funds	35	36	5,044
Total funding required	3,477	2,449	806
Funded by			
Funding from non-cash expenses	2,319	1,861	(4,553)
Loans raised	485	335	1,033
Transfer from funds	673	253	4,326
Transfer from funds applied	3,477	2,449	806

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

- Council continued to engage with developers, business owners and landowners on a number of commercial opportunities throughout 2014 – 2015. This engagement saw growth in our commercial and retail sectors across Upper Hutt, and contributed towards confidence in our business sector.
- The introduction of the Economic Development Stimulus Policy has had a positive effect since its introduction in October 2014. The policy has received significant exposure through many media publications, including NZ Business, NZ Retail and numerous others, and has stimulated interest and investment leads. The policy has already had a positive effect through the attraction, retention, or expansion of businesses in the Upper Hutt community, providing significant gains and benefits in its first year.
- Significant time and resource went into developing a suite of business resources, including over 20 business profiles highlighting business excellence in our region. Council also developed a number of publications including the Business Opportunity Prospectus designed to help attract prospective investment into Upper Hutt.
- Exposing and profiling Council's ability to attract new business has been a priority. A variety of cost-effective ways to expose Council's ability to assist with business attraction has included window graphics (placed in vacant store windows), business profiles, information packs, and targeted advertising.



Window graphics



New Opportunity for Investment Prospectus

REPORT ON COUNCIL PERFORMANCE BY ACTIVITY

- Council has been working on the way our city centre is perceived and particularly the way some of our buildings are presented. In conjunction with a number of landlords several areas have been visually improved, helping to contribute to lower vacancy numbers in our retail shopping environment.
- Council continued to work with businesses, developers, investors, and support organisations such as Grow Wellington which forms part of the Wellington Region Economic Development Agency (WREDA). Council's business development and marketing team hosted Grow Wellington on a tour of Upper Hutt businesses. The objective was to enable Grow Wellington to promote Upper Hutt as a viable place to set up business. The tour showcased some of the great success stories, industries, lifestyle, and opportunities here in the city.

Working with Upper Hutt retailers

- Council's commitment to supporting our retail community with practical advice, support, and promotional opportunities continued this year with increased participation from the retail community. A number of professional development seminars and workshops were organised by Council and included topics such as digital marketing and social media, retail promotions and advertising, merchandising, security, and digital commerce. Attendance to these workshops was very high and feedback received was very positive. More of these workshops are planned throughout the year.
- A 'retail event planning group' consisting of a core group of retailers, volunteered to represent their wider community by helping to shape the promotion activities and events within the city centre. Working with a smaller team who were particularly committed and available for these meetings was a great assistance to Council's efforts to better promote the city centre, and in enhancing the events and activities planned in this area.
- The March Madness Fair 2015 built on the success of the previous year, with stall numbers exceeding 200. The stalls were a mix of local retailers, local businesses, and a range of professional stallholders from all over New Zealand. Once again, the weather was spectacular on the day. It was estimated that over 25,000 people attended the fair.

Marketing and communications

- This year Council launched its new and enhanced website which is significantly more customer focussed and very affordable. The new site uses a simple Wordpress programme, meaning that content loading and maintenance is very efficient.
- The Council website was one of many sites launched by Council over the year. The main Council site (upperhuttcity.com) is the home of all Council related information and services, and also acts as a launchpad for the smaller, more specialised Council sites. One of these (visit.upperhuttcity.com) was developed specifically to support visitor information, local activities, and promote our local retailers, and visitation to this site has been consistently growing since it launched. Our residential website (live.upperhuttcity.com) connects house-hunters to local homes and properties and has been particularly useful in promoting Upper Hutt as a great place to live. The Upper Hutt City Library website also got a make-over, and its fresh new look stands out within this new family of sites.
- Council has continued its work on developing a campaign to build pride and positive sentiment for Upper Hutt. This campaign development took place over this last year with the campaign due to launch late 2015. The campaign itself aims to turn residents into ambassadors and reconnect those who spend time here, either past residents, visitors, or even those who simply passed through, to share their thought, memories, and pride for our great city.

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 this, Council has increased its efforts significantly around the level of support it provides in our business community. It is proposed that this measure going forward will be targeted specifically to business owners and decision makers in the business community.

Reduce the number of vacant shops in the city centre ²

Target: Decrease the number of vacant shops from 12 (as at June 2014)



Performance: Number of vacant shops now sits at 6—*achieved*

¹ Annual Community Survey

² In-house monitoring

Works programme

Projects	Budget (\$ 000)	Actual (\$ 000)	Achievements at 30 June 2015
Vacant property programme	10	11	Significant gains made on the improvement of a number of vacant properties resulting in a lower vacancy rate.
Upper Hutt marketing strategy	103	113	The new Council website was successfully launched, making it easier for people to engage with Council and find out more about our great city. We also employed the services of a local photographer to build a portfolio of iconic Upper Hutt images, our landscape and people through the seasons, to be used on our various campaigns. Significant work has also been done to promote Upper Hutt as a destination, a great place to live and raise a family, and in building civic pride.
City centre and precinct visions and promotions ¹	10	7	Complete.
Opportunities profile and business outreach programme	12	10	Council has developed a suite of business profiles highlighting and exposing Upper Hutt business success, designed to help with the attraction of new investment to Upper Hutt.
Smartlinx 3	4	5	Complete.
City centre management	19	10	Our city centre businesses have actively participated in a series of workshops and seminars that improve and broaden their skills in retail business and marketing. Collaboratively, this group have worked with Council to create promotional opportunities and city centre events, such as the March Madness Fair, that increase foot traffic in this area.
Regional marketing initiatives	10	10	Our work with Positively Wellington Tourism has promoted Upper Hutt to the international market, with a particular focus on our golfing and cycling attractions. This has resulted in several high-profile reviews of Upper Hutt, including 'The Lonely Planet'.
The Great Ride Cycleway	5	2	We continued to support the ongoing development and promotion of the Great Ride Cycleway, in particular the Rimutaka Cycle Trail.
Economic development stimulus package	500	500	The funding was spread across 20 applications resulting in a positive effect on employment, through the attraction, retention, or expansion of businesses in the Upper Hutt community.
Total economic development works programme	673	668	

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.

Approved carryover project from the previous year's budget

Projects	Budget (\$ 000)	Actual (\$ 000)	Funded by
Business and resident opportunity prospectus	15	15	Accumulated funds
Brochures and promotional design	15	15	Rates
Total	30	30	

Cost of service statement

	Actual 30 June 2015 (\$ 000)	Actual 30 June 2014 (\$ 000)	Budget 30 June 2015 (\$ 000)
Operating statement			
General rates	1,129	936	1,182
Operating revenue	35	19	12
Total operating revenue	1,164	955	1,194
Operating costs	1,661	957	1,695
Interest	8	0	14
Depreciation	1	1	0
Total operating costs	1,670	958	1,709
Operating surplus/ (deficit)	(506)	(3)	(515)
Capital and reserves funding statement			
Capital expenditure	0	0	0
Loans repayments	0	0	0
Operating (surplus)/ deficit	506	3	515
Transfer to funds	0	0	0
Total funding required	506	3	515
Funded by			
Funding from non-cash expenses	6	3	2
Loans raised	500	0	500
Transfer from funds	0	0	0
Accumulated funds	0	0	13
Transfer from funds applied	506	3	515

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 Revenue and Expense are excluded and some items not in the Statement of Comprehensive Revenue and Expense 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 2015 For whole of Council	Year 2 Annual Plan 2013-14 (\$ 000)	Year 2 Annual Report 2013-14 (\$ 000)	Year 3 Annual Plan 2014-15 (\$ 000)	Year 3 Actual 2014-15 (\$ 000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	18,163	17,524	19,589	18,165
Targeted rates (other than a targeted rate for water supply)	13,256	12,296	13,142	12,549
Subsidies and grants for operating purposes	1,334	716	1,690	648
Fees and charges, and targeted rates for water supply	7,151	5,965	11,731	5,283
Interest and dividends from investments	0	254	181	364
Local authority fuel tax, fines, infringement fees, and other receipts	935	844	982	845
Total operating funding (A)	40,839	37,599	47,315	37,854
Applications of operating funding				
Payments to staff and suppliers	34,440	31,217	34,812	33,289
Finance costs	1,478	1,331	1,686	1,412
Other operating funding applications	163	0	100	0
Total applications of operating funding (B)	36,081	32,548	36,598	34,701
Surplus (deficit) of operating funding (A-B)	4,758	5,051	10,717	3,153
Sources of capital funding				
Subsidies and grants for capital expenditure	1,327	1,575	1,314	1,871
Development and financial contributions	354	34	352	51
Increase(decrease) in debt	3,050	173	5,801	3,248
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)	4,731	1,782	7,467	5,170
Applications of capital funding				
Capital expenditure				
- to meet additional demand	31	115	4,506	47
- to improve the level of service	3,561	1,413	7,827	3,256
- to replace existing assets	6,345	5,340	5,259	6,535
Increase (decrease) in reserves	(448)	(35)	411	(1,515)
Increase (decrease) of capital investments	0	0	181	0
Total applications of capital funding (D)	9,489	6,833	18,184	8,323
Surplus (deficit) of capital funding (C-D)	(4,758)	(5,051)	(10,717)	(3,153)
Funding balance ((A-B)+(C-D))	0	0	0	0

Upper Hutt City Council: Funding impact statement for 30 June 2015 For Leadership	Year 2 Long-term Plan 2013-14 (\$ 000)	Year 3 Long-term Plan 2014-15 (\$ 000)	Year 3 Actual 2014-15 (\$ 000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	2,342	2,402	2,119
Targeted rates (other than a targeted rate for water supply)	106	119	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges, and targeted rate for water supply	72	0	7
Internal charges and overheads recovered	34	35	52
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	2,554	2,556	2,178
Applications of operating funding			
Payments to staff and suppliers	959	856	705
Finance costs	0	0	0
Internal charges and overheads applied	1,595	1,700	1,473
Other operating funding applications	0	0	0
Total applications of operating funding (B)	2,554	2,556	2,178
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 2015 For Land transport	Year 2 Long-term Plan 2013-14 (\$ 000)	Year 3 Long-term Plan 2014-15 (\$ 000)	Year 3 Actual 2014-15 (\$ 000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	5,132	5,419	4,507
Targeted rates (other than a targeted rate for water supply)	0	0	0
Subsidies and grants for operating purposes	1,169	1,181	264
Fees and charges, and targeted rate for water supply	42	43	83
Internal charges and overheads recovered	109	113	163
Local authority fuel tax, fines, infringement fees, and other receipts	155	160	136
Total operating funding (A)	6,607	6,916	5,153
Applications of operating funding			
Payments to staff and suppliers	3,131	4,149	4,082
Finance costs	379	521	337
Internal charges and overheads applied	1,111	1,158	1,101
Other operating funding applications	0	0	0
Total applications of operating funding (B)	4,621	5,828	5,520
Surplus (deficit) of operating funding (A-B)	1,986	1,088	(367)
Sources of capital funding			
Subsidies and grants for capital expenditure	2,206	1,433	1,871
Development and financial contributions	354	352	51
Increase (decrease) in debt	1,670	2,385	2,150
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)	4,230	4,170	4,072
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	2,666	2,258	1,625
- to replace existing assets	3,196	2,648	2,061
Increase (decrease) in reserves	354	352	19
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	6,216	5,258	3,705
Surplus (deficit) of capital funding (C-D)	(1,986)	(1,088)	367
Funding balance ((A-B)+(C-D))	0	0	0

Upper Hutt City Council: Funding impact statement for 30 June 2015 For Water supply	Year 2 Long-term Plan 2013-14 (\$ 000)	Year 3 Long-term Plan 2014-15 (\$ 000)	Year 3 Actual 2014-15 (\$ 000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates (other than a targeted rate for water supply)	4,762	5,214	4,825
Subsidies and grants for operating purposes	0	0	0
Fees and charges, and targeted rate for water supply	1,046	1,077	1,133
Internal charges and overheads recovered	78	86	117
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	5,886	6,377	6,075
Applications of operating funding			
Payments to staff and suppliers	4,065	4,379	4,171
Finance costs	36	43	33
Internal charges and overheads applied	783	814	813
Other operating funding applications	0	0	0
Total applications of operating funding (B)	4,884	5,236	5,017
Surplus (deficit) of operating funding (A-B)	1,002	1,141	1,058
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	5	255	154
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)	5	255	154
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	166	0	184
- to replace existing assets	931	1,396	1,194
Increase (decrease) in reserves	(90)	0	(166)
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	1,007	1,396	1,212
Surplus (deficit) of capital funding (C-D)	(1,002)	(1,141)	(1,058)
Funding balance ((A-B)+(C-D))	0	0	0

Upper Hutt City Council: Funding impact statement for 30 June 2015 For Wastewater	Year 2 Long-term Plan 2013-14 (\$ 000)	Year 3 Long-term Plan 2014-15 (\$ 000)	Year 3 Actual 2014-15 (\$ 000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates (other than a targeted rate for water supply)	6,270	6,487	6,228
Subsidies and grants for operating purposes	0	0	0
Fees and charges, and targeted rate for water supply	132	133	98
Internal charges and overheads recovered	108	113	139
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	6,510	6,733	6,465
Applications of operating funding			
Payments to staff and suppliers	3,672	3,827	3,628
Finance costs	758	785	723
Internal charges and overheads applied	621	625	640
Other operating funding applications	0	0	0
Total applications of operating funding (B)	5,051	5,237	4,991
Surplus (deficit) of operating funding (A-B)	1,459	1,496	1,474
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	520	451	499
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)	520	451	499
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	704	648	694
- to replace existing assets	1,275	1,299	2,096
Increase (decrease) in reserves	0	0	(817)
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	1,979	1,947	1,973
Surplus (deficit) of capital funding (C-D)	(1,459)	(1,496)	(1,474)
Funding balance ((A-B)+(C-D))	0	0	0

Upper Hutt City Council: Funding impact statement for 30 June 2015 For Stormwater	Year 2 Long-term Plan 2013-14 (\$ 000)	Year 3 Long-term Plan 2014-15 (\$ 000)	Year 3 Actual 2014-15 (\$ 000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates (other than a targeted rate for water supply)	2,284	2,311	1,496
Subsidies and grants for operating purposes	0	0	0
Fees and charges, and targeted rate for water supply	0	0	0
Internal charges and overheads recovered	34	37	54
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	2,318	2,348	1,550
Applications of operating funding			
Payments to staff and suppliers	1,137	1,060	1,080
Finance costs	0	7	0
Internal charges and overheads applied	417	428	454
Other operating funding applications	0	0	0
Total applications of operating funding (B)	1,554	1,495	1,534
Surplus (deficit) of operating funding (A-B)	764	853	16
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	134	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	134	0
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	134	51
- to replace existing assets	764	853	25
Increase (decrease) in reserves	0	0	(60)
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	764	987	16
Surplus (deficit) of capital funding (C-D)	(764)	(853)	(16)
Funding balance ((A-B)+(C-D))	0	0	0

Upper Hutt City Council: Funding impact statement for 30 June 2015 For Solid waste	Year 2 Long-term Plan 2013-14 (\$ 000)	Year 3 Long-term Plan 2014-15 (\$ 000)	Year 3 Actual 2014-15 (\$ 000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	(506)	(523)	(363)
Targeted rates (other than a targeted rate for water supply)	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges, and targeted rate for water supply	652	673	591
Internal charges and overheads recovered	2	2	4
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	148	152	232
Applications of operating funding			
Payments to staff and suppliers	42	43	110
Finance costs	0	0	0
Internal charges and overheads applied	106	109	122
Other operating funding applications	0	0	0
Total applications of operating funding (B)	148	152	232
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 2015 For Planning and regulatory services	Year 2 Long-term Plan 2013-14 (\$ 000)	Year 3 Long-term Plan 2014-15 (\$ 000)	Year 3 Actual 2014-15 (\$ 000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	2,038	2,057	2,058
Targeted rates (other than a targeted rate for water supply)	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges, and targeted rate for water supply	1,801	1,882	1,568
Internal charges and overheads recovered	65	40	184
Local authority fuel tax, fines, infringement fees, and other receipts	259	267	129
Total operating funding (A)	4,163	4,246	3,939
Applications of operating funding			
Payments to staff and suppliers	4,317	2,340	2,485
Finance costs	109	95	22
Internal charges and overheads applied	1,188	1,215	1,143
Other operating funding applications	0	2	0
Total applications of operating funding (B)	5,614	3,652	3,650
Surplus (deficit) of operating funding (A-B)	(1,451)	594	289
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	1,740	(274)	(69)
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)	1,740	(274)	(69)
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	289	320	220
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	289	320	220
Surplus (deficit) of capital funding (C-D)	1,451	(594)	(289)
Funding balance ((A-B)+(C-D))	0	0	0

Upper Hutt City Council: Funding impact statement for 30 June 2015 For Community services	Year 2 Long-term Plan 2013-14 (\$ 000)	Year 3 Long-term Plan 2014-15 (\$ 000)	Year 3 Actual 2014-15 (\$ 000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,460	1,472	1,171
Targeted rates (other than a targeted rate for water supply)	0	0	0
Subsidies and grants for operating purposes	107	110	361
Fees and charges, and targeted rate for water supply	1	1	53
Internal charges and overheads recovered	15	16	20
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	1,583	1,599	1,605
Applications of operating funding			
Payments to staff and suppliers	1,026	1,028	1,099
Finance costs	19	18	5
Internal charges and overheads applied	386	397	396
Other operating funding applications	134	138	0
Total applications of operating funding (B)	1,565	1,581	1,500
Surplus (deficit) of operating funding (A-B)	18	18	105
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	(18)	(18)	143
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)	(18)	(18)	143
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	267	163
- to replace existing assets	15	21	159
Increase (decrease) in reserves	(15)	(288)	(74)
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	0	0	248
Surplus (deficit) of capital funding (C-D)	(18)	(18)	(105)
Funding balance ((A-B)+(C-D))	0	0	0

Upper Hutt City Council: Funding impact statement for 30 June 2015 For Facilities	Year 2 Long-term Plan 2013-14 (\$ 000)	Year 3 Long-term Plan 2014-15 (\$ 000)	Year 3 Actual 2014-15 (\$ 000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	6,977	7,681	7,544
Targeted rates (other than a targeted rate for water supply)	0	0	0
Subsidies and grants for operating purposes	39	41	23
Fees and charges, and targeted rate for water supply	2,272	2,298	1,743
Internal charges and overheads recovered	128	143	183
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	9,416	10,163	9,493
Applications of operating funding			
Payments to staff and suppliers	7,051	7,699	6,359
Finance costs	247	254	284
Internal charges and overheads applied	1,542	1,591	1,772
Other operating funding applications	29	29	0
Total applications of operating funding (B)	8,869	9,573	8,415
Surplus (deficit) of operating funding (A-B)	547	590	1,078
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	91	180	(129)
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)	91	180	(129)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	47
- to improve the level of service	542	710	539
- to replace existing assets	376	360	1,000
Increase (decrease) in reserves	(280)	(300)	(637)
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	638	770	949
Surplus (deficit) of capital funding (C-D)	(547)	(590)	(1,078)
Funding balance ((A-B)+(C-D))	0	0	0

Upper Hutt City Council: Funding impact statement for 30 June 2015 For Economic development	Year 2 Long-term Plan 2013-14 (\$ 000)	Year 3 Long-term Plan 2014-15 (\$ 000)	Year 3 Actual 2014-15 (\$ 000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	925	930	1,129
Targeted rates (other than a targeted rate for water supply)	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges, and targeted rate for water supply	16	16	7
Internal charges and overheads recovered	6	6	28
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	947	952	1,164
Applications of operating funding			
Payments to staff and suppliers	766	768	1,447
Finance costs	0	0	8
Internal charges and overheads applied	181	184	209
Other operating funding applications	0	0	0
Total applications of operating funding (B)	947	952	1,664
Surplus (deficit) of operating funding (A-B)	0	0	(500)
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	500
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	500
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	500
Funding balance ((A-B)+(C-D))	0	0	0

Schedule 5

Annual report disclosure statement

Annual report disclosure statement for year ending 30 June 2015

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.

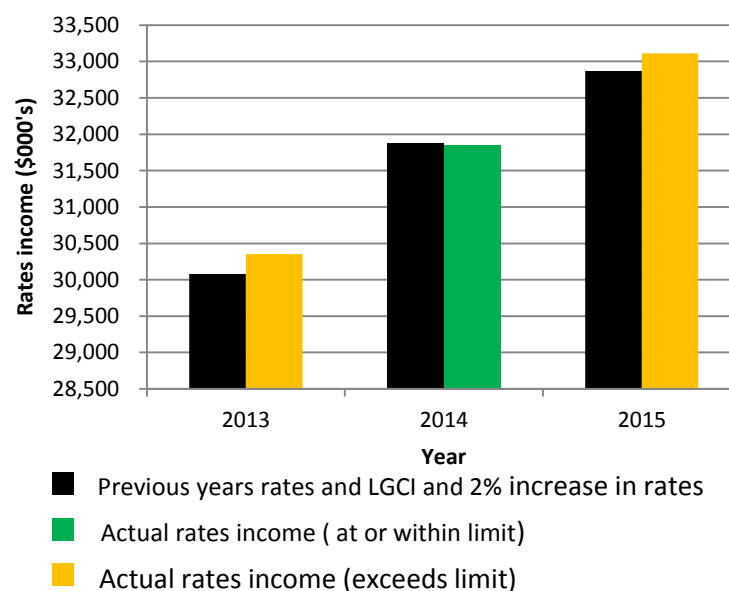
Rates affordability benchmark

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.

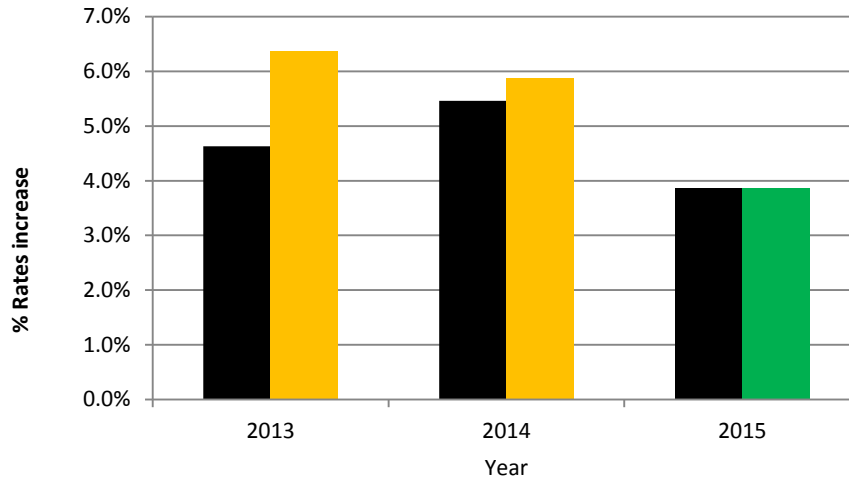
Rates (income) affordability

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 plus 2% growth as provided by Business and Economic Research (BERL), in dollar terms, to the actual increases in dollar terms.



Rates (increases) affordability

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



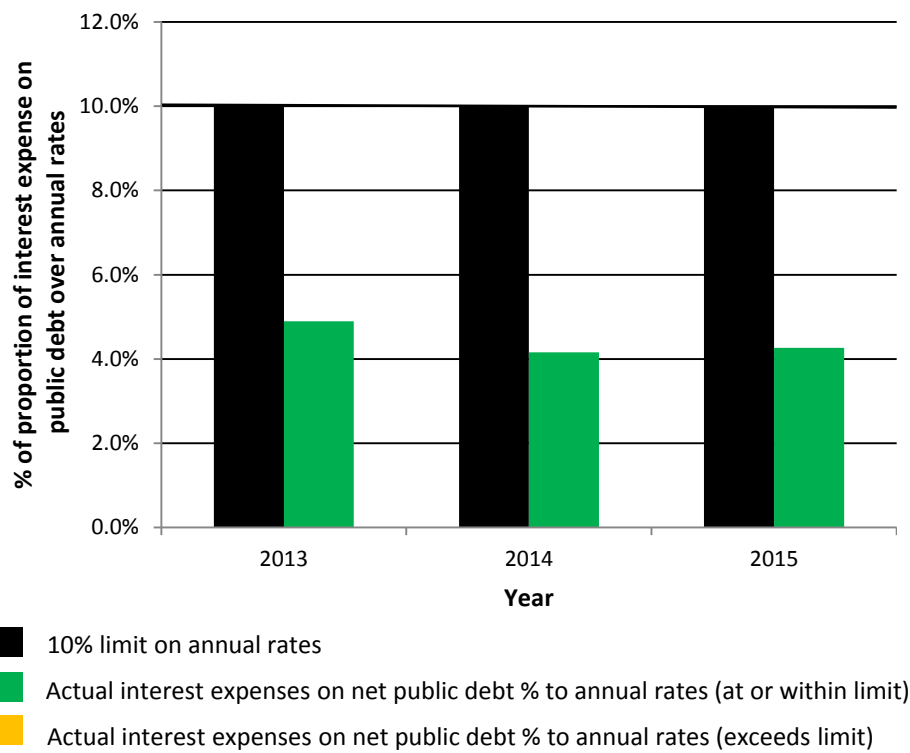
- Previous years rates % increase and LGCI and 2% increase in rates
- Actual rates % increase in rates income (at or within limit)
- Actual rates % increase in rates income (exceeds limit)

Debt affordability benchmark

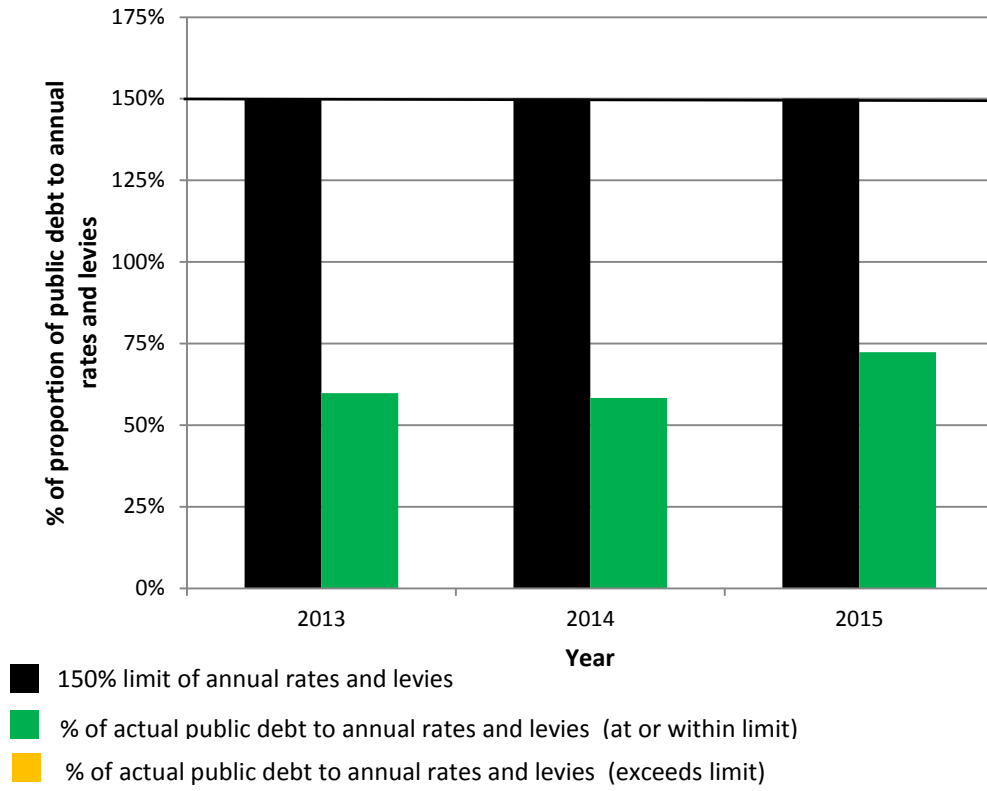
The council meets the debt affordability benchmark if its actual borrowing is within the following limits on borrowing.

- 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.

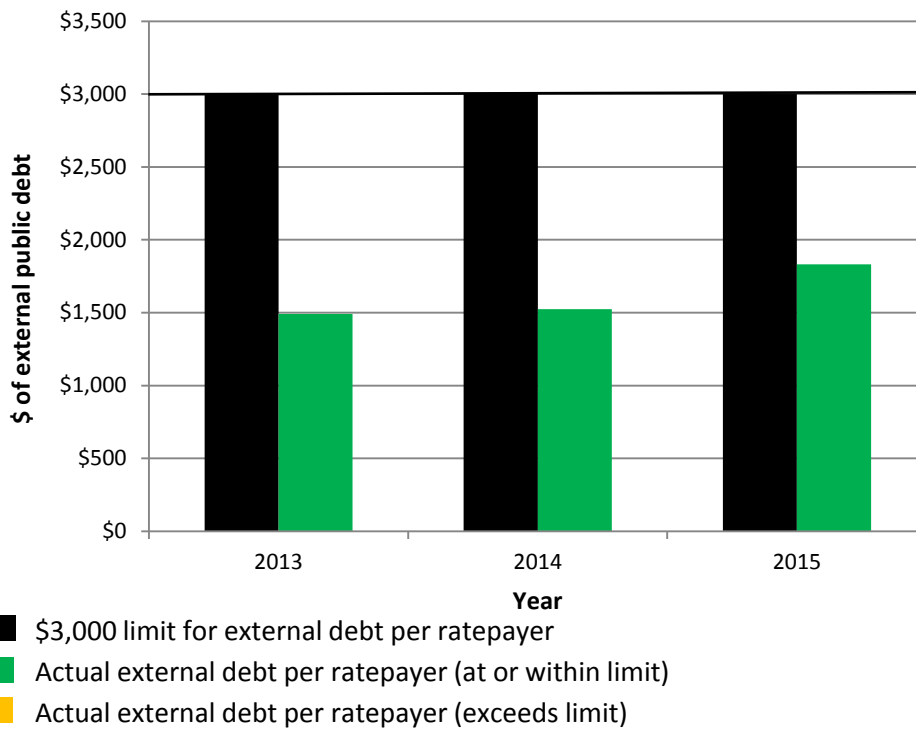
The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is interest expense on public debt and will not exceed 10% of the annual rates.



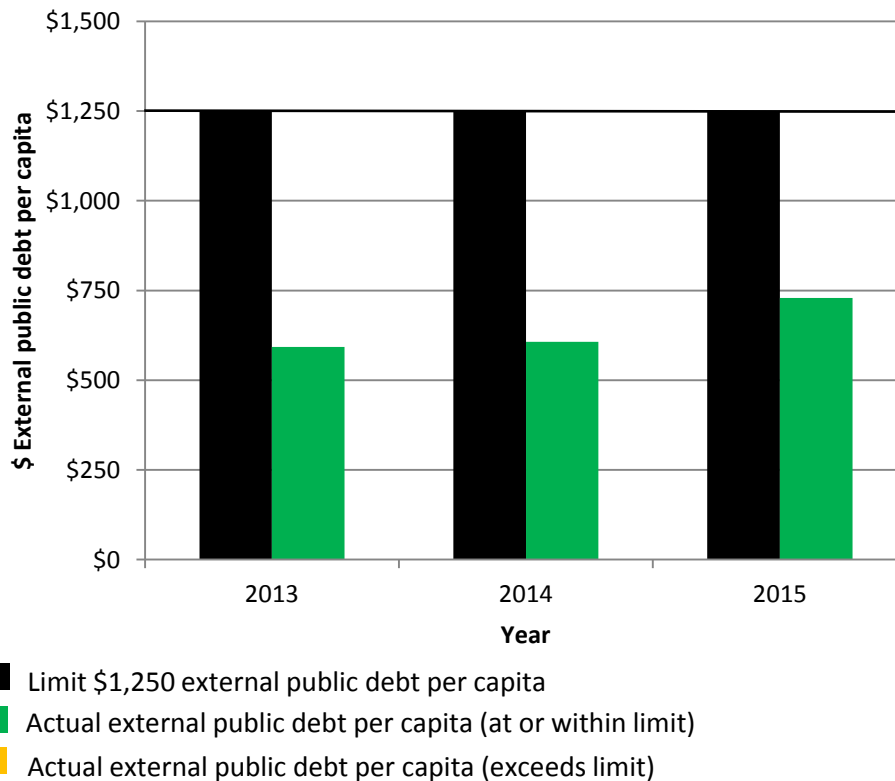
The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is net external debt and will not exceed 150% of annual rates levies.



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 and will not exceed \$3,000.



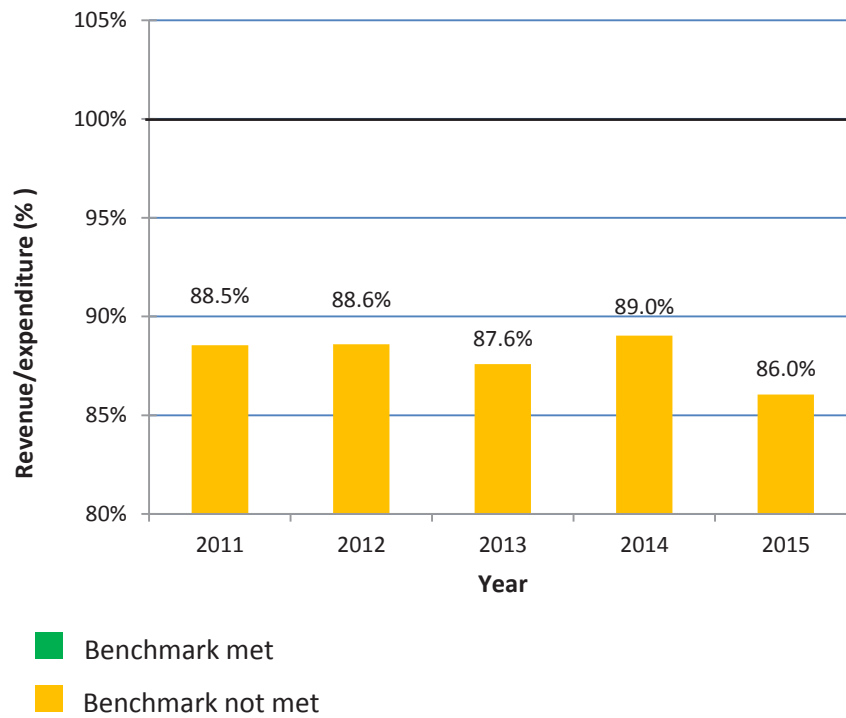
The following graph compares the council's actual borrowing with a quantified limit on borrowing contained in the financial strategy included in the council's long-term plan. The quantified limit is external public debt per capita and will not exceed \$1,250.



Balanced budget benchmark

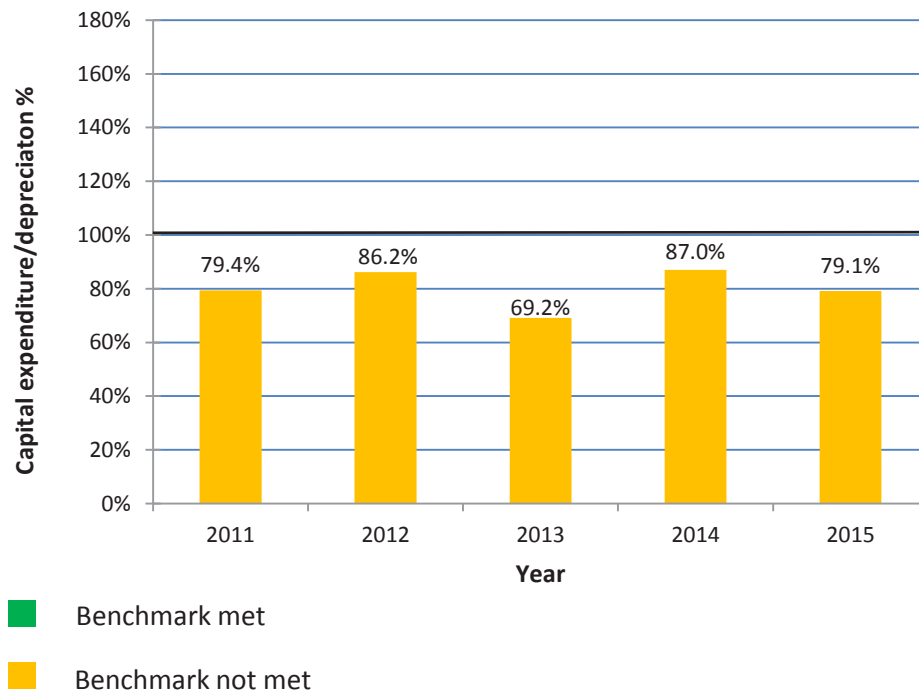
The following graph displays the council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of actual operating expenses (excluding losses on derivative financial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

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



Essential services benchmark

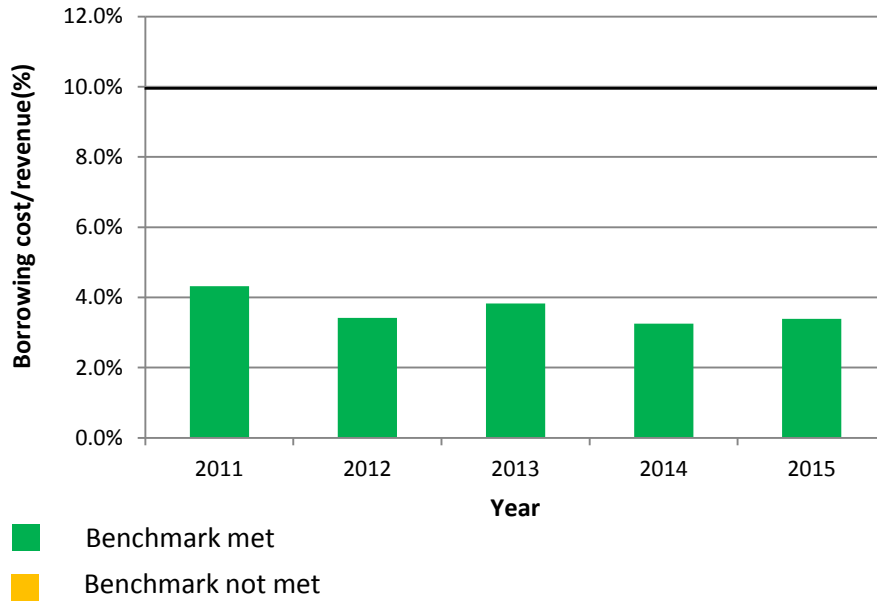
The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services. The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt servicing benchmark

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

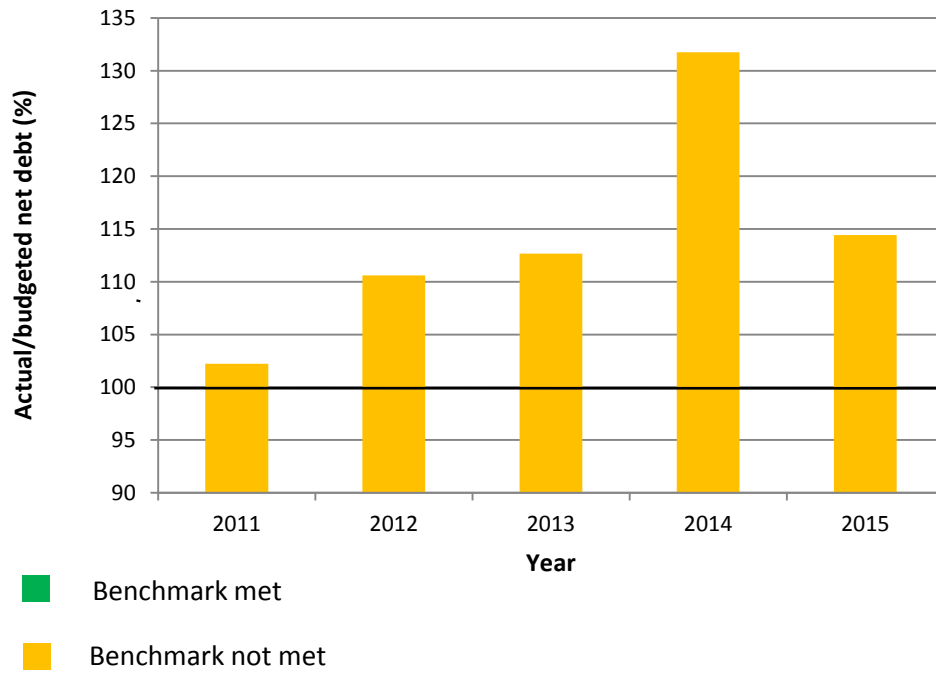
Because Statistics New Zealand projects the council's population will grow as fast as the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



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 receivables).

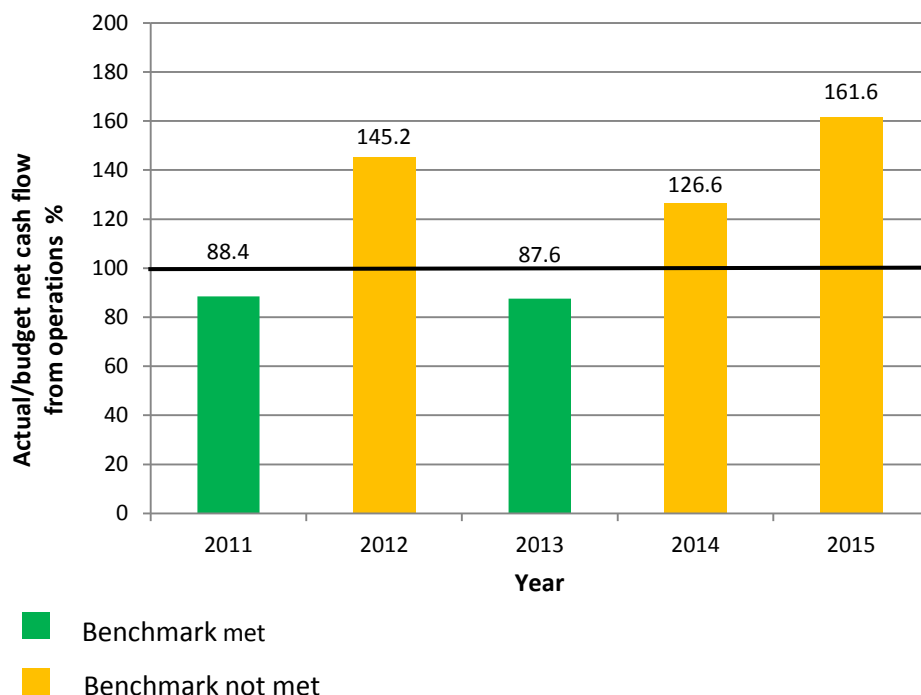
The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



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 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 2014-15 (\$000)	Actual 2013-14 (\$000)	Actual 2012-13 (\$000)	Actual 2011-12 (\$000)	Actual 2010-11 (\$000)	Budget 2014-15 (\$000)
Rates	33,112	31,850	30,352	28,965	27,528	32,831
Net surplus / (deficit)	(6,920)	(1,919)	(2,850)	(4,264)	(1,444)	655
Working capital	(22)	1,102	(14,561)	(4,600)	(3,481)	(142)
Public debt	30,549	25,427	24,587	25,956	20,512	31,837
Total assets	714,220	679,074	671,224	662,646	576,071	672,861

Council financial statistics

	Actual 2014-15	Actual 2013-14	Actual 2012-13	Actual 2011-12	Actual 2010-11	Budget 2014-15
Proportion of rates to total income (%)	77.9%	72.6%	73.18%	70.94%	68.58%	70.5%
Average rates per rateable property	\$1,985	\$1,910	\$1,841	\$1,774	\$1,686	\$1,920
Total interest expense on net public debt (%)	4.6%	5.2%	6.0%	6.1%	7.8%	5.3%
External net public debt to annual rates (%)	92.3%	78.8%	81%	86.9%	74.5%	88.4%
External net public debt per rateable property	\$1,831	\$1,524	\$1,491	\$1,589	\$1,256	\$1,696
External net public debt to total equity	4.5%	3.9%	3.9%	4.1%	3.6%	4.4%

Financial statements

Statement of accounting policies

Reporting entity

Upper Hutt City Council is a territorial local authority established by the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand, the relevant legislation governing the Council's operations including the LGA and the Local Government (Rating) Act 2002.

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 14B in the Notes to the Financial Statements for details of the accounting treatments followed).

The primary objective of Upper Hutt City Council and group 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 IPSAS.

The financial statements of Upper Hutt City Council are for the year ended 30 June 2015. The Annual Report were adopted for issue by Council on 28 October 2015.

Basis of preparation

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

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 IPSAS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities, in accordance with Tier 1 PBE accounting standards.

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).

These financial statements are the first financial statements presented in accordance with the new PBE accounting standards. The material adjustments arising on transition to the new PBE accounting statements are explained in Note 33.

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 Revenue and expense.

Changes in accounting policies

There has been one change in the accounting policy during the financial year. As part of its enhancement programme for Parks and Reserves asset management the Council has elected to value its street trees and include them as assets in its financial statements, instead of expensing the cost. As this item is included for the first time in the statements as at 30 June 2015 no prior year adjustment is considered necessary. Further detail is provided in the Revaluations section of the accounting policies.

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

In May 2013, the External reporting Board issued a new suite of PBE accounting standards for application by public sector entities for reporting periods beginning on or after 1 July 2014. The Council has applied these standards in preparing the 30 June 2015 financial statements.

In October 2014, the PBE suite of accounting standards was updated to incorporate requirements and guidance for the not-for-profit sector. These updated standards apply to PBEs with reporting periods beginning on or after 1 April 2015. The Council will apply these standards in preparing its 30 June 2016 financial statements. The Council expects that there will be minimal or no change in applying these updated accounting standards.

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.

The Council will recognise goodwill where there is an excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed. This difference reflects the goodwill to be recognised by the Council. If the consideration transferred is lower than the net fair value of the Council's interest in the identifiable assets required and liabilities assumed, the difference will be recognised immediately in the surplus or deficit.

The investment in subsidiaries is carried at cost in the Council's parent entity financial statements.

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 comprises rates, revenue from operating activities, investment revenue, gains, finance and other revenue and is measured at the fair value of consideration received or receivable. Revenue may be derived from either exchange or non-exchange transactions.

Exchange transactions

Exchange transactions are transactions where the Council receives assets (primarily cash) or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services, or use of assets) to another entity in exchange.

Non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the Council either receives value from or gives value to another entity without directly giving or receiving approximately equal value in exchange

An inflow of resources from a non-exchange transaction recognised as an asset, is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Specific accounting policies for major categories of revenue are outlined below:

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.

Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy

Rates arising from late payment penalties are recognised as revenue when rates become overdue.

Traffic and parking infringements

Traffic and parking infringements are recognised when tickets are issued.

New Zealand Transport Agency roading subsidies

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 and capital expenditure on the roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Other grants received

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Building and resource consent revenue

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

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 or donated physical assets

For assets received for no or nominal consideration, the asset is recognised at its fair value when the Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer.

For long-lived assets that must be used for a specific use (eg land must be used as a recreation reserve), the Council immediately recognises that fair value of the asset as revenue. A liability is recognised only if the Council expects that it will need to return or pass the asset to another party.

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. Interest revenue on an impaired financial asset is recognised using the original effective interest rate.

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

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 cost centre 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.

Income 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.

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 revenue and expense.

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 revenue and expense

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 revenue and expense, 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 revenue and expense 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 Revenue and Expense.

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 "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 revenue and expense

Financial assets at fair value through other comprehensive revenue and expense 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 revenue and expense 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 revenue and expense 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 recognising 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.

The associated gains or losses on derivatives that are not hedge accounted are recognised in the surplus or deficit.

- 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.

Impairment of financial assets

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

Loans receivables, and held-to-maturity investments

Impairment is established when there is evidence that the Council and group will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are 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 bonds, and community loans, are recognised directly against the instrument's carrying amount.

Financial assets at fair value through other comprehensive revenue and expense

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 objective indicator that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, 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 revenue and expense 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 that 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.

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.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with development and maintenance of the Council's website are recognised as an expense when incurred.

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 Revenue and Expense.

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 property, plant and equipment, and intangible assets

Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use, and goodwill, are not subject to amortisation and are tested annually for impairment.

Property, plant and equipment, and intangible assets subsequently measured at cost that have an infinite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

Value in use for non-cash-generating assets

Non-cash generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash-generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

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

Property, plant and equipment

Property, plant and equipment include:

Operational property, plant and equipment

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

Restricted property, plant and equipment

Restricted property, plant and equipment are mainly 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.

Land (operational and restricted) is measured at fair value, and buildings (operational and restricted), library books, and infrastructure assets (except land under roads) are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

Revaluation

Land and buildings (operational and restricted), library books, and infrastructure assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

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.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the 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.

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.

- **Operational assets**

land, buildings, street trees and statues have been revalued as at 30 June 2015 by Ken Tonks ANZIV SPINZ - an independent Registered Valuer of TSE Value Ltd.

Plant, furniture and equipment have been revalued as at 30 June 2015 by Peter Ollivier Bsc BE (Civil) FIPENZ CPEng, IntPE MICE - an independent valuer of Calibre Consulting Ltd.

The revalued assets were valued depending on their nature on either a depreciated replacement cost or optimised depreciated replacement basis.

Minor structures, vehicles, computers, minor plant items and minor miscellaneous office equipment are valued at historical cost.

- **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 2015 by the City Engineers.

Roading assets were independently reviewed this year by Peter Ollivier Bsc BE (Civil) FIPENZ CPEng, IntPE MICE of Calibre Consulting Ltd.

Water, stormwater, reservoir reserve land and wastewater piping assets were independently reviewed as at 30 June 2008 by Graham Hughson, Senior 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 31 December 2014. The valuation of these assets was valued by Wellington Water and independently reviewed by Aon Valuation Services Ltd. as at 31 December 2014. The valuer was Ian Henderson, (AAPI) Aon Valuation Services Ltd.

- **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 2015 by Ken Tonks, ANZIVS PINZ Registered Valuer of TSE Value Limited. Revaluations will be carried out every five years.

- **Street trees**

have been valued as at 30 June 2015 by Peter Olliver Bsc BE (Civil) FIPENZ CPEng, IntPE MICE an independent valuer of Calibre Consulting Ltd. The Council is currently bringing all Parks and Reserves assets into a more structured asset management regime and as part of this process has elected to value its stock of street trees and include them in its financial statements. Street trees typically have a long life and increase in size over this period. It is not generally possible to replace a large mature street tree on a like for like basis. Thus the Council has chosen to value all street trees on the typical cost that would be incurred for a young replacement tree. For this reason, street trees will not be depreciated and revaluations will be carried out five yearly.

- **Library collection**

has been revalued at depreciated replacement cost as at 30 June 2015 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. The library collection and heritage book collection was revalued as at 30 June 2015 by the Upper Hutt City Library Content Team Leader. The valuation was independently checked by Peter Trewern in 2015. 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 Revenue and Expense 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 revenue and expenses. 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 revenue and expenses.

Depreciation

- all assets, except for land, road formations, and street trees, 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 5 years	20% to 50%
Parks and reserves services	10 to 100 years	1% to 10%
Plant and equipment	4 to 50 years	2% to 25%
Infrastructure Assets		
Roading		
Carparks	50 years	2%
Culverts	50 to 80 years	1.25% to 2%
Footpaths / accessways	30 to 60 years	1.67% - 3.33%
Roads (except land and formation)	4 to 30 years	3.33% - 25%
Road formation	40 to 150 years	0.5% to 2.5%
Road marking	2 to 10 years	10% to 50%
Road signs	10 years	10%
Roundabouts	50 years	2%
Stormwater channels	30 to 60 years	1.66% to 3.33%
Street and traffic lights	5 to 50 years	2% to 20%
Street furniture and other features	12 to 25 years	4% to 8.33%

Depreciation

Straight-line Depreciation	Years	Rate
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.

Payables

Short-term creditors and other payables are recorded at their face value.

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.

Presentation of employee entitlements

Sick leave, annual leave, and vested long service leave are classified as a current liability. Non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus or deficit when incurred.

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 revenue and expenses

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 revenue and expenses reserves

This reserve comprises the cumulative net change in the fair value of fair value through other comprehensive revenue and expenses 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 valuers 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 2015.

Statement of financial position – as at 30 June 2015

	Notes	Actual Parent 30 Jun 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Budget Parent 30 Jun 15 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
EQUITY						
Accumulated funds	20	227,136	233,976	234,963	227,360	234,165
Restricted reserves	21	6,328	6,014	4,644	6,366	6,052
Asset revaluation reserves	22	439,589	405,331	394,372	439,589	405,331
Total equity		673,053	645,321	633,979	673,315	645,548
ASSETS						
Current assets						
Cash and cash equivalents	7	6,586	2,217	635	6,832	2,445
Other financial assets	8	4,500	5,300	4,389	4,541	5,340
Derivative financial instruments	9	0	0	0	0	0
Receivables	10	2,510	2,312	3,303	2,566	2,346
Inventories	11	18	31	0	32	38
Total current assets		13,614	9,860	8,327	13,971	10,169
Non - Current Assets						
Other - financial assets	8	460	343	206	460	343
Derivative financial instruments	9	15	0	0	15	0
Trade and other receivables	10	82	106	45	82	106
Permanent art collection	12	0	0	0	26	26
Property, plant and equipment	12	87,099	69,246	51,025	87,150	69,289
Aquatic assets	13	10,279	7,495	34,200	10,279	7,495
Infrastructure assets	14a	602,628	591,937	578,991	602,628	591,937
Intangible assets	15	43	87	67	43	87
Total non - current assets		700,606	669,214	664,534	700,683	669,283
Total assets		714,220	679,074	672,861	714,654	679,452
LIABILITIES						
Current liabilities						
Payables and deferred revenue	16	8,484	7,258	6,320	8,627	7,390
Derivative financial instruments	9	0	0	0	0	0
Employee entitlements	17	879	800	550	908	819
Borrowings and other financial liabilities	18	4,272	700	1,599	4,272	700
Total current liabilities		13,635	8,758	8,469	13,807	8,909
Non - current liabilities						
Derivative financial instruments	9	959	13	0	959	13
Employee entitlements	17	296	255	175	296	255
Borrowings and other financial liabilities	18	26,277	24,727	30,238	26,277	24,727
Total non - current liabilities		27,532	24,995	30,413	27,532	24,995
Total liabilities		41,167	33,753	38,882	41,339	33,904
NET ASSETS		673,053	645,321	633,979	673,315	645,548

The accompanying accounting policies and notes form part of these financial statements. Explanations of major variances against budget are provided in Note 30.



Wayne Guppy
MAYOR



Chris Upton
CHIEF EXECUTIVE

Statement of comprehensive revenue and expense for the year ended 30 June 2015

	NOTES	Actual Parent 30 Jun 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Budget Parent 30 Jun 15 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
OPERATING REVENUE						
Rates	1	33,112	31,850	32,831	33,112	31,850
Fees and charges	2	6,104	8,729	13,792	6,368	8,905
Development and financial contributions		271	460	662	271	460
Subsidies and grants	3	2,642	2,427	3,015	2,720	2,476
Interest and dividends	4	364	254	181	370	258
Gains		0	140	0	0	140
Total operating revenue		42,493	43,860	50,481	42,841	44,089
OPERATING EXPENDITURE						
Personnel costs		8,903	9,166	9,154	9,382	9,590
Depreciation and amortisation expense	6b	12,992	12,076	12,347	13,001	12,082
Finance costs		1,412	1,324	1,691	1,412	1,324
Bulk drainage levy		2,600	2,485	2,590	2,600	2,485
Bulk water levy		2,573	2,634	2,525	2,573	2,634
Other expenses	6a	20,933	18,094	21,519	20,758	17,843
Total operating expenditure		49,413	45,779	49,826	49,726	45,958
Surplus/(deficit) before and after tax		(6,920)	(1,919)	655	(6,885)	(1,869)
Other comprehensive revenue						
Gains/(losses) on infrastructural property assets revaluations	14A	13,543	14,847	(735)	13,543	14,847
Gains/(losses) on operational, restricted property and aquatic assets revaluations	12, 13	21,109	(4,733)	46	21,109	(4,733)
Total other comprehensive revenue		34,652	10,114	(689)	34,652	10,114
Total comprehensive revenue		27,732	8,195	(34)	27,767	8,245

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 2015

	Actual Parent 30 Jun 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Budget Parent 30 Jun 15 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
Equity at the start of the year	645,321	637,126	634,013	645,548	637,303
Total comprehensive revenue and expense for the year	27,732	8,195	(34)	27,767	8,245
Total comprehensive revenue and expense for the year	27,732	8,195	(34)	27,767	8,245
Equity at the end of the year	673,053	645,321	633,979	673,315	645,548

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 cash flows for the year ended 30 June 2015

	NOTES	Actual Parent 30 Jun 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Budget Parent 30 Jun 15 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash was provided from:						
Rates		33,083	31,952	32,831	33,083	31,952
Other receipts		8,541	9,753	8,826	9,506	10,060
Interest received		400	262	181	406	267
Dividends received		0	0	0	0	0
Regional Council rates		8,368	7,664	0	8,368	7,664
		50,392	49,631	41,838	51,363	49,943
Cash was applied to:						
Suppliers and employees		(32,180)	(32,302)	(34,920)	(33,106)	(32,504)
Interest paid		(1,351)	(1,313)	(1,691)	(1,351)	(1,313)
Goods and Services Tax (net)		(84)	(93)	0	(83)	(92)
Regional Council rates		(8,330)	(7,671)	0	(8,330)	(7,671)
		(41,945)	(41,379)	(36,611)	(42,870)	(41,580)
Net cash inflow (outflow) from operating activities	23	8,447	8,252	5,227	8,493	8,363
CASH FLOWS FROM INVESTING ACTIVITIES						
Cash was provided from:						
Proceeds from sale of property, plant and equipment		0	0	8,520	0	0
Maturity of investments		800	0	0	802	15
		800	0	8,520	802	15
Cash was applied to:						
Purchase of investments		0	(3,300)	(1,154)	(14)	(3,302)
Purchase of property, plant and equipment		(10,000)	(7,425)	(18,003)	(10,016)	(7,431)
		(10,000)	(10,725)	(19,157)	(10,030)	(10,733)
Net cash inflow (outflow) from investing activities		(9,200)	(10,725)	(10,637)	(9,228)	(10,718)

	NOTES	Actual Parent 30 Jun 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Budget Parent 30 Jun 15 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
CASH FLOWS FROM FINANCING ACTIVITIES						
Cash was provided from:						
Loan Raised		6,072	1,721	8,229	6,072	1,721
Cash was applied to:						
Loan Repayments		(950)	(881)	(2,425)	(950)	(881)
Net cash inflow (outflow) from financing activities		5,122	840	5,804	5,122	840
Net increase (decrease) in Cash, Cash Equivalents and Bank Overdrafts		4,369	(1,633)	394	4,387	(1,515)
Cash and cash equivalents as at 01 July		2,217	3,850	241	2,445	3,960
Cash and cash equivalents as at 30 June		6,586	2,217	635	6,832	2,445
Composition of cash						
Cash and cash equivalents and bank overdrafts	7	186	317	385	432	545
Call account	7	1,900	1,400	300	1,900	1,400
Short term deposits maturing three months or less	7	4,500	500	0	4,500	500
		6,586	2,217	685	6,832	2,445

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 two (2014 – 2015) may not agree to closing balance year one (2013 – 2014) due to Council taking into account events occurring this year.

Explanations of major variances against budget are provided in Note 30.

Statement of commitments

	Actual Parent 30 Jun 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
Water systems (including water, wastewater, and stormwater)	829	768	829	768
Roading	3,794	6,164	3,794	6,164
Capital commitments approved and contracted	4,623	6,932	4,623	6,932

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 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
Property, plant and equipment				
Not later than one year	255	277	283	307
Later than one year and not later than five years	308	305	308	305
Five years and later	42	34	42	34
Total non-cancellable operating leases	605	616	633	646

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$nil. (2014 \$nil)

Leases are mostly for either a 12, 24 or 36 month term which can be renewed at the end of that term at Upper Hutt City Council's 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 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
Not later than one year	6,946	6,099	6,946	6,099
Later than one year and not later than five years.	831	1,070	831	1,070
Five years and later.	0	0	0	0
Total other non-cancellable contracts	7,777	7,169	7,777	7,169
Total non-cancellable commitments	13,005	14,717	13,033	14,747

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 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
Not later than one year	149	134	149	134
Later than one year and not later than five years.	298	266	298	266
Five years and later.	1,130	1,193	1,130	1,193
Total non-cancellable operating leases	1,577	1,593	1,577	1,593

No contingent rents have been recognised in the Statement of Comprehensive Revenue and Expenses during the period (nil 2014).

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

Notes to the financial statements – year ended 30 June 2015

Note 1 - Rates

	Actual Parent 30 Jun 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
General rates	19,647	18,284	19,647	18,284
Water fire protection rates	1,216	1,175	1,216	1,175
Stormwater disposal rates	1,576	2,313	1,576	2,313
Wastewater pan charges	6,737	6,251	6,737	6,251
Karapoti Bridge rates	0	2	0	2
Rates penalties	210	209	210	209
Water - targeted rates	3,726	3,616	3,726	3,616
Total non-exchange rates revenue	33,112	31,850	33,112	31,850

The Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates income. That Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating Act) 2002 together with any revenue received by the Council from other local authorities for services provided by that Council for which those other local authorities rate. The annual rates income of the Council for the year ended 30 June 2015 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown above.

Disclosure of rating information	30 June 2015	30 June 2014
Total land valuations of rateable properties for the city	\$3,058,323,200	\$3,048,551,200
Total capital valuation of rateable properties for the city	\$7,007,183,800	\$6,928,174,800
Total number of rateable properties	16,685	16,679

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 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
Total gross rates revenue	33,232	31,965	33,232	31,965
<i>Less rates remission</i>				
Land protected for historical or cultural Purposes				
Land used for sport	103	101	103	101
Rate penalties remissions	17	14	17	14
Remissions Economic Development Policy	0	0	0	0
Total remissions	120	115	120	115
Rates revenue net of remissions	33,112	31,850	33,112	31,850

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

Non-exchange fees and charges revenue	Actual Parent 30 Jun 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
Permit and licence fees	1,036	975	1,036	975
Vested assets	504	2,691	504	2,691
Metered water charges	1,108	1,182	1,108	1,182
Property rentals	194	185	194	185
H ² O Xstream and Expressions charges	983	1,108	1,247	1,284
Library, parks, and community charges	162	186	162	186
Insurance recovery	0	0	0	0
Other charges	931	1,262	931	1,262
Total non-exchange fees and charges revenue	4,918	7,589	5,182	7,765
Solid waste	591	625	591	625
Dog charges	338	312	338	312
Cemetery charges	257	203	257	203
Total exchange fees and charges revenue	1,186	1,140	1,186	1,140
Total fees and charges revenue	6,104	8,729	6,368	8,905

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

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 – Non exchange revenue subsidies and grants

	Actual Parent 30 Jun 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
Roading subsidies (NZTA ¹)	2,135	1,888	2,135	1,888
Petrol tax (crown)	136	138	136	138
Rural fire subsidies (NRFA ²)	121	0	121	0
Social community project grants	250	346	250	346
Lotteries library grant	0	0	0	0
Other grants and subsidies	0	55	78	104
Total non-exchange revenue subsidies and grants	2,642	2,427	2,720	2,476

¹ New Zealand Transport Agency

² NRFA - National Rural Fire Authority

There are no unfulfilled conditions and other contingencies attached to subsidies and grants recognised, (2014 = nil)

Note 4 – Exchange revenue Interest and dividends

	Actual Parent 30 Jun 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
Other financial assets	359	241	365	245
Trade receivables - community loans	5	13	5	13
Dividend	0	0	0	0
Total interest and dividends	364	254	370	258

Note 5 – Rate and general funding requirement for each activity

	Actual Parent 30 Jun 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Forecast Parent 30 Jun 15 (\$000)
Leadership	2,119	2,097	2,329
Land Transport	4,507	4,479	5,220
Water Supply	4,825	4,686	4,902
Wastewater	6,228	5,368	6,696
Stormwater	1,496	2,242	1,544
Solid Waste	(363)	(480)	(346)
Planning and regulatory services			
<i>City Planning</i>	1,422	1,112	1,436
<i>Building and compliance services</i>	636	1,230	771
Community Services			
<i>Community Development</i>	602	602	571
<i>Activation</i>	238	250	242
<i>Emergency Management</i>	331	502	558
Facilities			
<i>Parks and Reserves</i>	2,214	2,136	2,284
<i>H²O Xtream</i>	1,876	1,327	1,944
<i>Library</i>	2,543	2,380	2,555
<i>Expressions Arts and Entertainment Centre</i>	861	775	810
<i>Property</i>	28	70	(11)
<i>Akatarawa Cemetery</i>	(6)	7	8
<i>Support Services</i>	28	99	23
Economic Development	1,129	936	1,195
Total rate funding requirement for each activity	30,714	29,818	32,731

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

Note 6a – Other expenses

	Actual Parent 30 Jun 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
Insurance	450	626	456	628
Disaster Fund Insurance	185	291	185	291
Audit Fees and disbursements	126	123	136	133
Audit LTP	80	0	80	0
Disbursements	9	0	9	0
Rental	291	274	294	277
Loss on disposal of assets	718	1,146	718	1,146
Penalty remission	17	14	17	14
Rates remission – sports clubs and other non-profit bodies as per the Upper Hutt City Council Remission or postponement policies	103	101	103	101
Consultants	654	547	654	547
Printing, photocopying and stationary	131	132	146	142
Telephone rental, mobile and tolls	135	128	139	132
Motor Vehicles	260	262	269	266
Electricity/Gas energy (includes street lighting)	962	765	1,027	822
Rates on UHCC properties	1,821	1,628	1,821	1,628
Land transport general maintenance	2,080	1,377	2,080	1,377
Water reticulation maintenance	586	679	586	679
Sewer maintenance	417	481	417	482
Drain maintenance	210	249	210	249
Other operating expenses	11,698	9,270	11,411	8,929
Total other expenses	20,933	18,094	20,758	17,843

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

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

	Actual Parent 30 Jun 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
Depreciation by Activity				
Leadership	0	0	0	0
Land Transport	4,029	4,117	4,029	4,117
Water supply	1,719	1,596	1,719	1,596
Wastewater	3,330	3,035	3,330	3,035
Stormwater	1,657	1,582	1,657	1,582
Solid waste	0	0	0	0
Planning and Regulatory Services	0	0	0	0
Community Services	31	24	31	24
Facilities	2,225	1,721	2,234	1,727
Economic Development	1	1	1	1
Total depreciation and amortisation expenses	12,992	12,076	13,001	12,082

Note 7 – Cash and cash equivalents

	Actual Parent 30 Jun 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
Cash on hand	4	4	7	11
Bank balances/ (bank overdrafts)	182	313	425	534
Call account	1,900	1,400	1,900	1,400
Short term deposits maturing three months or less from date of acquisition	4,500	500	4,500	500
Total cash and cash equivalents	6,586	2,217	6,832	2,445

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 (2014: \$600,000). The current interest rate on the facility is 12.65% per annum, (2014: 11.9% per annum).

Note 8 – Other financial assets

	Actual Parent 30 Jun 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
Current portion				
Loans and receivables				
Short-term deposits with maturities of 4-12 months	4,500	5,300	4,541	5,340
Total current portion	4,500	5,300	4,541	5,340
Non-Current portion				
Loans and receivables				
LGFA ¹ borrower notes	288	176	288	176
Fair value through Equity- unlisted shares				
Investment in Wellington Water Ltd.	80	80	80	80
Investment in NZLG Insurance Corporation Ltd. ²	62	57	62	57
Investment in Smartlinx 3 Ltd	30	30	30	30
Total Non-current portion	460	343	460	343

Fair value

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.

As at 30 June 2015 the Council has 150 Class A voting only shares in Wellington Water Ltd. These shares carry no nominal value (nil: 2014).

As at 30 June 2015 the Council has 40 Class B shares in Wellington Water Ltd. and the latest sale value was \$2,000 per share (2014, 40 shares @ \$2,000 per share).

As at 30 June 2015 the Council has 51,209 shares in NZLG Insurance Corporation and the latest sale value was \$1.21 cents per share. (2014, 3,750 shares @ \$1.12 per share).

As at 30 June 2015 the Council has 3,750 shares in Smartlinx3 Ltd and the latest sale value was \$8.00 per share. (2014, 3,750 shares @ \$8.00 per share).

Impairment

There were no impairment provisions for other financial assets (nil: 2014).

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.

2015	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)	4,500	4,500	0
<i>weighted average effective interest rate</i>	<i>3.76%</i>	<i>3.76%</i>	<i>0%</i>
Short term deposits (with maturities of 4-12 months average maturity 108 days)	4,500	4,541	0
<i>weighted average effective interest rate</i>	<i>4.26%</i>	<i>4.22%</i>	<i>0%</i>
LGF Borrower Notes (maturities to 15 April 2027)	0	0	288
<i>weighted average effective interest rate</i>	<i>0%</i>	<i>0%</i>	<i>3.54%</i>
Call account	1,900	1,900	0
<i>weighted average effective interest rate</i>	<i>3.25%</i>	<i>3.25%</i>	<i>0%</i>
	10,900	10,941	288

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>	<i>4.10%</i>	<i>4.10%</i>	<i>0%</i>
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>	<i>4.06%</i>	<i>4.06%</i>	<i>0%</i>
LGF Borrower Notes (maturities to 15 December 2019)	0	0	176
<i>weighted average effective interest rate</i>	<i>0%</i>	<i>0%</i>	<i>3.49%</i>
Call account	1,400	1,400	0
<i>weighted average effective interest rate</i>	<i>3.25%</i>	<i>3.25%</i>	<i>0%</i>
	7,200	7,200	176

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

	Actual Parent 30 Jun 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
Current asset portion	0	0	0	0
Non-current asset portion	15	0	15	0
Current liability portion	0	0	0	0
Non-current liability portion	(959)	(13)	(959)	(13)

Interest Rate Swaps - Fair Value

The fair values of interest rate swaps have been determined by calculating the expected future cash flows under the terms of the swaps and discounting these values to present values. The inputs into the valuation model are from independently sourced market parameters such as interest rate yield curves. Most market parameters are implied from instrument prices.

Information about interest rate swaps

The notional principal amounts of the interest rate swap contracts for the Council as at 30 June 2015 is \$18.5M (2014 \$1.5M)

The swaps:	Notional principle	Fixed Rate	Maturity Date
Westpac ¹	\$1,500,000	4.760%	15 November 2021
Westpac ²	\$1,000,000	4.710%	17 December 2018
Westpac ³	\$1,000,000	4.825%	15 December 2020
Westpac ⁴	\$1,000,000	4.740%	16 December 2019
Westpac ⁵	\$1,000,000	4.710%	26 January 2018
Westpac ⁶	\$1,000,000	4.715%	15 September 2024
Westpac ⁷	\$2,000,000	4.790%	1 June 2023
Westpac ⁸	\$1,000,000	4.745%	15 September 2023
Kiwibank ¹	\$1,000,000	4.753%	15 August 2024
Kiwibank ²	\$1,000,000	4.752%	15 March 2024
Kiwibank ³	\$1,000,000	4.729%	15 July 2020
Kiwibank ⁴	\$2,000,000	4.669%	15 July 2019
Kiwibank ⁵	\$2,000,000	4.778%	15 June 2022
Kiwibank ⁶	\$1,000,000	3.688%	15 January 2020
Kiwibank ⁷	\$1,000,000	3.793%	15 January 2025

Note 10 –Receivables

	Actual Parent 30 Jun 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
Rates receivables	757	734	757	734
Sundry debtors	913	582	973	591
Community loans	128	152	128	152
GST	349	265	376	288
Related party receivables	50	4	0	0
Accrued revenue	185	369	185	371
Prepayments	260	362	279	366
	2,642	2,468	2,698	2,502
Less provision for impairment of receivables	(50)	(50)	(50)	(50)
Total trade and other receivables	2,592	2,418	2,648	2,452
Less non-current portion:				
Community loans	82	106	82	106
Total non-current portion	82	106	82	106
Current Portion	2,510	2,312	2,566	2,346
Receivables from non-exchange transactions – this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates	2,389	2,233	2,444	2,265
Receivables from exchange transactions – this includes outstanding rates, fees and charges, subsidies, and grants not subsidised by rates	253	235	254	237
	2,642	2,468	2,698	2,502

Community loans

The fair value of community loans is \$128,403 (2014 \$151,907). Fair value has been determined using cash flows discounted at a rate of 2.5% to 7.25% (2014: 2.5% to 7.25%)

The face value of community loans is \$131,380 (2014 \$158,121).

The Council's community loan scheme is designed to help not-for-profit organisations in the Upper Hutt community to develop or improve new or existing facilities and other major projects. Only organisations with the ability to repay are granted loans. Council may at its discretion require a qualifying body to provide security for a loan. Interest in the first year is 0%, year 2 is 1%, year 3 is 2%, and year 4 is 3%. The fair value of loans at initial recognition has been determined using cashflows at a rate based on the loan recipient's assessed financial risk factors.

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.

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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 2015 and 2014, 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 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
At 1 July	50	50	50	50
Additional provisions made during the year	19	7	19	7
Receivables written off during period	(19)	(7)	(19)	(7)
At 30 June	50	50	50	50

Age of rates receivables	Actual Parent 30 Jun 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
The age of rates receivable overdue that have not been impaired are as follows:				
Current 90 Days over	692	700	692	700
1 to 2 year old	47	31	47	31
2 to 3 years old	15	3	15	3
greater than 3 years old	3	0	3	0
Carrying Amount as at 30 June	757	734	757	734

Age of sundry debtors

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

	Actual Parent 30 Jun 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
Past due 1-30 days	785	436	843	441
Past due 31 -60 days	31	51	33	51
Past due 61 -90 days	8	36	8	38
Past due greater than 90 days	89	59	89	61
Carrying Amount as at 30 June	913	582	973	591

Note 11 - Inventories

	Actual Parent 30 Jun 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
Printing, photocopying and stationery supplies	18	31	32	38

The carrying amount of inventories held for distribution is measured at current replacement cost at 30 June 2015.

The carrying amount of inventories pledged as security for liabilities is \$nil (2014: \$nil).

Note 12A – 2015 Council operational; assets, property, plant and equipment

	Opening Cost/ Valuation CV 1 Jul 14 (\$000)	Accum. Depn. and impairment charge AD 1 Jul 14 (\$000)	Opening Book Value BV 1 Jul 14 (\$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 15 (\$000)	Closing Accum. Depn AD 30 Jun 15 (\$000)	Closing Book Value BV 30 Jun 15 (\$000)
	A	B	C	D	E	F	G	H	I	J	K	L
Current surplus assets	955	0	955	0	0	470	0	0	0	1,425	0	1,425
Land (includes trees)	10,294	0	10,294	27 ¹	0	6,269	0	0	0	16,590	0	16,590
Buildings	19,606	(2,257)	17,349	399	0	5,766	(443)	0	2,700	23,071	0	23,071
Furniture and equipment	924	(864)	60	39	0	19	(20)	0	9	973	(875)	98
Library books	3,267	(1,070)	2,197	242	0	(241)	(545)	0	1,615	1,653	0	1,653
Motor vehicles	882	(642)	240	105	0	0	(48)	0	0	987	(690)	297
Plant	6,834	(1,894)	4,940	267 ²	(110)	2,305	(578)	0	845	8,451	(1,627)	6,824
Work in progress	66	0	66	285	0	0	0	(26)	0	325	0	325
Total operational assets 2015	42,828	(6,727)	36,101	1,364	(110)	14,588	(1,634)	(26)	5,169	53,475	(3,192)	50,283

¹ Additions include vested assets of \$27,404.65

² Additions include vested assets of \$2,872.00

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 12B – 2015 Council restricted assets, restricted property, plant and equipment

	Opening Cost/ Valuation CV 1 Jul 14 (\$000)	Accum. Depn. and impairment charge AD 1 Jul 14 (\$000)	Opening Book Value BV 1 Jul 14 (\$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 15 (\$000)	Closing Accum. Depn AD 30 Jun 15 (\$000)	Closing Book Value BV 30 Jun 15 (\$000)
Land	23,578	0	23,578	7 ¹	0	3,795	0	0	0	27,380	0	27,380
Buildings	2,817	(352)	2,465	5	0	2,100	(37)	0	389	4,533	0	4,533
Parks and Reserves services	7,850	(748)	7,102	140 ²	(20)	(2,074)	(245)	0	993	4,903	0	4,903
Total restricted assets 2015	34,245	(1,100)	33,145	152	(20)	3,821	(282)	0	1,382	36,816	0	36,816

Total Council property, plant and equipment 2015	77,073	(7,827)	69,246	1,516	(130)	18,409	(1,916)	(26)	6,551	90,291	(3,192)	87,099
	A	B	C	D	E	F	G	H	I	J	K	L

Note: There are no restrictions over the title of Upper Hutt City Council's property, plant and equipment, nor are there any tangible assets pledged as security.

¹ Additions include vested assets of \$6,788

² Additions include vested assets of \$6,000

Formulas

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

J + K

Opening AD to Closing AD B + G + I

Opening CV to Closing BV

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

Note 12C – 2015 Subsidiaries assets, property, plant and equipment

	Opening Cost/ Valuation CV 1 Jul 14 (\$000)	Accum. Depn. and impairment charge AD 1 Jul 14 (\$000)	Opening Book Value BV 1 Jul 14 (\$000)	Current Year Disposals BV (\$000)	Current Year Revaluation/ Return to Equity (\$000)	Current Year Annual Depn. (\$000)	WIP Capitised Transferred (\$000)	Eliminate Depn on Revaluation/ Disposals (\$000)	Closing Cost/ Valuation CV 30 Jun 15 (\$000)	Closing Accum. Depn AD 30 Jun 15 (\$000)	Closing Book Value BV 30 Jun 15 (\$000)	
	A	B	C	D	E	F	G	H	I	J	K	L
Expressions property, plant, and equipment	77	(34)	43	17	0	(9)	0	0	94	(43)	51	
Total subsidiary assets 2015	77	(34)	43	17	0	(9)	0	0	94	(43)	51	
Total group property, plant and equipment 2015	77,150	(7,861)	69,289	1,533	18,409	(1,925)	(26)	6,551	90,385	(3,235)	87,150	

Formulas

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

Note 12A – 2014 Council operational assets, 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 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 14 (\$000)	Closing Accum. Depn AD 30 Jun 14 (\$000)	Closing Book Value BV 30 Jun 14 (\$000)
	A	B	C	D	E	F	G	H	I	J	K	L
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

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 12C – 2014 Subsidiaries assets, 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 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 14 (\$000)	Closing Accum. Depn AD 30 Jun 14 (\$000)	Closing Book Value BV 30 Jun 14 (\$000)
Expressions property, plant and equipment	79	(35)	44	0	0	(6)	0	7	77	(34)	43
Total subsidiary assets 2014	79	(35)	44	0	0	(6)	0	7	77	(34)	43
Total group property, plant and equipment 2014	75,853	(6,476)	69,377	1,097	1,097	(1,356)	(44)	(29)	77,150	(7,861)	69,289

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 12D – Permanent art collection

	Actual Parent 30 Jun 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$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 - 2015 Aquatic assets

	Opening Cost/ Valuation CV 1 Jul 14 (\$000)	Accum. Depn. and impairment charge AD 1 Jul 14 (\$000)	Opening Book Value BV 1 Jul 14 (\$000)	Current Year Additions (\$000)	Current Year Disposals BV (\$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 15 (\$000)	Closing Accum. Depn AD 30 Jun 15 (\$000)	Closing Book Value BV 30 Jun 15 (\$000)
Land	1,237	0	1,237	0	0	144	0	0	0	1,381	0	1,381
Buildings	5,559	0	5,559	434	(74)	3,044	(265)	0	265	8,698	0	8,698
Plant	699	0	699	26	(1)	(488)	(36)	0	36	200	0	200
Total aquatic assets	7,495	0	7,495	460	(75)	2,700	(301)	0	301	10,279	0	10,279

Note 13 - 2014 Aquatic assets

	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 BV (\$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	1,237	0	1,237	0	0	0	0	0	0	1,237	0	1,237
Buildings	10,550	(704)	9,846	8	0	(4,083)	(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 aquatic assets	14,960	(1,918)	13,042	124	(80)	(5,235)	(356)	0	2,274	7,495	0	7,495

Note 14A – 2015 Council infrastructural assets

	Opening Cost/ Valuation CV 1 Jul 14 (\$000)	Accum. Depn. and impairment charge AD 1 Jul 14 (\$000)	Opening Book Value BV 1 Jul 14 (\$000)	Current year Additions (\$000)	Current year Disposals (\$000)	Current year Revaluation Surplus (\$000)	Current year Annual Depn. (\$000)	Current year Transferred WIP (\$000)	Eliminate on Revaluation/ Disposal (\$000)	Closing Cost/ Valuation CV 30 Jun 15 (\$000)	Closing Accum. Depn AD 30 Jun 15 (\$000)	Closing Book Value BV 30 Jun 15 (\$000)
	A	B	C	D	E	F	G	H	I	J	K	L
Land under roads at cost	88,222	0	88,222	281 ¹	0	0	0	0	0	88,503	0	88,503
Roads	190,284	0	190,284	3,952 ²	(68)	4,584	(4,028)	0	4,028	194,724	0	194,724
Stormwater	106,033	0	106,033	5 ³	(53)	4,460	(1,648)	0	1,648	108,797	0	108,797
Telemetry	320	0	320	0	0	25	(40)	0	40	305	0	305
Wastewater	79,285	0	79,285	265	(63)	3,765	(1,754)	0	1,754	81,498	0	81,498
Water	87,167	0	87,167	462 ⁴	(329)	636	(1,692)	0	1,692	86,244	0	86,244
Hutt Valley Wastewater Assets (note 13B)	44,181	(3,651)	40,530	694	0	73	(1,569)	0	5,220	39,728	0	39,728
Work in progress	96	0	96	2,829	0	0	0	(96)	0	2,829	0	2,829
Total infrastructure assets 2015	595,588	(3,651)	591,937	8,488	(513)	13,543	(10,731)	(96)	14,382	602,628	0	602,628

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

¹ Additions include vested assets of \$281,498

³ Additions include vested assets of \$5,029

² Additions include vested assets of \$168,690

⁴ Additions include vested assets of \$5,974

Formulas

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

J + K

Opening AD to Closing AD B + G + I

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

Note 14A – 2014 Council infrastructural assets

	Opening Cost/ Valuation 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/ 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

b Additions include vested assets of \$429,707

d Additions include vested assets of \$505,400

e Additions include vested assets of \$333,936

Formulas

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

J + K

Opening AD to Closing AD B + G + I

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 2014. The valuation of these assets was independently carried out by Ian Henderson (AAPI), Valuation Principal of Aon Global Risk Consulting.

Upper Hutt City Council now has an interest in the total assets of \$39.728M (2014 \$40,530M) 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 Parent 30 Jun 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
Drainage Levy	2,600	2,485	2,600	2,485
Capital Contributions	694	393	694	393
Trade Waste Income	(98)	(85)	(98)	(85)

Note 15 – Intangible assets

Computer software	Actual Parent 30 Jun 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
Balance at 01 July				
Cost	291	291	291	291
Accumulated amortisation and impairment	(204)	(162)	(204)	(162)
Opening carrying amount	87	129	87	129
Year ended 30 June				
Additions	0	0	0	0
Amortisation charge	(44)	(42)	(44)	(42)
Closing carrying amount at 30 June	43	87	43	87
Cost balance at 30 June	291	291	291	291
Accumulated amortisation and impairment	(248)	(204)	(248)	(204)
Closing cost amount at 30 June	43	87	43	87

Note 16 – Payables and deferred revenue

	Actual Parent 30 Jun 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
Trade creditors	5,453	4,763	5,575	4,863
Rates in advance	760	765	760	765
Greater Wellington Regional Council Rates	300	261	300	261
Fees in advance	747	372	747	372
Amounts due to related parties	0	34	0	0
Accrued interest payable	110	49	110	49
Payroll liability	163	170	163	170
Other liabilities	175	107	175	107
Deposits and trust accounts	776	737	797	804
Payables and deferred revenue	8,484	7,258	8,627	7,390
Payables and deferred revenue from non-exchange transactions	8,459	7,255	8,602	7,387
Payables and deferred revenue from exchange transactions	25	3	25	3
Payables and deferred revenue	8,484	7,258	8,627	7,390

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	Actual Parent	Actual Group	Actual Group
	30 Jun 15 (\$000)	30 Jun 14 (\$000)	30 Jun 15 (\$000)	30 Jun 14 (\$000)
Weathertightness claims	90	34	90	34

Four claims have been lodged with the Weathertight Homes Resolution Service (WHRS) under the Financial Assistance Package (FAP) scheme as at 30 June 2015 (2014, 4).

These claims relate to weathertightness issues of homes in the Upper Hutt area and name the Council as well as other parties. The WHRS is a central government service established under the Weathertightness Homes Resolution Services Act 2006. The FAP is only available to eligible homeowners. The Council has opted into the FAP scheme.

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 over legal proceedings.

Note 17 – Employee benefit liabilities

	Actual Parent	Actual Parent	Actual Group	Actual Group
	30 Jun 15 (\$000)	30 Jun 14 (\$000)	30 Jun 15 (\$000)	30 Jun 14 (\$000)
Accrued pay	267	224	267	243
Annual leave	565	533	594	533
Sick leave	47	43	47	43
Retirement and long service leave	296	255	296	255
Total employee benefit liabilities	1,175	1,055	1,204	1,074
Current	879	800	908	819
Non-current	296	255	296	255
Total employee entitlements	1,175	1,055	1,204	1,074

The present value of retirement and long service leave obligation depends on a number of factors that are determined on 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 3.33% (2014, 3.65%) and an inflation rate of 0.10% (2014, 1.60%) have been applied.

Note 18 - Borrowings

	Actual Parent 30 Jun 15 (\$000)	Actual Parent 30 Jun14 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
Current				
Secured loans	4,272	700	4,272	700
Total current borrowings	4,272	700	4,272	700
Non-current				
Secured loans	26,277	24,727	26,277	24,727
Total non-current borrowings	26,277	24,727	26,277	24,727
Total borrowings	30,549	25,427	30,549	25,427

Fixed-rate debt

Upper Hutt City Council's secured debt of \$12.549 million (2014, \$14.427 million) is issued at fixed rates of interest.

Floating-rate debt

Upper Hutt City Council's secured debt of \$18.000 million (2014, \$11.000 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 (2014, \$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 \$1,624,000 (2014, \$60,420).

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 \$50.208 million (2014, \$41.208 million), under its Debenture Trust Deed. This stock has been issued to four banking institutions as security for existing facilities totalling committed funds of \$30.549 million (2014, \$24,587 million) and uncommitted facilities available to the value of \$1,803,241 (2014, \$41,394).

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 2015 was 5.10% (5.22% in June 2014). 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 15 Secured Loans Parent and Group	30 Jun 14 Secured Loans Parent and Group
Less than one year	4,272	700
<i>weighted average effective interest rate</i>	5.33%	5.22%
Later than one year but not more than five years	20,277	24,727
<i>weighted average effective interest rate</i>	5.15%	5.22%
Later than five years	6,000	0
<i>weighted average effective interest rate</i>	4.6%	0.00%
Total Borrowings	30,549	25,427

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 15 (\$000)	30 Jun 14 (\$000)	30 Jun 15 (\$000)	30 Jun 14 (\$000)
Non-current				
Secured loans	26,277	24,727	26,277	24,727
Total Non-Current borrowings	26,277	24,727	26,277	24,727

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 \$18.5 million (2014, \$1.5 million).

A – Financial instrument categories

	Actual Parent 30 Jun 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
Financial assets				
Fair value through surplus and deficit	15	0	15	0
Derivative financial instrument assets	15	0	15	0
Loans and receivables				
Cash at bank and cash equivalents	6,586	2,217	6,832	2,445
Debtors and other receivables	2,464	2,266	2,520	2,300
Other financial assets				
- term deposits	4,500	5,300	4,541	5,340
- community loans	128	152	128	152
- LGFA borrow notes	288	176	288	172
Total loans and receivables	13,966	10,111	14,309	10,413
Fair value through other comprehensive revenue and expense				
Other financial assets				
- unlisted shares	172	167	172	167
Total fair value through other comprehensive revenue and expense	172	167	172	167
Financial liabilities				
Fair value through profit and loss	959	13	959	13
Derivative financial instrument	959	13	959	13
Financial liabilities at amortised cost				
Creditors and other payables	8,484	7,258	8,627	7,390
Borrowings				
- secured loans	30,549	25,427	30,549	25,427
Total financial liabilities at amortised cost	39,033	32,685	39,176	32,817

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 2015				
Financial assets				
Derivatives	15	15	0	0
Shares	172	0	172	0
Financial liabilities				
Derivatives	959	959	0	0
Group 30 June 2015				
Financial assets				
Derivatives	15	15	0	0
Shares	172	0	172	0
Financial liabilities				
Derivatives	959	959	0	0
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

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

Price risk

Price risk is the risk that the fair value of future cashflows of a financial instrument will fluctuate as a result of changes in market prices. Equity securities price risk arises on listed share investments, which are classified as financial assets held at fair value through other comprehensive revenue and expense. This price risk arises due to market movements in listed shares. Equity securities price risk is not managed as all quoted share investments are unlisted. These shares are held for strategic purposes.

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.

Generally, the Council and group raises long-term borrowings at floating rates and swaps them into fixed rates using interest rate swaps in order to manage the cashflow interest rate risk. Such interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rate that are generally lower than those available if the Council or group agrees with other parties to exchange, at specific intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

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 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 15 (\$000)
Upper Hutt City Council's maximum credit exposure for each class of financial instrument is as follows:				
Cash at bank and term deposits	11,086	7,517	11,373	7,785
Debtors and other receivables	2,464	2,266	2,520	2,300
Community and related party loans	128	152	128	152
Derivative financial instrument assets	15	0	15	0
Total credit risk	13,693	9,935	14,036	10,237

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 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
Counterparties with credit ratings				
Cash at bank and term deposits				
AA+ (Standard and Pooers)	288	176	288	176
AA (Standard and Pooers)	0	0	0	0
AA- (Standard and Pooers)	9,082	4,213	9,367	4,473
A+ (Standard and Pooers)	2,000	3,300	2,000	3,300
Total Cash at bank and term deposits	11,370	7,689	11,655	7,949
Derivative financial instrument assets:				
A+ (Standard and Pooers)	15	0	15	0
Total Cash at bank and term deposits	15	0	15	0
Counterparties without credit ratings				
Community and related party loans:				
Existing counterparty with defaults in past	17	12	17	12
Existing counterparty with no defaults in past	111	140	111	140
Total community and related party loans	128	152	128	152

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 2015						
Creditors and other payables	8,484	8,484	8,484	0	0	0
Secured Loans	30,549	32,086	1,552	17,214	5,197	8,123
Total	39,033	40,570	10,036	17,214	5,197	8,123
Group 2015						
Creditors and other payables	8,627	8,627	8,627	0	0	0
Secured Loans	30,549	32,086	1,552	17,214	5,197	8,123
Total	39,176	40,713	10,179	17,214	5,197	8,123
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

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 2015						
Cash and cash equivalents	6,586	6,586	6,568	0	0	0
Debtors and other receivables	2,464	2,464	2,464	0	0	0
Other financial assets:						
- term deposits	4,500	5,062	5,062	0	0	0
- community and related party loans	128	137	48	65	24	0
Total	13,678	14,249	14,142	65	24	0
Group 2015						
Cash and cash equivalents	6,832	6,832	6,832	0	0	0
Debtors and other receivables	2,520	2,520	2,520	0	0	0
Other financial assets:						
- term deposits	4,541	5,906	5,906	0	0	0
- community and related party loans	128	137	48	65	24	0
Total	14,021	15,395	15,306	65	24	0
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	0
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

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	2015 \$000		2014 \$000	
		-100bps	+100bps	-100bps	+100bps
Council Interest rate risk					
Financial assets					
Cash and cash equivalents	1	-19	19	-14	14
Financial liabilities					
Term loans	2	-180	180	-254	254
Total sensitivity to interest rate risk		-199	199	-268	268

Explanation of sensitivity analysis – Council

1. Cash and cash equivalents

Cash and cash equivalents include deposits at call totalling \$1.9 million (2014, \$1.4 million) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$19,000 (2014, \$14,000).

2. Secured loans

Council has floating rate debt with a principal amount of \$18.0 million (2014, \$25.427 million). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$180,000 (2014, \$254,270).

Sensitivity Analysis	Note	2015 \$000		2014 \$000	
		-100bps	+100bps	-100bps	+100bps
Group Interest rate risk					
Financial assets					
Cash and cash equivalents	1	-19	19	-14	14
Financial liabilities					
Term loans	2	-180	180	-254	254
Total sensitivity to interest rate risk		-199	199	-268	268

Explanation of sensitivity analysis – Group

1. Cash and cash equivalents

Cash and cash equivalents include deposits at call totalling \$1.9 million (2014, \$1.4 million) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$19,000 (2014, \$14,000).

2. Secured loans

Council has floating rate debt with a principal amount of \$18 million (2014, \$25.427 million). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$180,000 (2014, \$254,270).

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 \$103.781 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 \$305.042 million. The maximum amount available to the local authority under those arrangements is \$300 million split 60/40 between Central Government and commercial insurance.
- 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.

The following information relates to the insurance of Council assets as at 30 June.

	30 June 2015	30 June 2014
The total value of all Council assets covered by insurance contracts	408.823 million	392.176 million
- above ground assets (excludes land and roads)	103.781 million	93.109 million
- underground assets	305.042 million	299.067 million
The maximum amount to which insured assets are insured	150.000 million	150.000 million
The total value of all Council assets covered by financial risk sharing arrangements	300.000 million	250.000 million
Maximum amount available to Council under financial risk sharing arrangements	35.000 million	35.000 million
Total value of assets that are self-insured	Nil	Nil
The value of funds maintained for self-insurance	Nil	Nil

In the event of natural disaster, central government may contribute up to 60% towards the restoration of water, drainage and sewerage assets, and provide a subsidy towards the restoration of roads.

Note 20 – Accumulated funds

	NOTES	Actual Parent 30 Jun 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
Opening balance 01 July		233,976	236,107	234,165	236,245
Net Surplus (deficit)		(6,920)	(1,919)	(6,885)	(1,869)
		227,056	234,188	227,280	234,376
Transfer to:					
Restricted reserves	21	(568)	(744)	(570)	(745)
Accounts restricted by law		(1,755)	(1,420)	(1,755)	(1,420)
Net revaluation gains and losses		0	0	0	0
Asset revaluation reserve on disposal of property, plant and equipment		0	0	0	0
		(2,323)	(2,165)	(2,325)	(2,165)
Transfer from:					
Restricted reserves	21	515	403	517	405
Accounts restricted by law		1,494	730	1,494	730
Accumulated reserve transfer		0	0	0	0
Asset revaluation reserve on disposal of property, plant and equipment		394	819	394	819
		2,403	1,952	2,405	1,954
Closing balance 30 June		227,136	233,976	227,360	234,165

Fair value through other comprehensive income	Actual Parent 30 Jun 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
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 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
Reserve funds	1,861	1,808	1,899	1,846
Other accounts restricted by law	4,467	4,206	4,467	4,206
Closing balance 30 June	6,328	6,014	6,366	6,052

A – Reserve Funds

	Actual Parent 30 Jun 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
Opening balance 01 July	1,808	1,467	1,846	1,506
Transfers from net surplus	568	744	570	745
Transfers from accumulated funds	0	0	0	0
	2,376	2,211	2,416	2,251
Transfers to net surplus	0	0	0	0
Transfers to accumulated funds	(515)	(403)	(517)	(405)
Closing balance 30 June	1,861	1,808	1,899	1,846

Contents of reserve funds	Actual Parent 30 Jun 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
Sierra Way subdivision ⁷	126	121	126	121
Civic amenities fund ²	1	1	1	1
Amenities fund ²	399	353	399	353
Plant renewal ³	303	358	303	358
Reserve fund contribution ⁴	559	537	559	537
Council property sales ⁶	45	43	45	43
Cash in lieu parking fund account ⁵	2	2	2	2
Harcourt Park maintenance fund ⁸	1	4	1	4
General reserve fund ¹	8	8	8	8
Blue Mountain roading levy ⁷	48	36	48	36
Akatarawa roading levy ⁷	67	55	67	55
Kaitoke roading levy ⁷	18	17	18	17
Mangaroa roading levy ⁷	216	199	216	199
Katherine Mansfield roading levy ⁷	0	0	0	0
Moonshine Hill Road levy ⁷	5	5	5	5
Alexander Road levy ⁷	9	5	9	5
Library redevelopment fund ⁸	0	0	0	0
Trench resealing levy ¹⁰	11	23	11	23
Kurth Crescent Stormwater levy ¹¹	43	41	43	41
Arts scholarship fund ¹²	0	0	38	38
Closing balance 30 June	1,861	1,808	1,899	1,846

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.

FINANCIAL STATEMENTS

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-statement 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 2014 - 2015	Balance 1 July 2014 (\$000)	Transfers into fund (\$000)	Transfers out of fund (\$000)	Balance 30 June 2015 (\$000)
Sierra Way subdivision	121	5	0	126
Civic amenities fund	1	0	0	1
Amenities fund	353	71	(25)	399
Plant renewal reserve	358	139	(194)	303
Reserve fund contribution	537	281	(259)	559
Council property sales	43	2	0	45
Cash in lieu parking fund account	2	0	0	2
Harcourt Park maintenance fund	4	3	(6)	1
General reserve fund	8	0	0	8
Blue Mountain roading levy	36	30	(18)	48
Akatarawa roading levy	55	12	0	67
Kaitoke roading levy	17	1	0	18
Mangaroa roading levy	199	17	0	216
Katherine Mansfield roading levy	0	0	0	0
Moonshine Hill Road levy	5	0	0	5
Alexander Road levy	5	4	0	9
Swamp Road levy	0	0	0	0
Library redevelopment fund	0	0	0	0
Cemetery development	0	0	0	0
Trench resealing levy	23	1	(13)	11
Kurth Crescent stormwater levy	41	2	0	43
Total special funds for 30 June Parent	1,808	568	(515)	1,861
Arts scholarship fund	38	2	(2)	38
Total special funds for 30 June Group	1,846	570	(517)	1,899

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

B – Other accounts restricted by law

	Actual Parent 30 Jun 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
Opening balance 01 July	4,206	3,516	4,206	3,516
Transfers from net surplus	1,755	1,420	1,755	1,420
Transfers to accumulated funds	(1,494)	(730)	(1,494)	(730)
Closing balance 30 June	4,467	4,206	4,467	4,206

Contents of other accounts restricted by law	Actual Parent 30 Jun 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
Dog control account	0	0	0	0
Water rate account	867	732	867	732
Stormwater rate account	853	956	853	956
Wastewater rate account	2,747	2,518	2,747	2,518
Closing balance 30 June	4,467	4,206	4,467	4,206

Other accounts restricted by law for 2014 - 2015	Activities to which the reserve relates to	Balance 1 July 2014 (\$000)	Transfers into fund (\$000)	Transfers out of fund (\$000)	Balance 30 June 2015 (\$000)
Dog control account	Dogs	0	0	0	0
Water rate account	Water	732	301	(166)	867
Stormwater rate account	Stormwater	956	108	(211)	853
Wastewater rate account	Wastewater	2,518	1,346	(1,117)	2,747
Closing balance 30 June		4,206	1,755	(1,494)	4,467

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

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 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
Opening balance 01 July	405,331	396,036	405,331	396,036
Revaluation gains (losses)	34,652	10,114	34,652	10,114
Transfer of revaluation reserve to/from accumulated reserve on disposal of property, plant and equipment	(394)	(819)	(394)	(819)
Closing balance 30 June	439,589	405,331	439,589	405,331
Consists of :-				
General asset revaluation reserve	29,921	19,575	29,921	19,575
Land and street trees asset revaluation reserve	33,371	22,693	33,371	22,693
Roading asset revaluation reserve	121,439	116,903	121,439	116,903
Stormwater asset revaluation reserve	92,479	88,073	92,479	88,073
Hutt Valley Wastewater Scheme revaluation reserve	26,259	26,186	26,259	26,186
Wastewater asset revaluation reserve	71,333	67,630	71,333	67,630
Water asset revaluation reserve	64,787	64,271	64,787	64,271
Closing balance 30 June	439,589	405,331	439,589	405,331

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

	Actual Parent 30 Jun 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
Surplus/(deficit) after tax	(6,920)	(1,919)	(6,885)	(1,869)
Add/(less) non-cash items:				
Depreciation	12,949	12,032	12,958	12,038
Donated asset	0	0	0	0
Vested assets	(504)	(2,691)	(504)	(2,691)
Amortisation of intangible	43	43	43	43
Impairment of receivables	19	7	19	7
Loss (profit) on derivative	930	7	930	7
Rates remission	103	100	103	100
Potential weathertightness claims	55	57	55	57
	13,595	9,555	13,604	9,561
Add/(less) items classified as investing or financing activities:				
Impairment of investments	(4)	0	(4)	0
Loss on disposal of property, plant and equipment	718	1,146	718	1,146
Profit on disposal of property, plant and equipment	(55)	(140)	(55)	(140)
	659	1,006	659	1,006
Movements in working capital items				
(Increase)/decrease in trade receivable	(229)	729	(241)	750
(Increase)/decrease in inventories	13	(11)	6	(8)
Increase/(decrease) in trade and other payables	1,209	(1,131)	1,220	(1,097)
Increase/(decrease) in employee benefits	120	23	130	20
	1,113	(390)	1,115	(335)
Net cash inflow/(outflow) from operating activities	8,447	8,252	8,493	8,363

Note 24 – Contingencies

Contingent liabilities	Actual Parent 30 Jun 15 (\$000)	Actual Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 15 (\$000)	Actual Group 30 Jun 14 (\$000)
Guarantees	0	0	0	0
Other legal unqualified claims	533	446	533	446
Total contingent liabilities	533	446	533	446

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.

Local Government Funding Agency

The Council is a guarantor of the New Zealand Government Funding Agency (LGFA). The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating of Standard and Poor's of AA+. There are 30 local authority shareholders and 11 local authority guarantors of the LGFA. The uncalled capital of shareholders is \$20 million and that is available in the event that an imminent default is identified. Also, together with the shareholder's uncalled capital and guarantors, the Council is a guarantor of all of the LGFA's borrowings.

At 30 June 2015, the LGFA had borrowings totalling \$4.955 billion (2014, \$3.73 billion)

Financial reporting standards require the Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of the LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- it is not aware of any local authority debt defaults events in New Zealand
- local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligation if further funds were required.

Unquantified claims

Upper Hutt City Council has 11 claims outstanding; seven have proceedings issued on them. (2014, eleven 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 2015, there are 33 facilities, having an approximate value of \$7.139 million (2014, 33 facilities - \$7.341 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 15	30 Jun 14
	\$	\$
Salary	242,625	236,217
Private use of a car	18,934	17,724
Total remuneration, including fringe benefit tax.	261,559	253,941
The Chief Executive Officer's actual remuneration was:		
Salary	241,403	235,260
Private use of a car	18,934	17,724
Actual total remuneration, including fringe benefit tax.	260,337	252,984

Note 26 – Remuneration of elected members

During the year Upper Hutt City Council paid total costs, including meeting allowances of \$427,106 (\$407,061 at 30 June 2014) to elected members, as follows:

	Actual 30 Jun 15 \$	Actual 30 Jun 14 \$
His Worship the Mayor, Wayne Guppy	101,805	96,935
Deputy Mayor John Gwilliam	41,370	38,909
Cr Mary Amour	28,969	27,324
Cr. Dean Rabbitt	34,763	33,849
Cr. Dave Wheeler	32,517	29,039
Cr. Glenn McArthur	37,041	31,608
Cr. Hellen Swales	34,763	30,752
Cr. Blair Griffiths (newly elected)	28,969	18,981
Cr. Paul Lambert (newly elected)	28,969	18,981
Cr. Angela McLeod (newly elected)	28,969	18,981
Cr. Steve Taylor (newly elected)	28,969	18,981
Deputy Mayor Peter McCardle (retired)	0	13,162
Cr. Patricia Christianson (retired)	0	8,344
Cr. Nellie Gillies (retired)	0	11,441
Cr. Nick Thomas (not re-elected)	0	9,775
Total remuneration of elected members	427,104	407,061

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

	Actual 30 Jun 15 \$	Actual 30 Jun 14 \$
Deputy Mayor J. Gwilliam	814	0
Cr. D Wheeler	651	0
Cr. G McArthur	800	0
Total resource consents hearing fees	2,265	0

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 (2014, \$nil). During the year Council had the following transactions:

A – with Expressions Arts and Entertainment Trust (Expressions)	Actual 30 Jun 15 (\$000)	Actual 30 Jun 14 (\$000)
i. During the year Council had the following transactions:		
Grants	599	580
Maintenance Management Fee	19	19
Other	5	53
Total with Expressions Arts and Entertainment Trust (Expressions)	623	652

- ii. At year-end 2015, \$49,957 (\$33,523 in 2014) was owed by Expressions to Council; also Council owed \$230 to Expressions (\$4,370 in 2014).

B – with Councillors	Actual Parent 30 Jun 15 \$	Actual Parent 30 Jun 14 \$	Actual Group 30 Jun 15 \$	Actual Group 30 Jun 14 \$
Total with Councillors Upper Hutt City Council	0	0	0	0
Peter Benner	0	0	12,410	11,802
Upper Hutt Concert Grand Piano Trust (Net)	0	0	1,906	0
Total for group	0	0	14,316	11,802

C – Key management personnel compensation	Actual Parent 30 Jun 15 \$	Actual Parent 30 Jun 14 \$	Actual Group 30 Jun 15 \$	Actual Group 30 Jun 14 \$
The Mayor and Councillors				
Remuneration	427,106	407,061	427,106	407,061
Full-time equivalent members	11	11	11	11
Senior Management Team, including the Chief Executive				
Remuneration	1,009,419	1,001,028	1,105,924	1,223,229
Full-time equivalent members	6	6	7	8
Total key management personnel compensation	1,436,525	1,408,089	1,533,030	1,630,290
Total full-time equivalent personnel	17	17	18	19

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 2015 was nil (2014, \$7,409). The group was nil (2014, \$7,409).

Expressions paid \$12,410 to a company in which a senior staff member of Expressions is a sole shareholder (2014: \$11,802 per prior year). Expressions paid piano rental of \$3,200 to the Upper Hutt Concert Grand Piano Trust (well below normal market rates, and received \$1,294 from the Upper Hutt Concert Grand Piano Trust for discounted event expenses).

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 2015 Upper Hutt City Council made one severance payment to an employee totalling \$44,710 (2014, (7) \$43,428). The severance payments in 2014 were \$635, \$15,230, \$4,996, \$13,433, \$3,769, \$2,682, and \$2,682.

Note 29 – Summary of employee levels

	30 Jun 15 Employee Numbers	30 Jun 14 Employee Numbers	30 Jun 15 Full time Equivalent Employee Numbers	30 Jun 14 Full time Equivalent Employee Numbers
Casual employees	52	38	4	3
Part-time employees	53	49	15	28
Full-time employees	70	70	70	70
Band range \$60,000 or under total remuneration	175	157	89	101
Full-time employees	29	24	29	24
Band range \$60,001 to \$80,000 total remuneration	29	24	29	24
Full-time employees	10	9	10	9
Band range \$80,001 to \$100,000 total remuneration	10	9	10	9
Part time employees	1	0	1	0
Full-time employees	4	5	4	5
Band range \$100,001 to \$120,000 total remuneration	5	5	5	5
Full-time employees	4	4	4	4
Band range \$120,001 to \$140,000 total remuneration	4	4	4	4
Full-time employees	4	4	4	4
Band range \$140,001 to \$260,000 total remuneration	4	4	4	4
Total employee numbers	227	203	141	147

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 2014 – 2015 Annual Plan are as follows:

Statement of Comprehensive Revenue and Expense

Operating Revenue was \$7,988,000 below estimate. The following are the main variances:

- Rate income was up by \$281,000 over estimate due to growth of subdivisions within the city
- Fees and Charges were below estimate by \$7,688,000 for Council
- The main lower components being:
 - permit and license fees down by \$599,000 reflecting current market conditions
 - other charges - down \$5,424,000 due to a hold up in the development and sale of Maidstone Terraces housing
 - \$191,000 H²O Xstream revenue down due to maintenance closure
 - \$81,000 library income due to lower demand, free internet usage, and technology changes
 - vested asset income down by \$1,843,000 due to market conditions
- Development and financial contributions were lower by \$391,000 mainly due to rural road contributions due to market conditions
- Subsidies and Grants were below estimate by \$373,000. This was solely due to a drop in roading subsidies as projects not completed
- Operating Expenditure was \$413,000 below estimate.

The following are the main variances:

- Depreciation was \$645,000 higher than budget. This reflects the impact of asset revaluations and depreciation of the Wastewater project
- Personnel costs were \$251,000 lower for actual personnel costs as a higher turnover of staff created unfilled vacancies for a number of weeks
- Other costs were down from budget by \$586,000 mainly comprised of:
 - Insurance (\$182,000)
 - Rental (\$50,000)
 - Printing and stationary (\$146,000)
 - Loss on sale of assets (\$130,000)
 - Land transport general maintenance (\$81,000).

Statement of Financial Position

Asset revaluation reserves have increased by \$45.217 million due to the revaluation of Infrastructural assets.

Public debt at balance date was \$30.549 million. This compares with estimate of \$31.837 million; the difference is due to projects being incomplete and carried forward into the following year.

Capital Expenditure

Capital Expenditure has fluctuated in accordance with projects being incomplete and carried forward.

Statement of Changes in Equity

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

Note 31 – Discontinued activities

2015 nil (2014, 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 (2014: no events).

Note 33 – Adjustments to the Comparative Year Financial statements**Explanatory note**

Reclassification adjustments:

- a. For the Council and Group, targeted rates for Water supply of \$3.616 million have been reclassified from rates to exchange revenue
- b. For the Council and Group, dogs and cemetery charges of \$515,000 have been reclassified within the fees and charges note
- c. For the Council and Group, all subsidies and grants have been reclassified to non-exchange revenue
- d. For the Council and Group, all interest and dividends have been reclassified to non-exchange revenue
- e. For the Council and Group, under Receivables a new breakdown for exchange and non-exchange transactions has been included.

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 2015	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 2015	Due to the committee folding in December 2014 this is now made available by the HR Manager

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 2015	EEO Committee members continue to receive training in Workplace Bullying and Harassment. No committee was available; however the training was made available to the wider council instead.

EQUAL EMPLOYMENT OPPORTUNITIES (EEO)

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 2015	Due to the committee folding in December 2014 these are provided by means of monthly Corporate Management Team updates where applicable.

Performance Measure	Provide and encourage training for management staff in matters relating to Equal Employment Opportunity principles and programmes
Achievements as at 30 June 2015	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 2015	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 3 of the Long Term Plan 2012 – 2022

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 15 (\$000)	LTP Forecast 30 Jun 15 (\$000)	Actual 30 Jun 14 (\$000)	LTP Forecast 30 Jun 14 (\$000)
Key targets				
Total income	42,493	46,264	43,860	45,070
Total expenditure	49,413	49,288	45,779	48,548
Operating surplus / (deficit)	(6,920)	(3,024)	(1,919)	(3,478)
Total equity / net assets	673,053	633,277	645,321	615,854
Public debt	30,549	32,069	25,427	28,968
Capital expenditure	10,464	12,941	10,202	11,576
Specific activities (net funding)				
Leadership	2,119	2,521	2,097	2,448
Land Transport	4,507	5,419	4,479	5,132
Water Supply	4,825	5,214	4,686	4,762
Wastewater	6,228	6,487	5,368	6,270
Stormwater	1,496	2,311	2,242	2,284
Solid waste	(363)	(523)	(480)	(506)
Planning and regulatory services				
<i>City Planning</i>	1,422	1,271	1,112	1,259
<i>Building and compliance services</i>	636	786	1,230	778
Community Services				
<i>Community Development</i>	602	629	602	641
<i>Activation</i>	238	218	250	213
<i>Emergency Management</i>	331	624	502	606
Facilities				
<i>Parks and Reserves</i>	2,214	2,291	2,136	2,217
<i>H²O Xtream</i>	1,846	2,026	1,327	1,527
<i>Library</i>	2,543	2,509	2,380	2,415
<i>Expressions Arts and Entertainment Centre</i>	861	860	775	818
<i>Property</i>	28	12	70	18
<i>Akatarawa Cemetery</i>	(6)	(18)	7	(17)
<i>Support services</i>	28	27	99	25
Economic Development	1,129	930	939	925

Actual versus Long Term Plan (LTP)

Explanations for major variations from Upper Hutt City Council's 2012 - 2022 LTP year 3 are as follows.

Statement of comprehensive income

Operating revenue was \$3,771,000 below estimate. The following are the main variances:

- Rates income was down by \$732,000 over estimate due to changes in funding of projects
- Fees and Charges were below estimate by \$2,534,000 for Council
- The main change to the components being:
 - meter water charges (-\$52,000 up) due to unresolved private leaks
 - property rentals (\$71,000) down
 - permit and license fees (-\$455,000) due to market conditions
 - (-\$349,000) H²O Xtream charges due to maintenance closures
 - vested assets (-\$1,843,000) down due to market conditions
 - \$1,032,000 up in other charges due to market conditions
- Development and financial contributions were lower by \$401,000 due to market conditions
- Subsidies and Grants were below estimate by \$282,000. 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 \$125,000 over estimate. The following are the main variances:

- Depreciation was \$528,000 above budget. This reflects the impact of asset revaluations and depreciation of the Wastewater project
- Bulk water levy was \$290,000 lower
- Finance costs are lower by \$315,000
- Other costs were higher than budget by \$293,000 due to a variety of changes in costs. Below are some of the largest:
 - Insurance \$103,000 down
 - loss on disposal \$90,000 up
 - consultants \$75,000 down
 - electricity/gas energy \$81,000 up
 - other operating expenses \$178,000 down.

Statement of financial position

Asset revaluation reserves have increased by \$40,047,000 due to the revaluation of infrastructural assets.

Public debt at balance date was \$30,549,000. This compares with estimate for LTP of \$32,069,000, 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 in year 2 of the LTP.

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%	68%			0% - 10%	32%	
Land Transport	50% - 70%	48%			30% - 50%	52%	
Water Supply			80%	71%	20%	29%	2
Wastewater			90% - 100%	77%	0% - 10%	23%	
Stormwater			90% - 100%	89%	0% - 10%	11%	
Solid waste					100%	100%	
<i>Planning and Regulatory Services</i>							
City Planning	65% - 90%	75%			10% - 35%	25%	2
<i>Building and Compliance Services</i>							
Dog Control	0%	3%			100%	97%	4
Building Control	0% - 30%	36%			70% - 100%	64%	2
Environmental Health	75% - 90%	82%			10% - 25%	18%	
Parking Enforcement	0% - 15%	0			85% or more	100%	
Liquor Licensing	0% - 20%	31%			80% - 100%	69%	
<i>Community Services</i>							
Community Development	Up to 100%	84%			Up to 100%	16%	1
Activation	Up to 80%	32%			20% - 85%	68%	
Emergency Management	85% - 100%	41%			0% - 15%	59%	2
<i>Facilities</i>							
Parks and Reserves	90% - 100%	58%			0% - 10%	42%	2
H ² O Xtream	40% - 65%	62%			35% - 60%	38%	2
Library	85% - 95%	93%			5% - 15%	7%	1
Expressions	Up to 100%	98%			Up to 100%	2%	2
Property	0%	0%			100%	100%	
Akatarawa Cemetery	Balance	0%			Up to 100%	100%	3
Economic Development	95% - 100%	68%			0% - 5%	32%	1

1. One off projects/expenses
2. Up to 100% of capital projects
3. Balance of development costs from general rates
4. No funds remain in dog control restricted funds

Upper Hutt City Council

OUR MAYOR AND COUNCILLORS



MARY AMOUR

BLAIR GRIFFITHS

PAUL LAMBERT

GLENN MCARTHUR

JOHN GWILLIAM

WAYNE GUPPY

ANGELA MCLEOD

DEAN RABBITT

HELLEN SWALES

STEVE TAYLOR

DAVE WHEELER

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Upper Hutt City Council

OUR CORPORATE MANAGEMENT TEAM



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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
 Road 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

Ian Johnson

CORPORATE SERVICES

Insurances
 Administration
 Legal services
 Customer services
 Finance
 Information systems

Mike Ryan

COMMUNITY SERVICES

Central Government liaison
 Expressions
 City Library
 Community development
 Recreation services
 H²O Xstream

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

Independent Auditor's Report

To the readers of Upper Hutt City Council and group's Annual Report for the year ended 30 June 2015

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 2015 on page 119;
 - the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2015 on pages 120 to 123;
 - the funding impact statement of the City Council on page 76;
 - the statements about budgeted and actual capital expenditure in relation to each group of activities of the City Council on pages 25 to 74; and
 - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 100 to 118 and 124 to 177;
- the statement of service provision (referred to as Report of Council Performance by Activity) of the City Council on pages 25 to 74 and the funding impact statements in relation to each group of activities of the City Council on pages 76 to 86; and
- the disclosures of the City Council that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 87 to 96.

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 152;
 - council-controlled organisations on pages 60 to 68;
 - reserve funds on pages 162 to 167;
 - each group of activities carried out by the City Council on pages 76 to 86;
 - remuneration paid to the elected members and certain employees of the City Council on pages 171 and 172;
 - employee staffing levels and remuneration on page 175;
 - severance payments on page 174;
 - rating base units on page 126; and

- insurance of assets on page 160;
- 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 27; and
- a statement of compliance signed by the mayor of the Council, and by the City Council and group's Chief Executive on page 24.

Opinion

Audited information

In our opinion:

- the financial statements of the City Council and group on pages 100 to 177:
 - present fairly, in all material respects:
 - the City Council and group's financial position as at 30 June 2015;
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand;
- the funding impact statement of the City Council on page 76, presents fairly, in all material respects, 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 25 to 74, present fairly, in all material respects, 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 25 to 74:
 - presents fairly, in all material respects, the City Council's levels of service for the year ended 30 June 2015, including:
 - the levels of service as measured against the intended levels of service adopted in the Long-Term Plan;
 - the reasons for any significant variances between the actual service and the expected service; and
 - complies with generally accepted accounting practice in New Zealand;
- the funding impact statements in relation to each group of activities of the City Council on pages 76 to 86, present fairly, in all material respects, 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; and
- the disclosures on pages 87 to 96 represent a complete list of required disclosures and accurately reflects the information drawn from City Council's audited information.

Compliance with the other requirements of Schedule 10

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 28 October 2015. 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 the 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 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 the disclosures in the information we audited;
- determining the appropriateness of the reported 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 believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and statement of service provision that:
 - comply with generally accepted accounting practice in New Zealand;
 - present fairly the City Council and group's financial position, financial performance and cash flows;
 - present fairly its service performance, including achievements compared to forecast;
 - a funding impact statement that presents fairly 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 presents fairly 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 presents fairly 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's responsibilities arise under 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.

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.

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, the audit of the City Council's 2015-25 Long-Term Plan and an independent assurance review of the City Council's Debenture Trust Deed, 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



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