



Te Kaunihera o  
**Te Awa Kairangi ki Uta**  
Upper Hutt City Council

# Mahere Pae Tawhiti Long Term Plan (Amended) 2024-2034 <sup>1</sup>

**Adopted:** 27 June 2024  
**Amended adopted:** 18 February 2026

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**Operative from:** 1 July 2024

<sup>1</sup> This Long-Term Plan Amendment is published as a separate, unaudited document. An audit opinion is not required for this amendment, as it gives effect to a legislative change relating to the transfer of drinking water, wastewater, and stormwater services. The original Long-Term Plan, including its audit opinion, remains published separately and unchanged.

# Long Term Plan Amendment

## Purpose of this amendment

This amendment to the Long-term plan 2024-2034 was made under section 93D of the Local Government Act 2002. It gives effect to the legislative requirement for all participating councils to remove water service delivery functions, budgets and assets from their Long-term Plans following the transfer of these responsibilities to new regional water services delivery organisations.

Under the Local Government (Water Services Preliminary Arrangements) Act 2024 and Local Government (Water Services) Act 2025, Upper Hutt City Council's responsibility for water supply, wastewater and stormwater will end on 1 July 2026, when these services transfer to a new multi-council owned water service organisation for the metropolitan Wellington region, named Tiaki Wai Limited. (Tiaki Wai). This change is in accordance with provisions of the Local Government (Water Services Preliminary Arrangements) Act 2024 and Local Government (Water Services) Act 2025 enabling the reform.

Tiaki Wai will operate drinking water, wastewater, and piped stormwater services for approximately 432,000 people across the Wellington metropolitan area from 1 July 2026. It will take over the services and work being done today by Wellington Water, and the people doing that work. Tiaki Wai is jointly owned by Upper Hutt, Hutt, Porirua and Wellington City Councils along with Greater Wellington Regional Council.

This amendment ensures that the Long-term Plan reflects that change and continues to accurately reflect the services and financial responsibilities of the Council

### Summary of amendments

Page(s)	Section	Sub section amended	Description
14-16	Overview	What's driving our thinking	Updated to reflect the transfer of water services to Tiaki Wai from 1 July 2026.
19	Overview	Our plan: focusing on what matters most	Updated to reflect the transfer of water services to Tiaki Wai from 1 July 2026.
28-33	Overview	Financial Summary	The financial summary was updated to remove water services revenue, debt, operating and capital expenses from year 3 onwards.
66-93	Groups of activities	Water Supply Wastewater Stormwater	Removed performance measures and financial information from year 3 onwards to reflect the transfer of water services activities to Tiaki Wai on 1 July 2026.
124-147	Assumptions, strategies and financials	Significant forecasting assumptions	Removed forecasting assumptions related to water services from year 3 onwards
148-167	Finance	Financial Strategy	The financial strategy was updated to remove all water services related revenue, costs and debt from Year 3 onwards. Tables and charts have been updated to reflect the transfer of water services from 1 July 2026.

168-176	Finance	Benchmarks	Benchmarks from year 3 onwards have been updated to reflect the transfer of water services assets from 1 July 2026.
177-261	Infrastructure	Infrastructure Strategy	The infrastructure strategy was updated to remove all water services from Year 3 onwards. Tables and charts have been updated to reflect the transfer of water services from 1 July 2026.
263-291	Policies	Revenue and Financing Policy	The Revenue and Financing Policy was updated to reflect the water transfer services from 1 July 2026.
304-317	Policies	Significance and Engagement Policy	The Significance and Engagement Policy was updated to reflect the water transfer services from 1 July 2026.
326-375	Finance	Financial statements	The financial statements were updated to remove all water services related revenue, expenses, assets, liabilities and reserves Year 3 onwards.
382	Upper Hutt City Council	Elected Members	Updated to include elected Council from October 2025
383	Other information	Glossary	Definition of Wellington Water Limited current shareholding and future state.

## Consultation and audit

This amendment was adopted without further consultation or independent audit. Under section 93D (4) of the Local Government Act 2002, councils are not required to consult or obtain an audit when making an amendment that gives effect to a change required by law.

The Council through the Annual Plan 2025/26 consultation, sought community views on the future delivery of reliable water services. The majority of respondents (84%) supported joining a regional water services delivery organisation.

# Nau mai Welcome

Kua whakarerekētia te Mahere Pae Tawhiti 2024–2034 a Te Kaunihera o Te Awa Kairangi ki Uta kia tangohia katoatia ngā mahi ratonga wai, rawa, taunahatanga, moni whiwhi me ngā utu mai i te tau tuatoru ki tua, e hāngai ana ki te Ture Whakarerekē Rāngai Ratonga Wai 2024. Ko tēnei whakarerekētanga e whakaata ana i ngā panonitanga ā-ture e whakawhiti ana i ngā mahi ratonga wai katoa ki te rōpū ā-rohe, arā ko Tiaki Wai Metro Water Limited, mai i te 1 o Hūrae 2026.

Kua waihangatia tēnei Mahere Pae Tawhiti 2024–2034 (LTP) e ngā wero ōhanga e pēhi nei i a tātou, me te hiahia ki te whakapakari i te manawaroa ā-pūtea kia noho tonu a Te Awa Kairangi ki Uta hei wāhi pai mō te noho, te mahi, me te whakangahau.

Ko te Mahere tētehi o tā mātou tino pukapuka, e arataki ana i ngā mahi a te Kaunihera, i ngā utu whakahaere, me pēhea hoki te whakaea i aua utu.

Kua uaua te whakawhanake i tēnei Mahere, kua uaua hoki ngā whakatau i kōwhirihia e te Kaunihera.

E mātau pū ana mātou i ngā kano pēhanga ahumoni. Nā te nui o ngā utu noho, o ngā pāpātanga huamoni, o ngā pikiutu tikipū, o ngā utu penehīni e aupēhi nei, e aupōuri nei te tini tāngata.

Ehara tēnei i te mea hou. Kia aupēhi nei te ōhanga ā-motu i ngā wero nui, ka whakaaweawetia ngā kaunihera puta noa i te motu.

Nā ēnei tūāhuatanga, ka whakatakoto tā tātou mahere i ngā aronga matua e toru hei te tekau tau e heke mai nei: kia taurite i ngā puka kāute; kia whakangao i ngā pūtea ki ngā poupuo hapori; kia hoki ki ngā tūāpapa ratonga ka tika.

Kua āta whakaarotaketia ngā whakahaerenga mō te Kaunihera, ngā ratonga, ngā kaupapa mahi hoki kia mārāma pūrangiaho ai kei hea ngā wāhanga ka iti ake, ka tārewa rānei ngā utu.

Ko ngā whakaaroaro a te hapori kei te pito o ngā whakatau a te Kaunihera. Me taurite aua whakaaro ki hō mātou haepapa ahumoni, ki hō mātou herenga ture, ki ngā tūāpapa ratonga e tika ana mō te hapori.

Upper Hutt City Council's 2024-2034 Long Term Plan has been amended to remove all water services activities, assets, liabilities, revenues and costs from year three onwards in line with the Water Services Entities Amendment Act 2024. This amendment reflects legislative changes transferring all water services activities to the regional water entity, Tiaki Wai Metro Water Limited from 1 July 2026.

This Long Term Plan 2024–2034 (LTP) has been shaped by the economic challenges we face, and the need to build financial resilience to ensure Upper Hutt remains a great place to live, work, and play.

As one of our most important documents, the Long Term Plan outlines what Council will do, how much it will cost, and how it will be funded.

Developing this plan has been a challenging process, which required tough decisions to be made.

We recognise that our community is under financial pressure. The high cost of living, interest rates, inflation, insurance, and fuel prices are causing financial strain for many.

We are not alone. New Zealand's economy is facing significant challenges, which have impacted councils throughout the country.

For these reasons, our plan for the next ten years is focused on three key priorities: balancing the books; maintaining our infrastructure; and a back-to-basics approach to our services.

We thoroughly reviewed Council's structure, services, and projects to find areas where spending could be reduced or deferred.

Our communities' views are an important consideration in Council's decision-making. These views must be balanced alongside meeting our financial responsibilities, legislative requirements, and deliverable levels of service.

Ka whakatakina te uiuinga Mahere i te 2 o ngā rā o Āperira ki te 12 o Mei i tēnei tau. I whakahokia mai ngā tāpaetanga kōrero e 631, ā, ka tuku kōrero whakamārama ngā tāngata 68 i hā rātou tāpaetanga i ngā whakawā e toru i te marama o Mei.

Ko te nuinga o ngā tāpaetanga kōrero e hāngai ana ki rautaki ahumoni e whakahaere ana i tēnei Mahere, ki te pikitanga hoki i ngā tāke kaunihera.

Ahakoia te iti o ngā tāke kaunihera i ngā rā o mua, tē taea e te Kaunihera te pupuru tonu ki tērā mahere ahumoni kei hē hō tātou poupu hapori, hō tātou ratonga hoki.

Ko ngā tāke kaunihera te whiwhinga pūtea matua a te Kaunihera. Kia ea ai ngā takohanga ahumoni, ngā tūāpapa ratonga hoki, me piki rawa ngā tāke kaunihera i ngā tau ki muri tata nei o tēnei mahere.

Ka toka ngā pae tāke kaunihera nā runga i ngā herenga tahua kia ea ngā utu o ngā kaupapa mahi matua a te Kaunihera, kia tika ngā pae pūtea taurewa, kia ea hoki ngā utu huamoni.

Ka 19.93% te piki a te nuinga o ngā tāke kaunihera hei te tau tuatahi.

I runga i ngā tāpaetanga, i whakaitihia te pikinga reiti toharite mō te tekau tau o te Mahere Pae Tawhiti ki te 8.96%. I roto i te Mahere Pae Tawhiti kua whakahouhia, ko te pikinga reiti toharite mō te tekau tau he 1.26%.

Ahakoia te piki a ngā tāke kaunihera, kei te iti ake ngā tāke kaunihera o Te Awa Kairangi ki Uta i nuinga o ngā rēti puta noa i te motu.

The Long Term Plan consultation ran from 2 April to 12 May this year. We received 631 submissions and 68 people spoke about their submissions over three hearing dates in May.

There was strong feedback through submissions in response to the financial strategy driving this Long Term Plan, and the resulting rates increases.

While rates in Upper Hutt have been low historically, it is no longer financially viable to keep them at the level they have been without our infrastructure and facilities suffering.

Rates are Council's main source of income. To meet our financial commitments and provide the agreed levels of service, we must significantly increase rates in the early years of this plan.

The level rates are set at is based on the funding required to deliver Council's core activities, maintain appropriate borrowing levels, and fund interest costs.

On average, rates will increase by 19.93% in Year 1.

In response to submissions the average rates rise over the 10 years of the Long Term Plan was reduced to 8.96%. In the amended Long Term Plan the average rate increase is 1.26% over the 10 years.

Despite the increases, rates in Upper Hutt will remain among the lowest in New Zealand.

Ko hētehi atu o ngā tino kaupapa i whakahoki kōrero mai koutou ko te taunaki i tō mātou whakangao i ngā pūtea ki ngā poupu hapori, i ngā kaupapa mahi matua hoki a te Kaunihera. Tōna tikanga, i whakamanahia e koutou ngā whakaarotau matua a tēnei Mahere.

Nā hō koutou tuku kōrero whakamārama, ka toka te whakatau a te Kaunihera kia whakaiti i ngā pūtea tautoko mō ngā wāhanga mahi e rima, mō te nuinga hoki o ngā pūtea karāti.

Kua āta whakaarohia e mātou te whakangao i ngā pūtea ki ngā tūāhanga wai, ka neke atu i te 40% o tā mātou whakapaunga moni whiwhi.

Ka utua tonutia e te Kaunihera ngā karāti tautoko hapori, ā, ka whakahoki anō i ngā pūtea tautoko mō ngā whakatairanga ā-tāone, mō ngā taiopenga hoki hei te tau tauwhā o tēnei Mahere.

Ka nui hō mātou mihi ki a koutou kua whai wā ki tuku kōrero whakamārama i hō koutou whakaaro, ki te mahi ngātahi hoki kei tō te Kaunihera taha kia uruparea ngā wero nui o te wā.

Kua ngākau titikaha mātou ki tēnei mahere e whakatakotohia ana te ara tika hei hīkoinga mā tātou ki tō tātou āpōpō.

Key areas of submission feedback also included support for a focus on infrastructure and Council's core activities. This confirmed to us that we were on the right track with the priority areas in this Long Term Plan.

After hearing your feedback, Council confirmed most of the consultation proposals to reduce funding for five activity areas and most existing contestable grants.

We are proceeding with a realistic level of investment in our water services, which is increasing to more than 40% of our total spend.

It was also decided to continue funding community grants and to reinstate increased funding for the city marketing and events from Year 4 of the Long Term Plan.

We appreciate the time taken by members of the community to give their views and thank them for working with us on the unprecedented and difficult issues we are dealing with.

We are committed to this plan, which will provide a resilient pathway for our vibrant, green, and connected city to continue to grow for generations to come.



Wayne Guppy  
Koromatua | Mayor  
Until October 2025

Mayor Peri Zee  
Koromatua | Mayor  
October 2025 onwards

Geoff Swainson  
Te Tumu Whakarae | Chief Executive

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# Te whakamahi i tēnei mahere

## Using this document

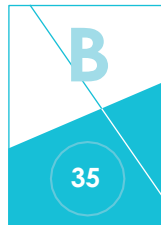
This Long Term Plan is divided into a number of sections. We have described each of these sections below. Each section has its own cover page and table of contents. Subsections, such as strategies and policies, may also have additional tables of contents.

**SECTION A**  
**Whakarāpopototanga**  
**Overview**



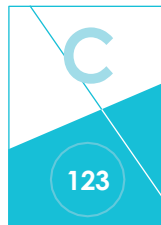
This section provides an overview of this Long Term Plan—the overarching outcomes, drivers, and feedback that have informed the development of this plan.

**SECTION B**  
**Ngā manahau whakatōpū**  
**Groups of activities**



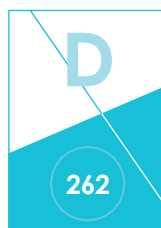
This section provides detail of the activities and services provided by Council—the key deliverables, how we measure performance, and the costs and funding required for our activities.

**SECTION C**  
**Ngā whakapae me ngā**  
**rautaki me ngā ahumoni**  
**Assumptions, strategies**  
**and financials**



This section details how Council proposes to manage the funding it receives and spends on its operations throughout the Long Term Plan period. It also outlines how Council will perform against legislated benchmarks.

**SECTION D**  
**Ngā kaupapa here**  
**Policies**



This section includes policies that have guided our planning and decision-making as we developed this Long Term Plan.

**SECTION E**  
**Ērā atu pārongo**  
**Other information**



This section includes information about Upper Hutt, the City Council, and a glossary of terms.

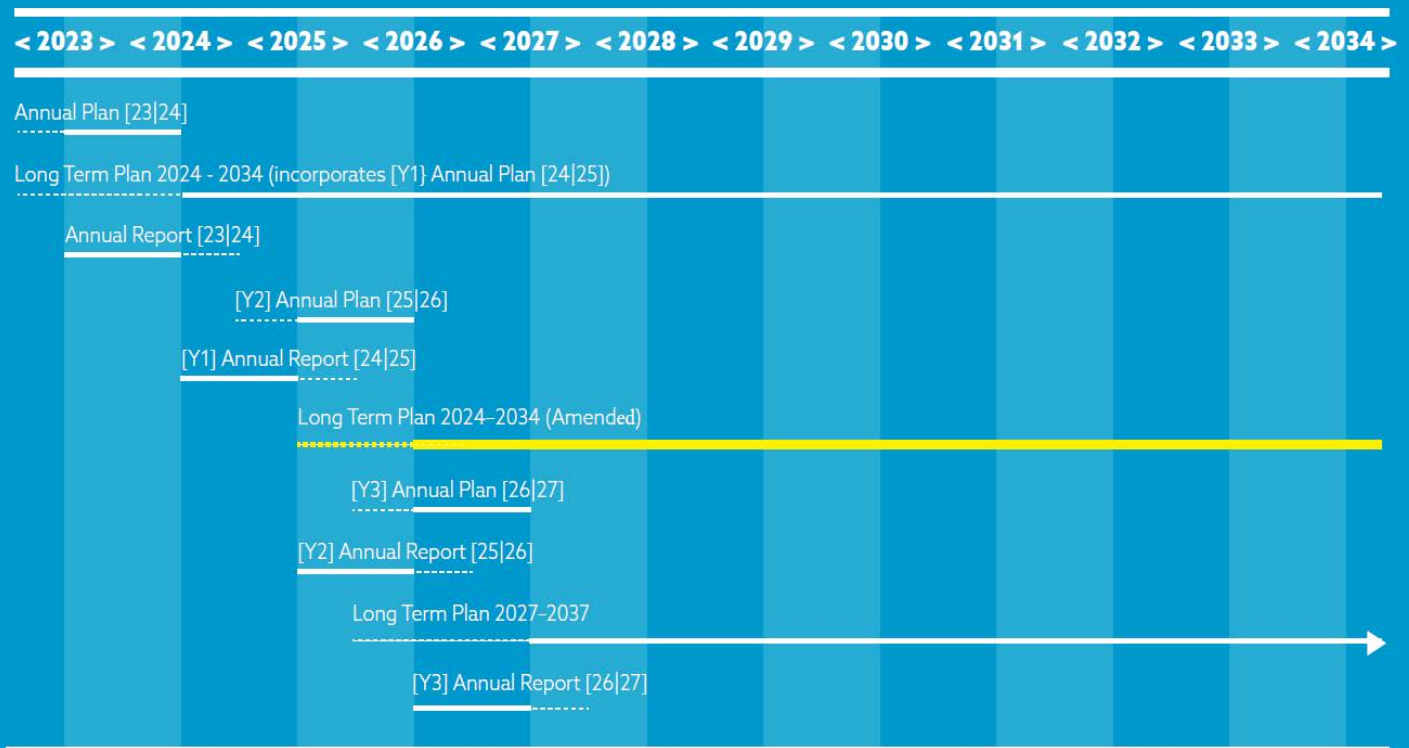
# Whakarāpototanga Overview



- 10 Introducing the Long Term Plan
- 12 Our vision
- 14 What's driving our thinking (Amended)
- 19 Our plan: focusing on what matters most (Amended)
- 25 Community feedback and decisions
- 28 Financial summary (Amended)

# Nau mai ki te Mahere Pae Tawhiti Introducing the Long Term Plan

Council has a wide range of responsibilities and provides a variety of services to the community of Upper Hutt. We use detailed plans to guide our activities, maintenance of our assets, and responsible management of our financial resources. Our overarching plan is the Long Term Plan which covers a period of 10 years.



**Frequency**

Council develops a Long Term Plan (LTP) every three years. We prepare an Annual Plan for the two years in between to cover any decision and/or circumstantial changes.



**Reporting**

Annual reports are prepared every year to provide updates on our financial situation and compare progress and performance against our commitments for the corresponding year.



**What's in a Long Term Plan?**

The Long Term Plan provides a long-term focus to Council's activities and decision-making. It outlines the activities Council plans to undertake, the cost of delivering these, and how they will be paid for. It includes our vision, along with a number of assumptions, policies, and strategies—including our 30-year Infrastructure Strategy. We also include our methods and measurements for monitoring and evaluating, so we can report our progress to the community.



**Our approach**

This Long Term Plan 2024 – 2034 was shaped through a significant process of planning, engagement, and consultation. However a number of circumstances and challenges have heavily influenced our decision-making which are outlined in this overview section. This plan represents our overarching strategy to meet these challenges over the next 10 years, while providing the levels of service that are expected of us by our community and by legislation.

# Tō tātou whāinga

## Our vision

Our vision is the desired future state of our city—what we, as a Council, are aspiring to achieve for our city. This vision was developed as part of our Long Term Plan 2021 – 2031 and remains unchanged for 2024 – 2034.

WE HAVE an

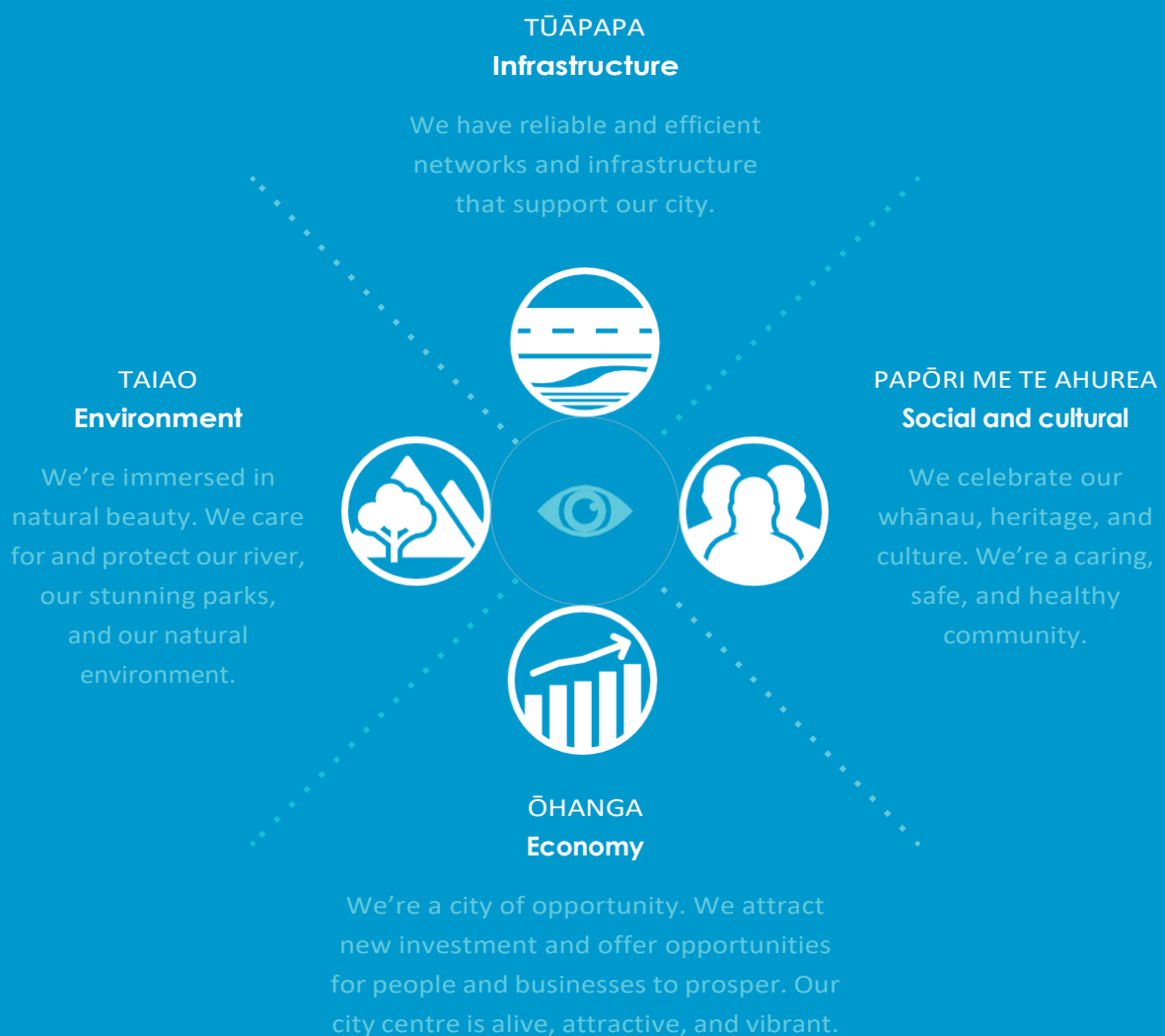


**outstanding** natural environment, leisure, and recreational **opportunities,**

WE ARE a **great** place for **families** to live, work, and play.

# Community outcomes

In working towards our vision, we're focusing on four outcomes we want to achieve for our community. These community outcomes guide our activities, projects, and service levels.



# Tā mātou whakakitenga

## What's driving our thinking (Amended)

### Our operating environment

Like many councils throughout New Zealand, Upper Hutt City Council is navigating its way through a challenging time.

Major external shocks including political and financial uncertainty, rapid interest rate rises, and extreme weather events have added to increasing cost pressures. These events have changed our post-pandemic economic environment indefinitely.

We've heard from the community that we should focus on core business and this is our focus in the Long Term Plan.

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### Making tough decisions

Rates in Upper Hutt have been among the lowest in the country for some time. With significant cost increases, risk of severe weather events, and other heightened financial risks, it's no longer financially viable to keep rates at the level they have been without our infrastructure and facilities suffering.

Prioritising core activities, reviewing our operating model, and looking after what we have will enable us to build a strong financial foundation for our city into the future.

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### Our financial position

The financial environment we are operating in has changed dramatically. We've reassessed and reprioritised our activities and services. The key priority in this plan is core capital investments combined with a continued focus on rates affordability.

Everything we do is costing more. Higher costs of construction, higher interest rates, volatile inflationary pressures which have driven costs higher, all add to make the cost and amount of debt more expensive. In addition, we are required to invest more in resilience, meet increasing compliance standards, and respond to future weather events by holding self-insurance funds.

With this increased uncertainty, balancing the budget will greatly assist to reduce financial risk and increase certainty over Council's future financial position.

**Completing major community investments**

In recent years we’ve been working to deliver major projects that make Upper Hutt an even better place to live, work, and play.

We’re proud of the work on Maidstone Max, Whirinaki Whare Taonga, and Te Kupenga o Rongomai (Maidstone Sports Hub). The new and improved H<sub>2</sub>O Xtream will also be an incredible place for our community to enjoy, and a family destination for the wider Wellington region to visit.

Our focus is on continued prudent debt levels and interest management related to those projects, this has influenced the shape of other future investment plans. In this tougher economic climate, we will continue repaying the debt (borrowings) and interest that funded these projects over the next 10 years as planned.



**Continuing to look after our infrastructure**

Investment in our infrastructure helps build our city’s resilience, supports growth, and ensures we are a place where our communities can thrive.

Recent events have shown that extreme weather will be a defining factor in our future. Climate change will impact every community in unknown ways and we must ensure our infrastructure is durable. Maintaining our infrastructure levels of service and continuing the renewal of our core assets is vital for our city to function and our community to thrive.



**Water services**

For the first two years of this LongTerm Plan water services infrastructure is a significant part of Council’s core service, and through this two year period water will continue to have a major impact on Council’s financial position.

Despite there being a constraint on how much we can afford to do, we have increased our spend on water services by 74% over the first two years of the Long Term Plan.

During 2024 and 2025 Council completed a series of decisions to give effect to the Government’s Local Water Done Well reform. As a result, Upper Hutt City Council’s responsibility for water supply, wastewater and stormwater will end on 30 June 2026, when these services transfer to a new multi-council owned water service organisation for the metropolitan Wellington region, named Tiaki Wai Limited. This change is in accordance with provisions of the Local Government (Water Services Preliminary Arrangements) Act 2024 and Local Government (Water Services) Act 2025 enabling the reform.

Tiaki Wai will operate drinking water, wastewater, and piped

stormwater services for approximately 432,000 people across the Wellington metropolitan area from 1 July 2026. It will take over the services and work being done today by Wellington Water, and the people doing that work. Tiaki Wai is jointly owned by Upper Hutt, Hutt, Porirua and Wellington City Councils along with Greater Wellington Regional Council.

The financial statements included in the Long Term Plan 2024-2034 (Amended) are based on the following occurring:

- Debt valued at \$106M will be transferred to Tiaki Wai.
- Assets valued at \$576M will be transferred to Tiaki Wai.
- Shares in Tiaki Wai will be shown on Councils Statement of Financial Position at an estimated \$472M, these represent Council's investment in the joint regional water services entity
- In the first year of the transition (2026-2027) Council rates revenue will decrease by \$32M and Council water related expenses will also decrease by \$45M compared to the forecast for year 3 in the Long Term Plan adopted in June 2024.
- The Long Term Plan (Amended) 2024-2034 assumes that debt will transfer to the new entity with a managed approach with Tiaki Wai. It is currently assumed this will take two years and that over the transition period all finance related costs will be reimbursed to Council. At the time of adoption of this document the method of debt transfer is still under consideration.
- It is assumed that during 1 July 2026 – June 2034 Tiaki Wai will balance their budget each year and no equity adjustments of Council's share of Tiaki Wai will be required (PBE IPSAS 36.16).

**Our growing city**

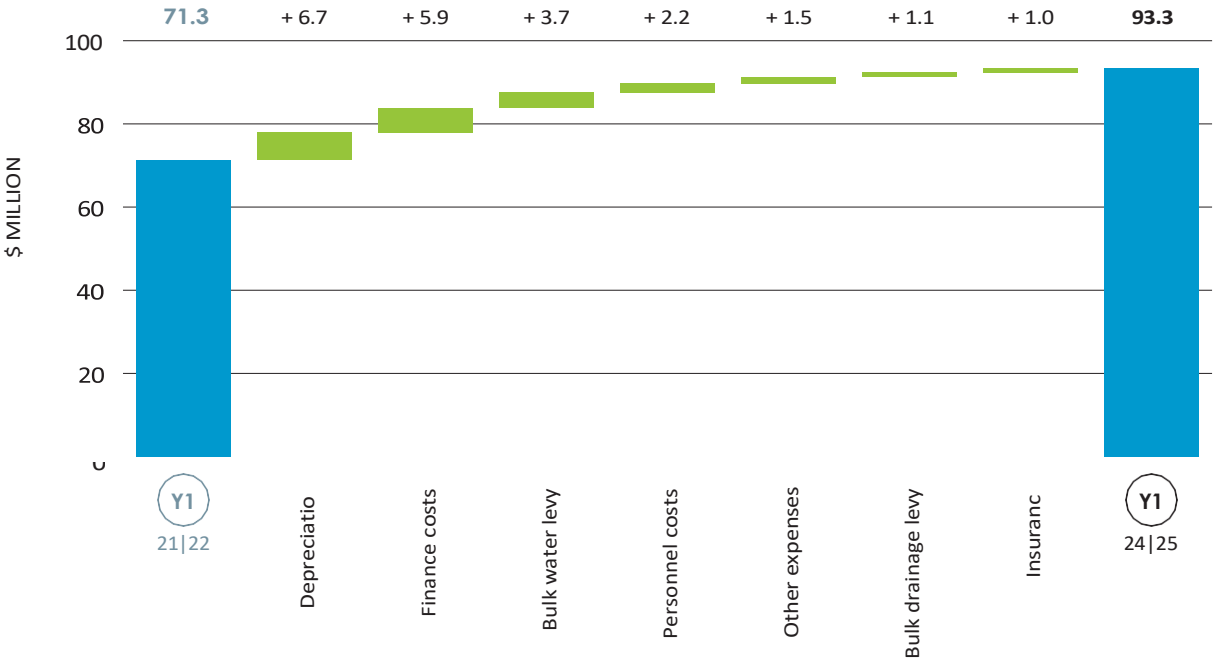
Upper Hutt’s population, housing demand, and the demand for business space is expected to grow over the next 30 years. The rising population places increasing demands on our infrastructure, services, and facilities. This includes utilities like pipes and roads, open spaces, and community amenities.

Managing growth sits with Council as a core responsibility. As our communities grow, we must enable the provision of enough affordable houses and business premises for people to buy or rent. Families are attracted to Upper Hutt because of our award-winning parks, playgrounds, facilities, and its proximity to Wellington City. Businesses are attracted to Upper Hutt because of our relative natural hazard resilience, available land, and growing population.

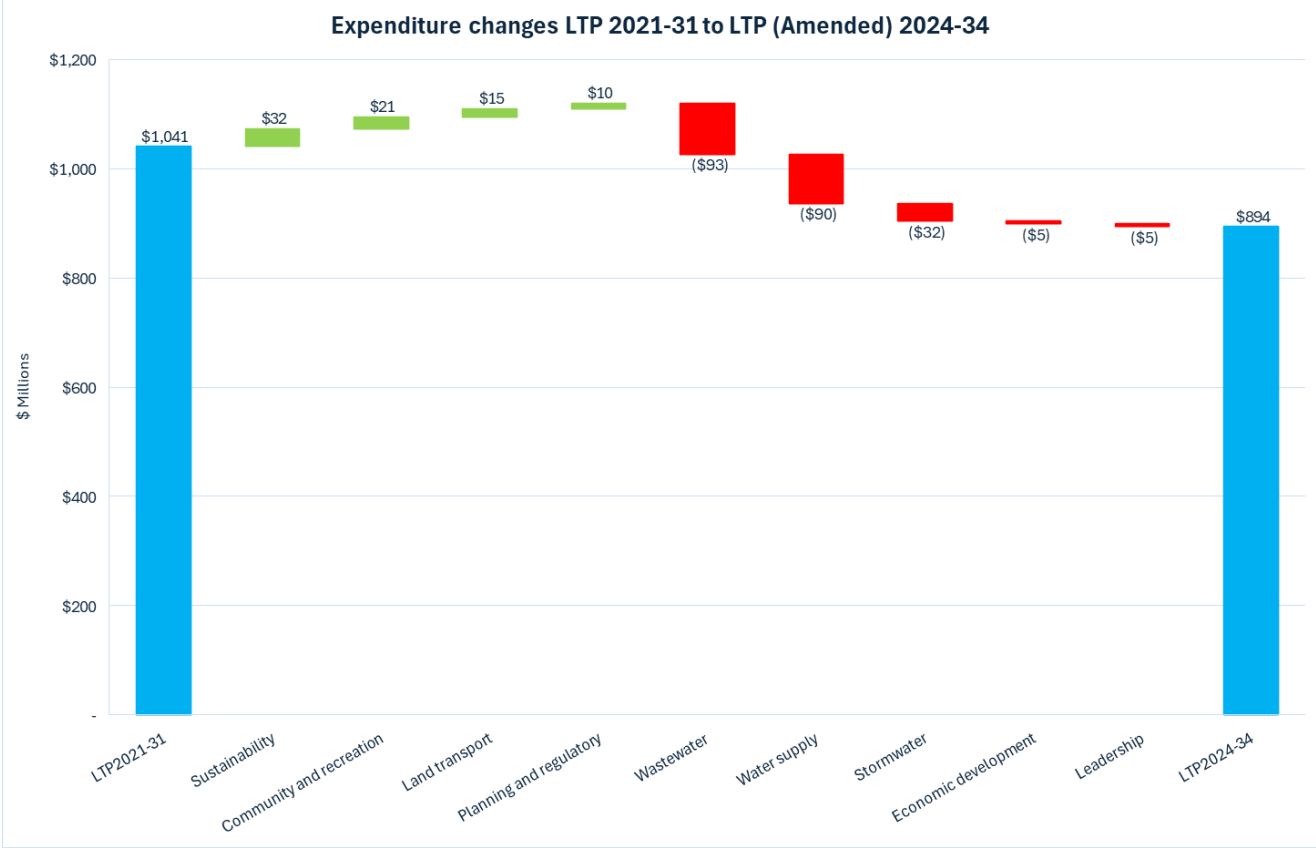
Funding this growth within the current local government funding model is challenging and expensive, and we have expanded and updated our Development and Financial Contributions policy to ensure those who benefit from growth pay their fair share.

# How costs have changed

The following graph compares the change in yearly expenditure. The left-hand side shows \$71.3 M expenditure was required in Year 1 [21|22] of the last Long Term Plan. On the right-hand side is the expenditure (\$93.3 M) required for Year 1 of the Long Term Plan 2024 – 2034. The graph shows the costs which have driven the changed expenditure. For example, finance costs are now planned to be \$5.9 M more than in [21|22]. The requirement to fund these increases is reflected in the 2024 – 2034 Financial Strategy (page 148)



The following graph compares all Council expenditure in the Long Term Plan 2021 – 2031 (left side) to the total expenditure required for the Long Term Plan 2024 – 2034 Amendment (right side). Overall, the money needed to deliver similar activities has decreased from \$1.041B to \$893.89M. The largest increases are in the areas of kerbside recycling (Sustainability). The graph reflects that the responsibility for the three waters will transfer to Tiaki Wai on the 1 July 2026. The graph also shows some costs have been reduced, such as Economic Development activity by \$4.7M, and Leadership by \$5.5M.



# Tā tātou mahere: kia arotahi atu ki ngā tino kaupapa

## Our plan: focusing on what matters most (Amended)

**This plan delivers our core activities,  
maintains stewardship of our infrastructure,  
and builds financial resilience.**

### Balancing the books

#### **Today's income covers today's expenses**

In essence balancing the books means today's income covers today's expenses, and we don't push these costs out to be paid later. Like everyone else is experiencing, everything we do is costing more, so balancing the books will not be easy.

In developing this Long Term Plan, we've prioritised balancing the budget. This means our community pays for today's costs now, not in the future.

#### **Establishing financial 'headroom'**

Council has a history of having financial headroom, however in this plan we have formalised this as a funding requirement. This will help enable us to respond early and tackle unforeseen future events. We are acutely aware of the need to continue to be careful, ensuring we maintain financial sustainability while delivering the services and facilities the community expects.

#### **Funding depreciation over time**

Our Financial Strategy includes the long-term funding of depreciation via rates. This has been addressed in a way that will take time, and is a change to our previous approach to only rate for loan repayments. We will be moving to fully rate fund depreciation. The approach is reviewable, and Council acknowledges that a fully rate-funded model must consider ratepayer affordability.

**Intergenerational equity**

Assets have a multi-year lifespan and depreciation recognises the part-cost of the asset that is ‘consumed’ in a given year. In Year 1, we have commenced a small level of rating (3.6% of the total rates amount required) for this as an everyday cost. This will rise to a greater percentage of the total rates required over the life of this plan. It will help ensure future ratepayers do not carry the full burden of replacement costs—increasing intergenerational equity.

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**Rates requirement**

The rate funding required is based on Council’s operational and infrastructure plans. These include the funding to deliver Council’s core activity levels, maintain debt levels and fund borrowing and interest costs. The requirement for rates funding is set out in section 100 of the Local Government Act 2022.

Unless it is considered prudent not to do so, a Council must set rates at a level sufficient to meet the year’s operating expenditure. For many years Council has not set its rates at a level which meets the expenditure, this is not considered financially prudent in the current and projected future environment.

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## Forecast rates increases

Rates are Council's main source of income. We do not own large assets such as an airport or port or other property that could be sold to help fund costs. In order to meet our financial commitments, we have to significantly increase rates in the early years of this plan. Previous plans were driven by rates affordability and capital investments. In developing this Long Term Plan, Council has prioritised balancing the budget. This means having to pay for everyday costs today, not later.

In response to community feedback, in the Long Term Plan we have adjusted the rates increase in Year 3 to 13.63% and Year 4 to 9.78% (from the proposed 19.88% and 5.67% respectively) with the use of cash reserves, reprofiling, and re-forecasting of costs.

Subsequently as noted in the Water Services Delivery Model consultation in 2025, the transfer of water services at 1 July 2026 has had a significant flow-on effect on our budget and rates. The first three years of the amended Long Term Plan will see an average annual rate increase of 4.03% (17.83% Long Term Plan 2024 - 2034) This creates an average rate increase of 1.26% over the 10 years of the amended Long Term Plan (8.96% Long Term Plan 2024 – 2034). Historically, Upper Hutt's residential rates are among the lowest in the country.<sup>2</sup> Even with the proposed rates increases in this plan, this is likely to continue.

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<sup>2</sup> Not including regional council rates—New Zealand Taxpayers' Union [ratepayersreport.nz/council-rates-comparison](https://ratepayersreport.nz/council-rates-comparison)

**Alternative options**

Delivering all we have previously done and balancing the books in Year 1 would have required a significantly higher rates increase. We’ve spread this increase over the early years of the plan to avoid a higher single increase in the first year. We cannot spread this increase much beyond Year 3 if we are to deliver our planned infrastructure investment and maintain core services over the 10 years of this plan.

You can find more details in our Financial Strategy (page 148).

# Maintaining our infrastructure

**Responsible stewardship**

We’ll continue to maintain our infrastructure and facilities on a tight budget, while prioritising some work programmes and their timeframes where necessary.

We have taken a responsible view of capital expenditure for the 10-year period, prioritising renewals and levels of service ahead of investment in other projects such as new assets or growth projects. These decisions have enabled us to spread our rates increases over the 10 years and are considered to be prudent.

We continue to balance Infrastructure Strategy needs and resilience with financial sustainability, and have increased our borrowing capacity to fund the delivery of a realistic capital programme.

**Funding and affordability**

Ratepayer affordability has historically been a heavily weighted consideration which has influenced the timing of the funding of Infrastructure. For this Long Term Plan, we gave equal weighting to debt levels to fund infrastructure and the affordability of rates.

The forecast capital investment is below what is recommended or needed due to ratepayer affordability constraints. There will be a level of deferred infrastructure expenditure in Years 11 – 20 which, under the current funding model, is difficult to afford.

This approach does come at a cost, as there is a greater risk of asset failure (such as water leaks and blockages or road damage) and more reactive maintenance may be needed.

**Our infrastructure programme**

The majority of the projects in this plan have been consulted on and funded in previous Long Term Plans (2018 and/or 2021).

The exception to this is the mandated kerbside recycling collection. This is included because it is expected to be legislated for by the Government from 2027 onwards.

Due to the long lead times for planning and delivery of infrastructure projects, the timing often changes and moves across multiple plans over multiple years. The projected costs and funding requirements are likely to also change.

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### **Asset renewal is a priority**

The largest components of the infrastructure programme are core asset renewals across water and transport assets driven by Council's required asset management planning. Any items identified as renewals are core infrastructure asset replacements (mostly near or at their end of life), these are not discretionary projects.

The renewals funding has been adjusted to manage and spread costs and affordability. Further reducing or failing to carry out the renewals programme would risk the degradation of assets such as roads, footpaths, and various water pipes and systems.

You can find more details on our infrastructure plans in our Infrastructure Strategy (page 177).

## **Back to basics**

### **Reducing operating costs**

We've considered a number of ways to reduce Council's operating costs.

With the exception of the provision of water services, we're lowering operating costs. We are and will continue to contain costs in core activities, whilst reducing and resetting costs in non-core activities. We've changed the funding or timing of many smaller operational projects and have reprioritised some of our capital projects. Further we won't be proceeding with our planned transport and city centre strategies at this time.

We've reviewed our operating model to reduce costs and ensure we are continuing to deliver value for money.

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### **Funding reductions**

We have targeted five non-core activity areas that will receive less funding, and consulted the community on these. We're also discontinuing most of our contestable grant funding, such as for events, sustainability, and economic development purposes.

## Core activity focus

We're going to focus on the following core activities:

### Leadership

Governance, communications, policy, strategy, and advocacy

### Community and recreation

Community facilities, emergency management, parks and reserves (including Akatārawa Cemetery)

### Water services (three waters)

Water supply, wastewater, and stormwater for the first two years with water services transferring to Tiaki Wai from 1 July 2026

### Land transport

Roads, footpaths, cycleways, street lights, and road safety

### Sustainability

Community resilience, waste minimisation, and implementation of the Sustainability Strategy

### Planning and regulatory

Animal management, building services, environmental health, planning, and consenting

# Whakahoki kōrero ā-hapori me ngā whakatauranga Community feedback and decisions

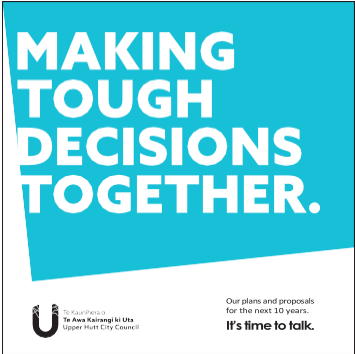
### Timing

From 2 April through 12 May 2024, we consulted with the public on a number of options we'd prepared for public feedback.

### What consultation is (and isn't)

It's important to note that public consultation is one of a number of considerations guiding our decision-making. It provides a degree of public sentiment towards the questions we ask but is not the same as a binding referendum. Council uses feedback to gauge support from the community and to highlight any issues and/or options that may not have been fully explored when preparing our proposals.

### The consultation material



For every Long Term Plan, we must prepare a Consultation Document to summarise our plans and proposals for the next 10 years and what the financial implications are. The consultation document was backed by more comprehensive supporting information. In order to keep costs lower, we did a limited print run of consultation booklets, opting to promote the consultation through a city-wide letterbox drop (brochure), alongside advertising on our community noticeboards and the Upper Hutt Leader newspaper, and promotion through our social media channels. Physical copies of all the consultation material were available at our local facilities and engagement events.

Our 'Let's kōrero' website was the online digital hub for all things consultation-wise, providing digital downloads of all the material as well as an interface for making submissions online.

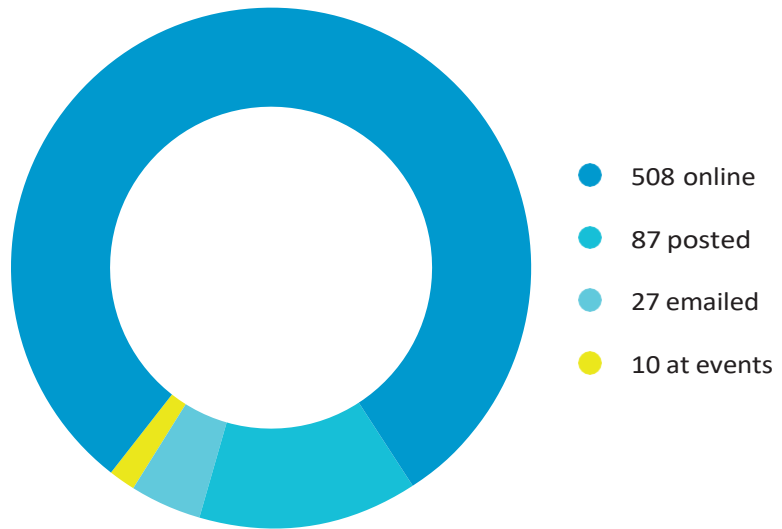
# The results

## Submissions and feedback

Councillors received informal feedback through face-to-face meetings with members of the community.

We formally received 631 submissions through our online submission form, mail-in paper forms, through email and at engagement events. We also received 1 late submission.

We held hearing meetings on 13, 14, and 21 May 2024, at which we heard from 68 submitters.



There was extensive engagement on our social media posts.

At our deliberations meeting, we also received a community-led petition with 2225 signatories.

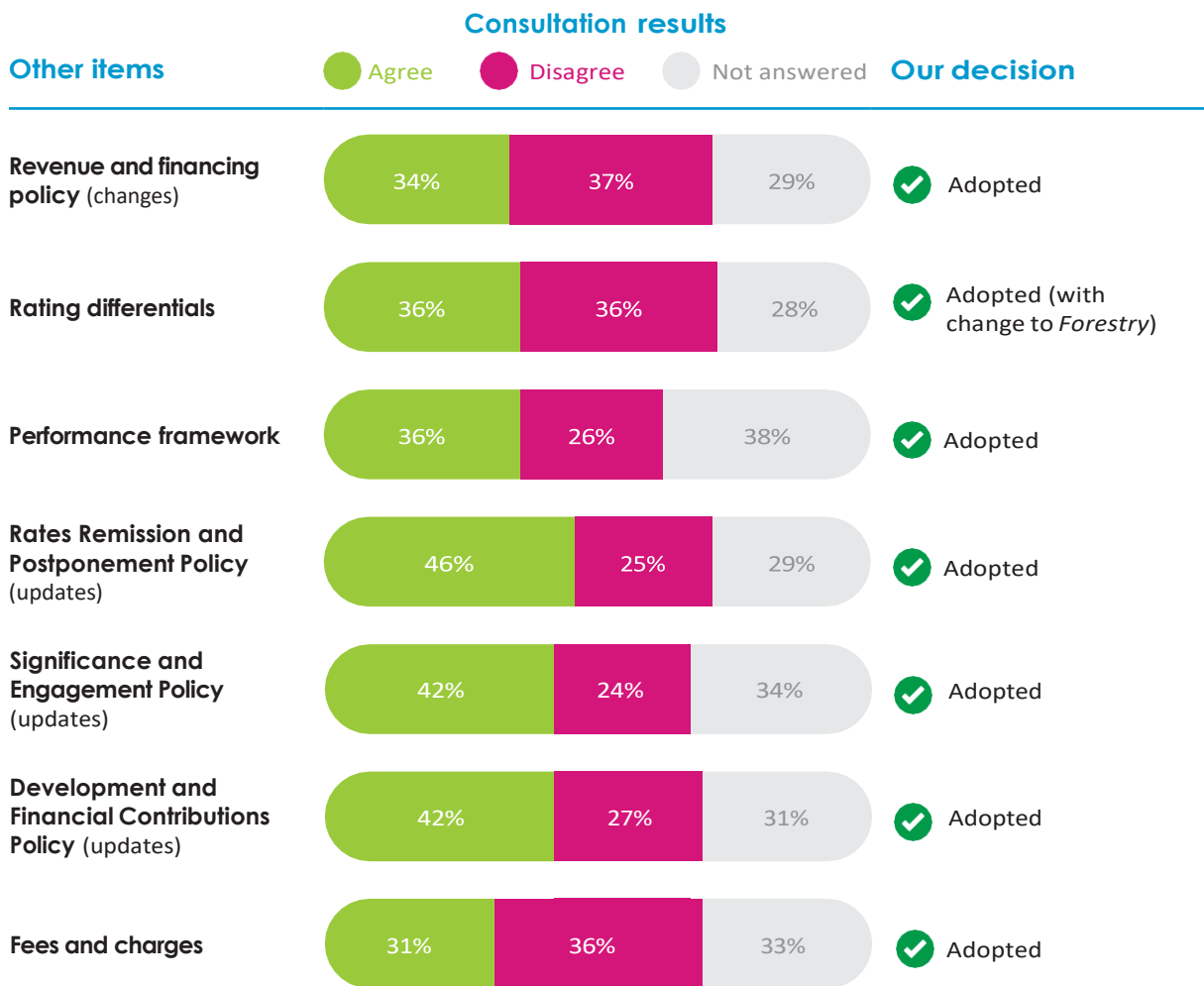
# Funding decisions

The following table details specific funding decisions we consulted on, the logical results from the consultation, and Council’s decision.

Activity funding	Consultation results			Our decision
	Agree	Disagree	Not answered	
<b>Activation</b> (reduced)	50%	32%	18%	✓ Adopted
<b>City marketing and events</b> (reduced)	60%	21%	19%	⏪ Adopted for Years 1 – 3, reinstating from Year 4
<b>Community development</b> (reduced)	51%	31%	18%	✓ Adopted
<b>Economic development</b> (reduced)	56%	22%	22%	✓ Adopted
<b>Sustainability initiatives and projects</b> (reduced)	54%	26%	20%	✓ Adopted
<b>Water services</b> (Council’s preferred funding option)	44%	31%	25%	✓ Adopted
<b>Grant funding</b>				
<b>Event Fund grants</b> (stop)	58%	24%	18%	✓ Adopted (grants stopped)
<b>Community grants</b> (stop)	45%	39%	16%	✗ Not adopted (grants continued)
<b>Sustainability Stimulus grants</b> (stop)	59%	22%	19%	✓ Adopted (grants stopped)
<b>Economic Development Stimulus grants</b> (stop)	62%	18%	20%	✓ Adopted (grants stopped)
<b>Residential Development Stimulus grants</b> (stop)	70%	11%	19%	✓ Adopted (grants stopped)

## Other items we consulted on

The following table details other items we consulted on, the logical results from the consultation, and Council’s decision.



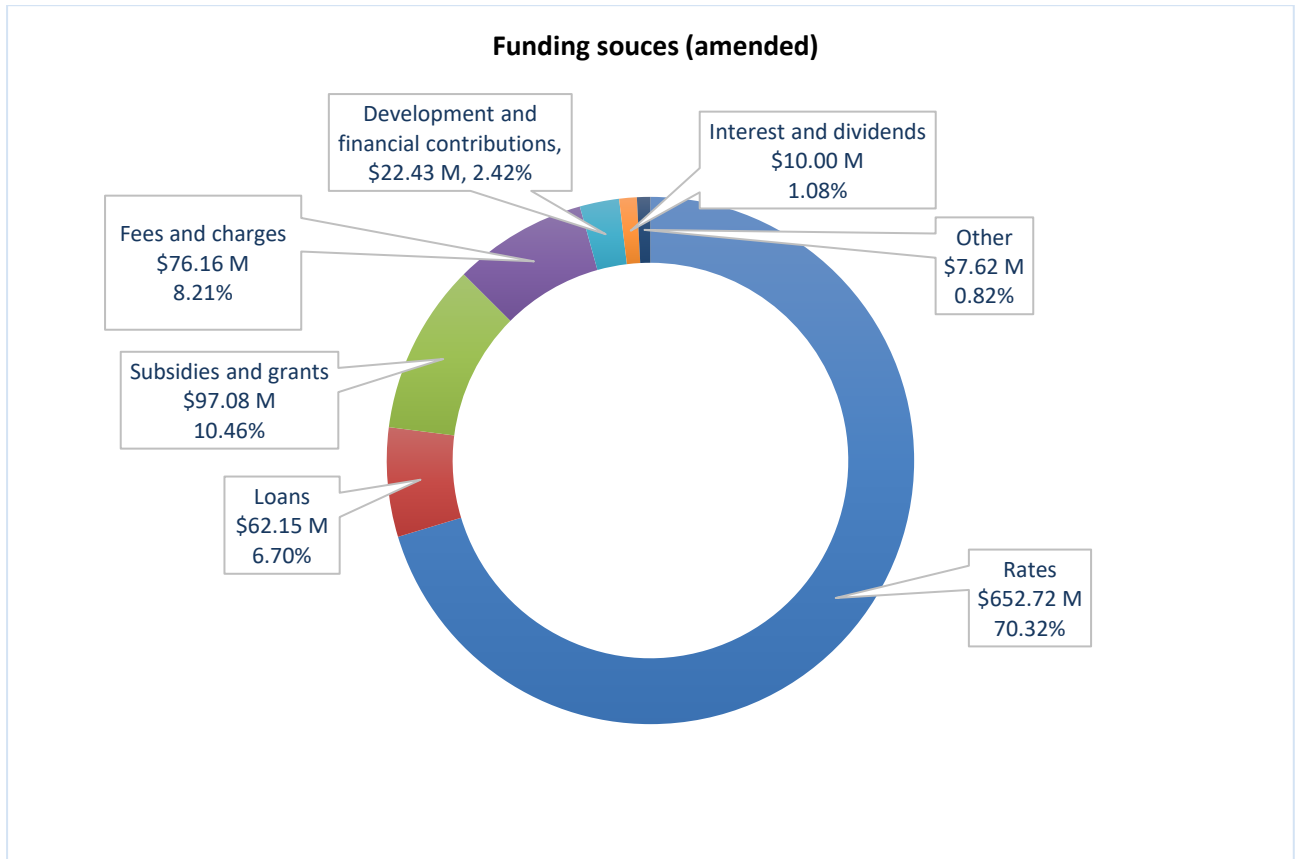
# Whakarāpopoto ahumoni Financial summary (Amended)

The following is a basic summary of how our finances are projected to play out over the 10 years of the amended Long Term Plan. Any significant environmental changes that affect our finances will be resolved by iteration through the Annual Plan process and then the next review of the Long Term Plan.

You can find more details in our Financial Strategy (page 148) and financial statements (page 326).

# Where the money is coming from

The following graph illustrates our sources of funds over the next 10 years. The data is taken from our amended prospective funding impact statement (page 363).<sup>3</sup>

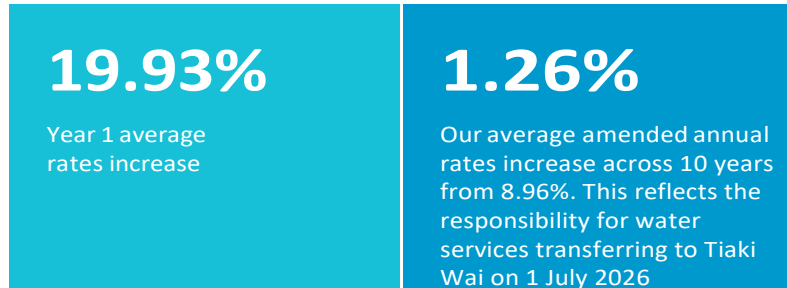


<sup>3</sup> Other revenue covers any revenue that does not fit into the six preceding categories. Other revenue includes (but is not limited to) vested assets, petrol tax, cost reimbursement from other agencies, and parking and vehicle infringements.

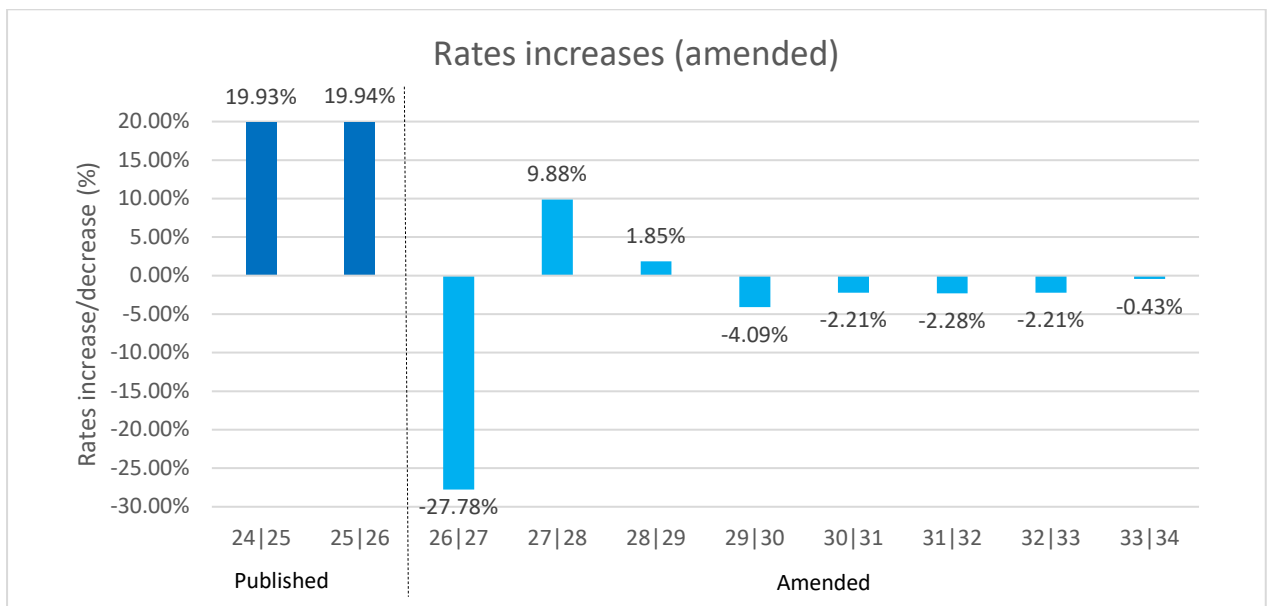
# Rates

## Average rates increase

The 'average rates increase' is the percentage increase in our total rate funding requirement from one financial year to the next. We've made this decision in order to provide for a financial resilient and sustainable future.



The above 1.26% average rates increase over the amended Long Term Plan period reflects the legislative removal of water services only. The actual rates increases will be addressed through the Annual Plan 2026 and Long Term Plan 2027-2037 processes.



# Debt from loans (borrowing)

## Prioritising investment

Our priority is investment in infrastructure and maintaining core activities.

## 'Headroom'

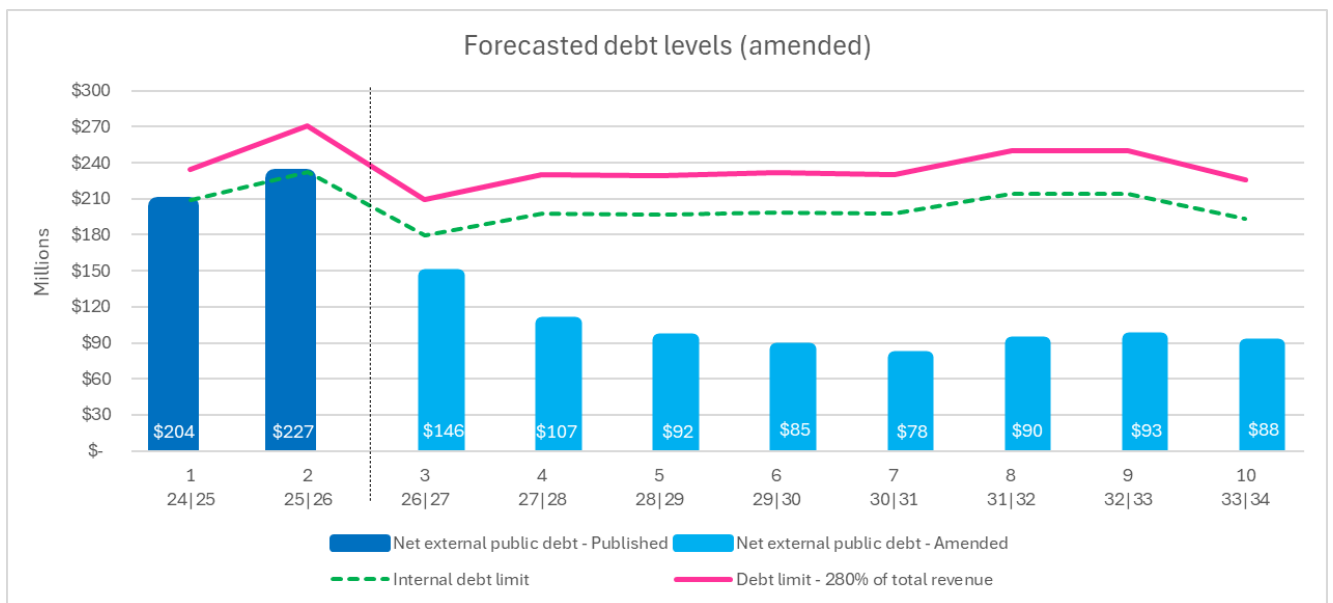
The Financial Strategy considers debt 'headroom' that may be required to fund unforeseen shocks such as weather-related events, that have increased in likelihood in recent years. We continue to balance Infrastructure Strategy needs and resilience with financial sustainability. We've increased our level of borrowing to fund delivery of a realistic capital programme.

We're starting with a net debt level of \$158 M, which is expected to peak at \$227 M in Year 2, before tapering off due to the debt of the three waters services assets transferring to Tiaki Wai from 1 July 2026.

To borrow this amount, we need to retain our A+ credit rating, which enables us to borrow up to 280% of revenue. We have provided 'headroom' of 30 – 40% for unexpected financial shocks and self-insurance of our assets by self-imposing a lower internal debt limit. This means a debt cap of 250% in the first year, then a debt cap of 240% thereafter.

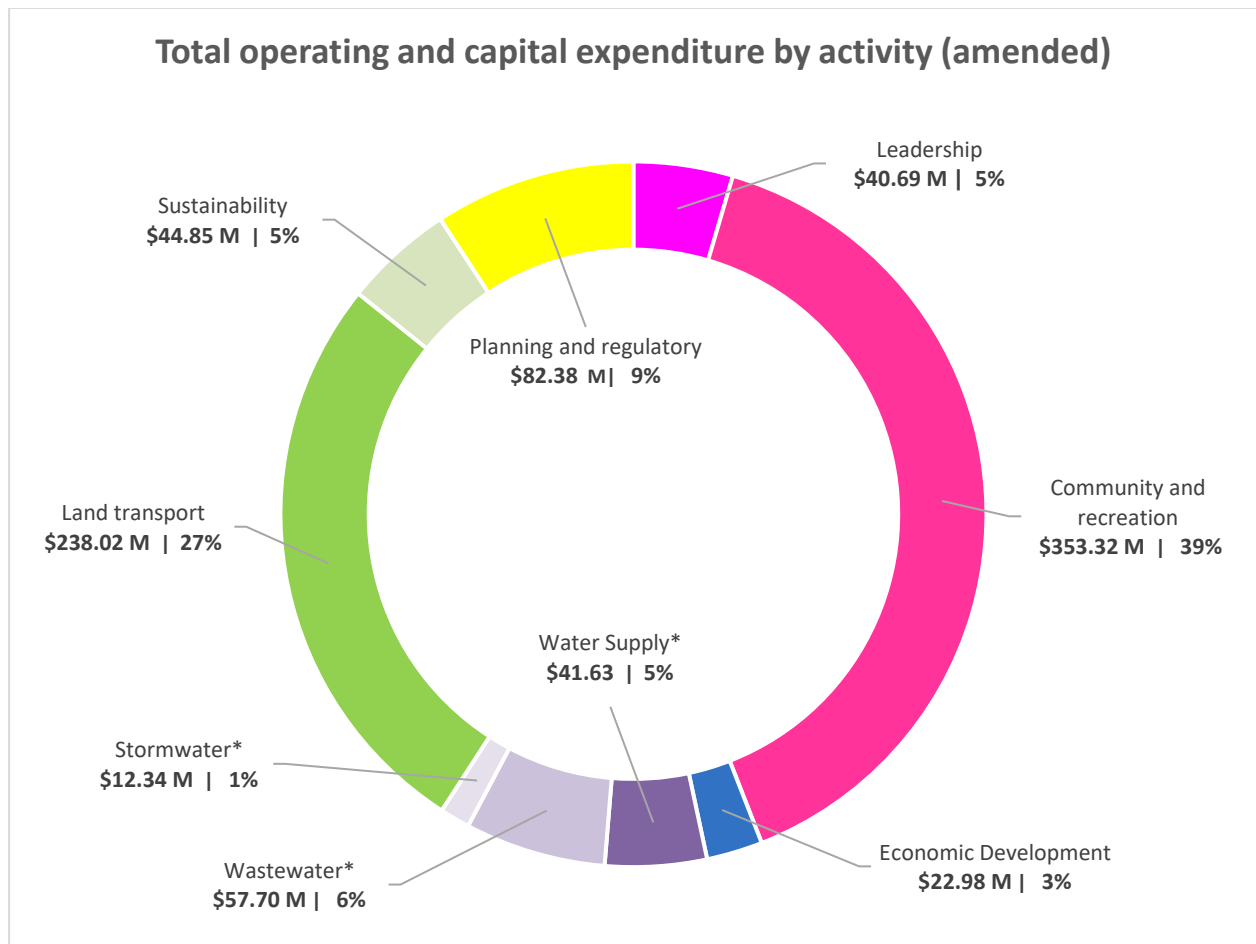
## Forecast net debt levels

The following graph illustrates the cumulative forecast net debt levels per year compared to our forecast debt limit. It demonstrates that we will be below our forecast debt limits for each year of the plan. Figures are rounded to the nearest million dollars.



# Where the money is going

Council functions are organised under nine groups of activities. This is also the basis we use for planning and reporting. The following graph illustrates how we've allocated spending across these groups over the 10 years of the plan. The data is taken from our prospective activity group funding impact statements.



\* Water supply, wastewater and stormwater transfer to Tiaki Wai from 1 July 2026

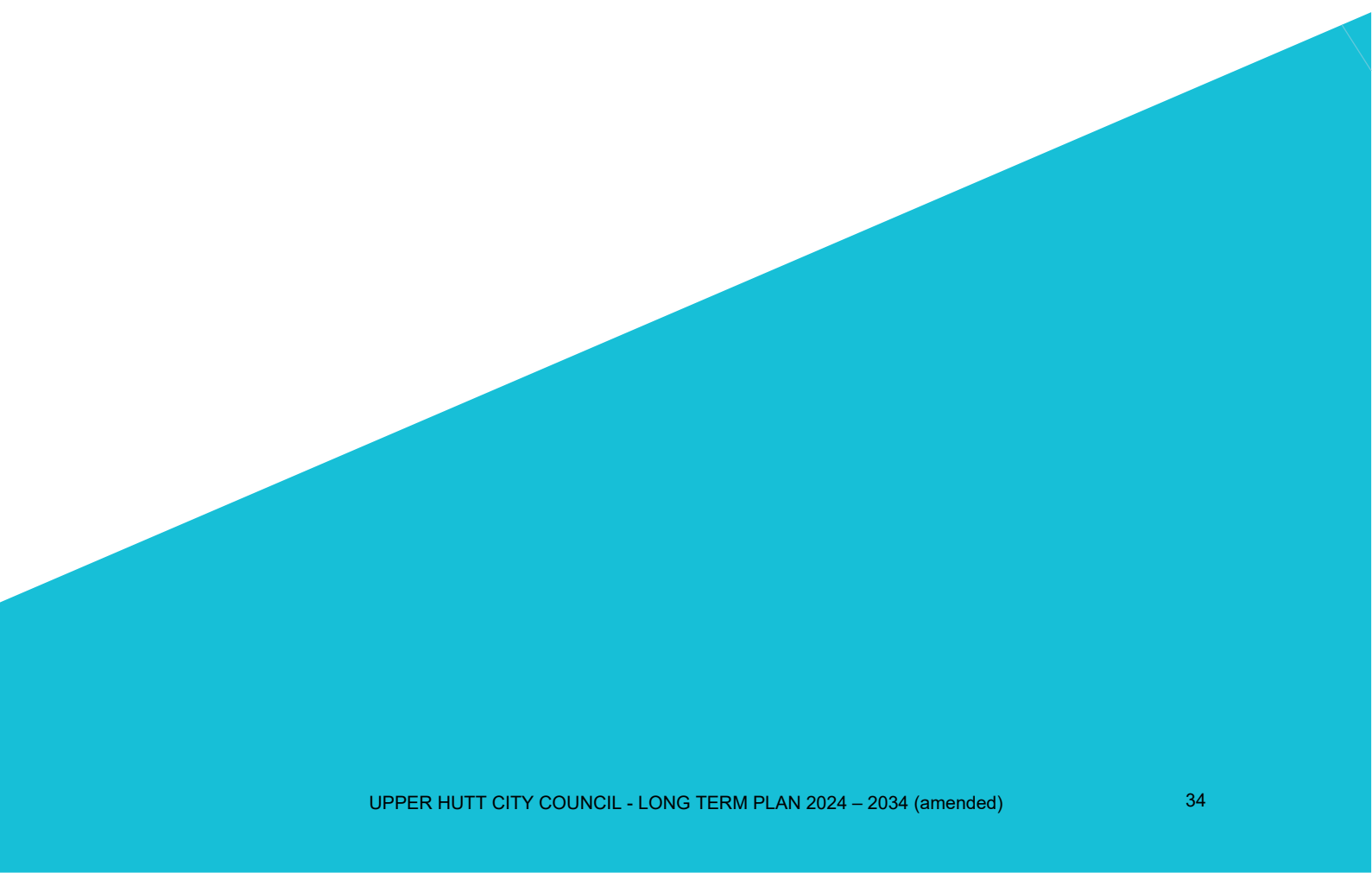
## Groups of activities

In the next section we discuss each activity group. This includes what the group does and why, how we measure performance and how we plan to fund it over the next 10 years.

## Our capex programme (Amended)

The following table indicates where we'll be making significant investments with capital expenditure (capex) over the duration of this Long Term Plan. Some of these projects stretch beyond the next 10 years and will not be complete by 30 June 2034.

Fergusson/Ward/Whakatiki intersections	Y5 – Y6	\$5 M
Silverstream Bridge replacement	Y1, Y5, Y7 – Y9	\$28 M
Active mode transport programme	Y1 – Y10	\$17 M
Akatārawa Cemetery redevelopment	Y1 – Y4	\$3 M
Civic Centre	Y9	\$260 K
Community hub	Y5 – Y6, Y8 – Y10	\$5 M
Fergusson/Gibbons/Main intersection	Y3 – Y4	\$7 M
H <sub>2</sub> O Xtream upgrade	Y1 – Y2	\$22 M
H <sub>2</sub> O Xtream hydrotherapy pool	Y7 – Y8	\$13 M
Kerbside recycling	Y3 – Y10	\$850 K
Rural road high-priority safety projects	Y1 – Y10	\$9 M
Tōtara Park Bridge widening	Y2	\$3 M
Pinehaven Stream	Y1	\$3 M
Maidstone artificial turf replacements	Y1 – Y10	\$4 M
Wastewater treatment renewals programme (Amended)	Y1 – Y2	\$28 M
City Centre paving revitalisation	Y2 – Y3	\$6 M
Renewals programme (Amended)	Y1 – Y10	\$107 M



## Ngā manahau whakatōpū Groups of activities

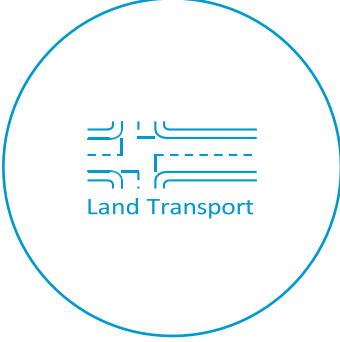
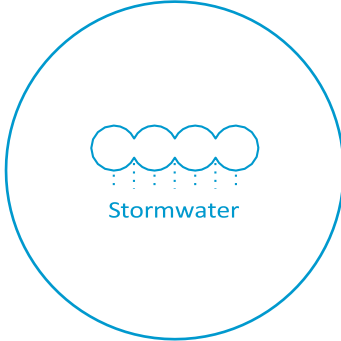
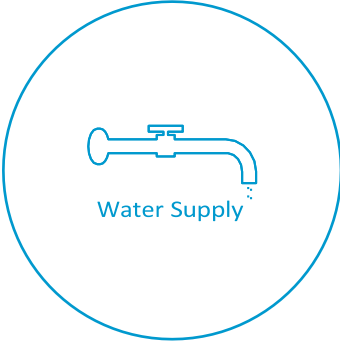
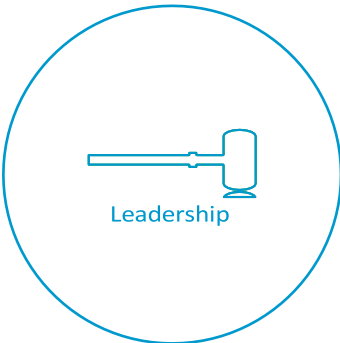
# B

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# Whakatakinga

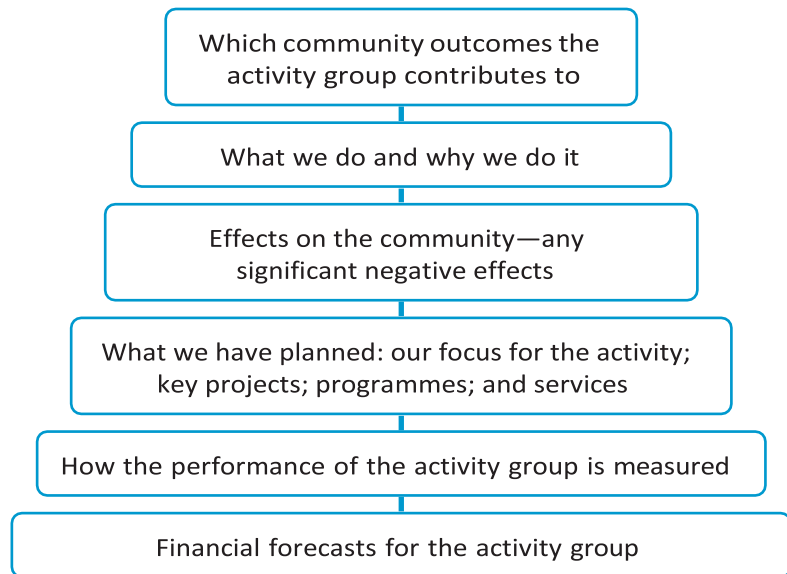
## Introduction

We carry out a number of activities and functions in order to achieve the aspirations in our vision and community outcomes and to meet our statutory responsibilities. These activities and functions are organised under nine groups of activities. Note: Funding percentages for each activity are shown over the full 10-year period of the Long Term Plan and may vary between years.



## How we've set out this section

This section provides detail on each of our activity groups. For each group we explain:



## Performance management framework

### Measuring performance

We manage and monitor the non-financial performance of our activities through our performance framework. For each activity group we include:

- **Levels of service:** what the community can expect Council to provide.
- **Performance measures:** how success/progress is measured.
- **Performance targets:** the level of performance that Council is aiming for. Targets are noted in detail for the first three years of the Long Term Plan, and combined for Years 4 – 10.

### Monitoring and reporting

We have a total of 61 performance measures across our nine activity groups. 18 are required by the Department of Internal Affairs, covering aspects of Water Supply, Wastewater, Stormwater, and Land Transport activities. In developing this plan, we've reworded some of our level-of-service statements and refocused some of the measures we report on. Our current financial position, along with the economic climate in New Zealand, has affected our ability to deliver the same levels of service we have in the past. So we've made some changes to the levels of service that we deliver to our community.

Council's financial and non-financial performance is monitored regularly and reported to the Finance and Performance Committee, and through the quarterly and Annual Reports.



# Mana whakahaere Leadership



6% of the funding we receive through rates will go towards the **Leadership** group of activities. This \$40.37 M makes up 99% of the group’s total funding. The remaining funding will come from fees and charges, development and financial contributions, and other sources.

## Community outcomes

The **Leadership** group of activities contributes to all four community outcomes.



TAIAO  
Environment



PAPŌRI ME TE AHUREA  
Social and cultural



ŌHANGA  
Economy



TŪĀPAPA  
Infrastructure



# What we do

## Promoting the wellbeing of our community

The purpose of local government in New Zealand is to promote the wellbeing of communities in the present and for the future. This group of activities is about providing leadership for the community, advocating on its behalf, and enabling democratic decision-making in which the community is fully involved.

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## Governance and advocacy

Governance and advocacy represents the decision-making function of elected officials and the processes surrounding it. With the support of committees, and council officers, the elected Mayor and councillors set Council's direction and work programmes and monitor and review the organisation's performance. The majority of our governance processes are set in law to ensure that the community is fairly represented.

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## Strategy and policy

We establish our strategic direction via policies, strategies, bylaws, and plans. These are developed to address the top priorities facing our community. Whilst the work within this activity is carried out to address local issues or to achieve desired outcomes, we also have a legal obligation to develop and review some mandatory policies, strategies, and plans, and to report on these. Our work within this activity is also affected by changes to legislation, along with new or proposed regional and national policy.

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## Communication and engagement

Good communication is key to an informed and empowered community, and ease of dealing with Council on matters within our sphere of influence.

We create campaigns to support opportunities for involvement in Council's decision-making processes—actively encouraging the community to engage with Council. We're focused on making Council more approachable and accessible through improved communication, making it easier for our residents and customers to do business with us. We also tell Council's story by setting and resetting expectations, celebrating milestones, and positioning Upper Hutt for growth.

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## Partnerships

We develop and foster productive partnerships and relationships with our stakeholders—which are many and varied—and promote our city and its needs and aspirations.

**Partnership, participation,  
and protection of Māori  
contributions to  
decision-making**

We are guided by a legal framework that includes provisions for Māori. These statutory obligations may be the foundations for organisational policy and delivery but, on their own, they don't adequately emphasise the importance of Te Tiriti o Waitangi (Te Tiriti), partnership with Māori, and the critical value that this unique relationship can bring to the city.

It is our aspiration to embrace and incorporate the principles of Te Tiriti o Waitangi in our policies and practices, to be aware and responsive to Māori needs and aspirations, and to fulfill our obligations under the principles of Te Tiriti. Our aim is to ensure we have the right relationships and processes in place to enable partnership with Māori, effective participation, and a shared decision-making focus. This includes meaningful, timely, and inclusive engagement at all levels to ensure we're thinking about the role of Māori in the planning and delivery of our work programmes and the equitable resourcing for this, in line with our obligations to Māori.

In line with this thinking, we have initiated conversations to formalise our relationships with Port Nicholson Block Settlement Trust (Taranaki Whānui ki te Upoko o te Ika a Māui), and Te Rūnanga o Toa Rangatira Incorporated. Initially we hope to establish memoranda of partnership agreements that will provide a basis for investigating and working toward streamlining and strengthening Māori-Council engagement. This will enable us to develop an agreed programme toward improved engagement and effective participation in Council decision-making processes.

Further to these Te Tiriti entities, and given the complexity of the tribal landscape, in addition to taurāhere/mātāwaka groups (Māori living in the Upper Hutt region whose ancestral links lie outside of the region), we are committed to formalising relationships with the Wellington Tenth's Trust, Palmerston North Māori Reservation Trust, Te Rūnanganui o Te Atiawa ki te Upoko o Te Ika a Māui Incorporated, and Ōrongomai Marae.

We have a longstanding relationship with Ōrongomai Marae, and their guidance on matters of importance to Māori in this region has been invaluable to our work. As this city's only marae, Ōrongomai Marae is a mātāwaka marae, and representative of the many tribal affiliations of all who live in this region. We are represented on the Committee Trust of Ōrongomai Marae by His Worship the Mayor, to ensure that both groups are actively engaging with one another.

# Why we do it

## Representing Upper Hutt

Our role is to lead and represent the Upper Hutt community. We are required to engage with the community, and encourage community involvement in decision-making, with specific requirements for Māori involvement. With consideration to the needs of current and future residents, we strive for the right balance between continuously improving the city, listening and responding to community needs and aspirations, complying with government legislation, while maintaining affordable services.

## Key legislation, strategies, policies, and plans that guide our work

- Te Tiriti o Waitangi
- Local Government Act 2002
- Local Government Official Information and Meetings Act 1987 (LGOIMA)
- Our Sustainability Strategy 2020
- Local Government Rating Act 2002
- Local Electoral Act 2001
- Financial Reporting Act 2013
- Our Financial Strategy
- Our Revenue and Financing Policy
- Our Significance and Engagement Policy
- Te Ture Mō te Reo Māori (Māori Language Act) 2016

# Effects on the community

## SIGNIFICANT POTENTIAL NEGATIVE EFFECTS

Some decisions made for the benefit of the wider community may potentially negatively affect the wellbeing of some individuals and groups within the community.

## OUR RESPONSE

Council seeks to ensure that it adequately weighs up the demands of the different interest groups and makes decisions that will be in the best interests of the community as a whole.

Council also follows the guidance provided by the Local Government Act 2002 on conducting transparent consultation and will engage and consult with affected groups and individuals where possible in accordance with the Significance and Engagement Policy.

**SIGNIFICANT POTENTIAL NEGATIVE EFFECTS**

**OUR RESPONSE**

Community disengagement from the decision-making processes of Council.

Council aims to facilitate community participation in decision-making by providing information through multiple channels, ensuring governance processes such as meetings and hearings are accessible, and by engaging and consulting with affected groups and individuals in accordance with the Significance and Engagement Policy.

Council expenditure and the costs of paying for services may be unsatisfactory to some people.

Council applies prudent financial management to minimise rate and fee increases. Council will engage and consult with affected groups and individuals where possible in accordance with the Significance and Engagement Policy.

 **What we have planned**

Annual Plans for each year, with public engagement or consultation on any variance that might arise against what was planned in the Long Term Plan for that financial year.

Increased engagement with Māori, and the wider community, in regard to participation in decision-making processes.

Annual Reports to communicate and be accountable for the work we do.

Development of strategies, bylaws, and policies.

Review and development of Long Term Plans.

Facilitating the Local Body Elections in 2025.

Pre-election Report.

# Measuring our progress

We use the following five measures to determine our success against the level of service we aim to provide. The first four measures have been in place over the last three years. We've introduced the fifth measure to track our progress in communicating and engaging with our community.

**Level of service** Upper Hutt City Council has a positive reputation, is fit for purpose, capable, and serves the city effectively and efficiently.

## 1 Satisfaction with Council in terms of leadership, trust, and effective management<sup>4</sup>

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Satisfaction, quality	47%	≥ previous year	≥ previous year	≥ previous year	≥ previous year	Community Survey

## 2 Council rates, and fees for other services are perceived to have value for money

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Affordability	37%	≥ 65%	≥ 65%	≥ 65%	≥ 65%	Community Survey

## 3 Overall satisfaction with Council's services, infrastructure, and facilities<sup>4</sup>

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Satisfaction, quality	50%	≥ 80%	≥ 80%	≥ 80%	≥ 80%	Community Survey

## 4 Satisfaction with the overall performance of our Mayor and councillors<sup>4</sup>

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Satisfaction, quality	45%	≥ 70%	≥ 70%	≥ 70%	≥ 70%	Community Survey

## 5 Satisfaction with the level of communication and engagement, and the channels we use<sup>4</sup>

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Satisfaction, quality	47%	≥ 70%	≥ 70%	≥ 70%	≥ 70%	Community Survey

<sup>4</sup> Respondents are satisfied or very satisfied.

# Funding impact statement for Leadership (\$'000)

ANNUAL PLAN 23   24	SOURCES OF OPERATING FUNDING	LTP Y1 24   25	LTP Y2 25   26	LTP Y3 26   27	LTP Y4 27   28	LTP Y5 28   29	LTP Y6 29   30	LTP Y7 30   31	LTP Y8 30   31	LTP Y9 32   33	LTP Y10 33   34
4,191	General rates, uniform annual general charges, rates penalties	2,430	2,790	2,630	3,644	3,824	3,780	3,482	3,616	3,567	3,654
0	Targeted rates	632	649	662	676	690	703	716	729	742	754
0	Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
1	Fees, charges	2	94	2	2	100	2	2	106	2	2
0	Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0
0	Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0
0	Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0
4,192	<b>Total operating funding (A)</b>	<b>3,064</b>	<b>3,534</b>	<b>3,294</b>	<b>4,322</b>	<b>4,615</b>	<b>4,485</b>	<b>4,201</b>	<b>4,451</b>	<b>4,311</b>	<b>4,410</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>											
109	Payments to staff and suppliers	82	296	78	99	394	85	108	370	91	188
0	Finance costs	0	0	0	0	0	0	0	0	0	0
4,283	Internal charges and overheads applied	2,982	3,237	3,216	4,223	4,221	4,401	4,093	4,080	4,220	4,222
0	Other operating funding applications	0	0	0	0	0	0	0	0	0	0
4,392	<b>Total applications of operating funding (B)</b>	<b>3,064</b>	<b>3,534</b>	<b>3,294</b>	<b>4,322</b>	<b>4,615</b>	<b>4,485</b>	<b>4,201</b>	<b>4,451</b>	<b>4,311</b>	<b>4,410</b>
(200)	<b>Surplus (deficit) of operating funding (A – B)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

ANNUAL PLAN 23   24	SOURCES OF CAPITAL FUNDING	LTP Y1 24   25	LTP Y2 25   26	LTP Y3 26   27	LTP Y4 27   28	LTP Y5 28   29	LTP Y6 29   30	LTP Y7 30   31	LTP Y8 30   31	LTP Y9 32   33	LTP Y10 33   34
0	Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
0	Development and financial contributions	0	0	0	0	0	0	0	0	0	0
0	Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0
0	Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
0	Lump sum contributions	0	0	0	0	0	0	0	0	0	0
<b>0</b>	<b>Total sources of capital funding (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>APPLICATIONS OF CAPITAL FUNDING</b>										
	Capital expenditure										
0	to meet additional demand	0	0	0	0	0	0	0	0	0	0
0	to improve the level of service	0	0	0	0	0	0	0	0	0	0
0	to replace existing assets	0	0	0	0	0	0	0	0	0	0
(200)	Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0
0	Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0
(200)	<b>Total applications of capital funding (D)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
200	<b>Surplus (deficit) of capital funding (C – D)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>0</b>	<b>FUNDING BALANCE ((A – B) + (C – D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Te Pāpori me ngā Mahi a te Rēhia Community and Recreation



49% of the funding we receive through rates will go towards the **Community and recreation** group of activities. This \$317.31 M makes up 92% of the group's total funding. The remaining funding will come from fees and charges, debt, development and financial contributions, and other sources.

## Community outcomes

The **Community and Recreation** group of activities contributes to three of our community outcomes.



TAIAO  
Environment



PAPŌRI ME TE AHUREA  
Social and cultural



ŌHANGA  
Economy



TŪĀPAPA  
Infrastructure



## What we do

### **Support the community through our programmes, initiatives, facilities, and community liaison.**

This group of activities provides a number of initiatives and services that support the community. It is the largest of our activity groups because it includes development and maintenance of our facilities—from Council owned buildings to parks and reserves. Along with these are associated programmes, recreation and leisure offerings, and community support.

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### **Community facilities**

We provide a range of services that are aimed at informing, inspiring, connecting, and engaging the community through Ngā Puna Mātauranga o Te Awa Kairangi ki Uta (Upper Hutt Libraries) and Whirinaki Whare Taonga—our hub for arts, culture, and events. Along with H<sub>2</sub>O Xtream aquatic centre, (currently under re-development) these are the largest of our community facilities, enabling us to provide vital services to our community.

Te Kupenga o Rongomai is a new multi-use sports hub facility at Maidstone Park. It is being managed by a new Council Controlled Organisation (CCO), Te Aka o te Kupenga – Maidstone Park Trust.

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### **Community development**

We enable a caring, safe and healthy community by supporting community participation and connectedness, enhancing the capacity and capability of community groups, and improving community safety and resilience.

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### **Recreation services**

A healthy and active lifestyle plays a critical role in individual and community wellbeing. Our recreation services support the improvement of health and wellbeing of the community through the programmes and services we offer at H<sub>2</sub>O Xtream, and through our recreation team, Activation.

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### **Emergency management**

We work with partners to keep the community aware of risks and the importance of readiness, and in the event that an emergency situation is imminent or has arisen, we work at a regional level with the Wellington Region Emergency Management Office (WREMO). If and when required, we stand up our local Emergency Operations Centre which is run by a group of trained Council employees.

## Parks and reserves

With over 748 hectares of parks and reserves, including sport fields, destination parks, neighbourhood parks, Akatārawa cemetery, and natural areas, there are many opportunities for a wide range of users to be active, socialise, and relax.

## Why we do it

**Community wellbeing is a priority area in our Vision and the driver for this activity group.**

We are committed to working together within Council and with the community to improve community safety, resilience, connectedness and collaboration. Our goal is to support and enable a flourishing community and create opportunities for all ages, cultures, and interests within the community, to participate and contribute to their own and wider community wellbeing.

Emergency management fulfills two vital roles: it builds resilient communities, and it establishes and maintains the plans, processes, structures, systems, and teams that will enable our community to prepare for, respond to, and recover from disasters. We fulfill our legislative duties to the community to plan and provide for Civil Defence emergency management within our district.

Recreation and access to our natural environment are key components to individual and community wellbeing. Our H<sub>2</sub>O Xtream aquatic facility (currently being upgraded) is a core Council service, ensuring communities have access to water space for rehabilitation, exercise, and social connection. Our parks, reserves, public gardens, and sports grounds are maintained to meet recreational needs of the public and ensure our natural environment thrives to maintain connection between people and nature. As a place of remembrance, we provide an attractive, peaceful, and tranquil atmosphere at Akatārawa Cemetery.

**Key legislation, strategies, policies, and plans that guide our work**

- 
- Living Well Wellington Regional Physical Activity Strategy
  - Regional Spaces and Places (Facilities) Plan 2019
  - Everybody Active Strategic Plan 2020 – 2024 (Sport New Zealand)
  - Te Mana o te Taiao – Aotearoa NZ Biodiversity Strategy 2020
  - Public Health Bill 2007

- Te Tiriti o Waitangi
- Our Arts, Culture, and Heritage Strategy 2022
- Civil Defence Emergency Management Act 2002
- Public Libraries of New Zealand Strategic Framework 2020 – 2025
- Our Sustainability Strategy 2020
- Health and Safety at Work Act 2015
- Privacy Act 2020
- Children’s Act 2014
- Our Child Protection Policy
- Oranga Tamariki Act 2019
- Youth Development Strategy Aotearoa 2002
- Healthy Ageing Strategy 2016
- Family Violence Act 2018
- Our Smokefree Policy
- Our Open Space Strategy 2018 – 2028
- Reserves Act 1977
- Property Law Act 2007
- Land Transfer Act 2017
- Our Public Places Bylaw 2005
- Local Government Act 2002

## Effects on the community

### SIGNIFICANT POTENTIAL NEGATIVE EFFECTS

### OUR RESPONSE

Community facilities are public places where people congregate and are vulnerable to the risks associated with any public space.

Council’s mitigation measures include health and safety procedures, facility rules, and bylaws applying to public places.

The impacts of climate change have a significant financial and technical impact on H<sub>2</sub>O Xtream. Until February 2022, the facility used natural gas as a source of heating.

The majority of heating at H<sub>2</sub>O Xtream will switch to supplied electricity as part of the facility’s upgrade (currently in progress). The roof replacement, also included in the upgrade, will provide capacity to install solar panels for heating in the future.

Events and activities in parks and reserves can have adverse impacts on surrounding properties including noise, traffic congestion, and vandalism.

Council’s mitigation measures include imposing appropriate conditions on events and activities, and having facility rules and bylaws that apply to public places.

## SIGNIFICANT POTENTIAL NEGATIVE EFFECTS

## OUR RESPONSE

Low community readiness for, or low resilience to, a civil defence emergency can prolong recovery and create significant knock-on effects to community wellbeing, local economic prosperity, and access to goods and services.

Council works with its partners to engage with the community and deliver effective emergency management. The community is kept aware of risks and the importance of readiness and resilience via regular education activities, information provision, and training opportunities.

Emergency response activities may cause disruption or temporary effects on the environmental, social, and economic wellbeing of the community.

Depending on the nature and scale of the emergency and its effects, appropriate mitigation measures will be put in place where possible.

## What we have planned

### Parks and reserves

The focus areas for this activity as per the Infrastructure Strategy are:

Ensuring parks and reserves assets are resilient, effective, safe, meet community requirements, and assist in delivering Council's strategic goals.

Providing parks, playgrounds, sports grounds, cycling, and walking facilities to meet the agreed levels of service for all ages.

Catering for anticipated future growth in burial requirements.

Continuing to align work programmes, levels of service, and accessibility to our parks and reserves, with the Open Space Strategy.

### Community facilities (Council property)

The focus areas for this activity as per the Infrastructure Strategy are:

Ensuring community facilities are maintained so that they are safe, fit for purpose, welcoming and assist in the delivery of the Council's strategic goals.

Completing the upgrade and expansion of H<sub>2</sub>O Xtream aquatic centre.

### Activity changes

Community Development and Activation are two of five non-core activities that Council has identified for targeted funding reductions in this 10-year plan. The following outlines the reduced scale of delivery of these activities.

**Community Development**

There will be reduced interactions with community groups and reduced support for community groups’ initiatives. Community Grants will be retained at \$140,000 per year.

**Community facilities**

Whirinaki Whare Taonga will no longer be delivering visitor information services (the isite) for Upper Hutt.

**Activation**

There will be reduced interactions with, and support for, programmes or activities delivered by sports clubs and schools. We won’t be directly delivering or funding physical activity events and programmes in the community, including some social sports leagues such as floorball. This may also include events such as *Bike the Trail*, *UPLAY*, *Maidstone Meltdown*, and *Family Fun Day*.

**Key projects**



**H<sub>2</sub>O Xtream upgrade**

H<sub>2</sub>O Xtream closed in February 2022 for a major upgrade. The upgrade will significantly enhance and expand the facility with the addition of new water space, improved slides, and other attractions to enhance aquatic opportunities for the community. Council decided to upgrade the facility in two stages with the first due for completion in March 2025. Stage 2 will expand the facility further with a new programmes pool, and is scheduled to start in 2031.



**Civic Centre upgrade**

The overarching goal of the project is to deliver a resilient, modern, and fit-for-purpose building that is future-proof and flexible, to meet both the community’s expectations for local government service delivery and Council’s organisational needs for the next 40+ years.

Minor refurbishments were made as part of the seismic strengthening completed in 2023. The building is no longer earthquake prone and is safe to occupy, meeting current standards and expectations.

The next stage of the upgrade has been scheduled in 2032 – 2033 with construction expected to start in 2034 – 2035 at a projected cost of \$27 M.



### **Cemetery development**

Akatārawa Cemetery, jointly owned by Upper Hutt City Council and Hutt City Council, has an estimated capacity for a further five to six years based on current interment trends. Development of the cemetery, carried out in two stages, will provide burial options for a further 40 years for ashes and 25 years for interments. Further development can progress at a later stage as demand determines.

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### **Community Hub**

This project aims to create additional capacity for community groups by providing office space and shared spaces for meetings, programmes, and activities. It will increase opportunities for, and improve delivery of, a wide range of community services and activities. Originally proposed in the Long Term Plan 2018 – 2028, the project is now scheduled to commence scoping and concept design in 2028 – 2029 and has a projected budget of \$17.5 M.

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### **Walking and cycling network**

The proposed walkway developments in the Long Term Plan 2021 – 2031 have been deferred pending further planning on feasibility and delivery, and the funding has been reprogrammed over the coming five years.

## Measuring our progress

We use the following 16 measures to determine our success against the level of service we aim to provide. New measures are indicated, the rest have been in place over the last three years.

### level of service Our city is connected to its open spaces.

- 6 Resident satisfaction with quality of parks, reserves, and gardens (includes Trentham Memorial Park, Maidstone Park, and Harcourt Park)<sup>5</sup>

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Satisfaction, quality	84%	≥ 90%	≥ 90%	≥ 90%	≥ 90%	Community Survey

- 7 User satisfaction with the Upper Hutt pathways network<sup>5</sup>

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Satisfaction, quality	70%	> 80%	> 80%	> 80%	> 80%	Community Survey

### level of service Our services and facilities are accessible and valued by our residents and visitors.

- 8 Whirinaki Whare Taonga: Number of visitors in 12 months to June

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Quality, accessibility	162,296	≥ 115,000	≥ 115,000	≥ 115,000	≥ 115,000	Internal audit of attendance

- 9 Whirinaki Whare Taonga: Community satisfaction with the range and quality of events, and exhibitions<sup>5</sup>

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Satisfaction, quality	84%	≥ 90%	≥ 90%	≥ 90%	≥ 90%	Community Survey

- 10 H<sub>2</sub>O Xtream: Annual attendance figures (represented by paying users)

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Quality, accessibility	135,308	NA	≥ 200,000	≥ 200,000	≥ 200,000	Point of sale system

<sup>5</sup> Respondents are satisfied or very satisfied.

**11** H<sub>2</sub>O Xtream: User satisfaction with the facility<sup>6</sup>

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Satisfaction, quality	65%	NA	≥ 80%	≥ 80%	≥ 80%	Community Survey

**12** H<sub>2</sub>O Xtream: User satisfaction with service provided<sup>6</sup>

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Satisfaction, quality	80%	≥ 90%	≥ 90%	≥ 90%	≥ 90%	Community Survey

**13** Libraries: Number of physical visits in 12 months to June

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Quality, accessibility	168,521	≥ 175,000	≥ 175,000	≥ 175,000	≥ 175,000	Door counter

**14** Libraries: Number of digital visits in 12 months to June<sup>7</sup>

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Quality, accessibility	711,612	≥ 750,000	≥ 750,000	≥ 750,000	≥ 750,000	Internal data

**15** Libraries: Community satisfaction with service provided by the library<sup>6</sup>

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Satisfaction, quality	93%	≥ 95%	≥ 95%	≥ 95%	≥ 95%	Community Survey

**16** Libraries: Percentage of community that have visited the Library in the previous 12 months.

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Quality, accessibility	29.5%	≥ 50%	≥ 50%	≥ 50%	≥ 50%	Community Survey

**17** Activation: Community satisfaction with service provided<sup>6</sup>

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Satisfaction, quality	84%	≥ 70%	≥ 70%	≥ 70%	≥ 70%	Community Survey

**18** Community Development: Community group satisfaction with service provided<sup>6</sup>

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Satisfaction, quality	86%	≥ 70%	≥ 70%	≥ 70%	≥ 70%	Annual community groups survey


<sup>6</sup> Respondents are satisfied or very satisfied.

<sup>7</sup> Sites included in this result are: upperhuttlibrary.co.nz (site visits); upperhutt.kotui.org.nz (site visits); the Library app (how many times it is accessed).

**level of service** Our city is safe and prepared.

- 19** Council emergency preparedness: Number of staff at each training level  
(F: Foundation, I: Intermediate, A: Advanced)

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Quality	A: 5	F: 15 I: 12 A: 8	F: 20 I: 12 A: 10	F: 20 I: 15 A: 10	F: 24 I: 15 A: 12	EOC training audit

- 20**  The number of emergency management workshops delivered to the local community (including: community response planning; emergency preparedness; and business continuity).

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Quality, accessibility	NA	5	5	7	7	Internal data

- 21** Resident satisfaction with safety in their neighbourhood <sup>8</sup>

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Quality, accessibility	54%	≥ 85%	≥ 85%	≥ 85%	≥ 85%	Point of sale system

<sup>8</sup> Respondents are satisfied or very satisfied.

# Funding impact statement for Community and Recreation (\$'000)

ANNUAL PLAN 23   24	SOURCES OF OPERATING FUNDING	LTP Y1 24   25	LTP Y2 25   26	LTP Y3 26   27	LTP Y4 27   28	LTP Y5 28   29	LTP Y6 29   30	LTP Y7 30   31	LTP Y8 30   31	LTP Y9 32   33	LTP Y10 33   34
15,957	General rates, uniform annual general charges, rates penalties	22,153	28,952	33,027	35,198	35,859	34,125	32,843	32,416	31,444	31,292
0	Targeted rates	0	0	0	0	0	0	0	0	0	0
21	Subsidies and grants for operating purposes	126	130	132	135	138	140	143	145	148	150
1,778	Fees, charges	2,074	2,511	2,579	2,660	2,752	2,852	2,967	3,095	3,243	3,411
8	Internal charges and overheads recovered	8	9	9	9	10	10	10	11	11	11
400	Interest and dividends from investments	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
200	Local authority fuel tax, fines, infringement fees, and other receipts	32	33	34	34	35	36	36	37	38	38
<b>18,363</b>	<b>Total operating funding (A)</b>	<b>25,393</b>	<b>32,634</b>	<b>36,780</b>	<b>39,037</b>	<b>39,794</b>	<b>38,164</b>	<b>37,000</b>	<b>36,704</b>	<b>35,884</b>	<b>35,903</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>											
10,757	Payments to staff and suppliers	11,953	13,137	13,451	13,728	14,366	14,620	15,156	15,892	16,259	16,634
2,930	Finance costs	4,392	5,445	5,190	4,907	4,636	4,352	4,144	3,857	4,207	3,906
6,063	Internal charges and overheads applied	7,503	7,198	8,444	8,320	8,265	8,487	7,979	7,910	8,270	8,185
54	Other operating funding applications	0	0	0	0	0	0	0	0	0	0
<b>19,804</b>	<b>Total applications of operating funding (B)</b>	<b>23,848</b>	<b>25,780</b>	<b>27,086</b>	<b>26,954</b>	<b>27,266</b>	<b>27,459</b>	<b>27,279</b>	<b>27,659</b>	<b>28,736</b>	<b>28,724</b>
<b>(1,441)</b>	<b>Surplus (deficit) of operating funding (A – B)</b>	<b>1,545</b>	<b>6,854</b>	<b>9,695</b>	<b>12,082</b>	<b>12,527</b>	<b>10,704</b>	<b>9,720</b>	<b>9,045</b>	<b>7,148</b>	<b>7,179</b>

<b>ANNUAL PLAN</b>		<b>LTP Y1</b>	<b>LTP Y2</b>	<b>LTP Y3</b>	<b>LTP Y4</b>	<b>LTP Y5</b>	<b>LTP Y6</b>	<b>LTP Y7</b>	<b>LTP Y8</b>	<b>LTP Y9</b>	<b>LTP Y10</b>
<b>23 24</b>	<b>SOURCES OF CAPITAL FUNDING</b>	<b>24 25</b>	<b>25 26</b>	<b>26 27</b>	<b>27 28</b>	<b>28 29</b>	<b>29 30</b>	<b>30 31</b>	<b>30 31</b>	<b>32 33</b>	<b>33 34</b>
3,426	Subsidies and grants for capital expenditure	1,023	0	0	0	0	0	0	0	0	0
0	Development and financial contributions	0	0	0	0	0	0	0	0	0	0
28,495	Increase (decrease) in debt	20,494	(5,320)	(5,834)	(5,595)	(5,865)	(4,309)	(5,930)	7,184	(6,238)	(2,456)
0	Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
0	Lump sum contributions	0	0	0	0	0	0	0	0	0	0
<b>31,921</b>	<b>Total sources of capital funding (C)</b>	<b>21,517</b>	<b>(5,320)</b>	<b>(5,834)</b>	<b>(5,595)</b>	<b>(5,865)</b>	<b>(4,309)</b>	<b>(5,930)</b>	<b>7,184</b>	<b>(6,238)</b>	<b>(2,456)</b>
	<b>APPLICATIONS OF CAPITAL FUNDING</b>										
	Capital expenditure										
0	to meet additional demand	4,301	36	0	0	0	0	20	2,584	0	0
32,193	to improve the level of service	20,501	657	236	447	262	1,827	266	10,809	625	4,422
2,100	to replace existing assets	3,996	2,545	2,978	2,554	4,033	4,543	3,422	2,306	7,500	1,656
(3,813)	Increase (decrease) in reserves	(5,737)	(1,705)	646	3,486	2,368	26	83	531	(7,215)	(1,355)
0	Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0
<b>30,479</b>	<b>Total applications of capital funding (D)</b>	<b>23,062</b>	<b>1,534</b>	<b>3,860</b>	<b>6,487</b>	<b>6,662</b>	<b>6,396</b>	<b>3,791</b>	<b>16,229</b>	<b>910</b>	<b>4,723</b>
<b>1,441</b>	<b>Surplus (deficit) of capital funding (C – D)</b>	<b>(1,545)</b>	<b>(6,854)</b>	<b>(9,695)</b>	<b>(12,083)</b>	<b>(12,527)</b>	<b>(10,704)</b>	<b>(9,720)</b>	<b>(9,045)</b>	<b>(7,148)</b>	<b>(7,179)</b>
<b>0</b>	<b>FUNDING BALANCE ((A – B) + (C – D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



# Whakawhanake Ōhanga Economic Development



4% of the funding we receive through rates will go towards the **Economic Development** group of activities. This \$25.12 M makes up 100% of the group's total funding.

## Community outcomes

The **Economic Development** group of activities contributes to two of our community outcomes.



TAIAO  
Environment



PAPŌRI ME TE AHUREA  
Social and cultural



ŌHANGA  
Economy



TŪĀPAPA  
Infrastructure



## What we do

### Maintain and promote economic wellbeing in the city including supporting our business community

This activity group supports businesses to remain based in Upper Hutt and supports them with navigating Council processes. It focuses on networking with our businesses, and providing business advice to help ensure Upper Hutt remains a viable base for business.

We also work with Wellington NZ, at a macroeconomic level, to help sustain an economic environment which enables the community to respond to economic challenges.

### Promotion of Upper Hutt

Marketing and Events help publicise the activities that Council, businesses and local organisations may undertake to improve the livability and character of the city, making residents and visitors aware of any initiatives and opportunities that deliver an attractive and enjoyable city for all.

All wider tourism activity is managed by Marketing in conjunction with WellingtonNZ and Hutt City to help promote Upper Hutt as a destination for tourists visiting the region.



## Why we do it

### Ensure economic gains are retained and built on for the future

Our economic development support for the commercial sector contributes to the community's economic wellbeing and Upper Hutt's vision.

### Work to maintain pride and affection for Upper Hutt

Through innovative marketing and events, we promote Upper Hutt as an ideal destination for living, working, and leisure. This is crucial for enhancing interaction with the city centre, parks, reserves, and community facilities.

### Key legislation, strategies, policies, and plans that guide our work

- Te Tiriti o Waitangi
- Our Sustainability Strategy
- Our Public Places Bylaw 2005
- Our Rates Remission and Postponement Policy
- Regional Economic Development Plan
- Regional Housing Action Plan



# Effects on the community

## SIGNIFICANT POTENTIAL NEGATIVE EFFECTS

## OUR RESPONSE

Increased demand for commercial development can have negative social and environmental effects and compete with other community interests.

Council’s role is to ensure development considers the ongoing sustainability of the community and the local economy, to support achieving our vision and community outcomes.

Declining availability of quality commercial space in the city centre may limit Upper Hutt’s options to attract and retain new and diverse activity to the precinct.

Council promotes, manages and directs relevant programmes and city centre infrastructure activity in an integrated manner to encourage investment in the city centre.

Events managed, facilitated, or supported by Council may have negative effects on the environment or wellbeing of non-participants. Such negative effects include increased noise, increased traffic congestion, and restricted access to public facilities.

Council works with event managers and affected parties to minimise these negative effects wherever possible.



# What we have planned

## Economic development

Gathering and analyse economic data to inform evidence-based decision-making.

Continue to seek regional collaboration opportunities.

Our business support activity will be at a reduced scale with Council continuing to be available to advise Upper Hutt businesses on where they may be able seek support.

Continue to support and liaise with businesses in Upper Hutt at a reduced scale.

Our programmes to attract new business to Upper Hutt will be at a heavily reduced scale and exclude support for small and medium businesses.

Focus on consideration of support proposals from any new larger scale commercial projects under our rates remission policy.

Our support for the city centre will be at a heavily reduced scale with Council liaising with businesses and commercial landlords to connect them when enquiries come to our economic development team.

We will receive and redirect enquiries from businesses to city centre landlords/agents.

At a reduced scale, we'll look for ways to include Upper Hutt in wider regional support initiatives.

## Marketing initiatives

### Events

Our event activities will be at a reduced scale with Council continuing to deliver and support three annual community events: ANZAC Day, Matariki celebrations and the Santa Parade.

### Promotions

At a reduced scale we will continue to support local events and business ventures through our *My Upper Hutt* social channels and new *My Upper Hutt* microsite, and to support the Council with the creation of marketing material to promote council activities for the community.

## Activity changes

Economic Development and city marketing and events are two of five activities that Council has identified as non-core for targeted funding reductions in this Long Term Plan. The following outlines the reduced scale of delivery of these activities.

### Economic Development

- We won't be proactively attracting new business investment and jobs to Upper Hutt.
- We will cease support for workforce activities such as employment and career expos for young people.
- We will no longer be delivering business-enabling workshops or contributing to collaborative business network programmes with external partners.
- We won't be delivering services to activate or improve the city centre, attract visitors or promote city centre retail experiences to grow consumer spending.
- We will no longer pursue business partnerships in which we have to invest financially, such as development programmes for new businesses looking to establish in Upper Hutt
- We are no longer funding Economic Development Stimulus grants.
- We are no longer funding Residential Development Stimulus grants.
- We will not be completing planned development of an Integrated City Centre Strategy.

## City marketing and events

For the first three years of the plan we will reduce the following aspects of this activity. These will be reinstated from Year 4 onwards.

- Destination marketing of Upper Hutt to visitors. This includes advertising across channels such as social media, videos, as well as promotional print material for use at i-sites across the region.
- Delivering events that promote visitor interaction with our retail or business sector, or encourage target audiences to work, shop or play in Upper Hutt.
- Collaboration with councils around the region to promote our city through the WellingtonNZ website and Hutt Valley NZ tourism including social channels.

We'll no longer directly fund non-Council events, and we are discontinuing our Events Fund grants.



# Measuring our progress

We use the following five measures to determine our success against the levels of service we aim to provide.

## level of service

People feel welcomed and connected to our city centre.

### 22 Resident satisfaction with appearance of the city centre<sup>9</sup>

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Satisfaction, quality	35%	≥ 75%	≥ 75%	≥ 75%	≥ 75%	Community Survey

### 23 Resident satisfaction with safety in the city centre<sup>9</sup>

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Satisfaction, quality	46%	≥ 85%	≥ 85%	≥ 85%	≥ 85%	Community Survey

## level of service

The city centre is a great place for businesses.

### 24 Ground floor occupancy rate in the city centre

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Quality	92.8%	90%	90%	90%	90%	Six-monthly audit

## level of service

Our city is a great place to live in and do business.

### 25 Community satisfaction with the level of Council support in relation to economic development<sup>9</sup>

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Satisfaction, quality	95%	75%	75%	75%	75%	Business and Retailers Survey

### 26 Community satisfaction with the level of Council support provided to retailers<sup>9</sup>

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Satisfaction, quality	89%	70%	70%	70%	70%	Business and Retailers Survey

<sup>9</sup> Respondents are satisfied or very satisfied.

# Funding impact statement for Economic Development (\$000)

ANNUAL PLAN 23   24	SOURCES OF OPERATING FUNDING	LTP Y1 24   25	LTP Y2 25   26	LTP Y3 26   27	LTP Y4 27   28	LTP Y5 28   29	LTP Y6 29   30	LTP Y7 30   31	LTP Y8 30   31	LTP Y9 32   33	LTP Y10 33   34
3,164	General rates, uniform annual general charges, rates penalties	2,450	2,601	2,176	2,610	2,632	2,514	2,472	2,498	2,570	2,600
0	Targeted rates	0	0	0	0	0	0	0	0	0	0
0	Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
0	Fees, charges	0	0	0	0	0	0	0	0	0	0
0	Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0
0	Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0
0	Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0
<b>3,164</b>	<b>Total operating funding (A)</b>	<b>2,450</b>	<b>2,601</b>	<b>2,176</b>	<b>2,610</b>	<b>2,632</b>	<b>2,514</b>	<b>2,472</b>	<b>2,498</b>	<b>2,570</b>	<b>2,600</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>											
2,446	Payments to staff and suppliers	1,113	1,197	1,224	1,575	1,606	1,643	1,675	1,707	1,744	1,773
145	Finance costs	110	75	41	29	20	10	9	9	8	8
791	Internal charges and overheads applied	508	608	668	804	805	844	774	771	808	811
0	Other operating funding applications	0	0	0	0	0	0	0	0	0	0
<b>3,382</b>	<b>Total applications of operating funding (B)</b>	<b>1,731</b>	<b>1,880</b>	<b>1,933</b>	<b>2,408</b>	<b>2,430</b>	<b>2,497</b>	<b>2,458</b>	<b>2,486</b>	<b>2,561</b>	<b>2,591</b>
<b>(218)</b>	<b>Surplus (deficit) of operating funding (A – B)</b>	<b>719</b>	<b>721</b>	<b>243</b>	<b>202</b>	<b>202</b>	<b>16</b>	<b>14</b>	<b>12</b>	<b>9</b>	<b>9</b>

ANNUAL PLAN 23 24		LTP Y1 24 25	LTP Y2 25 26	LTP Y3 26 27	LTP Y4 27 28	LTP Y5 28 29	LTP Y6 29 30	LTP Y7 30 31	LTP Y8 30 31	LTP Y9 32 33	LTP Y10 33 34
	<b>SOURCES OF CAPITAL FUNDING</b>										
0	Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
0	Development and financial contributions	0	0	0	0	0	0	0	0	0	0
271	Increase (decrease) in debt	(717)	(717)	(237)	(195)	(195)	(13)	(13)	(13)	(13)	(13)
0	Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
0	Lump sum contributions	0	0	0	0	0	0	0	0	0	0
<b>271</b>	<b>Total sources of capital funding (C)</b>	<b>(717)</b>	<b>(717)</b>	<b>(237)</b>	<b>(195)</b>	<b>(195)</b>	<b>(13)</b>	<b>(13)</b>	<b>(13)</b>	<b>(13)</b>	<b>(13)</b>
	<b>APPLICATIONS OF CAPITAL FUNDING</b>										
	Capital expenditure										
0	to meet additional demand	0	0	0	0	0	0	0	0	0	0
53	to improve the level of service	0	0	0	0	0	0	0	0	0	0
0	to replace existing assets	0	0	0	0	0	0	0	0	0	0
0	Increase (decrease) in reserves	2	4	5	7	7	4	1	(1)	(4)	(4)
0	Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0
<b>53</b>	<b>Total applications of capital funding (D)</b>	<b>2</b>	<b>4</b>	<b>5</b>	<b>7</b>	<b>7</b>	<b>4</b>	<b>1</b>	<b>(1)</b>	<b>(4)</b>	<b>(4)</b>
<b>218</b>	<b>Surplus (deficit) of capital funding (C – D)</b>	<b>(719)</b>	<b>(721)</b>	<b>(243)</b>	<b>(202)</b>	<b>(202)</b>	<b>(16)</b>	<b>(14)</b>	<b>(12)</b>	<b>(9)</b>	<b>(9)</b>
<b>0</b>	<b>FUNDING BALANCE ((A – B) + (C – D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



# Ngā Puna Wai Water Supply (Amended)



## Water supply activities transfer to Tiaki Wai on 1 July 2026

4% of the funding we receive through rates in years one and two will go towards the **Water Supply** group of activities. This \$25.83M makes up 62% of the group's total funding. The remaining funding will come from fees and charges, and debt.

## Community outcomes

The **Water Supply** group of activities contributes to four of our community outcomes.



**TAIAO**  
Environment



**PAPŌRI ME TE AHUREA**  
Social and cultural



**ŌHANGA**  
Economy



**TŪĀPAPA**  
Infrastructure



## What we do

**Provide a high-quality, reliable and resilient water supply.**

During 2024 and 2025 Council completed a series of decisions to give effect to the Government's Local Water Done Well reform. As a result, Upper Hutt City Council's responsibility for water supply, wastewater and stormwater will end on 1 July 2026, when these services transfer to a new multi-council owned water service organisation for the metropolitan Wellington region, named Tiaki Wai Limited.

This change is in accordance with provisions of the Local Government (Water Services Preliminary Arrangements) Act 2024 and Local Government (Water Services) Act 2025 enabling the reform.

Tiaki Wai will operate drinking water, wastewater, and piped stormwater services for approximately 432,000 people across the Wellington metropolitan area from 1 July 2026. It will take over the services and work being done today by Wellington Water, and the people doing that work. Tiaki Wai is jointly owned by Upper Hutt, Hutt, Porirua and Wellington City Councils along with Greater Wellington Regional Council.

This group of activities is tasked with providing a high quality, reliable, and resilient water supply service that ensures the health and safety of the community, and supports economic growth and development.

Bulk water is purchased from Greater Wellington Regional Council (GWRC) and stored in Council's reservoirs prior to distribution to households and businesses in the supply area.

Our water supply assets are valued at \$116.2 M (2023). Operation and management of the water supply network is contracted to Wellington Water Limited (WWL) until 1 July 2026. The network includes:

- |                         |                              |
|-------------------------|------------------------------|
| ● 16 reservoirs         | ● 1,660 hydrants             |
| ● 10 pump stations      | ● 3,781 valves               |
| ● 287 km of water mains | ● 17,500 service connections |

Our Infrastructure Strategy sets out the direction for this activity group. The strategy is implemented through Council's Asset Management Plan, which guides decisions around how best to maintain, renew, and replace ageing water supply infrastructure.

We also have plans in place to reinstate the water supply as

quickly as possible if it is disrupted by a disaster.

## Why we do it

**Safeguard public health and safety, and support economic growth**

By providing a safe and reliable potable water supply, Council aims to safeguard public health and safety, as well as support the economic growth of the city. At the same time, we support sustainability outcomes by encouraging water conservation through managing demand. The Assessment of Water and Sanitary Services 2005 aligns with this Long Term Plan and identifies no variations.

The current Ministry of Health water supply grading for Upper Hutt is at the best and highest level of AA.

**Key legislation, strategies, policies, and plans that guide our work**

- Assessment of Water and Sanitary Services 2005
- Drinking Water Standards for New Zealand 2022
- Health Act 1956
- Local Government Act 2002
- Local Government Act 1974
- National Policy Statement for Freshwater Management 2020
- Resource Management Act 1991
- Te Tiriti o Waitangi
- Our Sustainability Strategy 2020
- Our Water Supply Bylaw 2008
- Water Conservation Policy
- Natural Resources Plan
- Water Services Act 2021
- Local Government (Water Services Preliminary Arrangements) Act 2024
- Local Government (Water Services) Act 2025
- Infrastructure Strategy 2024 – 2054

## Effects on the community

### SIGNIFICANT POTENTIAL NEGATIVE EFFECTS

### OUR RESPONSE

Water extraction can have negative environmental effects on streams and river ecology.

Greater Wellington Regional Council for years 1 and 2 and Tiaki Wai from year 3 onwards are responsible for the extraction, treatment, and supply of water into the city’s water supply system. Extraction is managed to ensure that potential adverse effects are minimised to acceptable levels.

Disruption of water supply due to asset failure or planned works may result in losses or damage for communities and businesses.

Operation and maintenance procedures and contracts are in place to ensure a quick response to, and resolution of failures. Where disruptions or shutdowns are necessary, we give adequate notice and consult with affected parties.

## SIGNIFICANT POTENTIAL NEGATIVE EFFECTS

## OUR RESPONSE

Construction works on the water supply network can have a significant negative effect on the environment and community, such as traffic disruption, air pollution, safety and stormwater issues, and disturbance of cultural sites during earthworks.

These are addressed by putting in place strong contractual and consent conditions to ensure that effects are kept to a minimum.

Residential customers may be impacted by water restrictions in times of shortages.

Council uses demand management processes such as education programmes and water use restrictions, to ensure the efficient use of water.



## What we have planned

The focus areas for this activity group as per the Infrastructure Strategy are:

Ensuring the water supply is resilient, efficient, safe, and assists in the delivery of Council's strategic goals.

Implementation of the completed future growth study for the region to ensure services align to growth.

Looking after existing infrastructure (renewals, operations, and maintenance).

Reducing water demand including community education and proactive leak detection and repairs.

Gaining asset condition assessment knowledge to inform prioritisation of renewals programme.

Reducing carbon emissions through alternative design and construction techniques.

Ensuring critical services are maintained such as providing a safe drinking water supply.

Improving network resilience by using more resilient materials.

## Key project



### Pipeline renewals

Pipe renewals funding is reviewed and adjusted every three years to coincide with the Long Term Plan. The renewal/ replacement programme is set out in the Water Supply Asset Management Plan, based on the current state of knowledge of the system and the work required to keep the system fit for purpose. More work to better prioritise critical infrastructure projects is planned to be undertaken over the next 3 years.



# Measuring our progress

We use the following five measures to determine our success against the levels of service we aim to provide.

**Level of service** We will maintain a high-quality water supply with minimal interruptions.

**27** Safety of drinking water: the extent to which Council’s drinking water supply complies with Part 4 (bacteria compliance criteria) of the Drinking Water Standards <sup>10</sup>

KEY CRITERIA	[22   23] RESULT	Published		Amended		SOURCE
		TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	
Legislation, safety	Non-compliant	100%	100%			WWL

**28** Maintenance of the reticulation network: the percentage of real water loss from Council’s networked reticulation system (calculated as a regional mean value)

KEY CRITERIA	[22   23] RESULT	Published		Amended		SOURCE
		TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	
Legislation, quality	44%	< 20%	< 20%			WWL

**29** Median fault response times: when Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system

- A** attendance to urgent call-outs (in minutes) from the time that Council receives notification to the time that service personnel reach site
- B** resolution of urgent call-outs (in hours) from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption
- C** attendance (in hours) for non-urgent call-outs from the time that Council receives notification to the time that service personnel reach the site
- D** resolution (in days) of non-urgent call-outs from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption

KEY CRITERIA	[22   23] RESULT	Published		Amended		SOURCE
		TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	
Legislation, responsiveness	(A) 77 (B) 4.3 (C) 316 (D) 21	(A) 60 (B) 4 (C) 36 (D) 15	(A) 60 (B) 4 (C) 36 (D) 15			WWL

<sup>10</sup> Compliance with The Water Services (Drinking Water Standards for New Zealand) Regulations 2022 and DWQAR (Drinking Water Quality Assurance Rules 2022).

**30** Customer satisfaction: the total number of complaints (per 1,000 connections) received about any of the following:

- Drinking water clarity
- Drinking water pressure or flow
- Drinking water taste
- Continuity of supply
- Drinking water odour

KEY CRITERIA	[22   23] RESULT	Published		Amended		SOURCE
		TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	
Legislation, satisfaction	9.2 <sup>11</sup>	≤ 20	≤ 20			WWL

**31** Demand management: the average consumption of drinking water in litres per day, per resident

KEY CRITERIA	[22   23] RESULT	Published		Amended		SOURCE
		TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	
Legislation, sustainability	443	≤ 415	≤ 415			WWL

<sup>11</sup> Council has not reported on multiple complaints for the same issue. We are looking to address this through process improvements in the 2023 – 2024 year to ensure that all complaints are accurately categorised and reported. For more information, refer to page 58 of the Annual Report 2022 – 2023.

## Funding impact statement for Water Supply (\$000)

ANNUAL PLAN 23   24	SOURCES OF OPERATING FUNDING	Published		Amended								
		LTP Y1 24   25	LTP Y2 25   26	LTP Y3 26   27	LTP Y4 27   28	LTP Y5 28   29	LTP Y6 29   30	LTP Y7 30   31	LTP Y8 30   31	LTP Y9 32   33	LTP Y10 33   34	
0	General rates, uniform annual general charges, rates penalties	0	0									
7,750	Targeted rates	11,865	13,966									
0	Subsidies and grants for operating purposes	0	0									
1,805	Fees, charges	1,805	1,853									
0	Internal charges and overheads recovered	0	0									
0	Interest and dividends from investments	0	0									
0	Local authority fuel tax, fines, infringement fees, and other receipts	0	0									
<b>9,555</b>	<b>Total operating funding (A)</b>	<b>13,669</b>	<b>15,819</b>									
	<b>APPLICATIONS OF OPERATING FUNDING</b>											
8,937	Payments to staff and suppliers	11,565	12,633									
417	Finance costs	567	1,064									
1,121	Internal charges and overheads applied	1,007	1,055									
0	Other operating funding applications	0	0									
<b>10,475</b>	<b>Total applications of operating funding (B)</b>	<b>13,139</b>	<b>14,752</b>									
<b>(920)</b>	<b>Surplus (deficit) of operating funding (A – B)</b>	<b>530</b>	<b>1,068</b>									

ANNUAL PLAN 23 24	SOURCES OF CAPITAL FUNDING	Published		Amended								
		LTP Y1 24 25	LTP Y2 25 26	LTP Y3 26 27	LTP Y4 27 28	LTP Y5 28 29	LTP Y6 29 30	LTP Y7 30 31	LTP Y8 30 31	LTP Y9 32 33	LTP Y10 33 34	
0	Subsidies and grants for capital expenditure	0	0									
0	Development and financial contributions	0	0									
2,067	Increase (decrease) in debt	8,407	3,734									
0	Gross proceeds from sale of assets	0	0									
0	Lump sum contributions	0	0									
<b>2,067</b>	<b>Total sources of capital funding (C)</b>	<b>8,407</b>	<b>3,734</b>									
	<b>APPLICATIONS OF CAPITAL FUNDING</b>											
	Capital expenditure											
58	to meet additional demand	461	463									
738	to improve the level of service	3,475	613									
1,671	to replace existing assets	5,001	3,726									
(1,320)	Increase (decrease) in reserves	0	0									
0	Increase (decrease) of investments	0	0									
<b>1,147</b>	<b>Total applications of capital funding (D)</b>	<b>8,937</b>	<b>4,802</b>									
<b>920</b>	<b>Surplus (deficit) of capital funding (C – D)</b>	<b>(530)</b>	<b>(1,068)</b>									
<b>0</b>	<b>FUNDING BALANCE ((A – B) + (C – D))</b>	<b>0</b>	<b>0</b>									



# Waiparu Wastewater (Amended)



### Wastewater activities transfer to Tiaki Wai on 1 July 2026

3% of the funding we receive through rates in years one and two will go towards the **Wastewater** group of activities. This \$20.625M makes up 36% of the group’s total funding.

The remaining funding will come from fees and charges, and debt.

## Community outcomes

The **Wastewater** group of activities contributes to two of our community outcomes.



**TAIAO**  
Environment



**PAPŌRI ME TE AHUREA**  
Social and cultural



**ŌHANGA**  
Economy



**TŪĀPAPA**  
Infrastructure



## What we do

### Protect the health of the community and our waterways

During 2024 and 2025 Council completed a series of decisions to give effect to the Government's Local Water Done Well reform. As a result, Upper Hutt City Council's responsibility for water supply, wastewater and stormwater will end on 1 July 2026, when these services transfer to a new multi-council owned water service organisation for the metropolitan Wellington region, named Tiaki Wai Limited.

This change is in accordance with provisions of the Local Government (Water Services Preliminary Arrangements) Act 2024 and Local Government (Water Services) Act 2025 enabling the reform.

Tiaki Wai will operate drinking water, wastewater, and piped stormwater services for approximately 432,000 people across the Wellington metropolitan area from 1 July 2026. It will take over the services and work being done today by Wellington Water, and the people doing that work. Tiaki Wai is jointly owned by Upper Hutt, Hutt, Porirua and Wellington City Councils along with Greater Wellington Regional Council.

This activity group provides a secure, efficient, and resilient wastewater service that protects the health of the community and our waterways from the harmful effects of wastewater. It also supports economic growth and development.

Operation and management of our wastewater network is contracted to Wellington Water Limited (WWL).

This includes the following assets valued at \$119.3 M (2023):

- 228 km of sewer mains
- 19 pump stations
- 4,987 wastewater manholes
- One overflow chamber
- One pipe bridge

Our Infrastructure Strategy sets out the direction for this activity. The Strategy is implemented through Council's Asset Management Plan, which guides decisions around how best to maintain, renew and replace the wastewater infrastructure.

We also have plans in place to reinstate the wastewater services as quickly as possible if they are disrupted by a disaster.



## Why we do it

### **Ensure quality of life and public health**

Safe treatment and disposal of wastewater are of vital importance to ensure quality of life and public health, and is a core service expected by the community. The removal and mitigation of the adverse impacts of wastewater on the environment benefits current and future generations. It safeguards waterways and the environment from direct discharges and helps protect their life supporting capacity.

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### **Maintain prosperity**

Wastewater infrastructure is an essential element in maintaining prosperity, promoting economic development in the city, and facilitating residential growth in the city. Ongoing maintenance of the wastewater systems occurs to ensure minimal impact on households, businesses, and essential services.

**Assessment of Water and Sanitary Services**

The Assessment of Water and Sanitary Services 2005 discusses the provision of wastewater services in Upper Hutt. The key focus of the assessment is the protection of public health in the city. There are no variations between this assessment and the Long Term Plan.

**Key legislation, strategies, policies, and plans that guide our work**

- Assessment of Water and Sanitary Services 2005
- Health Act 1956
- Local Government Act 2002
- Local Government Act 1974
- National Policy Statement for Freshwater Management 2020
- Resource Management Act 1991
- Te Tiriti o Waitangi
- Our Sustainability Strategy 2020
- Natural Resources Plan
- Water Services Act 2021
- Local Government (Water Services Preliminary Arrangements) Act 2024
- Local Government (Water Services) Act 2025
- Infrastructure Strategy 2024 – 2054

 **Effects on the community**

**SIGNIFICANT POTENTIAL NEGATIVE EFFECTS**

**OUR RESPONSE**

Effluent overflows due to pipeline blockages or extreme weather events, and the possible discharge of untreated effluent wastewater to the Hutt River and local streams and waterways are potential significant negative effects of this activity. The discharges from treatment plants need to meet consent conditions and may result in pollution to the receiving environment and public health risks.

These potential negative effects are managed and mitigated with planning to ensure the capacity and resilience of the network, as well as through day-to-day operations of the wastewater activity. Upgrades and renewals are carried out through the asset management programme to facilitate network resilience, long term demand projections for the wastewater system, and to meet environmental standards.

Disruption of wastewater supply due to asset failure or planned works may result in losses or damage for communities and businesses.

Operation and maintenance procedures and contracts are in place to ensure a quick response to, and resolution of failures. Where disruptions or shutdowns are necessary, we give adequate notice and consult with affected parties.

## SIGNIFICANT POTENTIAL NEGATIVE EFFECTS

## OUR RESPONSE

Construction works on the wastewater network can have a significant negative effect on the environment and community, such as traffic disruption, air pollution, safety and stormwater issues and disturbance of cultural sites during earthworks.

These are addressed by putting in place strong contractual and consent conditions to ensure that effects are kept to a minimum.



## What we have planned

The focus areas for this activity group as per the Infrastructure Strategy are:

Ensuring the wastewater network is resilient, efficient, effective, safe and assists in the delivery of Council's strategic goals.

Improving understanding of network capacity and performance through monitoring and modelling.

Looking after existing infrastructure (renewals, operations, and maintenance).

Managing demand and improving capacity to reduce network overflows.

Gaining asset condition assessment knowledge to inform prioritisation of renewals programme.

Improving network resilience by using more resilient materials.

Ensuring critical services are maintained to prevent overflows, risk to public health and environment.

Reducing carbon emissions through alternative design and construction techniques and improved management of sludge.

# Key projects

## Pipeline renewals

Pipe renewals funding is reviewed and adjusted every three years to coincide with the Long Term Plan. The renewal/ replacement programme is set out in the Wastewater Asset Management Plan, based on the current state of knowledge of the system and the work required to keep the system fit for purpose. More work to better prioritise critical infrastructure projects is planned to be undertaken over the next 3 years.

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### **Joint venture wastewater capital and renewals programme**

The joint venture between Hutt City Council and Upper Hutt City Council allows for the conveyance and treatment of wastewater from the Hutt Valley.

The Hutt Valley Wastewater Scheme refers to the trunk wastewater network (including a large holding tank at Silverstream) and the treatment plant located in Seaview. Funding for the scheme is provided by both Hutt councils (Upper Hutt’s share is 30%).

Financial budgets for the scheme are set by Hutt City Council. Upper Hutt is required to provide funding for this capital expenditure. As a price-taker, Upper Hutt City Council does not control or influence this expenditure. This is a significant part of our three waters funding allocation for the years 1 and 2.

Within the first two years, major works are required to the Petone interceptor, and at the Seaview Wastewater Treatment Plant, including odour control investments, replacement of the dryer, and design and planning works for the replacement of the main outfall pipe.

# Measuring our progress

We use the following four measures to determine our success against the levels of service we aim to provide.

**Level of service** Our sewerage systems, and the treatment and disposal of sewerage is well maintained, safe, and allows for growth.

**32** System and adequacy: the number of dry weather sewerage overflows from Council’s sewerage system expressed per 1,000 sewerage connections to the sewerage system.

KEY CRITERIA	[22   23] RESULT	Published		Amended		SOURCE
		TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	
Legislation, sustainability	2	≤ 20	≤ 20			WWL

**33** Discharge compliance: compliance with the Council’s resource consents for discharge from its sewerage system, measured by the number of:

- A** Abatement notices
- B** Infringement notices
- C** Enforcement orders
- D** Convictions

KEY CRITERIA	[22   23] RESULT	Published		Amended		SOURCE
		TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	
Legislation, responsiveness	<b>A</b> 1	<b>A</b> 0	<b>A</b> 0			WWL
	<b>B</b> 4	<b>B</b> 0	<b>B</b> 0			
	<b>C</b> 0	<b>C</b> 0	<b>C</b> 0			
	<b>D</b> 0	<b>D</b> 0	<b>D</b> 0			

**34** Median fault response times: when Council’s contractor attends to sewerage overflows, resulting from blocked or other faults in the sewerage system:

- A** Attendance time (in minutes) from the time that notification is received to the time that service personnel reach site
- B** Resolution time (in hours) from the time that notification is received to the time that service personnel confirm resolution of the blockage or other fault

KEY CRITERIA	[22   23] RESULT	Published		Amended		SOURCE
		TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	
Legislation, Responsiveness	A 263	<b>A</b> ≤60	<b>A</b> ≤60			WWL
	B 5	<b>B</b> ≤6	<b>B</b> ≤6			

**35** Customer satisfaction: The total number of complaints (per 1,000 connections) received about any of the following:

- Sewerage odour
- Sewerage system blockages
- Sewerage system faults
- Council’s response to the sewerage system issues

KEY CRITERIA	[22   23] RESULT	Published		Amended		SOURCE
		TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	
Legislation, sustainability	8.2 <sup>12</sup>	≤ 20	≤ 20			WWL

12 Council has not reported on multiple complaints for the same issue. We are looking to address this through process improvements in the 2023 – 2024 year to ensure that all complaints are accurately categorised and reported. For more information, refer to page 64 of the Annual Report 2022 – 2023.

# Funding impact statement for Wastewater (\$'000)

ANNUAL PLAN 23   24	SOURCES OF OPERATING FUNDING	Published		Amended								
		LTP Y1 24   25	LTP Y2 25   26	LTP Y3 26   27	LTP Y4 27   28	LTP Y5 28   29	LTP Y6 29   30	LTP Y7 30   31	LTP Y8 30   31	LTP Y9 32   33	LTP Y10 33   34	
0	General rates, uniform annual general charges, rates penalties	0	0									
6,866	Targeted rates	9,918	10,707									
0	Subsidies and grants for operating purposes	0	0									
224	Fees, charges	224	231									
0	Internal charges and overheads recovered	0	0									
0	Interest and dividends from investments	0	0									
0	Local authority fuel tax, fines, infringement fees, and other receipts	0	0									
<b>7,090</b>	<b>Total operating funding (A)</b>	<b>10,143</b>	<b>10,937</b>									
	<b>APPLICATIONS OF OPERATING FUNDING</b>											
5,093	Payments to staff and suppliers	6,354	6,775									
1,568	Finance costs	1,871	2,791									
1,136	Internal charges and overheads applied	931	987									
0	Other operating funding applications	0	0									
<b>7,797</b>	<b>Total applications of operating funding (B)</b>	<b>9,156</b>	<b>10,552</b>									
<b>(707)</b>	<b>Surplus (deficit) of operating funding (A – B)</b>	<b>987</b>	<b>385</b>									

ANNUAL PLAN 23 24	SOURCES OF CAPITAL FUNDING	Published		Amended								
		LTP Y1 24 25	LTP Y2 25 26	LTP Y3 26 27	LTP Y4 27 28	LTP Y5 28 29	LTP Y6 29 30	LTP Y7 30 31	LTP Y8 30 31	LTP Y9 32 33	LTP Y10 33 34	
0	Subsidies and grants for capital expenditure	0	0									
0	Development and financial contributions	0	0									
6,385	Increase (decrease) in debt	15,479	20,039									
0	Gross proceeds from sale of assets	0	0									
0	Lump sum contributions	0	0									
<b>6,385</b>	<b>Total sources of capital funding (C)</b>	<b>15,479</b>	<b>20,039</b>									
	<b>APPLICATIONS OF CAPITAL FUNDING</b>											
	Capital expenditure											
86	to meet additional demand	2,901	5,101									
18	to improve the level of service	2,347	1,167									
7,032	to replace existing assets	11,219	15,256									
(1,458)	Increase (decrease) in reserves	0	(1,100)									
0	Increase (decrease) of investments	0	0									
<b>5,678</b>	<b>Total applications of capital funding (D)</b>	<b>16,466</b>	<b>20,424</b>									
<b>707</b>	<b>Surplus (deficit) of capital funding (C – D)</b>	<b>(987)</b>	<b>(385)</b>									
<b>0</b>	<b>FUNDING BALANCE ((A – B) + (C – D))</b>	<b>0</b>	<b>0</b>									



# Waiāwhā Stormwater (Amended)



### Stormwater activities transfer to Tiaki Wai on 1 July 2026

1% of the funding we receive through rates in years one and two will go towards the **Stormwater** group of activities. This \$7.54 M makes up 61% of the group’s total funding.

The remaining funding will come from subsidies and grants.

## Community outcomes

The **Stormwater** group of activities contributes to three of our community outcomes.



TAIAO  
Environment



PAPŌRI ME TE AHUREA  
Social and cultural



ŌHANGA  
Economy



TŪĀPAPA  
Infrastructure



## What we do

### **Protect the public and property from the effects of flooding**

During 2024 and 2025 Council completed a series of decisions to give effect to the Government's Local Water Done Well reform. As a result, Upper Hutt City Council's responsibility for water supply, wastewater and stormwater will end on 1 July 2026, when these services transfer to a new multi-council owned water service organisation for the metropolitan Wellington region, named Tiaki Wai Limited.

This change is in accordance with provisions of the Local Government (Water Services Preliminary Arrangements) Act 2024 and Local Government (Water Services) Act 2025 enabling the reform.

Tiaki Wai will operate drinking water, wastewater, and piped stormwater services for approximately 432,000 people across the Wellington metropolitan area from 1 July 2026. It will take over the services and work being done today by Wellington Water, and the people doing that work. Tiaki Wai is jointly owned by Upper Hutt, Hutt, Porirua and Wellington City Councils along with Greater Wellington Regional Council.

This activity includes the provision of a stormwater service which efficiently manages and controls flows, supporting the achievement of Council's goals by protecting the public and property from the effects of flooding, and minimising the impact of runoff on the environment.

The Infrastructure Strategy sets out the direction for this activity. The Strategy is implemented through Council's Asset Management Plan, which guides decisions around how best to maintain, renew and replace the stormwater infrastructure.

We also have plans in place to reinstate the stormwater network as quickly as possible after a disaster.

Operation and management of our stormwater network is contracted to Wellington Water Limited (WWL).

The network comprises a combination of reticulated pipes, pumps, open drains, and soak pits prior to entering major watercourses such as Te Awa Kairangi/Hutt River:

- 160 km of stormwater mains
- 7 pump stations
- 3,546 stormwater manholes
- 3 retention ponds  
(Wallaceville Reserve, Grants Bush, Brown Owl)

- 1 stormwater dam (Heretaunga)
- 51 km of open drains

These stormwater assets are valued at \$168.6 M (2023).



## Why we do it

### **Preserve public safety and minimise the risk of damage to property**

The stormwater activity preserves public safety and health and minimises the risk of damage to property through effective stormwater management and disposal. By providing an efficient stormwater disposal system Council aims to safeguard community wellbeing, protect the environment, and support the economic development and residential growth of the city.

**Flood risk in Upper Hutt**

Upper Hutt lies within a floodplain with some areas of the city exposed to flood risk, which will be exacerbated by the likely increased occurrence of extreme weather events resulting from climate change. Hydraulic modelling is helping us to understand future flood risk areas and how we can best respond.

**Assessment of Water and Sanitary Services**

The Assessment of Water and Sanitary Services 2005 discusses the provision of stormwater services in Upper Hutt. The key focus of the assessment is the protection of public health in the city. There are no variations between this assessment and the Long Term Plan.

**Key legislation, strategies, policies, and plans that guide our work**

- Assessment of Water and Sanitary Services 2005
- Health Act 1956
- Local Government Act 2002
- Local Government Act 1974
- National Policy Statement for Freshwater Management 2020
- Resource Management Act 1991
- Te Tiriti o Waitangi
- Our Sustainability Strategy 2020
- Natural Resources Plan
- Water Services Act 2021
- Local Government (Water Services Preliminary Arrangements) Act 2024
- Local Government (Water Services) Act 2025
- Infrastructure Strategy 2024 – 2054



# Effects on the community

## SIGNIFICANT POTENTIAL NEGATIVE EFFECTS

## OUR RESPONSE

Stormwater overflows may result in flooding, pollution to the receiving environment, and create public health risks.

This is managed and mitigated with planning to ensure the capacity and resilience of the network as well as through day-to-day operations of the stormwater activity. Upgrades and renewals are carried out through the asset management programme to facilitate network resilience, long term demand projections for the stormwater system, and to meet environmental standards. For any new development Council is encouraging the use of hydraulic neutrality principles for stormwater design.

Disruption of stormwater services due to asset failure or planned works may result in losses or damage for communities and businesses.

Operation and maintenance procedures and contracts are in place to ensure a quick response to and resolution of failures. Where disruptions or shutdowns are necessary, we give adequate notice and consult with affected parties.

Construction works on the stormwater network can have a significant negative effect on the environment and community, such as traffic disruption, air pollution, safety and stormwater issues, and disturbance of cultural sites during earthworks.

These are addressed by putting in place strong contractual and resource consent conditions to ensure that effects are kept to a minimum.



# What we have planned

The focus areas for this activity group as per the Infrastructure Strategy are:

Ensuring the stormwater network is resilient, efficient, effective, safe and assists in the delivery of Council’s strategic goals.

Improving environmental water quality through active monitoring of stormwater.

Looking after existing infrastructure (renewals, operations, and maintenance).

Improving understanding of network capacity and performance through monitoring and modelling.

Gaining asset condition assessment knowledge to inform prioritisation of renewals programme.

Interventions in place to protect overland flow paths.

Ensuring critical services, such as control systems, are maintained.

Development controls such as hydraulic neutrality.

Implementation of the future growth study for the region to ensure services align to growth.

Climate change factored in to planning and design of new works.

## Key projects

### Pipeline renewals

Pipe renewals funding is reviewed and adjusted every three years to coincide with the Long Term Plan. The renewal/ replacement programme is set out in the Stormwater Asset Management Plan, based on the current state of knowledge of the system and the work required to keep the system fit for purpose.



### Pinehaven Stream capacity upgrade

The Pinehaven area has a long history of flooding. The project is designed to reduce the frequency of flooding to a 1 in 25-year event in the Pinehaven Stream catchment. This upgrade includes planning controls, stream widening and the replacement of culverts which will significantly reduce the frequency of flooding. This is a 50/50 joint project with Greater Wellington Regional Council.



# Measuring our progress

We use the following four measures to determine our success against the levels of service we aim to provide.

**Level of service** We will effectively manage stormwater to minimise the risk of property damage and preserve public safety and health.

## 36 System and adequacy:

- (A) The number of flooding events that occur in the district.
- (B) For each flooding event, the number of habitable floors affected (expressed per 1,000 properties connected to the stormwater system).

KEY CRITERIA	[22   23] RESULT	Published		Amended		SOURCE
		TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	
Legislation, Quality, safety	A 0 B 0	(A) ≤2 (B) ≤0.64	(A) 2 (B) ≤ 0.64			WWL

## 37 Discharge compliance: compliance with the Council’s resource consents for discharge from its stormwater system, measured by the number of:

- (A) Abatement notices
- (B) Infringement notices
- (C) Enforcement orders
- (D) Convictions

KEY CRITERIA	[22   23] RESULT	Published		Amended		SOURCE
		TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	
Legislation, responsiveness	(A) 0 (B) 0 (C) 0 (D) 0	(A) 0 (B) 0 (C) 0 (D) 0	(A) 0 (B) 0 (C) 0 (D) 0			WWL

## 38 Median fault response times: when Council attends a flooding event (in minutes) from the time that Council receives notification to the time that service personnel reach the site.

KEY CRITERIA	[22   23] RESULT	Published		Amended		SOURCE
		TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	
Legislation, responsiveness	0 <sup>13</sup>	≤ 60	≤ 60			WWL

## 39 Customer satisfaction: the total number of complaints (per 1,000 connections) received by Council about the performance of its stormwater system

KEY CRITERIA	[22   23] RESULT	Published		Amended		SOURCE
		TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	
Legislation, sustainability	5.6 <sup>14</sup>	≤ 20	≤ 20			WWL

13 Due to no call-outs.

14 Council has not reported on multiple complaints for the same issue. We are looking to address this through process improvements in the 2023 – 2024 year to ensure that all complaints are accurately categorised and reported. For more information, refer to page 64 of the Annual Report 2022 – 2023.

# Funding impact statement for Stormwater (\$'000)

ANNUAL PLAN 23   24	SOURCES OF OPERATING FUNDING	Published		Amended								
		LTP Y1 24   25	LTP Y2 25   26	LTP Y3 26   27	LTP Y4 27   28	LTP Y5 28   29	LTP Y6 29   30	LTP Y7 30   31	LTP Y8 30   31	LTP Y9 32   33	LTP Y10 33   34	
0	General rates, uniform annual general charges, rates penalties	0	0									
1,891	Targeted rates	3,457	4,086									
0	Subsidies and grants for operating purposes	0	0									
0	Fees, charges	0	0									
0	Internal charges and overheads recovered	0	0									
0	Interest and dividends from investments	0	0									
0	Local authority fuel tax, fines, infringement fees, and other receipts	0	0									
<b>1,891</b>	<b>Total operating funding (A)</b>	<b>3,457</b>	<b>4,086</b>									
	<b>APPLICATIONS OF OPERATING FUNDING</b>											
1,918	Payments to staff and suppliers	2,230	2,512									
648	Finance costs	436	644									
539	Internal charges and overheads applied	459	483									
0	Other operating funding applications	0	0									
<b>3,105</b>	<b>Total applications of operating funding (B)</b>	<b>3,125</b>	<b>3,639</b>									
<b>(1,214)</b>	<b>Surplus (deficit) of operating funding (A – B)</b>	<b>332</b>	<b>447</b>									

ANNUAL PLAN 23 24	SOURCES OF CAPITAL FUNDING	Published		Amended								
		LTP Y1 24 25	LTP Y2 25 26	LTP Y3 26 27	LTP Y4 27 28	LTP Y5 28 29	LTP Y6 29 30	LTP Y7 30 31	LTP Y8 30 31	LTP Y9 32 33	LTP Y10 33 34	
1,700	Subsidies and grants for capital expenditure	1,534	0									
0	Development and financial contributions	0	0									
(81)	Increase (decrease) in debt	2,365	893									
0	Gross proceeds from sale of assets	0	0									
0	Lump sum contributions	0	0									
<b>1,619</b>	<b>Total sources of capital funding (C)</b>	<b>3,900</b>	<b>893</b>									
	<b>APPLICATIONS OF CAPITAL FUNDING</b>											
	Capital expenditure											
58	to meet additional demand	51	53									
3,508	to improve the level of service	3,826	866									
64	to replace existing assets	354	421									
(3,224)	Increase (decrease) in reserves	0	0									
0	Increase (decrease) of investments	0	0									
<b>405</b>	<b>Total applications of capital funding (D)</b>	<b>4,232</b>	<b>1,341</b>									
<b>1,214</b>	<b>Surplus (deficit) of capital funding (C – D)</b>	<b>(332)</b>	<b>(447)</b>									
<b>0</b>	<b>FUNDING BALANCE ((A – B) + (C – D))</b>	<b>0</b>	<b>0</b>									



# Ngā waka tūmatanui Land Transport

21% of the funding we receive through rates will go towards the **Land Transport** group of activities. This \$135.34 M makes up 55% of the group's total funding. The remaining funding will come from subsidies and grants, fees and charges, debt, and other sources.

## Community outcomes

The **Land Transport** group of activities contributes to three of our community outcomes.



TAIAO  
Environment



PAPŌRI ME TE AHUREA  
Social and cultural



ŌHANGA  
Economy



TŪĀPAPA  
Infrastructure



## What we do

### Ensure that residents and visitors can move freely, efficiently, and safely

This activity group is responsible for a well-maintained roading network to ensure that residents and visitors to Upper Hutt can move freely, efficiently and safely throughout the city.

Our local transport network is an extremely valuable community asset valued at \$494 M. Maintaining this asset requires significant, ongoing expenditure. Our transport network includes roads, street lighting, footpaths, cycleways, and bridges to allow for various modes of transport around our city. Parking, street furniture, planters, and refuse bins in the city centre are also provided by this activity group.

The network includes:

- 252 km of roads
- 50 road bridges and 7 pedestrian/cycle bridges
- Cycleways, footpaths, and pedestrian crossings
- Shared spaces, street furniture and public carparks in the city centre
- Signs, road markings, streetlights, and traffic signals

### Ensure the network is fit-for-purpose

Work required to ensure the network is fit-for-purpose are:

- Network and structures inspections to identify problems and address them in a timely manner
- Maintenance and renewal of the roads, footpaths, and other fixtures and fittings
- Improvements and upgrades to cope with increased demand and to make the roads safer for users
- Street cleaning and vegetation control

### Future planning

We undertake future planning and advocacy, working with regional partners and government agencies on current and future transport matters that impact our city, such as climate change, sustainability, and road safety.

- The Government, through Waka Kotahi NZ Transport Agency (Waka Kotahi), partners with Council to co-invest in local road infrastructure and services

- Waka Kotahi is also the road controlling authority for State Highway 2 that runs through Upper Hutt.
- Bus and train services are provided and funded through Greater Wellington Regional Council.

**Guided by the Infrastructure Strategy**

The Infrastructure Strategy sets out the direction for this activity. The Strategy is implemented through Council’s Asset Management Plans, which guide decisions around how best to maintain, renew and replace the land transport infrastructure.

 **Why we do it**

**Safety of all road users is our main priority**

We work in conjunction with the New Zealand Police and Waka Kotahi NZ Transport Agency to monitor and enforce the safe use of roads through safety works, road marking and signage, street lighting upgrades, and road safety awareness.

**Connectivity**

Excellent road and rail links across the Wellington region are essential if the businesses and residents of Upper Hutt are to continue to thrive—whether in terms of residents travelling to and from work, or for businesses needing to move goods and services quickly and efficiently.

**Increasing capacity**

Our city is growing, and this means there is more demand on our transport infrastructure. Several major projects in this plan will address the capacity of key roads, intersections, and routes to ensure we can provide for more people, and more vehicles, using our network safely and efficiently.

**Resilience**

The resilience of our transport network to withstand unexpected events and extreme weather is crucial for the city to respond and recover in the event of such an emergency. This is an important factor driving our plans for the next 10 years.

**Alternative transport modes**

The provision of footpaths and cycleways gives alternatives to vehicle transport for short journeys, and allows the community to choose environmentally friendly, and healthy travel options. It also enhances access to public transport and reduces congestion on the local road network.

**Key legislation, strategies, policies, and plans that guide our work**

- Our Infrastructure Strategy
- Disabled Persons Act 1985
- Local Government Act 1974
- Heath Act 1956
- Land Transport Management Act 2003
- Land Transport Act 1998
- Land Transport Rule – Traffic Control Devices 2004
- Land Transport Rule – Setting of Speed Limits 2022
- National Code of Practice for Utilities Access to the Transport Corridor
- Our Sustainability Strategy
- Our Open Space Strategy
- Building Act 1991
- Civil Defence Emergency Management Act 2002
- Public Bodies Contracts Act 1959
- Public Works Act 1981
- Railway Safety and Corridor Management Act 1992
- Reserves Act 1977
- Resource Management Act 1991
- Transit New Zealand Act 1989

## Effects on the community

### SIGNIFICANT POTENTIAL NEGATIVE EFFECTS

Congestion and noise pollution can be significant negative effects associated with land transport, particularly during peak times.

### OUR RESPONSE

These possible impacts are well managed through routine ongoing maintenance, as outlined in the Asset Management Plans. Potential future congestion points have been identified and projects developed to address this.

Our promotion of carbon-neutral travel aims to reduce the negative effects of pollution and congestion.

**SIGNIFICANT POTENTIAL NEGATIVE EFFECTS**

**OUR RESPONSE**

Disruption to the roading network due to asset failure or planned works may result in losses or damage for communities and businesses.

Operation and maintenance manuals and contracts are developed to ensure a quick response to, and resolution of failures. Where disruptions or shutdowns are necessary, we give adequate notice and consult with affected parties.

Construction works on roads can have a significant negative effect on the environment and community, such as congestion and delays, air pollution, safety and stormwater issues and disturbance of cultural sites during earthworks.

These are addressed by putting in place strong contractual and resource consent conditions to ensure that effects are kept to a minimum.

Funding shortfalls for road maintenance such as reseals, could lead to the premature deterioration of very costly assets, which will result in poor and unsafe roads that will require a significant investment to restore the level of service.

Council’s Asset Management Plans forecast the pavement reseal needs of the roading network for future years based on tested and accepted scientific practices. This allows Council to budget according to these future identified needs.

 **What we have planned**

The focus areas for this activity group as per the Infrastructure Strategy are:

Ensuring the road network is resilient, efficient, effective, and safe and assists in the delivery of Council’s strategic goals.

Addressing substandard rural carriageway widths – impact on safety of motorists, cyclists, and pedestrians on rural roads.

Delivering agreed levels of service as the city enters a period of growth.

Reducing the vulnerability of the rural roading network to natural hazard events.

Continuing advocacy work with Greater Wellington Regional Council (GWRC) and Waka Kotahi for capacity and safety upgrades of State Highway 2 and State Highway 58.

Providing cycling and walking facilities that meet the agreed levels of service for all ages.

# Key projects

## YEARS 1 – 3



### **Tōtara Park Bridge widening**

Increased traffic on State Highway 2 has created congestion exiting Tōtara Park, creating delays for both car and passenger transport. Future residential development will further increase those delays.

This project will widen part of Tōtara Park Bridge to provide a longer length of two lanes at the traffic signals, which will increase the efficiency of traffic flow through the signals.

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### **Rural roads high-priority safety projects**

With the increased usage of our rural roads by multiple users including residents, cyclists, walkers, and horse riders, safety is becoming a concern.

Work will continue to accommodate the multi-modal use of these roads and to improve safety and lessen the risk of serious crashes.

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### **Arterial cycleways**

Continue to develop the Upper Hutt arterial cycleway network, and in particular a path along the rail corridor and the completion of the Hutt River cycleway.



### **Revitalisation of the city centre**

Following the new modern look that has been created around the Upper Hutt Station and Princes Street area, further enhancement work is planned for additional parts of the city centre.

## **YEARS 4 – 10**



### **Fergusson Drive intersections upgrade**

Both Fergusson/Ward/Whakatiki, and Fergusson/Main/Gibbons intersections are set to be updated to mitigate traffic congestion from increased demand. These intersections will be redesigned and upgraded.



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### **Silverstream Bridge replacement**

Increased traffic at the southern end of the city exceeds the capacity of the road network during peak hours and is causing significant delays at the intersection of State Highway 2 and Fergusson Drive and at the intersection of Fergusson Drive and Eastern Hutt Road. The bridge also does not have the capacity to meet the 100-year flood requirements.

These roads and the bridge form a key gateway to the city from the south. The bridge also provides a critical access point to the city in the event of State Highway 2 being compromised, boosting the city's resilience. The work will look to address the existing issues with this key link and also accommodate future growth in the area.



# Measuring our progress

We use the following seven measures to determine our success against the levels of service we aim to provide.

## level of service We will provide a safe roading network.

40 Road Safety: the change from the previous financial year in the number of fatalities and serious injury crashes on the local road network,<sup>15</sup> expressed as a number.

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Legislation, quality, safety	9	2 less than [23 24]	2 less than Year 1	2 less than Year 2	2 less than previous year	Waka Kotahi data

## level of service We will provide a well-lit, clean, convenient, and safe roading network in the city centre for parking, pedestrians, and cyclists.

41 Road conditions: the average quality of ride on a sealed local road network, measured by smooth travel exposure.

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Legislation, quality	78%	≥ 80%	≥ 80%	≥ 80%	≥ 80%	Annual roughness survey

42 Road conditions: the percentage of the sealed local road network that is resurfaced annually.<sup>16</sup>

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Legislation, quality	1.79%	4%	4%	4%	4%	Internal register and database

43 Footpaths: the percentage of footpaths within Upper Hutt that meet the level of service set in the Asset Management Plan

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Legislation, quality	99.88%	≥ 95%	≥ 95%	≥ 95%	≥ 95%	Internal database

44 Response to service requests: the percentage of customer service requests relating to roads and footpaths to which Council responds within three days.

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Legislation, responsiveness	96.5%	≥ 90%	≥ 90%	≥ 90%	≥ 90%	Internal database

15 'Local road network' refers to any road within Upper Hutt City Council's maintenance jurisdiction. State highways (such as SH2 River Road) will not be included in our reporting.

16 We'll also include progress in kilometres (km) in our reporting for this measure.

**45** Resident satisfaction with street lighting in urban areas<sup>17</sup>

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Satisfaction, quality	NA	≥ 85%	≥ 85%	≥ 85%	≥ 85%	Community survey

**46** Resident satisfaction with street cleanliness<sup>17</sup>

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Satisfaction, quality	58%	≥ 75%	≥ 75%	≥ 75%	≥ 75%	Community survey

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<sup>17</sup> Percentage of respondents who are satisfied or very satisfied.

## Funding impact statement for Land Transport (\$000)

ANNUAL PLAN 23   24	SOURCES OF OPERATING FUNDING	LTP Y1 24   25	LTP Y2 25   26	LTP Y3 26   27	LTP Y4 27   28	LTP Y5 28   29	LTP Y6 29   30	LTP Y7 30   31	LTP Y8 30   31	LTP Y9 32   33	LTP Y10 33   34
7,712	General rates, uniform annual general charges, rates penalties	0	0	0	0	0	0	0	0	0	0
0	Targeted rates	7,769	10,167	12,346	14,317	15,435	15,585	15,061	14,623	14,733	15,306
159	Subsidies and grants for operating purposes	2,339	1,896	2,499	2,228	2,313	2,436	3,057	5,422	5,521	2,485
159	Fees, charges	100	103	105	107	107	107	109	111	113	115
0	Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0
0	Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0
154	Local authority fuel tax, fines, infringement fees, and other receipts	129	126	122	121	120	119	117	116	115	113
<b>8,184</b>	<b>Total operating funding (A)</b>	<b>10,338</b>	<b>12,292</b>	<b>15,071</b>	<b>16,773</b>	<b>17,974</b>	<b>18,246</b>	<b>18,345</b>	<b>20,272</b>	<b>20,481</b>	<b>18,019</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>											
4,891	Payments to staff and suppliers	5,054	5,351	5,608	5,797	5,979	6,393	6,362	6,542	6,748	6,986
1,052	Finance costs	945	1,414	1,579	1,671	1,759	1,691	1,729	1,692	2,032	2,203
1,879	Internal charges and overheads applied	1,361	1,478	1,664	1,969	1,989	2,108	1,983	2,012	2,092	2,130
0	Other operating funding applications	0	0	0	0	0	0	0	0	0	0
<b>7,822</b>	<b>Total applications of operating funding (B)</b>	<b>7,360</b>	<b>8,243</b>	<b>8,851</b>	<b>9,438</b>	<b>9,728</b>	<b>10,192</b>	<b>10,074</b>	<b>10,247</b>	<b>10,872</b>	<b>11,320</b>
<b>362</b>	<b>Surplus (deficit) of operating funding (A – B)</b>	<b>2,978</b>	<b>4,049</b>	<b>6,221</b>	<b>7,335</b>	<b>8,247</b>	<b>8,054</b>	<b>8,271</b>	<b>10,025</b>	<b>9,609</b>	<b>6,700</b>

<b>ANNUAL PLAN 23 24</b>		<b>LTP Y1 24 25</b>	<b>LTP Y2 25 26</b>	<b>LTP Y3 26 27</b>	<b>LTP Y4 27 28</b>	<b>LTP Y5 28 29</b>	<b>LTP Y6 29 30</b>	<b>LTP Y7 30 31</b>	<b>LTP Y8 30 31</b>	<b>LTP Y9 32 33</b>	<b>LTP Y10 33 34</b>
	<b>SOURCES OF CAPITAL FUNDING</b>										
7,086	Subsidies and grants for capital expenditure	4,427	5,968	4,360	7,033	4,140	6,492	5,509	10,346	10,570	4,091
208	Development and financial contributions	0	1,000	0	0	0	0	0	0	0	0
8,850	Increase (decrease) in debt	2,626	3,403	1,897	1,803	(1,405)	787	(754)	6,993	3,521	(2,828)
0	Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
0	Lump sum contributions	0	0	0	0	0	0	0	0	0	0
<b>16,144</b>	<b>Total sources of capital funding (C)</b>	<b>7,053</b>	<b>10,371</b>	<b>6,257</b>	<b>8,836</b>	<b>2,735</b>	<b>7,279</b>	<b>4,755</b>	<b>17,338</b>	<b>14,091</b>	<b>1,263</b>
	<b>APPLICATIONS OF CAPITAL FUNDING</b>										
	Capital expenditure										
4,410	to meet additional demand	1,754	3,256	1,756	3,148	640	2,411	1,334	4,187	4,260	514
4,585	to improve the level of service	2,092	3,655	1,655	5,646	1,926	4,736	2,167	7,717	4,713	1,801
7,702	to replace existing assets	5,110	7,899	8,253	5,289	5,944	6,044	8,067	14,673	15,015	6,034
(192)	Increase (decrease) in reserves	1,076	(391)	814	2,087	2,472	2,142	1,458	786	(288)	(386)
0	Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0
<b>16,505</b>	<b>Total applications of capital funding (D)</b>	<b>10,031</b>	<b>14,420</b>	<b>12,478</b>	<b>16,171</b>	<b>10,982</b>	<b>15,333</b>	<b>13,026</b>	<b>27,364</b>	<b>23,700</b>	<b>7,963</b>
<b>(362)</b>	<b>Surplus (deficit) of capital funding (C – D)</b>	<b>(2,978)</b>	<b>(4,049)</b>	<b>(6,221)</b>	<b>(7,335)</b>	<b>(8,247)</b>	<b>(8,054)</b>	<b>(8,271)</b>	<b>(10,025)</b>	<b>(9,609)</b>	<b>(6,700)</b>
<b>0</b>	<b>FUNDING BALANCE ((A – B) + (C – D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



# Whakauka Sustainability



5% of the funding we receive through rates will go towards the **Sustainability** group of activities. This \$35.68 M makes up 78% of the group's total funding. The remaining funding will come from external funding (waste levy), fees and charges, and debt.

## Community outcomes

The **Sustainability** group of activities contributes to all four community outcomes.



TAIAO  
Environment



PAPŌRI ME TE AHUREA  
Social and cultural



ŌHANGA  
Economy



TŪĀPAPA  
Infrastructure



## What we do

### Protect Upper Hutt's livability and environment

This activity group combines the work we do to protect Upper Hutt's livability and environment. Our sustainability initiatives are guided by the goals and actions outlined in our Sustainability Strategy, which is due for review.

This activity provides waste minimisation and management guided by the Wellington Region Waste Management and Minimisation Plan 2023 – 2029 (WMMP). A range of refuse and recycling services are available to households and businesses. Silverstream Landfill (situated in Hutt City) is the primary disposal site used by the community, and by waste contractors operating in Upper Hutt.

- Sustainability initiatives and projects
- Waste minimisation education and projects
- Provide funding for waste minimisation activities
- Rubbish bag collection
- Community recycling station



## Why we do it

### We're committed to sustainability

Council is committed to taking a sustainable approach in our activities in the interest of both current and future generations of our city. Sustainability initiatives aim to better inform the organisation about sustainability issues, set long term goals, overcome barriers, and implement good practice. A key target, stemming from the adoption of our Sustainability Strategy, is to become a carbon neutral organisation by 2035.

Sustainability service delivery will align to fulfill the over-arching vision of our Sustainability Strategy that 'Upper Hutt is a resilient and adaptable city that identifies, confronts, and finds solutions to issues impacting on our four wellbeings, to ensure future generations can live a good life here.' As such, service delivery will align to the following principles of our Strategy:

- Full integration across Council
- Change
- Council will partner with the community

- Long term, big picture thinking
- Education, information, and understanding
- Te Tiriti o Waitangi.

## Waste minimisation

As part of our sustainable work, Council is required to promote effective and efficient waste management and minimisation within the city.

A key part of this was the adoption of the updated Waste Management and Minimisation Plan. In December 2023 Council adopted the Wellington Region Waste Management and Minimisation Plan 2023 – 2029 (WMMP) to guide our waste minimisation activities. The WMMP sets the priorities and strategic framework for managing waste while the regional and local actions aim to deliver the plan’s goals and objectives.

The WMMP targets are as follows:

- 1 Reduce the total amount of material that needs final disposal to landfill by:
  - 10% by 2027
  - 30% by 2030
- 2 Reduce emissions from biogenic methane by reducing the total amount of organic waste disposed to landfill by 50% by 2030
- 3 Reduce emissions from the collection and transport of kerbside waste by 30% by 2030
- 4 Ensure all urban households have access to kerbside recycling collections by 2027
- 5 Ensure food scraps collection services are available to urban households by 2030
- 6 For each council to engage with and support 30% of the business community to minimise waste and implement waste minimisation activities by 2029

There is no significant variation between the WMMP and the Long Term Plan.

## Key legislation, strategies, policies, and plans that guide our work

- Wellington Region Waste Management and Minimisation Plan 2023 – 2029
- Regional Policy Statement for the Wellington Region 2013 (Greater Wellington)
- Climate Change Response (Zero Carbon) Amendment Act 2019
- Our Sustainability Strategy 2020
- Hutt Valley Trade Waste Bylaw 2006
- Proposed Natural Resources Plan 2019 (Greater Wellington)
- National Policy Statement for Freshwater Management 2014
- Proposed National Policy Statement for Highly Productive Land
- Resource Management Act 1991
- Our District Plan
- Te Mana o te Taiao – Aotearoa NZ Biodiversity Strategy 2020
- Waste Minimisation Act 2008
- Biosecurity Act 1993
- National Policy Statement for Highly Indigenous Biodiversity 2022
- Our Solid Waste Management and Minimisation (SWMM) Bylaw 2020
- Litter Act 1979
- Local Government Act 2002

## Effects on the community

### SIGNIFICANT POTENTIAL NEGATIVE EFFECTS

Climate change brings significant direct and indirect challenges. Direct challenges include the rapid reduction of emissions and adapting to the direct impacts of a changing climate.

Indirect challenges include global economic upheaval, and human migration away from the worst affected areas.

### OUR RESPONSE

Council adopted a Sustainability Strategy in 2020 and is working towards being a carbon neutral organisation by 2035. Council is working on an Emissions Reduction Plan for the organisation.

## SIGNIFICANT POTENTIAL NEGATIVE EFFECTS

## OUR RESPONSE

Landfills can have a negative effect on the environment if not managed appropriately.

Environmental effects at landfills are managed with resource consent conditions, management techniques and best practice standards. The WMMP sets out Council's actions to reduce the quantity of waste going to landfill. The SWMM Bylaw, and the increase to the waste levy, will help to incentivise waste diversion and track volume and waste type.

Failure to provide effective and efficient recycling and refuse collection services could lead to increased littering, dumping, and lack of participation in recycling and other waste diversion from landfill.

We ensure that a range of rubbish and recycling services are available to our community. The SWMM Bylaw and this Long Term Plan increase compliance provisions around waste and littering.

A user-pays approach to waste diversion relies on a willingness to pay the indirect environmental benefits, and not place recyclables with other waste.

The SWMM Bylaw will bring in regulation that supports recyclables being diverted from landfill and controls around making sure waste streams are diverted as intended by the consumer.



## What we have planned

### Sustainability Strategy

Our Sustainability activities are primarily driven by the goals of the Sustainability Strategy, which are listed below. The Sustainability Strategy is due for review and this may shape what is delivered in the future. The eight goals in our Sustainability Strategy 2020 are:

- |   |  |
|---|--|
| ① Council will be a carbon neutral organisation by 2035.                              | ② We will prioritise protecting and enhancing our natural environment. |
| ③ We will have a good quality and sufficient water supply.                            | ④ Our community will be resilient, adaptable, and inclusive.           |
| ⑤ Upper Hutt City Council will be a leader in the community on sustainability issues. | ⑥ We will reduce waste.  |
| ⑦ Our community will be engaged and informed on sustainability issues.                | ⑧ We will encourage low carbon transport.                              |

## Waste minimisation

The Wellington Region Waste Management and Minimisation Plan 2023 – 2029 (WMMP) contains a detailed regional action plan along with local action plans which have been developed to identify how objectives and targets will be met. The actions broadly cover:

- Providing and supporting education initiatives within the Wellington region that focus on waste minimisation and responsible consumption.
- Supporting new and existing regional and local waste minimisation initiatives.
- Improving the way we connect and collaborate across the region on waste management and minimisation initiatives.
- Ensuring appropriate kerbside services are in place for recycling and organic waste.
- Ensuring appropriate regional infrastructure is in place to meet our targets and objectives.
- Investigating ways to effectively manage and monitor cross boundary and inter-regional waste flows.
- Investigating options for future disposal of residual waste and what this may look like in the long term.

The WMMP aims to promote a collaborative approach across councils, central government, communities, mana whenua, industry, and businesses who are all important in transitioning to a low-emission, circular, and low-waste economy.

## Activity changes

The Sustainability activity projects and initiatives (excluding waste minimisation) is one of five non-core activities that Council has identified for targeted funding reductions in this Long Term Plan.

### Reduced scale of delivery of these activities

- We'll no longer be delivering sustainability initiatives and projects outside of Council. Recent examples of these types of initiatives include the *Eco Home Advisor* programme, and the *Environment and Waste Minimisation Fund*.
- At a reduced scale, we will focus on organisational sustainability where we have the biggest control and influence. A key target, stemming from the adoption of our Sustainability Strategy, is to become a carbon neutral organisation by 2035.

- We won't be offering Sustainability Stimulus Grants. They were introduced as a three-year trial in 2021 which concluded in June 2024.

## Measuring our progress

We use the following three measures to determine our success against the level of service we aim to provide.

**level of service** We are sustainably managing the impact of our activities on the natural environment.

**47** Measure the percentage of total household waste diverted from landfill

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Sustainability	16%	> 16%	> Year 1	> Year 2	> previous year	Waste collection data

**48** Measure the number of emissions generated in Council operations biennially, as per the mandatory reporting requirements outlined in the Carbon Neutral Government Programme<sup>18</sup>

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Sustainability, responsiveness	NA	Report on baseline year	NA	< Year 1	NA or < 2 years previous	Biennial greenhouse gas inventory

**49** Community satisfaction with Council's commitment to our Sustainability Strategy goals<sup>19</sup>

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Satisfaction, quality, sustainability	NA	≥ 50%	≥ 50%	≥ 50%	≥ 50%	Community survey

<sup>18</sup> This measure is assessed and reported every two years, against a baseline established on emissions generated in the 2023 – 2024 year. For reporting purposes, the results in intermittent years will be assumed as unmet due to Council's inability to assess and report results. This is a change from the previous way we measured our emissions. For more information, please refer to the Annual Report 2022 – 2023, pages 82, 94 – 97, and 200 – 201.

<sup>19</sup> Percentage of respondents who are satisfied or very satisfied.

# Funding impact statement for Sustainability (\$'000)

ANNUAL PLAN 23   24	SOURCES OF OPERATING FUNDING	LTP Y1 24   25	LTP Y2 25   26	LTP Y3 26   27	LTP Y4 27   28	LTP Y5 28   29	LTP Y6 29   30	LTP Y7 30   31	LTP Y8 30   31	LTP Y9 32   33	LTP Y10 33   34
570	General rates, uniform annual general charges, rates penalties	349	490	2,800	3,090	3,220	3,335	5,276	5,536	5,707	5,872
0	Targeted rates	0	0	0	0	0	0	0	0	0	0
0	Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
836	Fees, charges	743	768	787	809	830	851	872	893	912	931
0	Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0
0	Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0
0	Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0
<b>1,406</b>	<b>Total operating funding (A)</b>	<b>1,091</b>	<b>1,257</b>	<b>3,588</b>	<b>3,898</b>	<b>4,051</b>	<b>4,186</b>	<b>6,149</b>	<b>6,429</b>	<b>6,619</b>	<b>6,803</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>											
1,223	Payments to staff and suppliers	921	1,057	3,357	3,492	3,629	3,767	5,762	5,979	6,185	6,383
11	Finance costs	9	12	14	49	51	52	52	77	78	78
161	Internal charges and overheads applied	137	153	167	200	199	206	186	184	191	190
0	Other operating funding applications	0	0	0	0	0	0	0	0	0	0
<b>1,395</b>	<b>Total applications of operating funding (B)</b>	<b>1,068</b>	<b>1,221</b>	<b>3,537</b>	<b>3,741</b>	<b>3,878</b>	<b>4,025</b>	<b>6,001</b>	<b>6,240</b>	<b>6,453</b>	<b>6,650</b>
<b>11</b>	<b>Surplus (deficit) of operating funding (A – B)</b>	<b>24</b>	<b>36</b>	<b>50</b>	<b>157</b>	<b>173</b>	<b>162</b>	<b>148</b>	<b>189</b>	<b>166</b>	<b>153</b>

ANNUAL PLAN 23 24		LTP Y1 24 25	LTP Y2 25 26	LTP Y3 26 27	LTP Y4 27 28	LTP Y5 28 29	LTP Y6 29 30	LTP Y7 30 31	LTP Y8 30 31	LTP Y9 32 33	LTP Y10 33 34
	<b>SOURCES OF CAPITAL FUNDING</b>										
0	Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
0	Development and financial contributions	0	0	0	0	0	0	0	0	0	0
118	Increase (decrease) in debt	43	41	738	27	19	18	514	2	3	(9)
0	Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
0	Lump sum contributions	0	0	0	0	0	0	0	0	0	0
<b>118</b>	<b>Total sources of capital funding (C)</b>	<b>43</b>	<b>41</b>	<b>738</b>	<b>27</b>	<b>19</b>	<b>18</b>	<b>514</b>	<b>2</b>	<b>3</b>	<b>(9)</b>
	<b>APPLICATIONS OF CAPITAL FUNDING</b>										
	Capital expenditure										
0	to meet additional demand	0	0	0	0	0	0	0	0	3	0
129	to improve the level of service	60	62	762	89	85	88	585	101	104	101
0	to replace existing assets	0	0	0	0	0	0	0	0	0	0
0	Increase (decrease) in reserves	7	16	27	96	106	91	77	90	62	44
0	Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0
<b>129</b>	<b>Total applications of capital funding (D)</b>	<b>67</b>	<b>77</b>	<b>789</b>	<b>184</b>	<b>191</b>	<b>179</b>	<b>662</b>	<b>192</b>	<b>169</b>	<b>144</b>
<b>(11)</b>	<b>Surplus (deficit) of capital funding (C – D)</b>	<b>(24)</b>	<b>(36)</b>	<b>(50)</b>	<b>(157)</b>	<b>(173)</b>	<b>(162)</b>	<b>(148)</b>	<b>(189)</b>	<b>(166)</b>	<b>(153)</b>
<b>0</b>	<b>FUNDING BALANCE ((A – B) + (C – D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Te Whakamahere me te Whakariterite



## Planning and Regulatory



**7%** of the funding we receive through rates will go towards the **Planning and Regulatory** group of activities. This \$44.90 M makes up 43% of the group's total funding. The remaining funding will come from fees and charges, development and financial contributions, and other sources.

## Community outcomes

The **Planning and Regulatory** group of activities contributes to two of our community outcomes.



**TAIAO**  
Environment



**PAPŌRI ME TE AHUREA**  
Social and cultural



**ŌHANGA**  
Economy



**TŪĀPAPA**  
Infrastructure



## What we do

### Ensure public safety, health, and wellbeing

Regulatory services is comprised of the following.

- Regulatory monitoring, compliance, and enforcement across multiple statutory frameworks
- City planning, resource consenting, monitoring, and compliance
- Building control—processing, inspection, and compliance
- Building compliance—Building Warrant of Fitness, Earthquake-prone buildings, and residential pool inspections
- Environmental health registration, inspection, and audit (including food safety, sundry health, alcohol licensing and noise management)
- Parking enforcement
- Animal management
- Bylaw/nuisance monitoring
- Land Information Memoranda (LIMs)

We have a statutory obligation to be involved in these activities to ensure public safety, health, and wellbeing, and much of the work undertaken is specified by national legislation or regulations.

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### Sustainable management of natural and physical resources

Planning Policy activities focus on sustainable management of natural and physical resources under the Resource Management Act 1991 (RMA). We develop the District Plan in response to a range of external drivers including national policy directions and emerging demographics, environmental, economic, and social factors. We monitor and update the District Plan through a programme of rolling review. In addition to our District Plan, we facilitate decision-making on urban planning and growth management issues; for example, on policy proposals from central and regional government relating to the RMA, National Policy Statements and National Environmental Standards. We also participate in regional policy growth analysis, forecasting and planning.

**Ensure relevant work meets local and/or national regulations**

Building, Planning, Environmental Health and Compliance teams provide information and advice to the public on the legislation, District Plan, and/or bylaws they administer and enforce. Our work disseminates appropriate information to owner/operators in the city and ensures consistent and equitable investigations, audits, and decision-making under the applicable statutory framework.

## Why we do it

**City planning, resource consenting, and monitoring and enforcement**

Our city planning influences the future direction of development in the city by balancing the demand for rural lifestyle developments, identifying suitable new areas for residential development, balancing the demands for employment growth, and protecting significant landscape and environmental features.

**Regulatory work**

Everything we do through our regulatory work is to manage and promote public health and safety within the community or provide for a well-functioning city. Food we buy at restaurants, excessive noise in our neighbourhoods, the buildings we live and work in, the responsible ownership of dogs, and our ability to access the city, is all managed through these activities to ensure members of our community are safe.

**Key legislation, strategies, policies, and plans that guide our work**

- Resource Management Act 1991
- Building Act 2004
- Our Land Use Strategy 2016 – 2043
- Dog Control Act 1996
- Impounding Act 1955
- Local Government Act 2002
- Land Transport Act 1998
- Health Act 1956
- Sale and Supply of Alcohol Act 2012
- Our Sustainability Strategy 2020
- Te Mana o te Taiao – Aotearoa NZ Biodiversity Strategy 2020
- Wellington Housing and Business Development Capacity Assessment (HBA)
- Food Act 2014
- All our (Council) bylaws, policies, and strategies



# Effects on the community

## SIGNIFICANT POTENTIAL NEGATIVE EFFECTS

## OUR RESPONSE

Individuals' perceptions of personal freedom can be reduced through regulatory activities undertaken for the benefit of the wider community.

This is a natural, and largely unavoidable consequence of implementing legislation and regulation. Council mitigates these effects where possible with accessible information, and, as appropriate, community consultation or engagement.

The costs of compliance (such as fees for dog registration, consents or licences) may be a barrier to some people and could have an adverse economic effect on individuals or businesses.

Council fees and charges are set based on cost to deliver and recognising the benefits to users of the services regulated through this activity on the one hand, and to the general public on the other. Some fees and charges are set by legislation. Council takes into account the balance between affordability and the cost of its operations in setting Council's fees and charges and these are reviewed annually.

Low engagement through District Plan review consultation.

The matters decided upon through the District Plan review are of significant importance to our community. We facilitate community participation in policy development and decision-making by providing information and consulting with the public – including interested groups and stakeholders in accordance with the RMA. Also, where we are able and it is appropriate to do so we undertake additional engagement with stakeholders.

Climate change brings direct and indirect challenges to our natural environment.

At a national level, there have been significant changes to the RMA in relation to climate change including both natural hazard implications, and consideration of emissions reduction options, which we factor into our work on District Plan changes. Further changes to the legislation are anticipated in the next 3 years.



# What we have planned

## District Plan review

Council is required to review its District Plan every 10 years. The District Plan became operative in 2004, and a ‘rolling review’ of the District Plan has been underway since that time. Council will continue with that review, with topic areas including heritage, sites of significance to Māori, subdivision infrastructure, natural hazards, ecology, landscapes, noise, industrial and rural activities.

## Environmental Health

In 2023 Council re-established an in-house Environmental Health service (bringing it back in-house for the first time in over 10 years). The establishment of all day-to-day Environmental Health processes and systems will be completed over the next 12 months.

A review and decision on the establishment of a Quality Management System (versus third-party verifications) in relation to food businesses following a ‘National Programme’<sup>20</sup> will be completed before the next Long Term Plan.



# Measuring our progress

We use the following 12 measures to determine our success against the levels of service we aim to provide.

### Level of service Service provision meets all regulatory requirements.

#### 50 Process LIMs within statutory timeframe (10 working days)

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Legislation, responsiveness	100%	100%	100%	100%	100%	Internal database

#### 51 Process resource consents within statutory timeframes

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Legislation, responsiveness	78%	100%	100%	100%	100%	Internal database

#### 52 Process building consents within statutory timeframes (20 working days)

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Legislation, responsiveness	93%	100%	100%	100%	100%	Internal database

<sup>20</sup> Working with a ‘National Programme’ is the way that lower-risk food businesses operate under the Food Act 2014. For more information, go to [www.mpi.govt.nz/food-business/running-a-food-business/national-programmes/](http://www.mpi.govt.nz/food-business/running-a-food-business/national-programmes/)

**53** User satisfaction with building consenting service <sup>21</sup>

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Satisfaction, quality	83%	≥ 92%	≥ 92%	≥ 92%	≥ 92%	Building consents survey

**54** All Health Act 1956 premises requiring registration in the following year are inspected annually by 30 June

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Legislation, responsiveness	100%	100%	100%	100%	100%	Internal database

**55** Timeliness of officer attendance to complaints of excessive noise <sup>22</sup>

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Responsiveness	81%	≥ 90%	≥ 90%	≥ 90%	≥ 90%	Internal database

**56** Timeliness of initial officer response to reported dog attacks <sup>23</sup>

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Responsiveness	90%	100%	100%	100%	100%	Internal database

**57** Licenced alcohol premises (excluding special licences or new licences) have one compliance inspection every 3 years (in addition to licencing inspections)

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Legislation, responsiveness	100%	100%	100%	100%	100%	Internal database

**58** New and existing food businesses are verified in accordance with the Food Act 2014.

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Legislation, responsiveness	54%	100%	100%	100%	100%	Internal database

**59** **NEW** All new Health Licence registered businesses are inspected annually

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Legislation, responsiveness	NA	100%	100%	100%	100%	Internal database

21 Percentage of respondents who are satisfied or very satisfied.

22 Percentage of responses to excessive noise reports within one hour.

23 Percentage of reported dog attacks that will receive an initial response within two hours of the complaint being received.

**60** Process code compliance certificates within statutory timeframes

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Legislation, responsiveness	84%	100%	100%	100%	100%	Internal database

**61** Land use consents are monitored within 12 months of commencement

KEY CRITERIA	[22   23] RESULT	TARGET Y1	TARGET Y2	TARGET Y3	TARGET Y4 – 10	SOURCE
Legislation, responsiveness	100%	100%	100%	100%	100%	Internal database

# Funding impact statement for Planning and Regulatory (\$'000)

ANNUAL PLAN 23   24	SOURCES OF OPERATING FUNDING	LTP Y1 24   25	LTP Y2 25   26	LTP Y3 26   27	LTP Y4 27   28	LTP Y5 28   29	LTP Y6 29   30	LTP Y7 30   31	LTP Y8 30   31	LTP Y9 32   33	LTP Y10 33   34
4,874	General rates, uniform annual general charges, rates penalties	3,168	3,570	3,808	4,359	4,374	4,270	3,996	3,925	4,123	4,079
0	Targeted rates	475	488	498	508	519	529	539	548	558	567
0	Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
2,874	Fees, charges	3,050	3,163	3,235	3,299	3,371	3,442	3,518	3,581	3,648	3,708
0	Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0
0	Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0
337	Local authority fuel tax, fines, infringement fees, and other receipts	350	378	441	450	459	468	477	486	494	502
<b>8,085</b>	<b>Total operating funding (A)</b>	<b>7,043</b>	<b>7,599</b>	<b>7,981</b>	<b>8,616</b>	<b>8,723</b>	<b>8,710</b>	<b>8,530</b>	<b>8,540</b>	<b>8,823</b>	<b>8,856</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>											
5,215	Payments to staff and suppliers	4,454	4,818	4,945	5,007	5,150	5,211	5,368	5,420	5,574	5,612
2	Finance costs	49	39	29	19	10	0	0	0	0	0
2,866	Internal charges and overheads applied	2,336	2,538	2,803	3,386	3,358	3,494	3,157	3,115	3,244	3,240
0	Other operating funding applications	0	0	0	0	0	0	0	0	0	0
<b>8,083</b>	<b>Total applications of operating funding (B)</b>	<b>6,839</b>	<b>7,394</b>	<b>7,777</b>	<b>8,412</b>	<b>8,518</b>	<b>8,705</b>	<b>8,525</b>	<b>8,535</b>	<b>8,818</b>	<b>8,852</b>
<b>3</b>	<b>Surplus (deficit) of operating funding (A – B)</b>	<b>204</b>	<b>205</b>	<b>204</b>	<b>204</b>	<b>205</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>

ANNUAL PLAN 23 24		LTP Y1 24 25	LTP Y2 25 26	LTP Y3 26 27	LTP Y4 27 28	LTP Y5 28 29	LTP Y6 29 30	LTP Y7 30 31	LTP Y8 30 31	LTP Y9 32 33	LTP Y10 33 34
	<b>SOURCES OF CAPITAL FUNDING</b>										
0	Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
2,400	Development and financial contributions	1,950	2,598	2,618	1,924	1,964	2,002	2,039	2,075	2,111	2,146
(3)	Increase (decrease) in debt	(203)	(203)	(201)	(200)	(200)	0	0	0	0	0
0	Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
0	Lump sum contributions	0	0	0	0	0	0	0	0	0	0
<b>2,397</b>	<b>Total sources of capital funding (C)</b>	<b>1,747</b>	<b>2,395</b>	<b>2,417</b>	<b>1,724</b>	<b>1,764</b>	<b>2,002</b>	<b>2,039</b>	<b>2,075</b>	<b>2,111</b>	<b>2,146</b>
	<b>APPLICATIONS OF CAPITAL FUNDING</b>										
	Capital expenditure										
0	to meet additional demand	0	0	0	0	0	0	0	0	0	0
0	to improve the level of service	0	0	0	0	0	0	0	0	0	0
0	to replace existing assets	0	0	0	0	0	0	0	0	0	0
2,400	Increase (decrease) in reserves	1,951	2,600	2,620	1,928	1,969	2,006	2,044	2,080	2,116	2,150
0	Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0
<b>2,400</b>	<b>Total applications of capital funding (D)</b>	<b>1,951</b>	<b>2,600</b>	<b>2,620</b>	<b>1,928</b>	<b>1,969</b>	<b>2,006</b>	<b>2,044</b>	<b>2,080</b>	<b>2,116</b>	<b>2,150</b>
<b>(3)</b>	<b>Surplus (deficit) of capital funding (C – D)</b>	<b>(204)</b>	<b>(205)</b>	<b>(204)</b>	<b>(204)</b>	<b>(205)</b>	<b>(5)</b>	<b>(5)</b>	<b>(5)</b>	<b>(5)</b>	<b>(5)</b>
<b>0</b>	<b>FUNDING BALANCE ((A – B) + (C – D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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# Introduction

**Context** In developing this Long Term Plan, Council considered the global, national, and local context that we operate in. We considered this through our environmental scan, and through workshopping assumptions with Council. This resulted in significant assumptions that set out the context on which we based our planning and levels of service for this Long Term Plan 2024 – 2034.

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**Information** These assumptions are based on the best information available at the time of developing this Long Term Plan. Wherever possible, we will use the most up-to-date information relating to any relevant factors noted in these assumptions to inform decision-making. This includes using the Annual Plan process in years between Long Term Plans to revisit any substantial changes to the assumptions if required.

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**Uncertainty and risk** Significant assumptions forecast for the 2024 – 2034 period are summarised in the table on the next page and discussed more completely in the pages that follow. The level of uncertainty for each assumption is noted, and where there is high uncertainty, comment is made on the potential effects in terms of financial risk resulting from this uncertainty on the Long Term Plan.

The main contributions of risk are identified as arising from the uncertainty and continued challenges of the economic landscape, the volatility of climate change (such as fire, drought, flood, and erosion) and natural hazard events (such as earthquakes), and continued Central Government changes to legislation and policy, which could impact the role of, and costs both explicit and implicit, for Local Government.

	Assumption	Level of uncertainty	Impact on integrity of the Long Term Plan
GLOBAL IMPACT	1 The impact of climate change and natural hazards could be felt over the Long Term Plan period.	Medium	Medium
	2 The impact of technological change or disruption will not adversely affect Council's ability to deliver services.	Medium-high	Medium
	3 Geo-Political—immigration, war/conflict, food shortages.	Low-medium	Medium
NATIONAL	4 Three water assets will remain under Council ownership and control for the first two years. At 1 July 2026 three water assets will be transferred to Tiaki Wai.	Low	Low
	5 Central Government changes to policy and/or legislation.	Medium-high	Medium-high
	6 External changes—ongoing changes in policy direction.	Medium-high	Medium-high
	7 Weather related events and other natural disasters.	Medium	Medium
LOCAL IMPACT	8 Population growth in Upper Hutt will increase over the next 10 years.	Medium	Medium
	9 The impact of societal changes and population structure have been adequately planned for in the financial estimates.	Medium	Medium-high
	10 The annual return on investments will remain at or around current values.	High	Low

Assumption	Level of uncertainty	Impact on integrity of the Long Term Plan
<b>11</b> Depreciation will affect our rate funding requirement forecasts.	High	High
<b>12</b> Council will be able to retain a credit rating of at least A+.	Medium	High
<b>13</b> Funding will be readily available through the Local Government Funding Agency (LGFA).	Medium	Medium
<b>14</b> Waka Kotahi NZ Transport Agency financial assistance rates will continue as set out by Waka Kotahi for at least the next three years	High	High
<b>15</b> The average debt interest rates for the next ten years will be 4.86% as projected by PwC.	High	High
<b>16</b> Inflation will occur as estimated in the BERL 2023 report for Local Government sector.	High	High
<b>17</b> The Capex programme planned for the 10 years 2024 – 2034 will be delivered as forecast	High	High
<b>18</b> Operational expenditure efficiencies will be identified and implemented by 1 July 2024.	Medium	Medium
<b>19</b> Asset revaluation amounts for water services* and road assets will be significant different from the amounts included in the Long Term Plan	High	High
* From 1 July 2026 water services assets will be transferred to Tiaki Wai.		

LOCAL IMPACT

# Assumptions in detail

## 1 Climate change and natural hazards

Assumption	Level of uncertainty	Impact on integrity of the Long Term Plan
The impact of climate change and natural hazards could be felt over the Long Term Plan period.	Medium	Medium

**Potential impacts**

Upper Hutt will likely experience the impacts of climate change through warmer temperatures, decreased rainfall, and extreme weather events.<sup>24</sup> These impacts include risks of fires, erosion, and flood events.

Social and economic impacts are also likely to be experienced in the longer term, such as:

- community cohesion and wellbeing issues from the displacement of individuals and families, exacerbating inequalities in the community;
- potential potable water shortages;
- growing population base due to the retreat away from coastal areas;
- financial implications with unexpected expenditure on insurance, disaster relief expenditure and the need for self-insurance.

**Climate emergency and carbon neutrality**

New Zealand has declared a climate emergency (2 December 2020) and committed to being carbon-neutral by 2050. In 2019, the Secretary-General of the United Nations categorised climate change as “*the defining challenge of our time.*” The World Economic Forum has released its 2023 report on global risks.<sup>25</sup> It highlights the rapidly accelerating impacts of climate change, with the top four risks over the next 10 years being related to climate change.

**Council’s response**

The community has an expectation that Council will engage on initiatives relating to climate change and sustainability. We will monitor impacts arising from climate change to ensure that we are planning flexibly enough to be able to adapt our plans to meet emerging needs as appropriate.

24 [environment.govt.nz/publications/our-atmosphere-and-climate-2023/state-of-our-atmosphere-and-climate/](https://environment.govt.nz/publications/our-atmosphere-and-climate-2023/state-of-our-atmosphere-and-climate/) —retrieved on 8 February 2024

25 World Economic Forum. The Global Risks Report 2023: 18th Edition—[weforum.org/docs/WEF\\_Global\\_Risks\\_Report\\_2023.pdf](https://www.weforum.org/docs/WEF_Global_Risks_Report_2023.pdf)

Increased risks to natural hazards are addressed by requirements in the District Plan for new development to avoid or mitigate natural hazard risks.

In addition, Council prepares to respond to any natural disasters as part of Regional Emergency Management activities. This must be undertaken in collaboration with, and in some circumstances led by, local communities.

**Sustainability Strategy**

Council adopted a Sustainability Strategy in 2020 with a key target to be a carbon-neutral organisation by 2035. To reduce uncertainty and the impact of climate change, we will focus our sustainability activities on internal organisational sustainability where we have the biggest control and influence.

## 2 Technological change

Assumption	Level of uncertainty	Impact on integrity of the Long Term Plan
The impact of technological change or disruption will not adversely affect Council’s ability to deliver services.	Medium-high	Medium

**The changing digital landscape**

Our world is becoming increasingly digital, which is reshaping the economy of the city, the expectations of our community, and the way Council engages with, understands, and performs its role in the city. Our knowledge and a willingness to embrace technology over the next 10 years will be critical.

In the post-pandemic environment, accelerated changes around virtual working and collaboration continue to drive changes in how people live, work, and engage in their communities. The ‘digital divide’ between those who have access to digital technology and those that do not may continue to increase. Many people choose not to access information digitally. While technological change has the power to transform the nature of our work, we need to incorporate the preference for ‘status quo’ as well as respecting the need to transform the provision of our services.

Technological change can either enhance or disrupt Local Government function, it is the nature of technology that some of the downstream effects of innovation can be unintended. This uncertainty creates risk.

The use of social media, once an important communications tool for Council, is becoming a channel for community criticism. This has diverted staff into spending time moderating comments rather than doing other, more productive work.

The impact of Artificial Intelligence (AI) is unknown, some occupations will be automated in the short to medium term but activities within occupations are expected to transform more over time, at all skill levels. New technologies will likely dislocate some existing employees.

**Council’s response**

By having an awareness of the opportunity and challenges that technology brings, we will use technological advancements to provide better, more efficient, tailored, services to the community while maintaining security and privacy. Deepening digital interactions can provide evidence-based insight in order to drive continuous improvement. We assess the level of uncertainty as medium-high as many members of the Upper Hutt community continue to prefer face-to-face interactions, meaning Council needs to cater for both.

Predicting future technological trends continues to be highly uncertain, therefore we make no specific assumptions about long term technological innovation or take up. We will observe technological change, ensuring that we plan flexibly enough to be able to adapt our work plans to meet changing needs as appropriate. We will continue to monitor technological innovation and related regulatory settings to adjust operations and policy over the next 10 years.

### 3 Geo-political change

Assumption	Level of uncertainty	Impact on integrity of the Long Term Plan
Geo-political—immigration, war/conflict, food shortages.	Low-medium	Medium

**Uncertainty and the changing face of New Zealand**

The global environment continues to be highly uncertain. Geo-political activity is causing wars and civil unrest in many parts of the world. It is assumed this will continue for some time and continue to have a disruptive impact on supply chains, global energy, constructions costs, food shortage and supply.

New Zealand immigration has grown rapidly since the COVID-19 global pandemic. It is expected that New Zealand will continue to be an attractive destination to move to. This will put pressure on the housing market, weekly rents, and wage growth, and will change the fabric of

our communities.

**Council's response**

Council will continue to participate in multi-agency governance and operational forums at a national, regional, and local level to ensure appropriate involvement and planning occurs.

## 4 Three waters services

Assumption	Level of uncertainty	Impact on integrity of the Long Term Plan
Three water assets will remain under Council ownership and control for the first two years. At 1 July 2026 three water assets will be transferred to Tiaki Wai.	Low	Low

### Ownership, control, and central government influence

As at 1 July 2024 Council owns its three waters assets, and is a shareholder of a Council-Controlled Organisation (Wellington Water Limited) contracted for water service delivery. Our wastewater services are provided through a shared services arrangement with Hutt City Council, where we contribute a 30% share of the costs and recognise 30% ownership of the assets.

From 1 July 2026 all water-related services, assets, debt and finance responsibilities will be transferred to the new multi-council water services organisation, Tiaki Wai Limited.

Council will no longer directly own water assets and debt, on 1 July 2026. On this date a portfolio of assets and debt, along with significant income stream and the associated expenses will transfer to Tiaki Wai Limited.

**Council's response**

For the purposes of the preparation of this Long Term Plan Amendment, we have assumed that the ownership and control of three waters assets will remain with Council for the next two years.

Hutt Valley Wastewater Scheme delivers the vast majority of the communities wastewater needs. This arrangement is shared with Hutt City Council and is planned as a continuing activity for the next two years.

From 1 July 2026 all water-related services, assets, debt and finance responsibilities will be transferred to the new multi-council owned water services entity, Tiaki Wai Limited.

On 1 July 2026 Council will receive a shareholding in the new multi-council owned water services entity, Tiaki Wai, along with voting rights. Councils will be required to be the guarantors of the new entity in a

percentage that reflects the value of the debt transferred. Council expects this to be in the order of 5-7%.

It is assumed that debt and assets for water services will be transferred to Tiaki Wai on 1 July 2026. Shares in Tiaki Wai will be shown on Council's Statement of Financial Position as these represent Council's investment in the multi-council water services organisation (Tiaki Wai).

The 2024-34 Long Term Plan (Amended) assumes that debt will transfer to the new entity with a managed approach with Tiaki Wai. It is currently assumed this will take two years. It is assumed that over the transition period all finance related costs will be reimbursed to Council.

It is assumed that during 1 July 2026 – June 2034 Tiaki Wai will balance their budget each year and no equity adjustments of Council's share of Tiaki Wai will be required (PBE IPSAS 36.16).

## 5 National policy and legislation

Assumption	Level of uncertainty	Impact on integrity of the Long Term Plan
Central Government changes to policy and/or legislation.	Medium-high	Medium-high

### Resource management changes

The Government as part of a broad-ranging suite of policy changes has announced the start of a three-phase reform to deliver a new package of resource management legislation that will ultimately replace the Resource Management Act 1991 (RMA). The Ministry for the Environment is undertaking a comprehensive review of the RMA indicating a period of significant change to the legislative environment.

However, while some changes to freshwater, urban development and indigenous biodiversity have been signalled the extent and nature of this change is not yet known.

At the local level, Greater Wellington Regional Council is undertaking extensive changes to the Regional Policy Statement and the Natural Resources Plan. We'll need to develop plan changes to the District Plan to give effect to these changes.

Significant changes to policy or legislation on climate change response, the RMA, and iwi/Māori involvement in statutory decision-making will significantly impact the policy and regulatory environment in which Council operates. This could result in significant resource and financial implications for Council over the next 10 years.

**Council’s response**

Although we have not factored in any matters that could result from any legislation review in this Long Term Plan, there is potential for legislative change to have a significant impact on the future activities, services, and funding of Councils. The scope and timing of this change is uncertain. Also note the pending legislation change for water services/assets outlined in assumption 4. In summary this is a medium to high impact risk to Council over the next 10 years.

# 6 External changes

Assumption	Level of uncertainty	Impact on integrity of the Long Term Plan
External changes—ongoing changes in policy direction	Medium-high	Medium-high

**Delivering services in a changing environment**

Changes in policy direction and community expectations can result in shocks to the resourcing and delivery of Council activities. Sudden policy changes can require particularly labour-intensive and highly reactive responses that impact the priority and delivery of Council activities. These external forces changing policy direction and Council activities also have a disruptive and unsettling effect on the community served by Council.

Other external forces such as social media have encouraged a global culture of expectation that change and improvement will occur ‘here and now.’ Business disrupters such as AirBNB and Uber can drive unforeseen change in policy and process matters for Council.

The frequency of change has increased in recent years, this is expected to continue. Councils have a unique position that is inherently close to their community and ratepayers, which gives them a good understanding of the ‘mood’ of the community.

This differentiates Councils from central government and leaves Councils as an interface between the community, where central government policy changes are directly felt, and central government itself. This role has an impact upon the way we prioritise work and can cause significant re-work which can impact productivity and prioritisation. Council is not unique in its position of being asked to regularly pivot. The election cycle of three years in New Zealand is short and is a factor that can mean central government policy changes occur every three years. We have assumed this will continue to add workload challenges over the next 10 years.

**Council's response**

We will continue to be responsive, work in a prioritised manner, be visible with our planning and expected timelines to ensure we meet statutory requirements and related deadlines. However, this does potentially have a significant prioritisation and cost impact on the activities the Council is able to undertake, such as planning and regulatory response to draft legislation and implementing new compulsory planning policy activities, etc. Therefore, this is a medium to high impact risk to Council over the next 10 years.

## 7 External events

Assumption	Level of uncertainty	Impact on integrity of the Long Term Plan
Weather related events and other natural disasters	Medium	Medium

**Anticipated increase of events**

As an impact of global climate change, we're expecting extreme weather events to increase in frequency and magnitude throughout New Zealand. There is a risk of increased closures on transport networks in low-lying or slip-prone areas. Increased resilience requirements for infrastructure has resulted in increases to infrastructure renewals and capital costs.

Floods, earthquakes, fire, and landslides remain a significant natural hazard risk<sup>26</sup> for Upper Hutt.

Cyclone Gabrielle showed that climate-fuelled disasters can directly inflate costs for items such as food and insurance. It is likely that the cost of money will continue to be permanently higher than in previous years and some insurance will be unsustainable and we will no longer be able to purchase previous levels of insurance.

26 Greater Wellington Regional Council (May 2019): Wellington Region Natural Hazards Management Strategy.

We have also assumed that it's unlikely that the Government will contribute to infrastructure rebuilds to the level seen in recent years.

**Council's response**

Our emergency management response is a statutory requirement under the Civil Defence Emergency Management Act 2002.

We will continue to set priorities and apply consistent risk reduction approaches to reduce risk from climate change and natural hazards. We will monitor climate change, natural hazard, and emergency management related regulatory settings to adjust operations and policy throughout the Long Term Plan period. Council also plans to migrate towards higher levels of self-insurance.

We'll continue to prioritise our capital expenditure to reduce our risk of exposure to any weather-related events. Council will ensure debt headroom remains available, with a 30 – 40% debt capacity to borrow emergency monies to fund any unexpected financial shocks.

Therefore, the level of uncertainty remains medium.

## 8 Population growth

Assumption	Level of uncertainty	Impact on integrity of the Long Term Plan
Population growth in Upper Hutt will increase over the next 10 years.	Medium	Medium

**Modelling and projections**

We have used the September 2023 Wellington Housing and Business Development Capacity Assessment <sup>27</sup> (HBA) as the most up-to-date population growth projection for our planning assumptions. The HBA projections indicate that Upper Hutt could expect population growth of 9,000 – 12,800 people between 2017 and 2047. Upper Hutt's current population base of 49,400 people, coupled with higher-than-expected demand for housing, indicates growth at the high end of this range is the most likely scenario.

In April 2022, Sense Partners prepared *Demographic and dwelling forecasts for the Wellington region*. This report was used to inform the 2023 HBA. The report indicates that strong population growth is expected in the Greater Wellington region over the next 30 years, and that Upper Hutt can expect to see annual growth of 1.3% between 2024

<sup>27</sup> [wrlc.org.nz/wp-content/uploads/2023/10/Wairarapa-Wellington-Horowhenua-Housing-and-Business-Assessment-2023-Full-Report-excluding-Appendices.pdf](http://wrlc.org.nz/wp-content/uploads/2023/10/Wairarapa-Wellington-Horowhenua-Housing-and-Business-Assessment-2023-Full-Report-excluding-Appendices.pdf)

and 2034. This is lower than the previous 2021 projection due to COVID-19 and border restrictions continuing to affect migration levels into Upper Hutt, the Wellington Region, and New Zealand as a whole. However, the latest StatsNZ data indicates that net immigration nationally increased to record levels in October 2023. Upper Hutt's growth rate is forecast to be one of the highest in the region, increasing by over 18,200 (35%) over 30 years, highlighting the significance of long-term housing, infrastructure, and employment sufficiency.

The HBA and population projections are updated regularly and may change over the next 10 years, however our planning and response to growth is adequately catered for in this plan and won't need to change as a result of the new information becoming available.

Further population and demographic information can be found on the People+Places website: [peopleandplaces.nz/upper-hutt](https://peopleandplaces.nz/upper-hutt)

In terms of the rating database, We've estimated that annual growth in the rating base will be 1.5% for the next 10 years. This is based on the historical trend (over the last 4 years) as well as our growth and housing forecasts. Consenting and building activities also support this assumption.

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### **Council's response**

We will continue to monitor population growth to ensure that we are planning flexibly enough to be able to adapt our plans to meet population growth needs as appropriate.

We are a partner in regional spatial planning known as the *Wellington Regional Growth Framework*, which has been developed by Local Government in partnership with Central Government and iwi in the Wellington-Wairarapa-Horowhenua region. The framework has been developed to provide an agreed regional direction for growth and investment and to deliver on the Urban Growth Agenda objectives of central government. The framework can be viewed on the Wellington Regional Growth Framework website ([wrgf.co.nz](https://wrgf.co.nz)). The Future Development Strategy 2023 for the Wellington Region has identified key areas for housing and business growth in Upper Hutt. This is primarily focused on intensification of existing urban areas rather than expanding urban development into existing rural areas.

## 9 Societal change factors

Assumption	Level of uncertainty	Impact on integrity of the Long Term Plan
The impact of societal changes and population structure have been adequately planned for in the financial estimates.	Medium	Medium-high

### Demographics and their needs

The average age of Upper Hutt’s population is 38.9 years—slightly higher than the national average of 37.4 years.<sup>28</sup> Approximately 25% of the population is under 15 years old and 11.5% is 70 years or over. Again, this is similar to the demographic composition of New Zealand. Upper Hutt’s population of those aged 70 or over grew approximately 15.9% between 2018 and 2023, this growth is predicted to continue.<sup>29</sup>

An increasingly aging population will present with programme and service needs that differ to Upper Hutt’s significant rangatahi (youth) population. This could result in moderate resource and financial implications for Council over the next 10 years. It could potentially result in an increased volunteer base and provide intergenerational engagement opportunities contributing toward enhanced social and cultural wellbeing in Upper Hutt’s youthful and older populations.

### Lifestyle changes

The societal shift towards a more sedentary, high-consumption, and technology-driven lifestyle presents a growing challenge to the health and wellbeing of Upper Hutt’s residents. There are higher-than-average rates of preventable diseases in the Hutt Valley, including cardiovascular diseases,<sup>30</sup> respiratory diseases,<sup>31</sup> psychological distress,<sup>32</sup> and increasing rates of obesity<sup>33</sup> and type-2 diabetes.<sup>34</sup> This could result in moderate resource and financial implications for Council throughout the Long Term Plan period.

Accessible, multi-use, flexible facilities, joint ventures, co-design with communities, and collaboration with other agencies will remain important to ensure we are able to meet the needs of our youth and older populations, and to better understand and support the health and wellbeing needs of our community over the next 10 years.

28 StatsNZ Tatauranga Aotearoa. Place summaries: Upper Hutt City

29 Sense Partners, (2022) Demographic Projections for the Greater Wellington Region – Upper Hutt City. Summary population by District.

30 Cardiovascular Health – New Zealand Health Survey pooled year data 2014 – 2017.

31 Global surveillance, prevention, and control of chronic respiratory diseases. World Health Organisation (2007) [who.int/publications/i/item/global-surveillance-prevention-and-control-of-chronic-respiratory-diseases](http://who.int/publications/i/item/global-surveillance-prevention-and-control-of-chronic-respiratory-diseases)

32 New Zealand Health Survey 2018/19.

33 Obesity statistics, Ministry of Health: [health.govt.nz/nz-health-statistics/health-statistics-and-data-sets/obesity-statistics](https://health.govt.nz/nz-health-statistics/health-statistics-and-data-sets/obesity-statistics)

34 Ministry of Health. Virtual Diabetes Register (Updated 2017): [health.govt.nz/our-work/diseases-and-conditions/diabetes/about-diabetes/virtual-diabetes-register-vdr](https://health.govt.nz/our-work/diseases-and-conditions/diabetes/about-diabetes/virtual-diabetes-register-vdr)

**Ethnic diversity**

Upper Hutt has gradually becoming more ethnically diverse since 2013. However our community is less ethnically diverse than the New Zealand average. In 2018, 6,924 people (15.7% of the population) identified as Māori compared with 5,337 in 2013. 8.4% identified as Asian, 5.7% Pacific peoples, 1% Middle Eastern/Latin American/African, 81.2% European, and 1.7% other ethnicity.<sup>35</sup> To enhance community health and wellbeing outcomes, connectedness, and a sense of belonging, the changing ethnic diversity of our city will need to be reflected in the community programmes and services that we deliver and support. Planned activities will need to be reviewed for relevance throughout the period of the Long Term Plan.

**Council’s response**

We consider that societal changes have been adequately catered for in this Long Term Plan. Any departure from this assumption can be addressed through the Annual Plan and Long Term Plan review process.

# 10 Forecast return on investment

Assumption	Level of uncertainty	Impact on integrity of the Long Term Plan
The annual return on investments will remain at or around current values.	High	Low

**Council shareholdings**

Council holds shares in companies for strategic rather than return on investment purposes. We currently hold three investments, none of which are expected to provide any investment income over the life of the Long Term Plan. One of these investments (Civic Assurance) will be divested in the early years of the Long Term Plan, this divestment will have no material impact upon Council’s future financial activities.

**Excess cash**

We hold our excess cash on term deposit with several banks in accordance with the Council’s Treasury Risk Management Policy. The Official Cash Rate (OCR) is 5.5%, indications are that the rate will stay the same in the immediate future and will slowly ‘step’ down. However, there is little indication that the OCR will return to the previous low levels. Rates are predicted to remain higher due to domestic inflationary costs being created by ongoing geo-political and climate change events. We have assumed we will receive significant interest income from term deposits for at least the first few years of the Long Term Plan, these deposits are timing related and comply with our Treasury Risk Management Policy and the requirement to meet financial benchmarks.

35 StatsNZ Tatauranga Aotearoa 2006 – 2018 Census data.

**Council's response** Planning for the Long Term Plan 2024 – 2034 assumes that if we don't receive the predicted income from our investments, it will not have a material impact on our ability to deliver on the Long Term Plan. Therefore, the risk of any impact on the Long Term Plan is low.

## 11 Depreciation

Assumption	Level of uncertainty	Impact on integrity of the Long Term Plan
Depreciation will affect our rate funding requirement forecasts.	High	High

**Depreciation affects our operating surplus/deficit** It is assumed that the same rates of depreciation will be applied as were applied in the previous Long Term Plan (2021 – 2031). The amount of depreciation may increase in relation to any revaluation of assets and the timing of the addition of new assets throughout the period of this Long Term Plan. This operating expense will affect our predicted level of surplus or deficit in the Prospective Statement of Comprehensive Revenue and Expense.

**Council's response** In this Long Term Plan, Council has chosen to rate fund depreciation. This will impact on the level of funding required from the community. Funding of depreciation through rates will be introduced in a stepped approach over the Long Term Plan period (10 years), meaning it will impact on the level of funding required from the community. Rate funding of depreciation creates intergenerational equity. The percentage amount of depreciation, to be funded by rates each year is shown in the table below

	Published		Amended							
	Y1 [24 25]	Y2 [25 26]	Y3 [26 27]	Y4 [27 28]	Y5 [28 29]	Y6 [29 30]	Y7 [30 31]	Y8 [31 32]	Y9 [32 33]	Y10 [33 34]
Community assets	20%	40%	60%	80%	100%	100%	100%	100%	100%	100%
Subsidised roading assets	9.8%	19.6%	29.4%	39.2%	49%	49%	49%	49%	49%	49%
Non-subsidised roading assets	20%	40%	60%	80%	100%	100%	100%	100%	100%	100%
Water supply assets	-%	-%								
Wastewater under HVWS <sup>36</sup>	-%	-%								

<sup>36</sup> Hutt Valley Wastewater Scheme—a joint venture between Upper Hutt City Council and Hutt City Council to deliver wastewater treatment services.

**Moving to a balanced budget**

We consider the funding of depreciation has been addressed in this Long Term Plan and will assist the Council with a move to a balanced budget. Council is aware that due to ratepayer affordability there is a limit to the level of depreciation which can be rates funded, as part of the Annual Plan development process Council will review the affordability of the level of rate funding of depreciation. There is a very high likelihood that depreciation funding will impact our annual rate funding requirements.

## 12 External credit rating

Assumption	Level of uncertainty	Impact on integrity of the Long Term Plan
Council will be able to obtain a credit rating of at least A+.	Medium	High

**Our current S&P credit rating situation**

In November 2021 Council obtained a S&P credit rating of A+ which was reconfirmed in November 2023. This rating enables Council, through the Local Government Funding Agency (LGFA), to have a borrowing limit at 280% of net revenue coupled with lower interest rates that reflect the lower risk profile of Council.

In February 2024 S&P advised that they had revised the trend of their institutional framework assessment for New Zealand local councils to weakening from stable. This resulted in Upper Hutt City Council’s credit rating outlook being downgraded from A+ ‘stable’ to A+ ‘negative.’

S&P advised us that:

*“We could revise our rating outlook on Upper Hutt to stable if the New Zealand local government sector’s overall commitment to strong finances improves.*

*We could also revise the outlook to stable if Upper Hutt’s budgetary performance is materially better than we presently expect. This could ease downward pressure on the council’s liquidity metrics and lower its debt trajectory.”<sup>37</sup>*

**Council’s response**

In developing this Long Term Plan we’ve focused on achieving a balanced budgeted both in-year and cumulatively across the 10 years of the plan. We believe that this change in focus addresses the issues raised by S&P in relation to budgetary performance, its flow on impact to liquidity metrics, and debt trajectory.

<sup>37</sup> S&P Global Ratings – Various Actions Taken on New Zealand Local Councils on Weakening Institutional Framework Trend – February 18, 2024

The financial strategy for 2024 – 2034 should enable Council to retain its credit rating of at least A+ from S&P. As well as being able to obtain a higher debt limit with LGFA the credit rating will also continue to provide Council with a lower interest rate as a reflection of lower risk.

As part of our Financial Strategy, we’re going to reduce our percentage of debt to revenue ratios over the course of the Long Term Plan. While our current A+ credit rating with S&P allows us a borrowing debt:revenue limit of 280%, in the first year of the plan we’re setting an internal limit of 250%. We’ll reduce this limit further to 240% over the remaining 9 years of the Long Term Plan. This will provide Council with the financial headroom to borrow more money in the case of a community-wide emergency, such as a climate change induced weather event.

Whilst the level of uncertainty around this assumption is medium, the impact should Council not be able to retain its credit rating is high, because it would mean Council may not be able to borrow enough to fund its full capital plan.

## 13 Local Government Funding Agency funding

Assumption	Level of uncertainty	Impact on integrity of the Long Term Plan
Funding will be readily available through the Local Government Funding Agency (LGFA).	Medium	Medium

**Funding availability** The LGFA provides more efficient funding costs and diversified funding sources for New Zealand local authorities.

Central government has reduced the use of using monetary policy as a mechanism to fund local government assets. The current central government has indicated that infrastructure funds available to local government will be limited. This is a change from previous government policy. Therefore, we have assumed that grants and subsidy revenue will not grow.

**Council's response**

Council considers that funding will remain readily available throughout our Long Term Plan 2024 – 2034. Any departure from this assumption can be addressed through the Annual Plan and Long Term Plan review process.

We have assumed that the current financial market ‘gap’ between borrowing and investing interest rates will remain but tighten. Taking interest rate swaps and debt rates into consideration mitigates the financial risk in a structured manner, however given the ongoing global financial volatility, we have assessed the level of uncertainty as medium.

# 14 Waka Kotahi NZ Transport Agency funding

Assumption	Level of uncertainty	Impact on integrity of the Long Term Plan
Waka Kotahi NZ Transport Agency financial assistance rates will continue as set out by Waka Kotahi for the next three years.	High	High

**Cofunding for approved roading activities**

For approved roading activities, central government provides cofunding from the Land Transport Fund, with a current financial assistance rate of 51%. Funding of approved activities is based on the Government’s transport priorities as signalled by the Government Policy Statement (GPS).

A review of the GPS and central government priorities has been signalled, which may affect Council’s land transport activities and levels of funding available. Minor changes to the subsidy rate, the funding cap, or the criteria for inclusion in the subsidised works programme would not materially impact our funding. However, any significant changes could impact funding.

**Council's response**

If significant changes materialise, service delivery and/or funding would need to be resolved through the Annual Plan and Long Term Plan review processes. Therefore, the level of uncertainty remains as a high risk to the Long Term Plan.

## 15 Interest on debt

Assumption	Level of uncertainty	Impact on integrity of the Long Term Plan
The average debt interest rates for the next ten years will be 4.86% as projected by PwC.	High	High

### Advice from PwC

Council obtains expert treasury risk management advice from PwC. The advice provided is that interest rates are predicted to stay higher for the short-medium term. Political and financial uncertainty have continued post-pandemic. Debt interest rates remain volatile, such volatility has not been seen since the Global Financial Crisis.

Taking into account Council's debt profile and interest rate hedging requirements as per the Treasury Risk Management Policy, PwC has advised us that 4.86% per annum is an appropriate 'wholesale' interest rate to use for the Long Term Plan period. This includes the lower rates of interest on borrowings through the LGFA. Council will continue to access these lower interest rates by retaining its A+ credit rating.

Current indications are that interest rates will reduce to lower levels over a prolonged period of time. There will always be a level of uncertainty associated with interest rates, and if they should shift significantly, this will have a material impact on the financial forecasts as there is a significant existing borrowing in place and on any future borrowing required during the Long Term Plan. Therefore, the impact on the Long Term Plan will be high.

## 16 Inflation

Assumption	Level of uncertainty	Impact on integrity of the Long Term Plan
Inflation will occur as estimated in the BERL 2023 report for Local Government sector.	High	High

### LGCI inflation modelling

Council uses the Local Government Cost Index (LGCI) as its proxy for inflation. The LGCI is specifically based on inputs to Local Government which often creates a higher cost profile than the Consumer Price Index. This is because Local Government has a higher proportion of costs associated with construction and infrastructure which rise at a higher rate than standard inflation due to demand on services and the cost of importing materials.

Based on Council’s proposed borrowing profile a 0.1% movement in interest rates will increase or decrease annual interest expense by between \$115 K to just over \$281 K per annum across the 10-year period of this plan. The impact of this annual change could translate to an indicative rates impact of between 0.2% and 0.3%. Council has a robust Treasury Risk Management Policy in place to actively manage and mitigate this risk.

For this Long Term Plan, we obtained the LGCI figures from the report titled ‘Cost adjuster 2023 final update’ prepared by BERL in October 2023. We have used the ‘consolidated LGCI,’ meaning that it encompasses all areas of Council and both capital and operating expenditure to inflate the forecast numbers. The specific inflation percentages used are as follows.

Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
[24 25]	[25 26]	[26 27]	[27 28]	[28 29]	[29 30]	[30 31]	[31 32]	[32 33]	[33 34]
3.5%	2.7%	2.0%	2.2%	2.2%	2.1%	2.1%	2.0%	2.0%	1.9%

It is difficult for the economists to predict how the economy will track in any climate, and it is likely that these scenarios may prove to be inaccurate. As a result, there is a high level of uncertainty and a high level of impact on the Long Term Plan forecasts if the actual costs indices turn out to be higher or lower than predicted. The area of most significant impact will be in the infrastructure/construction space where high costs which could escalate further pushing up the price of projects and impacting overall works programmes and borrowing repayment amounts. Therefore, the level of uncertainty is high.

## 17 Capital expenditure (capex)

Assumption	Level of uncertainty	Impact on integrity of the Long Term Plan
The capex programme planned for the 10 years from 2024 – 2034 will be delivered as forecast.	High	High

### Past delivery of our capital programme

In recent years actual capital delivery achieved has been less than 50% of the capital delivery budgeted, with significant focus on community based capital projects in recent years, the advent of COVID, contractor availability and inflationary pressures there was a need to rescope and reconsult some of these projects, for example H<sub>2</sub>O Xtream. This, has in recent years, resulted in significant Capex carry forwards. In [23|24] the seismic strengthening of Civic building and Te Kupenga o Rongomai

projects were completed and H<sub>2</sub>O Xtream will be completed in early 2025. Now that the Community projects are largely complete, going forward Council has planned that its investment focus will be on core infrastructure expenditure. Core infrastructure projects will normalise the capital delivery back to a higher completion rate per annum. To mitigate this risk and to better align delivery against capital expenditure programme and budget, Council implemented a range of interventions. These interventions are now well embedded into the operational practices of how Council delivers capital works. However, the infrastructure capital delivery remains an ongoing improvement opportunity. There is always uncertainty with the delivery of capital programme works and always issues that arise and are beyond the control of Council.

Council has completed a significant amount of the capital programme introduced and consulted upon in the last two Long Term Plan's. The 2024 – 2034 capital programme has a focus on the delivery of renewals, levels of service and growth-related infrastructure spend. In addition to Council's internal risk there are always risks that are beyond Council's control. The ability to deliver and resource the capital programme planned for 2024- 2034 Council will be reliant on continuing strong relationships with external contractors and service providers.

## **Council's response**

Council has undertaken a risk assessment based on objective criteria as to the likelihood of Council being able to complete the capital programme as planned. Overall Council has assessed the level of uncertainty as high.

### **Land transport**

In the land transport activity, Waka Kotahi NZ Transport Agency (Waka Kotahi) funding processes can impact on actual delivery timeframes. Some major works have been delayed in the past due to Waka Kotahi business case processes.

### **Water services infrastructure**

From 1 July 2026 water services infrastructure will be transferred to Tiaki Wai.

For three waters, there is a consistent gap in Wellington Water's ability to deliver capital works programme in any given year. Our response has been to reduce budgets and programmes to what is considered a more achievable level (based on actuals) and based on assessed risks and priorities. All costings of the future capital programme are undertaken by Wellington Water and these costings are independent of the carrying value of Council's water assets shown in the statement of financial position.

Our capital expenditure on wastewater for the Hutt Valley Wastewater Scheme work has been programmed to match Hutt City Council's planning and budgets. Upper Hutt City Council has limited control over

the timing and actual delivery of the works as we are a 30% participant in the shared services arrangement.

**Financial practice**

To ensure that delay in implementation of capital programmes does not unduly impact the ratepayers financially, we have continued the forecasting and financial process to only rate for repayments and interest in the year after the project has commenced. Therefore, the impact on the delivery of the Long Term Plan is high.

## 18 Operational expenditure (opex)

Assumption	Level of uncertainty	Impact on integrity of the Long Term Plan
Operational expenditure efficiencies are identified, and cost reductions implemented prior to 1 July 2024	Medium	Medium

**Operational savings requested by elected members**

In developing this Long Term Plan, elected members requested that the Chief Executive find savings. Additional operational savings requests were made over the December 2023 – January 2024 period. These savings are to be operational and achieved without impacting the levels of service. We are also required to ensure that services/activities are delivered more efficiently, whilst maintaining Council’s compliance with legislation.

**Council’s response**

The process to achieve these savings commenced in late January 2024. The process is to review the existing organisational operating model—including all systems and processes—to ensure they are fit-for-purpose and that the organisation is as efficient and effective as it can be to deliver Council’s plan. Following the review process, a change management process and internal consultation on a new delivery model will be adopted and implemented.

There is a risk that the level of savings requested will not be able to be delivered in the timeframes set or to the quantity requested by Council. There is further risk that the savings do not deliver the efficiencies expected. The project will be monitored by a Council sub-committee and the Executive Leadership Team. To ensure these risks are mitigated, we have built in a level of financial resilience in the forecasting with the provision for rates funding in Year 2 and beyond. After these actions, the impact on the integrity of the Long Term Plan is assessed as medium.

# 19 Asset revaluation

Assumption	Level of uncertainty	Impact on integrity of the Long Term Plan
Asset revaluation amounts for water services* and road assets will be significant different from the amounts included in the Long Term Plan	High	High

\* From 1 July 2026 water services assets will be transferred to Tiaki Wai.

## Assessing carrying values

It is Council’s policy to assess the carrying value of its revalued assets annually to ensure they do not differ materially from the assets’ fair value. Revaluations are carried out at least every three years. For further information refer to the general accounting policies (forecasts) in the Long Term Plan financial statements.

Council engaged a valuer to independently value various significant classes of Council assets in accordance with its accounting policies to support the preparation of the Annual report 30 June 2024. The valuation for Water services assets will not be finalised until late-July 2024—after the adoption of the prospective financial statements in the Long Term Plan. The risk is that the asset revaluation differs from the assumptions applied and that the asset values and depreciation charges resulting may differ from those included in the Long Term Plan.

The prospective Financial Statements include estimated revaluations across significant infrastructure classes at rates of:

- Roading assets between 7.3% and 24% based on BERL Local Government Cost Adjusters (roading).
- Water assets range between 7.9% and 12.04% based on BERL Local Government Price indices (CGI pipelines for water, the PPI inputs – water, sewer, drainage, and waste services).

The forecasted opening balances (1 July 2024) for infrastructure assets were valued based on a combination of external advice from the Councils valuers and BERL rates (above).

Any significant movements in the value of assets is highly likely to have an impact on the rates requirement, given the Council is moving towards rate-funding depreciation. The impact on the integrity of the Long Term Plan is assessed as high.

# Rautaki Ahumoni Financial Strategy (Amended)

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(Amended)

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# Purpose

## Legislation

Under the Local Government Act 2002 (LGA), section 101A *“a local authority must as part of its long term plan, prepare and adopt a financial strategy for all of the consecutive financial years covered by the long term plan.”*

The Financial Strategy sets the overall financial direction of the Long Term Plan and how we intend to fund both capital expenditure and levels of service. The legislated purpose of this financial strategy is to:

- Facilitate prudent financial management by Council, by providing a guide for Council to consider proposals for funding and expenditure against; and
- Provide a context for consultation on Council’s proposals for funding and expenditure by making transparent the overall effects of those proposals on Council’s services, rates, debt and investments.

## The Financial Strategy must include:

- 
- 1 A statement of the factors that are expected to have a significant impact on Council including changes in population and land use and the capital and operating costs of these changes.
  - 2 Expected capital expenditure (capex) on infrastructure to maintain existing levels of service.
  - 3 Other significant factors which will affect levels of service and meet additional demands for services.
    - A Quantified limits on rates increases and borrowings.
    - B An assessment of ability to maintain levels of service, and to meet additional demands within the rates limits.
    - C A policy on the giving of securities for borrowing and the objectives for the holding of investments and securities.

# Context

## Financial stewardship and prudence

The context for this Long Term Plan's Financial Strategy is financial stewardship and prudence. Globally financial volatility continues. This ongoing uncertainty of the financial environment is a primary driver for a desire to implement a conservative approach for our financial strategy.

In developing the Financial Strategy Council has considered:

- Stewardship of the community for today and future generations.
- Delivering the Council's core services to ensure standard of living in the city is maintained and the community's contribution towards this.
- Financial stability and resilience
- Requirement to balance the budget both in year and cumulatively across years within the 10 years of the Long Term Plan.

## Strategic considerations and drivers

The following strategic considerations and drivers provide detailed contextual information about specific issues that have fed into the development of this Financial Strategy and Long Term Plan. These will provide background information for the formulation of budgets and should be read in conjunction with the Significant Forecasting Assumptions (page 122) and the Revenue and Financing Policy (page 302).

### Growth

Our growth projections for this Long Term Plan are based on the *Wellington Regional Housing and Business Land Capacity Assessment* (HBA). In April 2021, Sense Partners issued a report called *Demographic and dwelling forecasts for the Wellington region*. This report was used to inform the HBA 2023. The report by Sense Partners indicates that there is expected to be strong population growth over the next 30 years in Wellington, and in Upper Hutt specifically, we can expect to see growth of 1.3% per annum between 2024 and 2034.

The HBA indicates population growth in Upper Hutt of between 30 to 34% (based on census population in 2024 of 49,400) to 2047 (details in the Significant Forecasting Assumptions). Residential dwellings are expected to increase by 7,900 between 2021 and 2051. There were 19,317 residential dwellings in 2021 so that is an approximate increase of 29%.

**Impacts**

The significant growth predicted in Upper Hutt will impact on the Infrastructure Strategy which in turn will impact the financial requirements of Council. Council will need to be prepared for increased capital expenditure and ongoing maintenance associated with additional infrastructure, over and above development contributions.

Money has been set aside to prepare growth assessments in the first 3 years as the full extent of the infrastructure requirement is not yet known. At this stage, we estimate that investment of \$38.302 M (amended) will be required to support growth and demand of the city for the next 30 years. This estimate has come from our Infrastructure Strategy (page 177).

Investment will be required in the areas of water supply, traffic, parking, public transport, and open space. As examples, significant capital expenditure detailed in the Infrastructure Strategy relating to growth are the Silverstream Bridge replacement, and the development of the Fergusson/Ward/Whakatiki intersections.

This Financial Strategy is not a standalone document, it should be read in conjunction with the Infrastructure Strategy.

**Water services**

In February 2024 the New Zealand Government passed new legislation by Royal Assent to repeal the previous water reform model as part of their initial ‘100-day plan.’ The Long Term Plan 2024-34 was prepared during a time when the detail on the coalition government’s Local Water Done Well was not available. Information on how local Water Done Well will impact Council’s financial performance and position over the next eight years of the Long Term Plan can now be built into this 2024-34 Long Term Plan (Amended).

From 1 July 2026 water services infrastructure and associated funding requirements will be transferred to Tiaki Wai. Responsibility for providing wastewater, stormwater and drinking water services will be transferred from Council to Tiaki Wai , the new multi-council owned water service organisation established under the water reform legislation.

For the purposes of the preparation of this Long Term Plan (Amended), we have assumed that the ownership and control of three waters assets will remain with Council for the next two years. In addition, we have separately identified the capital and operating costs for wastewater under the Hutt Valley Shared Services agreement between Upper Hutt City Council and Hutt City Council. Due to the material nature and legal requirements of this agreement, we consider this the most prudent approach at this stage. From 1 July 2026 the Hutt Valley Shared Services agreement obligations will transfer to Tiaki Wai.

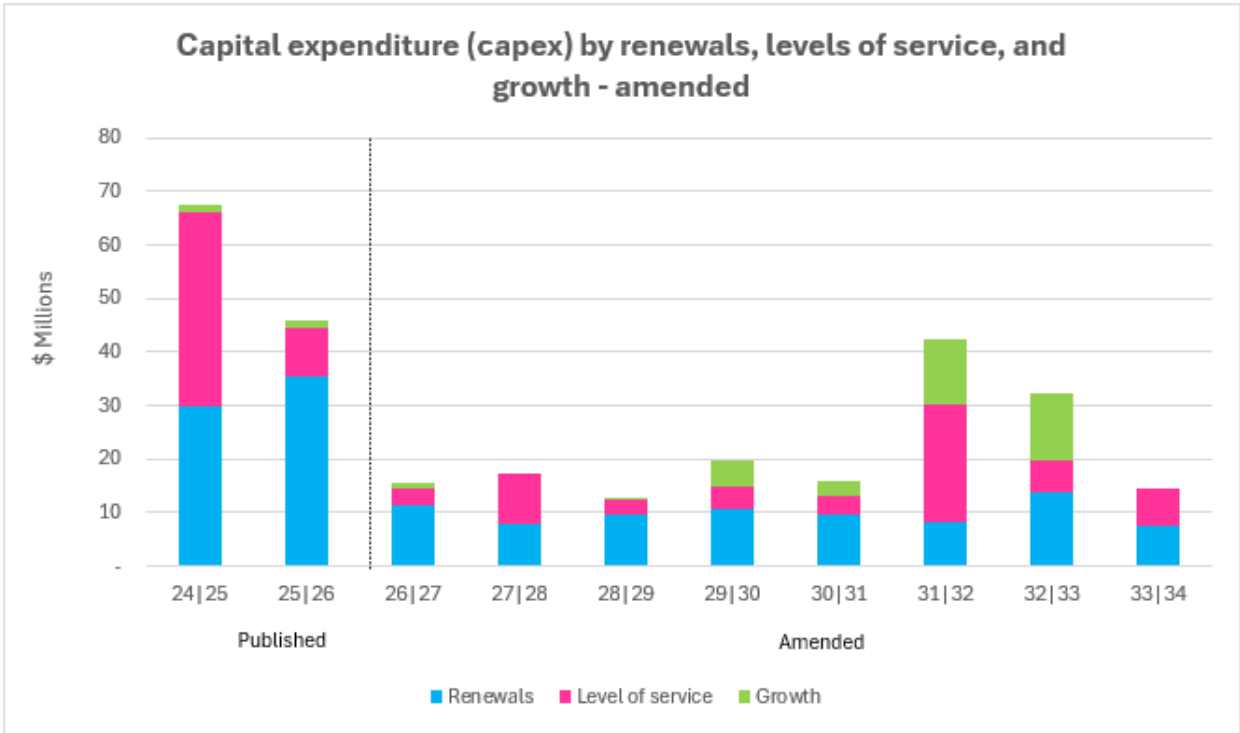
## Infrastructure Strategy

The Infrastructure Strategy assists Council to take a long-term view of the city's infrastructure needs. The Infrastructure Strategy and Financial Strategy work together to provide the desired outcomes to maintain levels of service and ensure adequate investment where required. There is cross-over between the two strategies and the external factors that have influenced the development of the Infrastructure Strategy are:

- Financial stewardship
- Three waters services, from 1 July 2026 three water services will be transferred to Tiaki Wai.
- A growing urban environment
- Adapting to a changing climate and building resilience
- Central government funding

The Infrastructure Strategy has focused on the Council's three challenges of maintaining existing assets, meeting changing expectations, and supporting growth and demand. The purpose of the Financial Strategy in a large part is to ensure that the Infrastructure Strategy can be carried out, by ensuring there is adequate financial resourcing through various funding mechanisms to ensure that the infrastructure goals can be achieved whilst remaining financially prudent.

The Infrastructure Strategy has resulted in a capital plan which has increased markedly from the Long Term Plan 2021 – 2031. Wellington Water Ltd and Council have been building capacity and capability over the last few years to improve delivery performance. The significant increase in the capital programme, particularly in water services, carries a level of uncertainty and there are risks associated with this. Any delays to our programme may result in not meeting planned levels of service which will impact our community and/or result in greater costs in the long term. The revised capex profile for this Long Term Plan is illustrated in the following graph.



**Hutt Valley Wastewater Scheme (HVWS) this scheme will transfer to Tiaki Wai on 1 July 2026**

Under the Hutt Valley Drainage Act 1967 a drainage district was established comprising both Lower Hutt (including Petone and Eastbourne) and Upper Hutt. A drainage board was required under the Act to be responsible for the drainage district. The purpose of the board was to provide for the disposal of sewage from the district and maintain the bulk water system that ran through the district.

In 1989 the reorganisation of Local Government transferred both the functions of the Hutt Valley Drainage Board and the asset ownership on a proportional basis to the Hutt City Council and Upper Hutt City Council. The Hutt Valley Services Committee has been set up between Upper Hutt City Council and Hutt City Council to oversee all shared services between the two councils including the Hutt Valley Wastewater Scheme. The Wastewater scheme refers to the Trunk Wastewater Network (including a large holding tank at Silverstream) and the treatment plant located in Seaview. Upper Hutt Council pays an annual levy to Hutt City Council (through Wellington Water), who have the administrative responsibility for the Wastewater system.

The above arrangement is based on an apportionment formula which ranges between 26% to 33% for the use of the network. For the purpose of this Long Term Plan, Upper Hutt City Council's contribution is 30%. Funding for the scheme is provided by both Hutt Valley councils. Financial budgets for the scheme are set by Hutt City Council as part of the administrative ownership. Upper Hutt is required then to provide funding for this capital expenditure. This makes Upper Hutt City Council a 'price taker' and required to provide budgets in the Long term Plan in line with Hutt City Council's forecasts. On this basis the total operating expenditure is \$8.13 M(amended) and total Capital expenditure is \$27.8 M(amended) over the 10 years of the Long Term Plan. Below is a breakdown over the 10 years, of the capital and operating forecasts for this wastewater scheme that have been included in our Long Term Plan.

	Published		Amended							
	Y1 [24 25]	Y2 [25 26]	Y3 [26 27]	Y4 [27 28]	Y5 [28 29]	Y6 [29 30]	Y7 [30 31]	Y8 [31 32]	Y9 [32 33]	Y10 [33 34]
Operating expenditure (\$M)	3.99	4.14	4.25	4.36	4.49	4.62	4.57	4.67	4.77	4.89
Capital expenditure (\$M)	3.99	4.14								

### Service level changes

Council has scrutinised its spending and has considered all the different ways it can reduce operational costs. To develop this plan Council have reviewed and reduced its budgets where possible. Concurrently Council have reprogrammed some capital projects and investment to make the financial impact more affordable.

One of the ways Council proposes to achieve its financial stewardship priority, is to contain costs in core activities and reduce costs in some non-core activities.

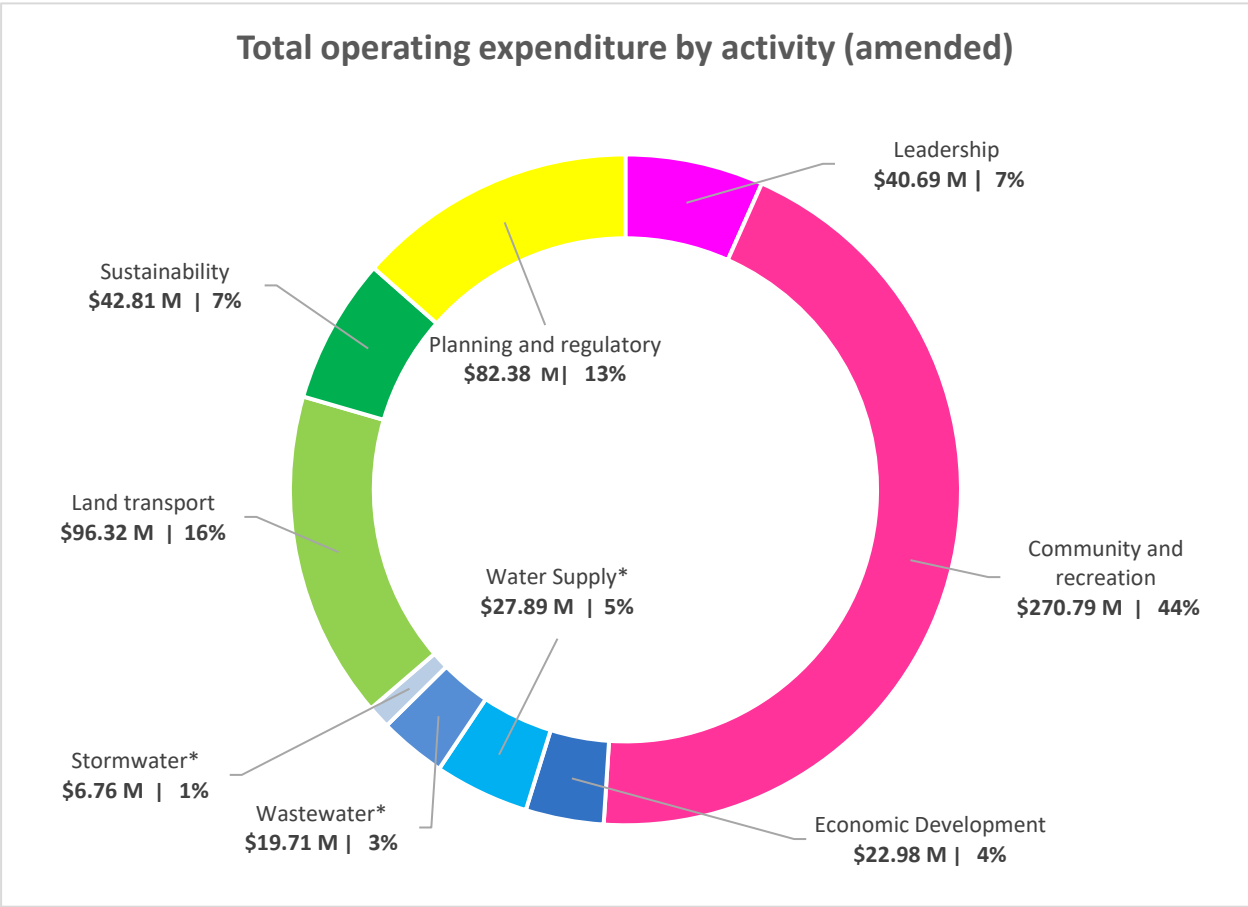
Council is proposing to make the following targeted funding changes to five activity areas:

- Activation
- Economic development
- City marketing and events
- Community development
- Sustainability initiatives and projects

For the majority of these activities, Council has been doing and delivering a large amount of initiatives and projects ourselves. The proposed change in the scale of activity and role will shift to being one of enabling, advising, connecting, and collaborating which achieves some operational savings. This core activity focus also includes removing a number of contestable grants which have not been budgeted for in the plan.

**Fiscal prudence**

The graph below shows the total operating expenditure by activity group over the 10 years of this Long Term Plan.



Council aims to balance asset management plan requirements, debt headroom, and rates affordability in developing a fiscally prudent approach. The aim is to strike the right balance between current rates affordability whilst not imposing deferred cost on future generations.

This Financial Strategy considers and discusses the increased debt headroom that may be required for current and future resilience risk, to fund unforeseen shocks. Debt headroom will enable access to funds in the event of earthquake damage or increasingly likely weather-related events.

The level of investment recommended by Wellington Water Limited (WWL) was an additional \$20.3 M (inflated) over and above the amount proposed in the first two years of this amended Long Term Plan, Funding the additional \$20.3 M would see borrowing limits exceeded and add stress to rates affordability.

In balancing the affordability of rates, the legislative requirement for financial prudence, and the fiscal environment we have taken a constrained view of capital expenditure for the 10-year period. Council

has done all we can (for example, moving to fully rate-funding depreciation), however there is future uncertainty, as infrastructure expenditure beyond Year 10 may create financial infrastructure challenges for ratepayers. Annually as part of the Annual Plan development Council will review the affordability of the level of rate funding of depreciation.

There are constraining factors when funding any Infrastructure Strategy. Taking the current funding mechanisms into account (including ratepayer affordability) results in the first 10 years of funding applied in the Infrastructure Strategy being constrained. The constraining factors of funding and affordability are yet to be fully applied to the investment required in Years 11 – 30 of the Infrastructure Strategy. It is most likely that when the constraining factors are applied it will highlight the significant funding gap currently facing Council.

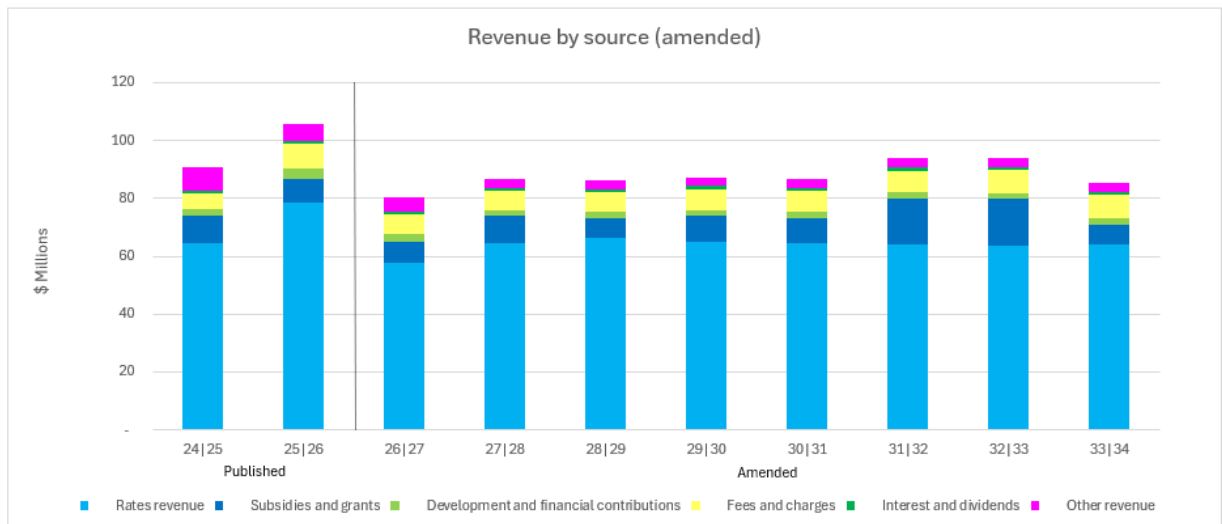
Applying these current funding mechanisms available to Council and the current unconstrained forecasted expenditure from Year 11 onwards means it is highly unlikely Council would be able to fund this significant gap either via debt or rates. In order to deliver the unconstrained level of investment projected from Years 11 – 30, new funding mechanisms will highly likely be required. From Year 11 onwards, this creates significant uncertainty as to the level of rates, debt, and levels of service..

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## Revenue

From 1 July 2026, responsibility for providing wastewater, stormwater and drinking water services will be transferred from Council to Tiaki Wai, the new multi-council water services entity established under the Local Government (Water Services Preliminary Arrangements) Act 2024.

Council is largely dependent on rates as a primary source of income as we do not have significant income generating investments or assets, such as property, that generate large sums of rental income. This means there is limited scope to reduce the impact on rates through other sources of revenue. However, we have reviewed our Revenue and Financing Policy (page 263) as part of the development of this Long Term Plan, and Council has determined that the revised funding structure is the most appropriate.



## Rates

### Increasing rates requirement

In the first two years of this Long Term Plan, rate increases of 19.93% and 19.94% net of growth are forecasted. Growth for rating purposes is forecasted at 1.5% per annum. Over the ten years of the Amended Long Term Plan the average per annum increase is 1.26%.

These increases can be categorised into two areas:

- Financing of assets and funding of the capital programme
- Price changes

## Financing of assets and funding of the capital programme

### Investment in community assets

In Long Term Plans 2018 – 2028 and 2021 – 2031 a significant capital investment in community assets was committed to and endorsed by the community. These significant capital investments were funded through debt (the LTP 2021 – 2031 had these projects funded through debt and reserves). The majority of these projects have been completed or will be completed in the first year of this Long Term Plan.

### Depreciation

In developing this Long Term Plan, Council has agreed to move to funding depreciation through rates and—while depreciation reserves are

being established—to also rate-fund both principal and loan repayments. Funding depreciation and interest through rates aligns with the objective of intergenerational equity. This means that today’s ratepayers pay their share of the amount of Council’s assets that they consume, and the interest costs reflect the financing over time of these assets. In previous Long Term Plans, depreciation was not rate-funded. In the Long Term Plan 2021 – 2031, debt was raised to fund asset renewals.

Repayment of this debt will occur over the 10 years of this Long Term Plan. With the rate-funding of depreciation over time, reserves will be established to fund future renewals and to repay debt. Until sufficient reserve renewals have been established, principal repayments will also be rate-funded.

This additional rate funding is required during these earlier years to provide fiscal prudence. Rating for principal repayments while reserves are being established for renewals provides financial stability and resilience. The capex profile in the graph on page 153 shows that our year-by-year capital expenditure programme fluctuates. Funding levels for the capital programme must be in place to respond to this. The depreciation reserve will be a funding source for the renewals of the capital programme.

Over the 10 years the balance of the depreciation reserve will grow, however in responding to the timing of the capital programme the depreciation reserve balances within individual years will fluctuate. The growth of the depreciation is not planned as a linear growth path. Debt funding of renewals will continue over the Long Term Plan, however the use of debt to fund renewals decreases over the life of this plan, as one of the objectives is that in the long term no renewals will be debt funded.

## Price changes

### Inflation

Like all organisations, Council has been impacted by the change in the economic environment that has driven costs up. The CPI<sup>38</sup> inflation rate has increased from 1.5% (March 2021) to 4.0% (March 2024), this compounded year on year. Above the general inflationary pressure, Council has seen the major movements in costs, in the following:

- **Interest costs (average cost of money)**—4.86% in 2024 compared to 3.00% in 2021.
- **Bulk water levy**—increase of 89% in 2024 against 2021.
- **Insurance**—increase of 127% in 2024 against 2021.
- **Audit costs**—increase of 56% in 2024 against 2021.

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38 CPI: Cost price index.

## Rates increases

### Annual percentage increases in rates

The proposed annual rates increases (in percentage) over the Long Term Plan are shown in the table below. Council has factored in forecast growth in rateable properties in ascertaining the rates increase impact for ratepayers. Council has estimated that the growth in the city’s rating database will be 1.5% per year for the next 10 years. This is in line with the growth forecasts for our city—further detailed in the Significant Forecasting Assumptions (page 124). It also lines up with historical trends.

### Limits on rates increases

Council will limit rates percentage increases to no more than 21.5% per year (20% net of growth) for the first 2 years of this Long Term Plan, 15.5% for years 3 and 4 (14% net of growth) and 8.5% (7% net of growth) from years 5 to 10, assuming there are no significant service level increases introduced. Council believes that this reflects the priorities of this Long Term Plan, in that it aligns with the creation of future financial sustainability and resilience.

	Published		Amended							
	Y1 [24 25]	Y2 [25 26]	Y3 [26 27]	Y4 [27 28]	Y5 [28 29]	Y6 [29 30]	Y7 [30 31]	Y8 [31 32]	Y9 [32 33]	Y10 [33 34]
Proposed gross rates increase (%)	21.43	21.44	-26.78	11.38	3.34	-2.59	-0.71	-0.78	-0.71	1.07
Growth through increase in rateable properties (%)	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
<b>Proposed rates increase net of growth (%)</b>	<b>19.93</b>	<b>19.94</b>	<b>-27.78</b>	<b>9.88</b>	<b>1.85</b>	<b>-4.09</b>	<b>-2.21</b>	<b>-2.28</b>	<b>-2.21</b>	<b>-0.43</b>

## Balanced budget

### Our objective

Over the 10 years of this Long Term Plan, Council’s objective is to balance the budget both in-year and cumulatively across years. LGA Section 100 requires local authorities to set revenue at a sufficient level to meet operating expenses unless it is financially prudent not to. For the last two Long Term Plans, Council agreed that it was financially prudent not to have a balanced budget due to the significant investment in assets. After ensuring liquidity benchmarks were met, and debt limits were not exceeded, we had prioritised rates affordability.

Over the last 6 years, along with core infrastructure renewals, we’ve completed a significant investment in community assets. Our focus for this Long Term Plan is core business and financial resilience. Taking this into account, for this Long Term Plan, we’re committed to achieve a balanced budget.

## Timing

Council will achieve an in-year balanced budget from Year 6 [29 | 30] of the Long Term Plan, and consistently maintain an in-year balanced budget for the four years after. As a result of the removal of water services the 2024-34 Long Term Plan (Amended) shows Council achieving a balanced budget from Year 5 [28 | 29].

To achieve a balanced budget over the 10 years of the Long Term Plan, we're moving to fully rate-fund depreciation for community assets and non-subsidised roading assets.<sup>39</sup>

For subsidised roading assets, depreciation will be funded net of the Waka Kotahi NZ Transport Agency's funding assistance rate (FAR). The FAR used for the Long Term Plan 2024 – 2034 is 51%, therefore rates will only fund 49% of depreciation.

The following table shows the percentage of depreciation which will be funded each year. It will take 5 years to fully rate-fund depreciation for community assets and roading assets (net of FAR).

	Published		Amended							
	Y1 [24 25]	Y2 [25 26]	Y3 [26 27]	Y4 [27 28]	Y5 [28 29]	Y6 [29 30]	Y7 [30 31]	Y8 [31 32]	Y9 [32 33]	Y10 [33 34]
Community assets	20%	40%	60%	80%	100%	100%	100%	100%	100%	100%
Subsidised roading assets	9.8%	19.6%	29.4%	39.2%	49%	49%	49%	49%	49%	49%
Non-subsidised roading assets	20%	40%	60%	80%	100%	100%	100%	100%	100%	100%
Water services assets	-%	-%								
Wastewater under HVWS*	-%	-%								

\* Water services assets and wastewater under HVWS transfers to Tiaki Wai on 1 July 2026.

## Principal repayments

While Council progresses toward fully rate-funding depreciation, in order to meet our debt obligations, and to retain our required liquidity ratio, principal repayments will also be rate funded.

As the rating for depreciation increases, the rating for principal repayments will reduce for both community assets and roading assets. Water assets principal repayments will be rate-funded for the first two years of this Long Term Plan.

Rating for principal repayments is illustrated in the following table.

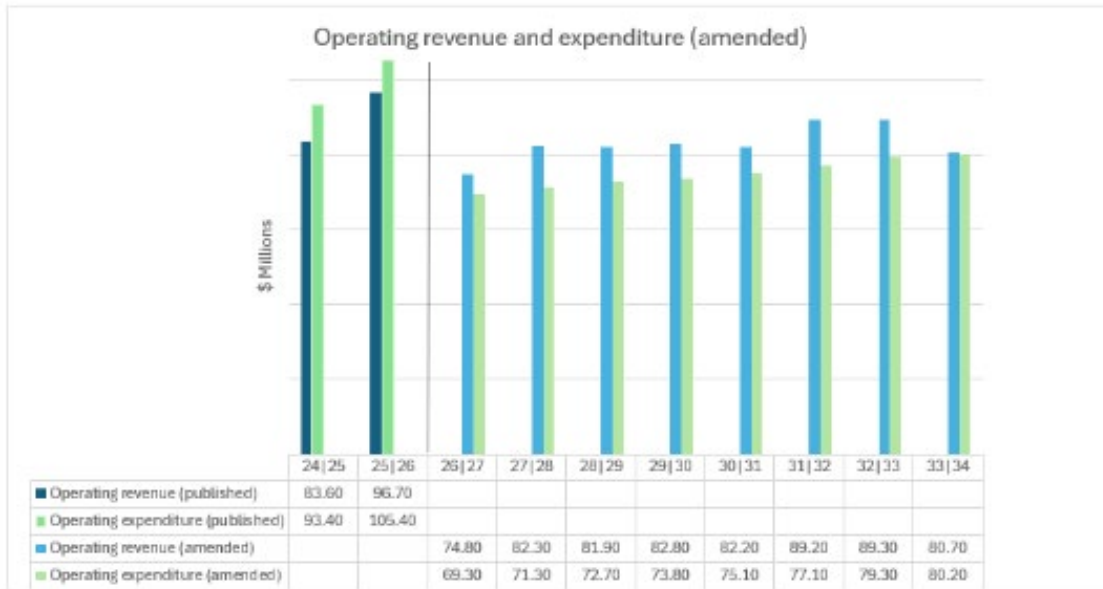
<sup>39</sup> As part of the Annual Plan development process, Council will review the affordability of the level of rate funding for depreciation.

	Published		Amended							
	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
	[24 25]	[25 26]	[26 27]	[27 28]	[28 29]	[29 30]	[30 31]	[31 32]	[32 33]	[33 34]
Community assets	100%	100%	100%	100%	80%	60%	40%	20%	-%	-%
Subsidised roading assets	100%	100%	100%	100%	80%	60%	40%	20%	-%	-%
Non-subsidised roading assets	100%	100%	100%	100%	80%	60%	40%	20%	-%	-%
Water services assets	100%	100%								
Wastewater under HVWS*	100%	100%								

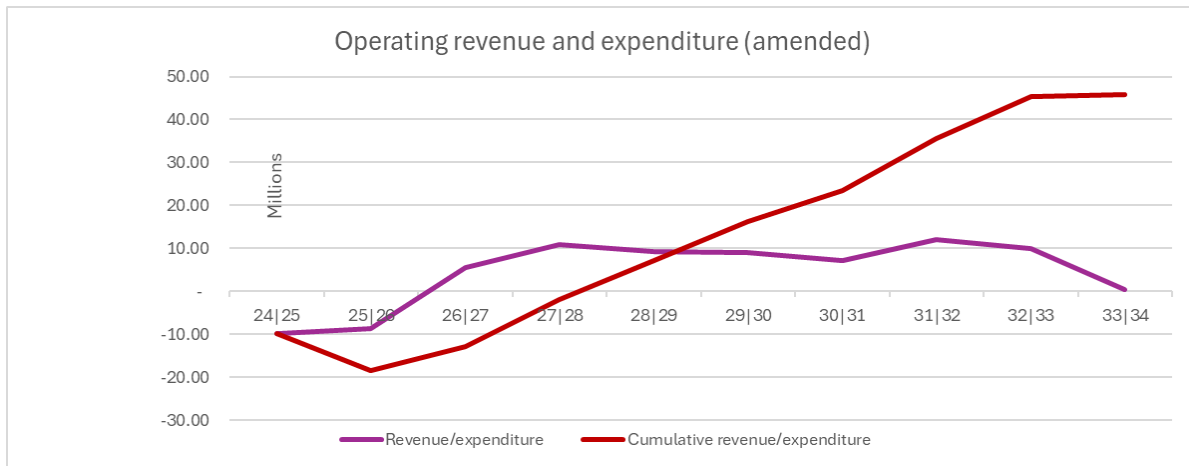
\*Water services assets and wastewater under HVWS transfers to Tiaki Wai on 1 July 2026.

### Operating revenue and expenditure

The following graphs and table illustrate the ratio of operating expenditure to operating revenue by year and cumulatively across years. The 2024-2034 Long Term Plan (Amended) shows the operating expenditure will decrease from \$93M per annum in 2024 to \$80M per annum in 2034. The reduction in total annual operating expenditure is driven by the removal of water services expenditure in the last eight years of the amended Plan.



For the purposes of the balanced budget benchmark—as per the Local Government (Financial Reporting and Prudence) Regulations 2014 —‘operating revenue’ excludes development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment.



	Published		Amended							
	Y1 [24 25]	Y2 [25 26]	Y3 [26 27]	Y4 [27 28]	Y5 [28 29]	Y6 [29 30]	Y7 [30 31]	Y8 [31 32]	Y9 [32 33]	Y10 [33 34]
Revenue/expenditure (%)	89.5	91.8	108.0	115.3	112.8	112.2	109.5	115.7	112.5	100.5
Cumulative revenue / expenditure (%)	89.5	90.7	95.2	99.4	101.8	103.4	104.2	105.6	106.3	105.8

# Debt

## Recent history and our capital programme

Historically Council has maintained a low level of debt. In Long Term Plans 2018 – 2028 and 2021 – 2031 Council, after consultation with the community, committed to a significant capital programme. This programme included seismic strengthening of the Civic Centre, upgrading of H<sub>2</sub>O Xstream, the Te Kupenga o Rongomai - Maidstone Community Sports Hub (partially grant funded), Whirinaki and other capital assets. The collective cost of these assets, net of grants, was \$87 M. Council has also over the period from 1 July 2018 to 30 June 2024 significantly increased its investment in Three Waters by a forecasted \$66 M. This major investment in assets for the wellbeing of the community was predominantly funded through debt. This resulted in the net debt profile of Council growing from \$35.5 M at 1 July 2018, 56% of net revenue to a forecasted closing position at 30 June 2024 of \$158.1 M, 213% of net revenue.

## Going forward

As previously discussed, the priority of Council through this Long Term Plan is to provide financial stewardship, stability and resilience for ratepayers and the organisation. This includes ensuring the debt burden of Council is sustainable over time and that today's costs are not passed to future generations of ratepayers.

## Our credit rating

In November 2021, Council obtained a S&P credit rating of 'A+' which was reconfirmed in November 2023. This rating enables Council, through the Local Government Funding Agency (LGFA), to have a borrowing limit of 280% of net revenue, and lower interest rates reflecting the lower risk profile of Council.

In February 2024, S&P advised that they had revised the trend of their institutional framework assessment for New Zealand local councils from stable to weakening. This has resulted in the Council's credit rating outlook being downgraded from 'A+ stable' to 'A+ negative.'

S&P advised that:

*"We could revise our rating outlook on Upper Hutt to stable if the New Zealand local government sector's overall commitment to strong finances improves.*

*We could also revise the outlook to stable if Upper Hutt's budgetary performance is materially better than we presently expect. This could ease downward pressure on the council's liquidity metrics and lower its debt trajectory."*

In developing this Long Term Plan, we've focused on achieving a balanced budget both in-year and cumulatively across the 10 years of the plan. We believe that this change in focus addresses the issues raised by S&P in relation to budgetary performance, its flow on impact to liquidity metrics, and debt trajectory.

**Our debt trajectory and limits**

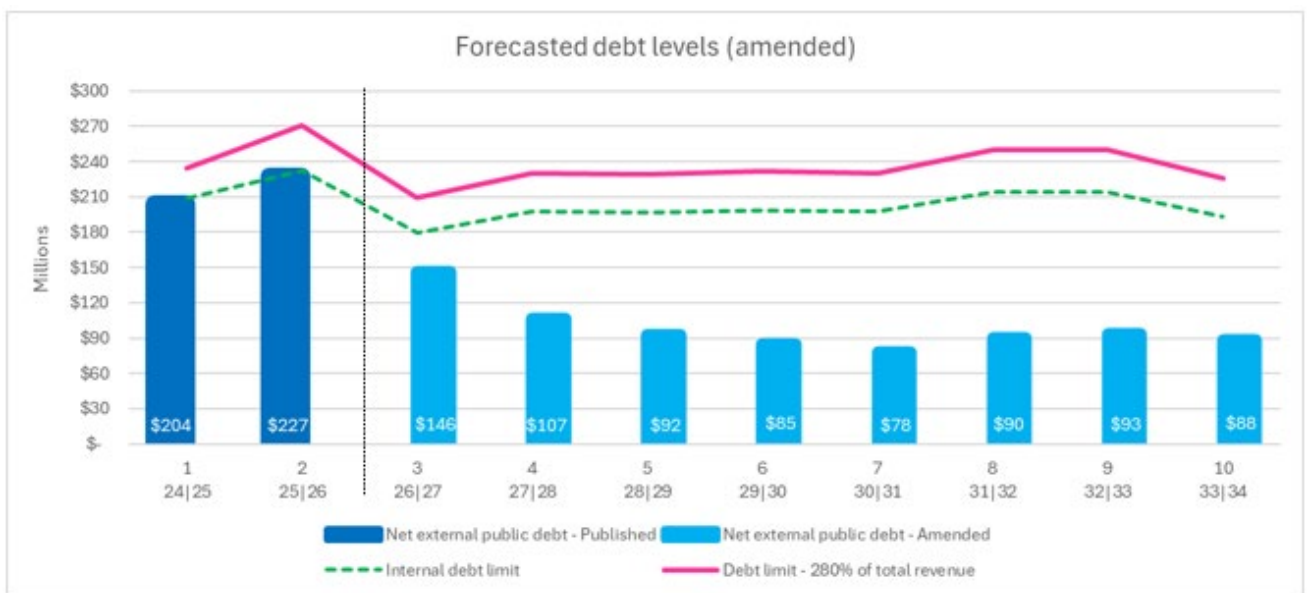
Through the Long Term Plan we're forecasting debt to peak at 244% of net revenue in Year 1, dropping to 205% of net revenue in year 10. Council is committed to a downward debt trajectory, maintaining internal debt limits at a maximum of 250% of net revenue in Year 1, and 240% of net revenue from Year 2 onwards.

Staying under the 280% LGFA debt cap provides Council with headroom to absorb unexpected financial shocks and to provide self-insurance capacity. These borrowing limits are reflected in Council's Treasury Risk Management Policy.

Council has a high level of confidence, that the assumptions and forecast in this Long Term Plan will enable the Council to return its credit rating to stable and maintain access to debt when required. Below is the debt forecast and debt limits for the ten years of the Long Term Plan.

In this updated 2024-2034 Long Term Plan (Amended) Council expects to see its debt ratios improve, for example the ratio of net debt to revenue will drop to 94% in Year 7.

The 2024-2034 Long Term Plan (Amended) projects the following net debt levels against net debt limits (see graph below).



**Borrowing limits**

Consistent with Council’s direction that the levels of external debt remain prudent, reflect intergenerational stewardship, and are affordable for the ratepayers, Council will adhere to the following borrowing limits:

- Net external debt will not exceed 280% of total revenue. Council will operate an internal debt cap of 250% in year 1 then 240% from year 2 onwards to provide financial resilience and self-insurance for external shocks and unexpected events.
- Net interest will not exceed 15% of total revenue.
- Net interest will not exceed 17.5% of annual rates income.
- Liquidity (as defined in the policy) will exceed 110%.

The following table shows how Council is within these limits for 2024 – 2034. In the 2024-2034 Long Term Plan (Amended) we expect to see our prudential ratios (shown below) improve

	Published		Amended							
	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
	[24 25]	[25 26]	[26 27]	[27 28]	[28 29]	[29 30]	[30 31]	[31 32]	[32 33]	[33 34]
Net debt/ total revenue (%)	244	235	195	129	113	103	94	100	105	110
Net interest/ total revenue (%)	8.8	10.8	9.9	7.0	6.8	6.4	6.3	5.5	6.3	6.9
Net interest/ annual rates income (%)	11.4	13.4	12.8	8.9	8.4	8.1	8.0	7.7	8.9	8.7
Liquidity (%)	113	111	117	125	133	138	141	139	135	137

Council’s borrowings are managed through its Treasury Risk Management Policy which includes the borrowing limits and parameters on managing credit risk, counter-party credit risk, and interest rate risk.

**Investments**

Council’s excess funds are held in low-risk investments, mainly term deposits, until the funds are required and in accordance with the Treasury Risk Management Policy.

Council currently holds three share investments, and these are not held to provide financial returns, but rather for strategic purposes. Council does not have any current intention to hold and manage any additional financial investment or equity securities. For these reasons Council has not set a targeted return on equity.

## Securities for borrowing

Council has secured its long-term debt by issuing security stock, under its Debenture Trust Deed, to the organisations who have lent money to it. This security stock gives these organisations the ability to have a special rate struck to repay monies owed to them, in the event that Council defaults on an interest payment or principal repayment. It is the intention of Council to continue to secure its long-term debt in this way.

In 2014, Council became a guaranteeing member of LGFA and has subsequently borrowed funds through the Agency. This will continue.

## Financial position

The culmination of all of the considerations in this Financial Strategy result in a robust financial position throughout the life of the Long Term Plan as summarised in this table:

ANNUAL		Published		Amended							
PLAN		Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
[23 24]		[24 25]	[25 26]	[26 27]	[27 28]	[28 29]	[29 30]	[30 31]	[31 32]	[32 33]	[33 34]
1,158	Assets (\$M)	1,347	1,395	1,359	1,341	1,370	1,408	1,415	1,470	1,513	1,515
188	Liabilities (\$M)	240	262	181	147	141	139	134	150	149	145
<b>971</b>	<b>Equity (\$M)</b>	<b>1,107</b>	<b>1,133</b>	<b>1,179</b>	<b>1,194</b>	<b>1,229</b>	<b>1,269</b>	<b>1,281</b>	<b>1,320</b>	<b>1,365</b>	<b>1,370</b>

## Equity

Council's equity will grow by \$263 M over the course of the Long Term Plan (Amended) compared to the Annual Plan [23|24]. This reflects our decision to move to a balanced budget over the 10 years of the Long Term Plan, supporting our objective of intergenerational equity and good financial stewardship. Council achieves this by moving from debt-funding renewals to rating for depreciation and initially rating for principal repayments until sufficient depreciation reserves are available.

# Ngā paerewa Benchmarks (Amended)

The following benchmarks serve as Council’s Long Term Plan disclosure statement for period commencing 1 July 2024. Council is required to include this statement in its Long Term Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations Act 2014. Refer to the regulations for more information—including definitions of some of the terms used.

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

- 169 Projected benchmark results for Year 1
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- Debt servicing

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

# Projected benchmark results for Year 1

The following table shows the benchmarks, targets, and projected results for Year 1 [24 | 25] of the Long Term Plan 2024 – 2034.

Benchmarks	Quantified limit/target	Planned	Met
Rates affordability benchmark			
Income (\$M)	\$64.66 M	\$64.33 M	Yes
Increase (%)	21.5%	21.4%	Yes
Debt affordability benchmark			
Net interest expense over total revenue will not exceed 15%	≤ 15%	8.8%	Yes
Net external public debt will not exceed 280% of total revenue	≤ 280%	244%	Yes
Net interest/annual rates revenue will not exceed 17.5%	≤ 17.5%	11.4%	Yes
Liquidity ([external, term debt + committed funds + available liquid investment]/[existing external debt]) will exceed 110%	> 110%	113%	Yes
Balanced budget benchmark	≥ 100%	89.5%	No
Essential services benchmark	≥ 100%	207%	Yes
Debt servicing benchmark	≤ 15%	11.3%	Yes

The following content illustrates how we are projecting to meet our benchmarks over the 10 years of the Long Term Plan 2024 – 2034.

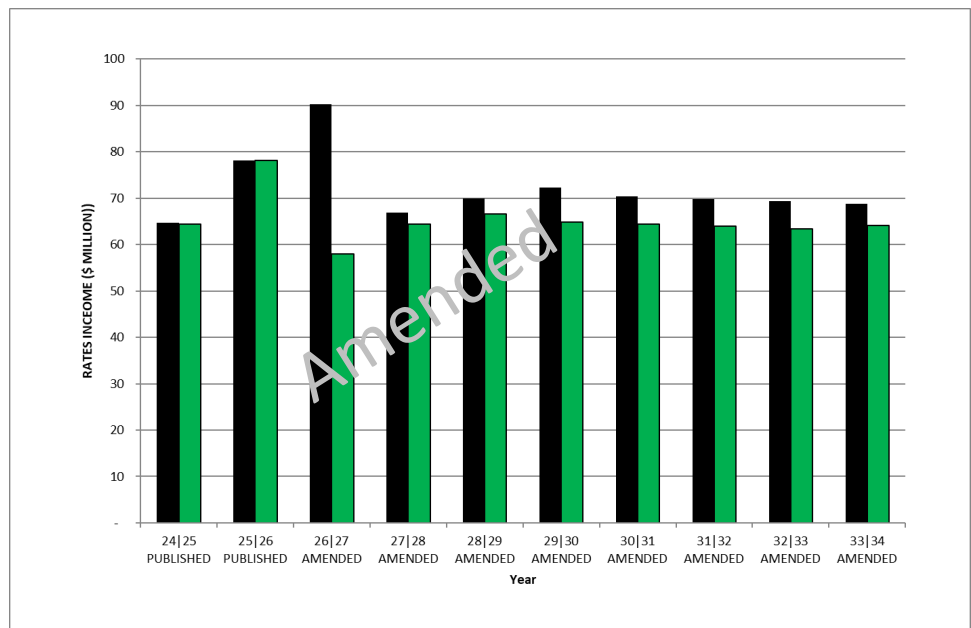
# Rates affordability

Council meets the rates affordability benchmark if its planned rates income equals or is less than the previous year’s rates plus:

- For years 1 – 2: an annual average 20% increase (plus an allowance for growth at 1.5%).
- For years 3 – 4: an annual average 14% increase (plus an allowance for growth at 1.5%).
- For years 5 – 10: an annual average 7% increase (plus an allowance for growth at 1.5%).

## Rates (income) affordability

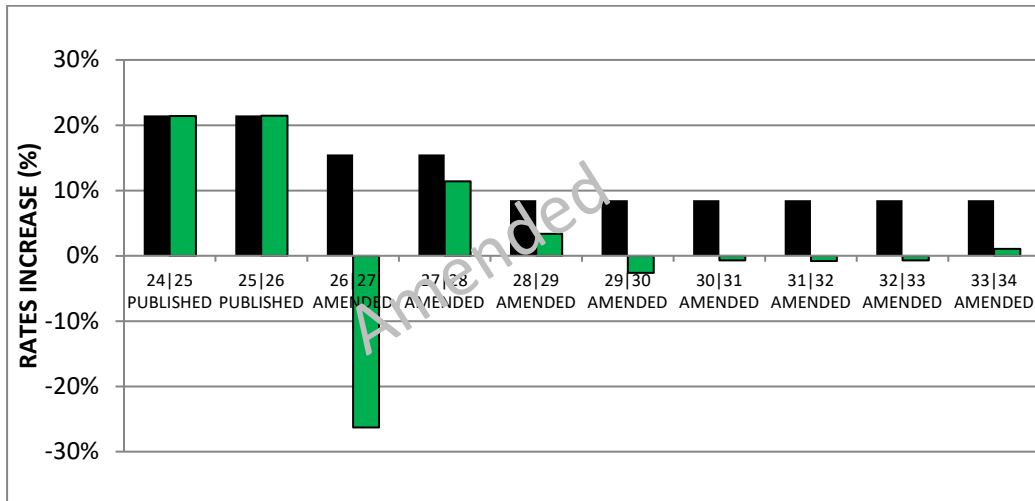
The following graph compares Council’s planned rates income with the above quantified limits on rates increases contained in the Financial Strategy within this Long Term Plan.



■ QUANTIFIED LIMIT   ■ AT/WITHIN LIMIT   ■ EXCEEDS LIMIT

## Rates (increase) affordability

The following graph compares Council’s planned rates increases with the above quantified limits on rates increases contained in the Financial Strategy within this Long Term Plan.



■ QUANTIFIED LIMIT ■ AT/WITHIN LIMIT ■ EXCEEDS LIMIT

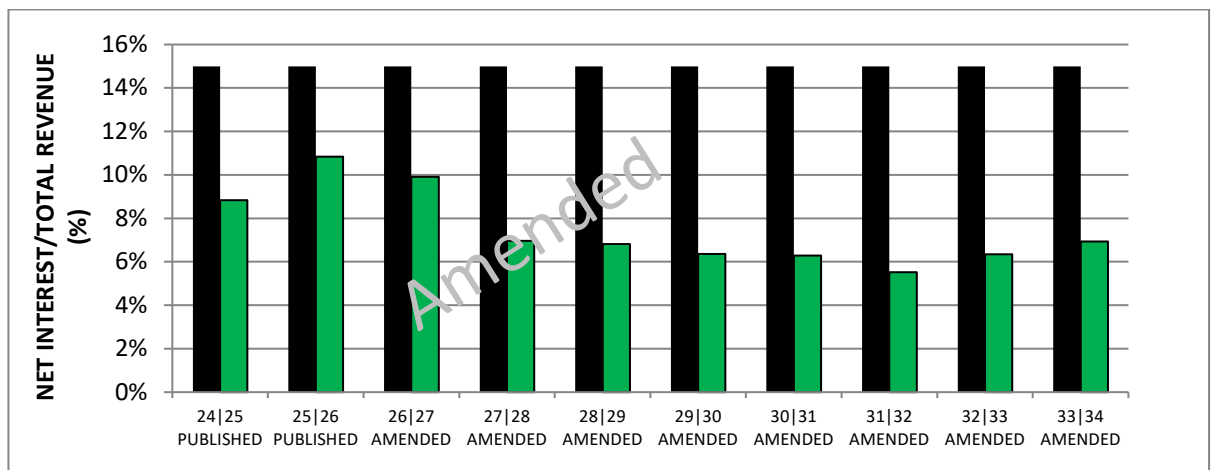
## Debt affordability

Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing. The following limits on borrowing are:

- Net interest over total revenue will not exceed 15%.
- Net debt over total revenue will not exceed 280% of total revenue.
- Net interest over annual rates income will not exceed 17.5%.
- Liquidity [external term debt + committed loan facilities + available liquid investment] / [existing external debt] will exceed 110%.

### Net interest over total revenue will not exceed 15%

The following graph compares Council’s planned borrowing with a quantified limit on net interest over total revenue contained in the Financial Strategy included in this Long Term Plan. The quantified limit is net interest expense will not exceed 15% of total revenue.



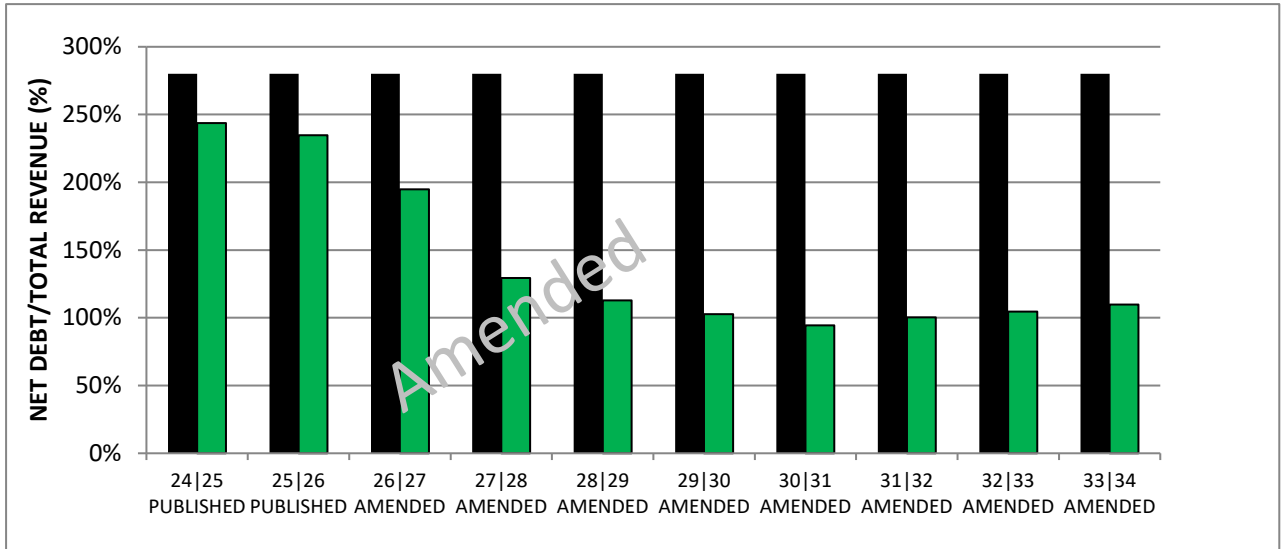
■ QUANTIFIED LIMIT ■ AT/WITHIN LIMIT ■ EXCEEDS LIMIT

**Net debt will not exceed 280% of total revenue**

The following graph compares Council's planned borrowing with a quantified limit on net public debt to total revenue contained in the Financial Strategy included in this Long Term Plan.

Council is able to set its own debt ratio parameters however it is also required to comply with ratios set by the Local Government Funding Agency (LGFA), the primary source of loan funding for Council.

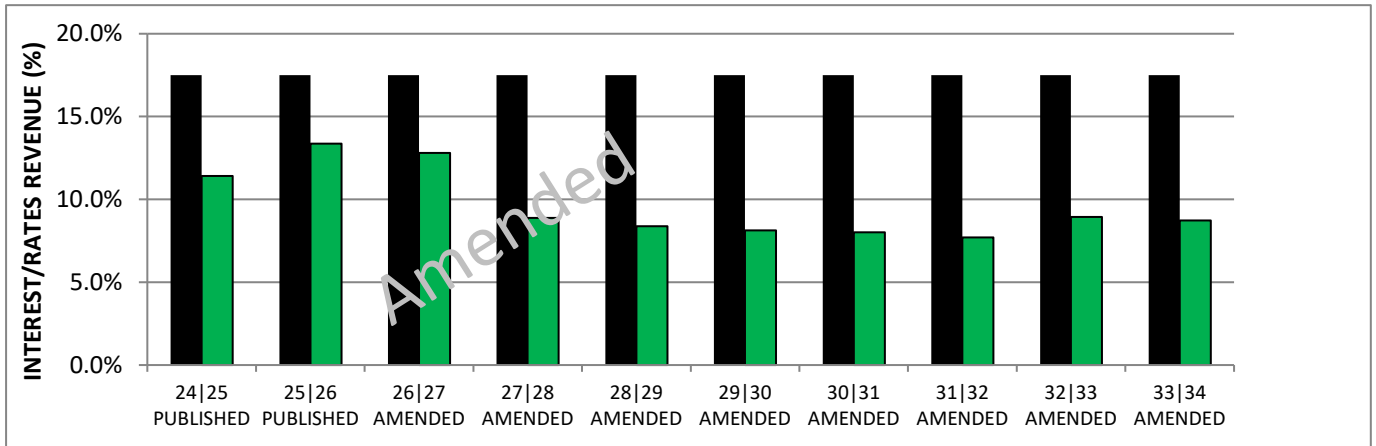
The quantified limit is net external public debt will not exceed 280% of total revenue. For more information on our debt limits, refer to our Financial Strategy (page 148)



■ QUANTIFIED LIMIT ■ AT/WITHIN LIMIT ■ EXCEEDS LIMIT

**Net interest will not exceed 17.5% of annual rates revenue**

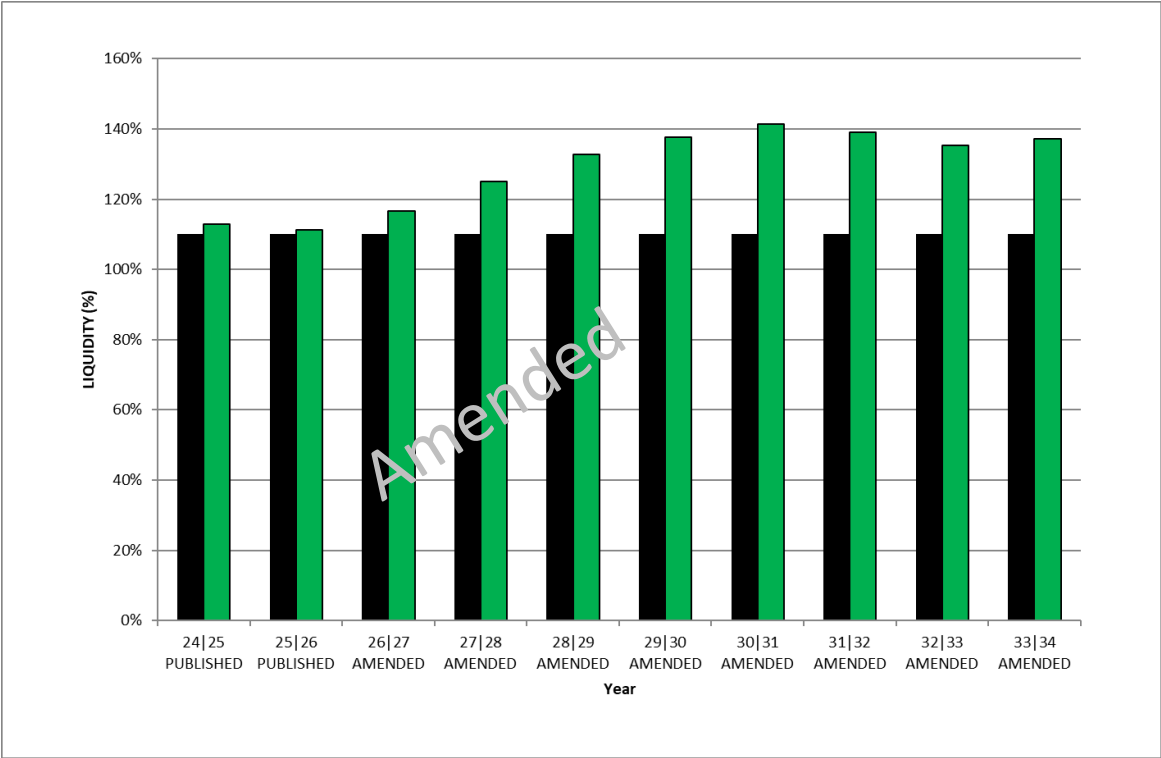
The following graph compares Council’s planned net debt with a quantified limit on borrowing contained in the Financial Strategy included in this Long Term Plan. The quantified limit is net interest will not exceed 17.5% of annual rates revenue



■ QUANTIFIED LIMIT ■ AT/WITHIN LIMIT ■ EXCEEDS LIMIT

**Liquidity will exceed 110%**

The following graph compares Council’s planned debt with a quantified limit on borrowing contained in the Financial Strategy included in this Long Term Plan. The quantified limit is liquidity [external term debt + committed loan facilities + available liquid investments] / [existing external debt] will exceed 110%.



■ QUANTIFIED LIMIT ■ AT/WITHIN LIMIT ■ EXCEEDS LIMIT

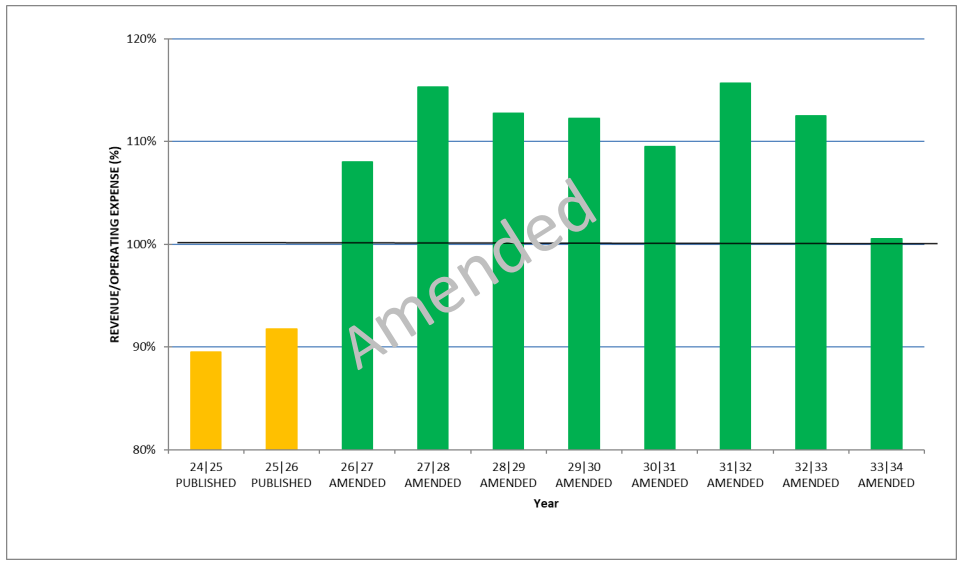
# Balanced budget

## Revenue as a proportion of operating expenses

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

Council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.<sup>40</sup>

<sup>40</sup> Council will achieve an in year balanced budget in 2026 -27 year 3 of the Amended LTP. Readers are referred to the Financial 38 Council will achieve an in year balanced budget in 2026 -27 year 3 of the Amended LTP. Readers are referred to the Financial

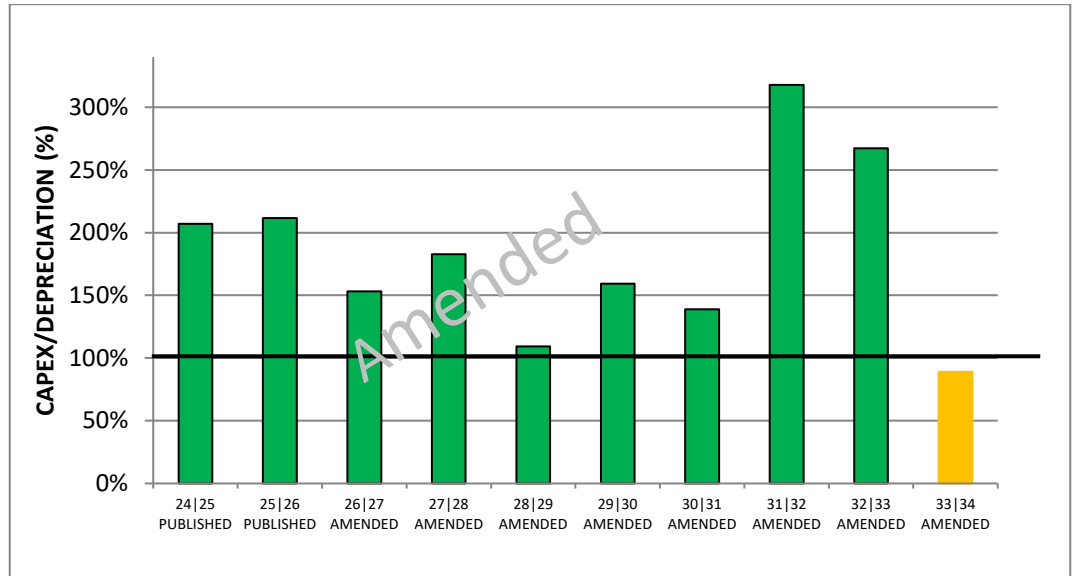


■ AT/EXCEEDS MINIMUM (MET)
 ■ BELOW MINIMUM (UNMET)

# Essential services

## Capex against depreciation on network services

The following graph displays Council’s planned capital expenditure on network service as a proportion of expected depreciation on network services. Council meets the essential service benchmark if its planned expenditure on network services equals or is greater than expected depreciation on network services.

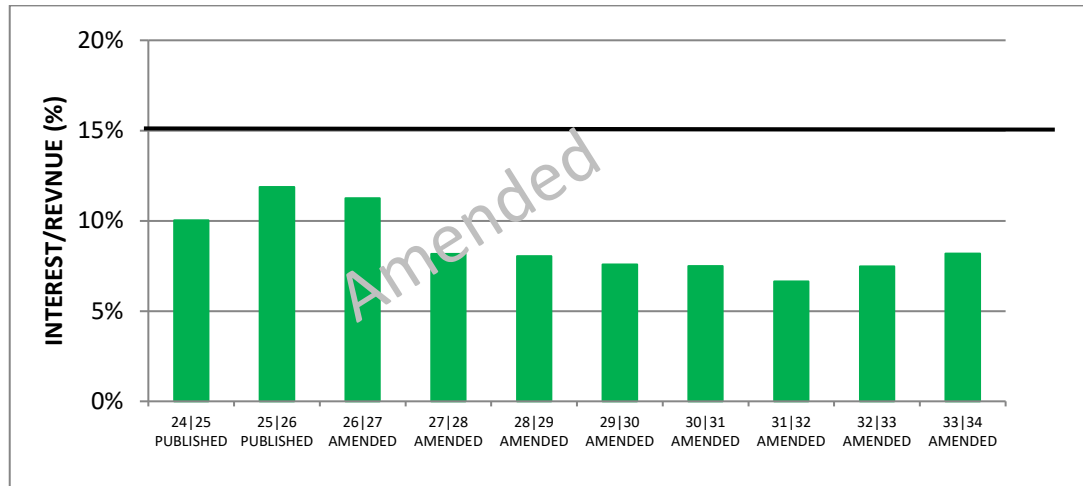


■ AT/EXCEEDS MINIMUM (MET) ■ BELOW MINIMUM (UNMET)

# Debt servicing

## Borrowing costs as a proportion of revenue

The following graph displays Council’s planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant and equipment). Because StatsNZ projects that Upper Hutt’s population will grow as fast as the national population, Council’s debt servicing benchmark limit is 15%.



■ AT/WITHIN LIMIT (MET) ■ EXCEEDS LIMIT (UNMET)

# Rautaki Tūāhanga Infrastructure Strategy (Amended)

- 178 Introduction
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# Introduction

## The importance of well-managed infrastructure

Infrastructure plays a crucial role in people’s lives and provides an important base for many of the activities we pursue. Infrastructure provides the foundation for our economy to prosper, our people to be healthy and our city to be safe. Due to the physical size, long life and financial cost, infrastructure plays a leading role in how our city looks, functions and operates.

Well-maintained infrastructure located in the right place and provided at the right time, with sufficient capacity and resilience is critical to the economic prosperity, and social wellbeing of people living, visiting, and working in Upper Hutt.

Providing and maintaining the Upper Hutt City Council’s (Council) infrastructure requires good asset management practices and strategic thinking. The Infrastructure Strategy (the Strategy) assists Council in taking a long-term view of Upper Hutt’s infrastructure needs. Council is required to prepare an Infrastructure Strategy for a period of at least 30 years to inform its Long Term Plan. The Infrastructure Strategy has been directly informed by the city’s vision and goals, supporting strategies, and asset management plans, and sits alongside the Financial Strategy.

## About this strategy

This is the fourth Infrastructure Strategy prepared by Council under section 101B of the Local Government Act 2002, and relates to the following Council documents:

- This Strategy forms part of the Long Term Plan.
- Growth and other assumptions in this Strategy are taken from Council’s Asset Management Strategy.
- Levels of service, critical assets condition and performance, and mitigation of risk in the Strategy are informed by Council’s Asset Management Plans for its infrastructure assets (excluding water).
- The 2021-51 Wellington Strategic Asset Management Plan, 2021-51 Regional Service Plan and other Council specific information provided as part of the 2024 Minimum Viable Product Asset Management Plan for water services.
- Financial considerations inform and are informed by Council’s Financial Strategy.

This Strategy identifies significant infrastructure challenges for Council over the next 30 years and identifies the principal options for managing those challenges and the implications of those options.

The Strategy is an indicative estimate of Council’s future infrastructure needs. It is not a budget and by itself does not commit Council to any future project, cost or timing. It is a statement of current assumptions and thinking on what infrastructure will be required to address the major issues facing the city over the next 30 years, what to prioritise, and to identify risks associated with infrastructure under-investment.

Our long-term approach is to ensure that our infrastructure is maintained to agreed levels of service that underpin the Long Term Plan’s community outcomes, to ensure we are meeting all our legislative requirements and the needs and expectations of our community, now and into the future. This Strategy takes a ‘multi-asset’ approach – looking across different types of infrastructure, rather than within a single activity – to ensure that Upper Hutt is managing and building the right long-term infrastructure in the right place, at the right time.

## Understanding our infrastructure environment

### Upper Hutt snapshot

Upper Hutt, home to approximately 49,400 residents, and provides the Wellington Region with an expansive natural environment. Easy access to Te Awa Kairangi/Hutt River, regional parks, and the hills surrounding the city are part of our identity.

Upper Hutt is a family-orientated city, with spacious suburban housing development occupying approximately 4% of the land area, encompassed by trees and vegetation. Upper Hutt enjoys the character of a small city, while sitting on an area of approximately 54,000 hectares—the third largest area of a city council in New Zealand.

### Asset portfolio

Council manages a substantial portfolio of infrastructure assets for the city. This Strategy outlines Council’s approach to managing and investing in the city’s infrastructure including what will be required, when, and how much it will cost.

It covers the following infrastructure categories:

- Three waters\*: water supply, wastewater, and stormwater.
- Land transport.
- Property.
- Parks and reserves.

\*Responsibility for three waters will transfer to Tiaki Wai on 1 July 2026

Infrastructure networks in Upper Hutt are not isolated from activity occurring at a regional and national level, and some of our infrastructure is shared or co-managed with other organisations in the region, in particular with Wellington Water, Waka Kotahi NZ Transport Agency, and Hutt City Council. We collaborate with these organisations to ensure consistency, efficiency and effectiveness in our respective infrastructure work.

Activity-specific asset summaries are provided in the activity sections of the strategy.

## External factors

There are many external factors that will impact how Council delivers infrastructure in the future. Although these factors are generally beyond the control of Council, it is important that we continue to monitor and respond to them to ensure that our infrastructure plans take advantage of new opportunities and remain fit for purpose.

- Environmental scan      Council undertakes an environmental scan every three years to provide relevant context and information to assist with the development of the Long Term Plan and infrastructure management planning.

Our current environmental scan identifies the following factors that will impact infrastructure directly:

- Financial stewardship.
  - Three waters services. \*Responsibility for three waters will transfer to Tiaki Wai on 1 July 2026
  - Adapting to a changing climate and building resilience.
  - Central government funding.
  - A growing urban environment.
-

**Financial stewardship**

In recent years we’ve come through some major external shocks in the form of a global pandemic, continued uncertainty in the global political and financial sectors, and significant weather. This has changed our economic landscape at a national and local council level. The ongoing financial uncertainty has been a dominant part of our thinking as we prepare our Long Term Plan.

To build a financially sustainable future for everyone, minimising financial risk is the most prudent action we can take. Just like households throughout Upper Hutt, Council is facing financial challenges due to inflation, high interest rates, and construction costs. This means we need to be smart about how we use debt and find ways to increase revenue to cover the growing expenses of running our city. We have also placed a strong emphasis in this Long Term Plan that everyone pays their fair share through rates.

Our main goal is to build financial resilience for the city’s future. We’re taking a careful approach, concentrating on essential services that our community depends on. Our top financial priorities include managing core services and setting aside funds for potential unforeseen weather events. As part of our plan, Council has decided to limit our borrowings to a debt cap of 250% for Year 1 and 240% for Years 2 – 10, which is below Council’s external borrowing limit of 280% of net revenue. This strategy creates ‘headroom’ to provide a financial buffer, helping us tackle unexpected costs and ensuring the stability of essential services for the community.

We will continue to be prudent and make sure we maintain financial sustainability while delivering the services and facilities expected of us. Balancing the budget isn’t just about numbers, it’s about responsible financial stewardship for the present and the future.

We will focus on core business activities like infrastructure, transport, and planning and regulatory services. By prioritising these core activities, and looking after what we have, we lay the groundwork for continued growth and prosperity.

This plan delivers our core services, looks after our critical infrastructure, and allows us to have some financial resilience to negative weather events.



## Three waters services

From 1 July 2026, responsibility for providing wastewater, stormwater and drinking water services will be transferred from Council to Tiaki Wai, the new multi-council water services entity established under the Local Government (Water Services Preliminary Arrangements) Act 2024.

Taumata Arowai, the Water Services Regulator established in 2021, now provides oversight and enforcement of a new drinking water regulatory framework with an additional oversight role for wastewater and stormwater networks. As a result, levels of service for three waters may be standardised regionally or nationally or other regulatory improvements introduced.

### Water asset management

The water asset management lifecycle and renewals are based on an age-based profile and the target renewal rate in partnership with Wellington Water Limited (WWL). This does not take into account condition and is intended to ensure that at the end of 30 years, we will have removed the backlog of renewals and be able to reduce the rate of renewals to a long-term, sustainable level that aligns with the rate of deterioration.

Infrastructure deteriorates as it ages, increasing the likelihood of failures and disrupting service to customers. These failures also increase maintenance, operations and customer service costs. Planning to renew infrastructure that is reaching or at the end of its life reduces the risk of service interruptions and minimises maintenance costs.

### Funding and uncertainty

To support our budget forecasts, WWL uses age-based asset information to prioritise the areas most in need of renewals. Over the next 30 years, our goal is to reduce the renewals backlog and address future needs. Council is also working to better understand the condition of our assets in order to reduce the level of uncertainty and improve our overall understanding of the condition and expected life of asset.

We received advice on our three waters assets based on the current information available to WWL. We are proposing to include a significantly higher capital budget for the maintenance, operations, and renewal of these assets based on this advice. We have not included budgets at the levels recommended by WWL due to the constraints on debt and rates funding. This means that the available budget will be used for the most urgent work, which could mean longer times and slower resolution of non-urgent work. The budgeted spend is however expected to result in improvements to the three waters network over the 10 years and maintain current levels of service.

Our plan to respond to this is discussed further from page 217.

## Adapting to a changing climate and building resilience

Adapting to a changing climate and building resilience is continuing to grow in importance. It will become increasingly important to incorporate sustainability and resilience requirements into Council projects. This is likely to have funding implications.

While significant, climate change is not the only threat we face. We need to be prepared for natural hazards such as earthquakes and tsunamis, the health threats of pandemics, economic shocks caused by recessions and supply chain failures, cyber-attacks, and terrorism. Recent experience with COVID-19 clearly demonstrates the need for greater individual, community, and governmental resilience when faced with disruption, no matter where it comes from.

Building resilience requires a multi-pronged focus, such as:

- Investing in resilient infrastructure.
- Enhancing community capacity to withstand extreme events.
- Improving economic resilience to recessions and strengthening supply chains.
- Strengthening and future-proofing the labour force.

Regional work is underway to understand and plan for climate change:

- Wellington Region Climate Change Risk Assessment, followed by an adaptation plan.
- Wellington Region Emissions Reduction Plan.

Climate change challenges for Upper Hutt include:

- Increased likelihood of flood events (Te Awa Kairangi/Hutt River) affecting the economy, lifestyle, and transport.
- Population increase as people move away from coastal areas outside Upper Hutt which are subject to rising sea levels and risks from tsunamis.
- Increased costs relating to management of the effects on indigenous biodiversity.
- Vital regional infrastructure may be placed at risk by sea level rise.

Climate change mitigation and adaptation will be a growing issue for all councils and will bring significant planning, funding, and infrastructure implications. The impacts of a changing climate are likely to be felt in Upper Hutt through increased rainfall, extreme weather events, and the potential for severe flooding. Further work is needed to determine what climate change means for Upper Hutt and the actions that will be

needed at a local level. This must be undertaken in collaboration with and, in some circumstances, led by local communities. This is a critical and ongoing issue for all Councils.

In conjunction with climate change mitigation and adaptation considerations, resilience and sustainability will need to be assessed and potentially built into future infrastructure projects. This may affect the viability of some projects and have funding implications for Council.

**Central government funding**

Given the devastating impacts of the Auckland flooding and Cyclone Gabrielle, central government budgets are likely to come under pressure for the next few years as infrastructure is not only replaced, but also improved to provide greater resilience. This may make funding for local infrastructure projects which receive central government funding (like roads), more difficult in the short to medium term.

The Government has signalled that billions of dollars of additional investment is going to be required not just to fix up what has been damaged, but to build more resilience to better cope with these types of events in the future.

We have assumed that it is unlikely that Central Government will contribute to infrastructure rebuilds to the level seen in recent years. We will continue to prioritise our capital expenditure and build financial headroom to reduce our risk of exposure to any weather-related events.

**A growing urban environment**

Upper Hutt's population is predicted to grow, particularly over the medium to longer term, although the extent and timing of this growth is currently uncertain. Council will need to ensure infrastructure is programmed into the Long Term Plan to support population growth at the appropriate time. Capital investment in growth-related infrastructure may though, be more challenging given the impacts of the cost-of-living crisis and the recovery from recent weather events.

A growing population will have impacts for the provision of infrastructure, services, and facilities. Upper Hutt is also facing a housing shortfall in the immediate and medium-to-longer term. Council will need to continue to use a number of tools to support equitable access to quality housing through, for example, its growth planning, regulatory tools and incentives, as well as advocacy for a broader range of housing typologies.

Council will also need to ensure that infrastructure is programmed into the Long Term Plan to support population growth at the appropriate time. This includes transport and water infrastructure, as well as open space and community facilities.

The Government's Infrastructure Acceleration Fund (IAF) is laying the foundation for new communities and neighbourhoods throughout Aotearoa New Zealand. Launched in June 2021, it is a fund of approximately \$1 B designed to help councils, iwi, and developers overcome the first hurdle—funding for infrastructure—which includes necessary services like roading, three waters, and flood management that need to be completed before new homes in areas of high housing need can be built.

Administered by Kāinga Ora, the IAF is designed to help increase the pace and scale of housing delivery by funding critical infrastructure needed for developments. The IAF aims to address some of the underlying barriers to housing supply by:

- Opening up more land for housing development, particularly in areas close to jobs and other amenities.
- Helping to fund the critical infrastructure needed for that development.
- Allowing for a wider mix of housing, e.g. townhouses, units, apartments, and standalone houses, that is affordable for low to moderate-income households to own or rent.
- Freeing up development-ready land and accelerating housing development to moderate growth in house and land prices.

Council is eligible to receive \$12.4 M from the IAF to fund critical transport upgrades in Upper Hutt and enable a large, high-density housing development planned within part of Trentham Racecourse—850 new homes within the mixed-use development that will include residential apartments, aged-care homes, and community amenities. It's expected the new infrastructure will provide the necessary capacity to support the development, while also increasing the resilience of the entire Upper Hutt transport network.

Funding will be through a 50/50 cost share model between IAF and Council once the physical works have been completed, with Council eligible for Waka Kotahi NZ Transport Agency funding assistance.

The initial funding agreement was based on the cost of a congestion mitigation solution for the Trentham Transit Oriented development project, but with a more detailed investigation and modelling now completed the scope and estimate has been revised to three intersections at a cost of approximately \$3.7 M over three years starting in 2024 – 2025. Wastewater will be addressed by the developer who will be installing onsite holding facilities with a regulated discharge.

# Community outcomes and infrastructure challenges

## Our vision

*We have an outstanding natural environment, leisure, and recreational opportunities, and we are a great place for families to live, work, and play.*

### Community outcomes

Council’s four priority areas express our community outcomes and guide what we deliver for our city. They all have implications for the provision and maintenance of infrastructure within the city.



**TAIAO**  
Environment

We’re immersed in natural beauty. We care for and protect our river, our stunning parks, and our natural environment.



**PAPŌRI ME TE AHUREA**  
Social and cultural

We celebrate our whānau, heritage, and culture. We’re a caring, safe, and healthy community.



**ŌHANGA**  
Economy

We’re a city of opportunity. We attract new investment and offer opportunities for people and businesses to prosper.

Our city centre is alive, attractive, and vibrant.



**TŪĀPAPA**  
Infrastructure

We have reliable and efficient networks and infrastructure that support our city.

## Identifying our infrastructure challenges

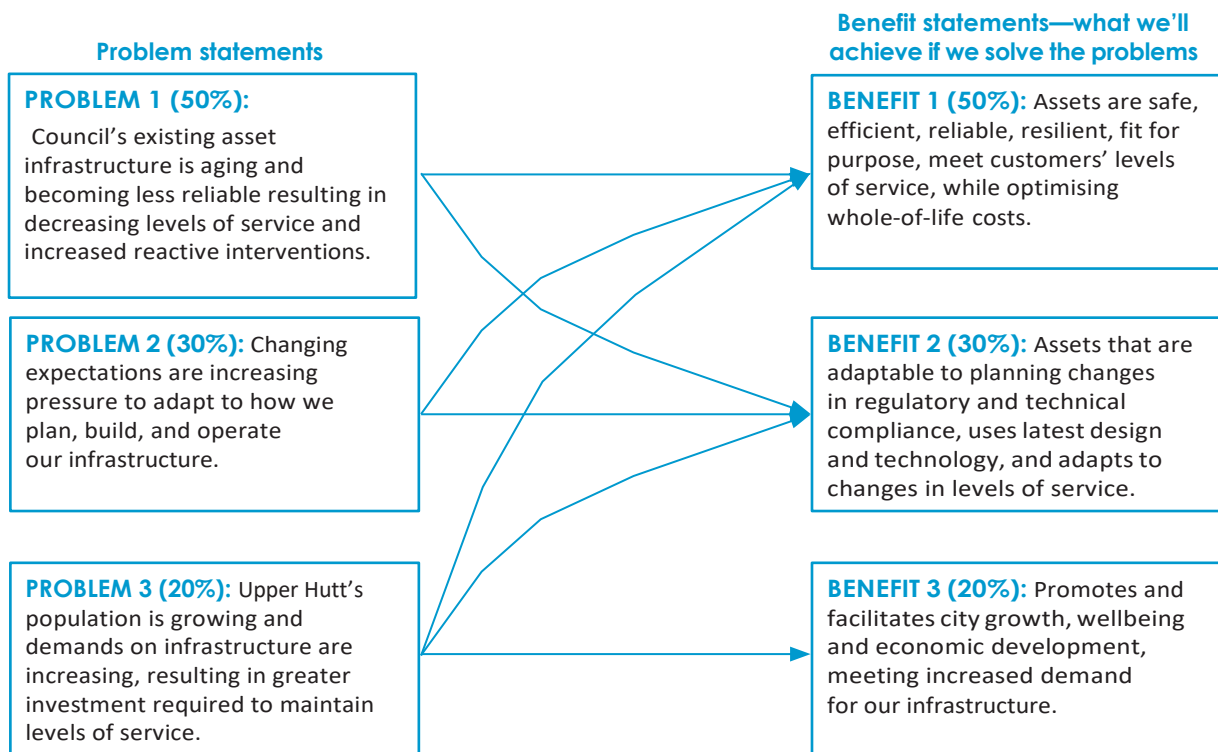
### Better Business Case™ framework

Council has used the Better Business Case™ framework<sup>41</sup> as the basis for its asset management planning suite for the Long Term Plan 2024 – 2034. Using this framework provides objective analysis and consistent information to decision makers, enabling them to make smart investment decisions for public value.

<sup>41</sup> Refer to Treasury guidance, accessed 12 Jan 2021: [treasury.govt.nz/information-and-services/state-sector-leadership/investment-management/better-business-cases-bbc](https://treasury.govt.nz/information-and-services/state-sector-leadership/investment-management/better-business-cases-bbc)

The Infrastructure Strategy summarises the strategic investment case across all our assets. To set this strategic direction we have used an investment logic map approach to develop a set of common problem and benefit statements to justify our planned investment across our asset activities (see the following diagram).

By defining the high-level problems facing the city, we can target our asset investment across the entire portfolio and make informed decisions irrespective of asset. A problem presents an opportunity to change from the current state to a desired state.



# Our response

## Distilling our problems into basic challenges




This problem definition framework is used in the Asset Management Strategy and Activity Management Plans. The problem statements have been distilled into three challenges for Upper Hutt’s infrastructure assets. They are:







- ① Maintaining our existing assets
- ② Meeting changing expectations
- ③ Supporting growth and demand

These challenges are a simple summary of the problems identified by the Better Business Case approach. The challenges have good alignment to the groupings required by the Local Government Act 2002 for capital expenditure specified in Schedule 10 for Long Term Plans.

We’ve assigned our community outcomes against these challenges in the following tables.

For each challenge, we’ve also identified several themes that help focus our responses to the challenges. These themes are a summary of common components drawn from our asset activity focus areas and are based on our proposed plans for responding to each challenge at the activity level.

	Community outcomes	Themes	Definition	
① Maintaining our existing assets	 <b>TŪĀPAPA Infrastructure</b>	Develop an optimised renewals programme	Renewals are planned to maximise the service life without compromising the service provided.	
		 <b>ŌHANGA Economy</b>	Improve resilience	Improving the ability of the asset to withstand disruption, absorb disruption, act effectively in a crisis, adapt to changing conditions, including climate change, and grow over time.
			 <b>PAPŌRI ME TE AHUREA Social and cultural</b>	Manage critical assets
		Improved asset data knowledge		Capture and validate asset data to accurately reflect the asset characteristics.

	Community outcomes	Themes	Definition
2 Meeting changing expectations	 TŪĀPAPA Infrastructure	Changing customer expectations	Customers' service needs change over time.
		Management of demand	Actions taken to influence demand for services and assets.
	 PAPŌRI ME TE AHUREA Social and cultural	Managing the effects of climate change	The adaption of assets to meet the changes in the environment because of climate change.
		Standards and legislative requirements	Legislation and industry standards that govern the provision of the service.
	 TAIAO Environment	Sustainability	Meeting the needs of the future by balancing social, economic, and environmental needs when making decisions.
	3 Supporting growth and demand	 TŪĀPAPA Infrastructure	New population
Change in demographics			The change in the makeup of the existing population, e.g., age, ethnicity, or sex.
 ŌHANGA Economy		Modelling future growth	Predicting the extent of population change and timing of the change.
 PAPŌRI ME TE AHUREA Social and cultural			

# Our infrastructure challenges and themes

## **CHALLENGE 1** Maintaining our existing assets

Council maintains its assets through operations, maintenance, and renewals to ensure that they can provide the service that they are designed for.

### **How much will it cost?**

With the removal of water services from 1 July 2026 within the period of this Infrastructure Strategy (amended), Council will require \$503.4 M to renew its assets and maintain agreed levels of service.

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### **Themes**

Council has identified four themes within this challenge:

- Develop an optimised renewals programme
  - Improve resilience
  - Managing critical assets
  - Improved asset data knowledge
- 

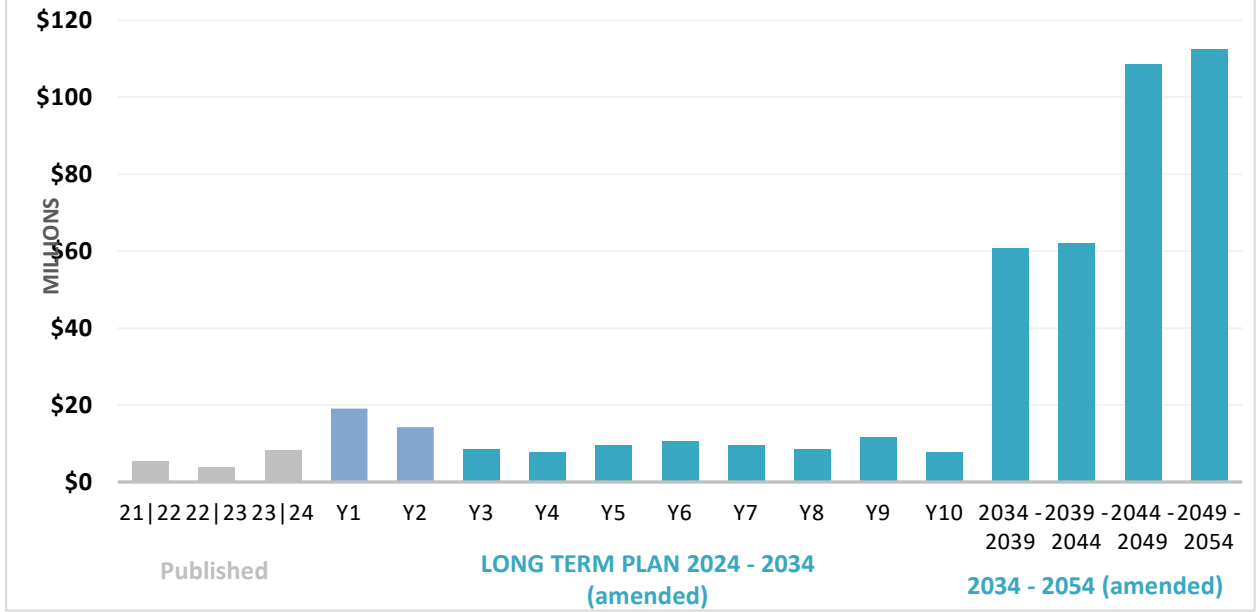
### **Develop an optimised renewal programme**

Upper Hutt is a relatively young city that has developed over the last 58 years. The lives of assets are varied and can be affected by several factors. Council actively monitors asset condition and develops forward renewal programs to ensure that the maximum service life is achieved without compromising the service provided by the asset.

Coordination between activities must also be considered, as renewal of one asset often has impacts on other assets with other activities. An example of this is three waters infrastructure under roading pavement.

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### FORECAST RENEWALS (amended) 2024 - 2054



## **Improve resilience**

A resilient network ensures that infrastructure operates safely or quickly resumes operation when placed under stress by an adverse event. The principal risks to infrastructure over the next 30 years that are likely to threaten the resilience of the Upper Hutt transport and three waters networks include earthquake, significant weather events, and loss of network electricity or gas. The effects of climate change are likely to increase these risks to network assets with increased frequency and intensity of severe weather events – both flooding (particularly impacting on the roading and stormwater networks) and drought (impacting on water supply).

Council’s approach will continue to be to manage risk by treating natural hazards as a source of risk and putting into place controls to manage the failure to deliver a service and any consequences of the natural hazard event (e.g., Pinehaven Stream improvements). Renewals are prioritised with resilience being one of the key drivers alongside condition. Networks are renewed with more resilient materials or engineering solutions.

Council’s water supply reticulation network is vulnerable to a major earthquake. Currently Upper Hutt has approximately 27 days storage at 20 litres per person per day based on 70% of water being held within seismic resilient reservoirs. Further to this the Community Infrastructure Resilience Programme lead by Wellington Water Limited (Wellington Water) has established a network of emergency community water supply facilities (three located in Upper Hutt), and Council currently owns twelve 5,000 L water tanks located on Upper Hutt Primary School sites to supply potable water.

Council currently checks the backbone of the three waters’ networks for seismic resilience when determining the renewals programme and is currently a partner in developing a Regional Resilience Strategy with the other Wellington councils. There are also operational projects that are underway which are planned to improve preparedness and operational response. This illustrates that not all resilience gain is through capital investment and worthwhile improvements can also result from improvements in processes, systems, and planning.

Council currently includes additional design capacity to factor in climate change impacts when carrying out planned upgrades to the three waters networks.

The resilience of the roading network has been reviewed with the major concerns being the number of hilly rural roads that could be affected by major slips and some important access roads that could be affected by fallen overhead cables after a severe event whether it is seismic, or weather related. A plan has been prepared to assist in the recovery of these roads to a condition that would permit access for emergency services and access to essential services such as water reservoirs and pump stations as quickly as possible.

A number of bridges require upgrading to varying degrees to give them a better chance of surviving a large seismic event. Some of these structures have been upgraded and others are programmed for upgrading. The upgrading would be to at least a state where there was a good chance that they could be quickly opened again to emergency services. Council owned buildings have been assessed for seismic compliance and required upgrades have been programmed and implemented.

A snapshot of current, planned, resilience focused projects includes (but not limited to):

- More resilient pipes being utilised as part of water network renewals.
- The Silverstream Bridge replacement will contribute to transport network resilience.

Council has comprehensive insurance cover for asset replacement following a damaging event, and this is regularly reviewed.

---

## **Managing critical assets**

Critical assets are assets that have a high consequence of failure. It is important after an unexpected event, critical assets remain, or are back up and running as soon as possible to ensure that public health and safety is maintained. Council has commenced identification of critical assets by activity. These are summarised in the Asset Management Plans.

**Improving asset data knowledge**

Asset data knowledge underpins Council’s ability to plan for the future. Quality, timely data must be available, and held in systems that can be transformed into useful business decision making information.

Council has reviewed its asset management capability and identified an improvement programme to provide a more consistent approach to operational management, and delivery of asset activities. The programme forms part of the asset management plans and includes improving data and systems to readily provide consistent data and information. Council has created an in-house asset management function to lead best practice and improvements.

Across the asset activities, data inventory is generally good. Areas for improvement have been identified in asset performance and condition data.

More detail is provided at the activity level later in this Strategy.

**SIGNIFICANT CAPITAL EXPENDITURE (CAPEX) DECISIONS**

The following tables show the significant capital decisions in the 30-year view of this Infrastructure Strategy. Significant decisions are those that involve a commitment of over \$1.5 M in any one year of the 30 years between 2024 and 2054.

**Timing**

The timing of each decision is a key factor. The projects and programmes planned for the first three years have the most detail and confidence as the greatest amount of planning and option development has taken place – or some being largely committed to a clear preferred option. Ongoing programmes such as routine renewals, decisions on specific individual options or work completed can be relatively minor in scale and these are undertaken as part of business-as-usual.

For these work programmes, further specific options for individual component projects may be developed and considered closer to the relevant decision points.

## THE RENEWALS PROGRAMME

 Every three years

At each Long Term Plan Council needs to confirm the level of funding available to provide for the renewal of existing assets. A full programme is developed based on available condition information.

Council's preferred option that is budgeted for, is based on an affordable level of annual renewals which maintains or improves levels of service over time, and to minimise the risk of asset failure or unacceptable deterioration.

**Key options for this decision**

- **Do nothing**—not renewing core infrastructure assets does not meet Council's statutory obligations.
- **Run to failure**—this may be due to a change in demand or level of service which no longer requires the asset to be renewed.
- **Defer the renewal**—this may be based on condition assessments indicating sufficient life remaining in an asset to maintain levels of service.
- **Plan renewal**—the degree to which the forecast renewal requirements are funded through each Long Term Plan. There may be implications from the affordability of the renewal programme for the community.

As a programme of work, further specific options for individual component projects may be developed and considered closer to the relevant decision points.

**Key relevant projects and programmes (\$M) (Amended)**

PROJECT/PROGRAMME	TYPE	Y1 – Y3	Y4 – Y10	Y11 – Y20	Y21 – Y30
Water supply*	Renewal	9.5			
Wastewater*	Renewal	7.8			
Stormwater*	Renewal	0.8			
Land transport	Renewal	15.5	41.6	80.0	127.7
Property	Renewal	2.8	13.1	21.4	64.1
Parks and reserves	Renewal	5.3	10.1	21.2	29.1
<b>TOTAL</b> <sup>42</sup>		<b>41.7</b>	<b>64.8</b>	<b>122.6</b>	<b>220.9</b>

\* Water supply, wastewater and stormwater transfer to Tiaki Wai on 1 July 2026

<sup>42</sup> Note these exclude operational expenditure related to the renewals. Operational expenditure is identified at the activity level. Also note these costs are also included in the renewals programme.

## SIGNIFICANT CAPEX DECISION

### ARTIFICIAL TURF REPLACEMENTS

 Every three years

The existing artificial turfs have a life of 12 years (for multi-sport, 15 years for tennis) and are due for replacement in 2024 - 2025 and 2035 - 2036. These turfs continue to have very high utilisation and extend the opportunity for recreational activity through greater consistency of playing surface. The demand for artificial turfs continues to remain high. This project has a high strategic fit because it delivers upon community recreational outcomes.

Council's preferred option that is budgeted for, is to renew at the recommended age.

#### Key options for this decision

- **Do nothing**—results in lower levels of service as existing artificial turfs will require additional maintenance, introducing safety risks, and potential increase to overall cost.
- **Renew at recommended age**—maintains levels of service, meets customer expectations, reduces potential safety risks, and reduces whole of life asset cost.
- **Delay the renewal**—this may be based on condition assessments indicating sufficient life remaining in an asset to maintain levels of service.
- **Renew when asset condition risks deteriorating levels of service**—this may be sooner than programmed.

#### Key relevant projects and programmes (\$M)

PROJECT/PROGRAMME	TYPE	Y1 – Y3	Y4 – Y10	Y11 – Y20	Y21 – Y30
Capital	Renewal	1.4	2.6	5.9	5.4

## SIGNIFICANT CAPEX DECISION

### WASTEWATER TREATMENT RENEWALS PROGRAMME

 Every three years

Council has a joint-venture agreement with Hutt City Council to manage the wastewater from Upper Hutt to the treatment station in Seaview. The cost to Council for this is significant, however the options for managing wastewater are within the constraints of the joint-venture agreement and are essentially outside of Council's control.

The preferred programme is budgeted for as shown below.

#### Key relevant projects and programmes (\$M) (Amended)

PROJECT/PROGRAMME	TYPE	Y1 – Y3	Y4 – Y10	Y11 – Y20	Y21 – Y30
Wastewater joint venture*	Renewal/LOS/growth	27.8			

\* Wastewater transfers to Tiaki Wai on 1 July 2026

## PROJECT IN PROGRESS

The following project is already in progress and no further decisions will be made. Because it has financial implications for this Strategy and Long Term Plan, we have included it here for reference.

### SIGNIFICANT CAPEX DECISION

#### CITY CENTRE PAVING REVITALISATION

 Decided 2021

This project is underway—paused for [24 | 25]—resuming in [25 | 26].

Parts of the city centre (around the railway station, Main Street, King Street and Princes Street) has new paved footpaths and street furniture. Starting out as an asset renewal works to replace the red brick paving, this project seeks to continue to expand this new look and feel further.

Council’s preferred option that is budgeted for, is based on an affordable level of renewal which will also enhance the level of service.

#### Key options for this decision

- **Do nothing**—results in lower levels of service as existing paving requires additional maintenance, introducing safety risks, and potential increase to overall cost.
- **Complete the programme as planned**—maintains levels of service, meets customer expectations, reduces potential safety risks, and reduces whole of life asset cost.
- **Delay the renewal**—could result in additional maintenance over period of delay, potential increases in safety risks, and potential increases in whole of life asset cost as renewal does not take place at optimal time

#### Key relevant projects and programmes (\$M)

PROJECT/PROGRAMME	TYPE	Y1 – Y3	Y4 – Y10	Y11 – Y20	Y21 – Y30
Capital	Renewal/LOS	5.7			

## CHALLENGE 2 Meeting changing expectations

### Why expectations change

The expectations for the provision of council services change over time for many reasons. Some are driven by changes to legislation and standards that govern our operations. Other changes are in response to the expectations of the citizens and stakeholders. These expectations can be because of increased awareness of issues or because of technological advances that enable additional options for services.

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### How much will it cost?

With the removal of water services from 1 July 2026 within the period of this Infrastructure Strategy, Council will require \$204.7 M to meet changing expectations from central government, regulatory standards, and levels of service from our community.

---

### Themes

Council has identified five themes within this challenge:

- Changing customer expectations.
  - Management of demand.
  - Managing the effects of climate change.
  - Standards and legislative requirements.
  - Sustainability.
- 

### Changing customer expectations

The expectations of customers evolve over time. With internet services more readily accessible, and more Council services available on-line, customer interaction has changed. Customers are no longer restricted to normal business hours and no longer need to visit the Council Service Centre to access some council-provided services.

The needs and expectations can further be driven by what is perceived to be a quality service, provided by other Local Authorities. Local services are constantly compared to neighbouring councils.

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### Managing demand

Demand for Council's infrastructure will increase over the life of this Strategy. Demand can be met by building additional capacity or by placing controls on existing capacity to ensure equitable delivery of services.

Demand is driven by population growth and changing trends. In some cases, options for additional capacity may not exist. Or the cost to deliver additional capacity may be beyond the ability of Council to fund. Demand is then managed by incentivising the use of facilities in non-peak times, or by charging a premium for peak use.

Water meters is another example of how demand can be managed. It has been proven that when meters are introduced enabling volumetric charging, water usage decreases.

Funding has been included for a business case investigating the use of residential water meters. This will help inform future consideration of and decision-making on this water demand management measure.

## **Managing the effects of climate change**

The effects of climate change will create challenges for our assets during the life of this strategy. Changes in rainfall patterns and in particular the frequency of heavy rain events will continue to place strain on our assets. The opportunity however exists to build in resilience to cope with these events as our assets are initially built and subsequently renewed.

At the opposite end of the spectrum, increased droughts resulting from extreme weather will affect our water supply network. This may impact on the community in terms of requirements for demand management, including water restrictions, use of new demand management technology and in future, may require consideration of new water sources, which will have resulting cost implications and potential environmental effects.

Flooding and landslides from extreme weather events can also threaten some of our roading infrastructure, and these vulnerabilities are considered when prioritising resilience improvements to the network.

## **Standards and legislative requirements**

Legislative minimum requirements and standards always evolve. These changes can place requirements on Council to comply immediately if requirements are retrospective. Or in the future when assets are replaced.

Major change has been signalled with waste management reform. These are likely to require Council to make significant changes during the lifetime of the strategy. Any change will be included in future reviews of this document.

Other legislative change that has impacted council's infrastructure include:

- Waste management reform.
- Emergency management review: the Trifecta programme.
- Changes to drinking water standards.
- Requirements for seismic strengthening of earthquake prone buildings.
- The handling of asbestos when undertaking construction work.

### **Waste management reform**

The Government plans to replace the Waste Minimisation Act 2008 and the Litter Act 1979 with new legislation that promotes sustainability and reduction of harm to the environment. New legislation intends to improve consistency nationally how local authorities carry out and fund waste-related activities.

National waste standards will be introduced to set technical requirements for waste and resource recovery activities. This will ensure that pathways are available to enable recoverable materials to be consistently removed for the waste stream.

New legislation for kerbside recycling was introduced in February 2024 to standardise the requirements for all council. As Upper Hutt is one of eight councils that does not currently have kerbside recycling, at this time it is unclear when this will be required to be implemented.

### **Emergency management**

The National Emergency Management Agency (NEMA) has established a Regulatory Framework Review Programme (also known as the Trifecta Programme). Changes proposed include enhancing the roles and responsibilities of those agencies covered by Emergency Management legislation. Work on the Trifecta Programme will align with the National Adaptation Plan and the National Disaster Resilience Strategy.

### **Water services**

Taumata Arowai (the national regulator for water services) formally took over as the drinking water regulator on 14 November 2022 which saw significant changes to the rules that govern how the safety of drinking water is measured and reported. Taumata Arowai replaced the previous standards with new, more rigorous, standards which came into effect on 15 November 2022 with the reporting period for drinking water quality compliance beginning on 1 January 2023.

Taumata Arowai provide customers, councils, and mana whenua with the assurance that Wellington Water Limited (WWL) are doing what they are meant to be doing for the first two years of the LTP. Meeting regulatory requirements helps WWL earn the trust of its stakeholders and retain their social licence to provide water services to communities.

### **Seismic strengthening**

The Building (Earthquake-prone Buildings) Amendment Act 2016 amended the Building Act 2004. It requires owners to assess potential earthquake prone buildings in high-risk Seismic Risk Areas by 1 July 2022. Then, if found to be earthquake prone, (less than 34% of the New Building Standard) the building needs to be strengthened as specified by the amendment within 15 years.

## Asbestos

Asbestos has become a major hazard due to its ability to cause major health issues for those that come in contact with its fibres. Asbestos was extensively used post Second World War, in infrastructure pipework and in the building industry as it was cost effective, long lasting, had insulating and fire protection properties. It was further added to many products to provide strength. Asbestos was phased out in the late 1970s but remained available for many years.

Asbestos containing materials can be found in many Council buildings due to their age of construction. Therefore, Council must follow the Health and Safety (Asbestos Regulations) when dealing with asbestos and asbestos containing materials. When Council undertakes any works, it must have a management plan in place to ensure that asbestos is contained and safely removed off site. The cost of this is built into project estimates.

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## Sustainability

Our services must be sustainable to ensure that we can meet today's needs without compromising the ability of future generations to meet their own needs. It should be ensured for all projects that sustainability is considered to protect the environment, social, and cultural values that underpin Upper Hutt's economy.

Council adopted a Sustainability Strategy in 2020, with one of the goals being that Council aims to be carbon neutral by 2035. An implementation plan has been developed (Sustainability Plan 2021 - 2024) to focus on the Sustainability Goals 1 (Carbon reduction), 2 (Natural environment), 4 (Resilient and inclusive community) and 6 (Waste) which is aligned to funding in the Long Term Plan.

## SIGNIFICANT CAPITAL EXPENDITURE (CAPEX) DECISIONS

The following tables show the significant capital decisions in the 30-year view of this Infrastructure Strategy. Significant decisions are those that involve a commitment of over \$1.5 M in any one year of the 30 years between 2024 and 2054.

### Timing

The timing of each decision is a key factor. The projects and programmes planned for the first three years have the most detail and confidence as the greatest amount of planning and option development has taken place, or some being largely committed to a clear preferred option. Ongoing programmes such as routine renewals, decisions on specific individual options or work completed can be relatively minor in scale and these are undertaken as part of business-as-usual. For these work programmes, further specific options for individual component projects may be developed and considered closer to the relevant decision points.

**RURAL LOW-COST LOW-RISK SAFETY PROGRAMME**
 Every year

Land use and service level demands continue in rural areas, affecting demands on the rural road network. This project has a high strategic fit because of the road safety benefits derived.

Council's preferred option that is budgeted for, is to complete a programme prioritised on safety benefits and aligned with other transport projects.

As a programme of work, some further specific options for individual component projects may be developed and considered closer to the relevant decision points.

**Key options for this decision**

- **Do nothing**—the implications of not proceeding with the programme leading to some sunk cost from investigations and work undertaken, potentially increase road safety risks, and the assets not meeting level of service expectations.
- **A low level of investment**—focusing on the highest priority roads which reduces some of the safety risk and does not meet customer expectations.
- **A moderate level of investment**—targeting high priority roads across the network – the preferred option which will contribute to meeting expectations.
- **A significant level of investment across the network**—which will provide safer travel for more people however with a significant additional cost that is not justified at this time.

**Key relevant projects and programmes (\$M)**

PROJECT/PROGRAMME	TYPE	Y1 – Y3	Y4 – Y10	Y11 – Y20	Y21 – Y30
Capital	LOS/growth	2.6	6.7	13.0	16.0

## ACTIVE MODE TRANSPORT PROGRAMME

2024 – 2034

Council plans to continue developing our on-road and open space walking and cycling network. It supports the strong recreational focus of our city vision and is aligned to the goals and objectives of the Open Space Strategy, as well as promoting low carbon transport in line with our Sustainability Strategy. During year one of the Long Term Plan, Council will develop a consolidated plan for walking and cycling across the road and parks networks.

The existing walking and cycling network project across the Eastern Hills has been delayed due to difficulties with securing legal access across private property for the Cruickshank tunnel stage of this project. Other planned stages also cross private land, and the funding, has been reprogrammed over the coming five years as this is a more realistic delivery timeframe.

Council's preferred option that is budgeted for, is to complete a programme prioritised on safety benefits and aligned with other projects.

**Key options for this decision**

- **Do nothing**—would result in not meeting customer expectations and potentially increased risk around active mode user safety
- **Completing programme as planned**—preferred option meeting customer expectations and helping to reduce safety risk.
- **Delaying the programme**—resulting in some increased safety risk and not meeting customer expectations.

**Key relevant projects and programmes (\$M)**

PROJECT/PROGRAMME	TYPE	Y1 – Y3	Y4 – Y10	Y11 – Y20	Y21 – Y30
Footbridge to River	LOS		9.6		
Walking and cycling network project	LOS		1.4		
Railway corridor	LOS/growth	1.5	4.0		
<b>TOTAL</b>		<b>1.5</b>	<b>15.0</b>		

**TŌTARA PARK BRIDGE WIDENING**

 2024

Increased traffic on the state highway has created congestion exiting Tōtara Park, creating delays for both car and passenger transport. Future residential development will further increase those delays. The limited holding capacity for right turning vehicles, combined with the signal phasing, contributes to significant queues and delays for those exiting Tōtara Park.

This project will widen part of Tōtara Park Bridge to provide a longer length of two lanes at the traffic signals, which will increase the efficiency of traffic flow through the signals. This project has a high strategic fit because of the transport efficiency benefits derived

Council’s preferred option that is budgeted for, is to widen the existing bridge as programmed.

**Key options for this decision**

- **Do nothing**—accept increasing delays and worsening levels of service, therefore not meeting customer expectations.
- **Construct a new bridge and intersection with SH2**—at higher cost and meeting customer expectations.
- **Widen the existing bridge**—at moderate cost and meeting customer expectations —the preferred option.
- **Consideration of funding options**—including wholly funded by Waka Kotahi NZ Transport Agency—to be considered prior to investigation.

**Key relevant projects and programmes (\$M)**

PROJECT/PROGRAMME	TYPE	Y1 – Y3	Y4 – Y10	Y11 – Y20	Y21 – Y30
Capital	LOS/growth	3			

**FERGUSSON/GIBBONS/MAIN INTERSECTIONS**

 2024

There are deteriorating levels of service for people driving using these intersections. This project is to upgrade the intersection by realignment of the intersection to accommodate vehicle volumes, to cater for efficient passenger transport and an anticipated increase in heavy vehicles using this route. This project has a high strategic fit because of the transport efficiency and safety benefits derived.

Council’s preferred option that is budgeted for, is to programme the completion of planning and investigation phases during the next three years, with construction in Year 4 of the Long Term Plan.

**Key options for this decision**

- **Do nothing**—accept increasing delays leading to not meeting customer expectations.
- **Complete investigations in [26 | 27] and look to construct [27 | 28]**—the preferred option which aligns with funding partner and will meet customer expectations.
- **Delay investigations**—risks commitment to project and results in not meeting customer expectations.

**Key relevant projects and programmes (\$M)**

PROJECT/PROGRAMME	TYPE	Y1 – Y3	Y4 – Y10	Y11 – Y20	Y21 – Y30
Capital	LOS/growth/renewal	0.1	6.7		

COMMUNITY HUB

 2028

This project aims to create additional capacity for community groups by providing office space, and shared spaces for meetings, programmes, and activities. It will increase opportunities for and improve delivery of a wide range of community services and activities. Originally proposed in the Long Term Plan 2018 – 2028 to start in [21|22] and deferred to [24|25] in the Long Term Plan 2021 – 2031, the project is now scheduled to commence with an investigation in [31|32] and construction starting in [33|34].

The creation of a Community Hub will strengthen the delivery of services to the community. This project has a high strategic fit because it provides improved facilities for services and activities that enhance community wellbeing.

Council’s preferred option that is budgeted for, is to initiate the investigation in Year 8 of the Long Term Plan, and to start construction in Year 10 of the Long Term Plan.

**Key options for this decision**

- **Do nothing**—not renewing core infrastructure assets does not meet Council’s statutory obligations.
- **New community hub located in the civic precinct**—the preferred option is based on a proposed 2018 concept which co-locates the new hub adjacent to the Central Library.
- **Retain or replace the community buildings**—continuation of use of sub-optimal facilities which do not provide the benefits of a hub and hampers the ability to easily provide wrap-around services.
- **Build a hub at another location**—would need to consider if land is available in a suitable location, with potentially additional cost implications.
- **Locate services at other premises or facilities**—potential incompatibility between services and would require capacity to be constructed so not to reduce library levels of service.

**Key relevant projects and programmes (\$M)**

PROJECT/PROGRAMME	TYPE	Y1 – Y3	Y4 – Y10	Y11 – Y20	Y21 – Y30
Capital	LOS/growth/renewal		5.0	12.5	

## CIVIC CENTRE UPGRADE

 2031

The Civic Centre needs modernisation to enable Council to provide spaces, and services to the community, in a fit-for-purpose building. Minor refurbishments were undertaken as part of the seismic strengthening in [22 | 23]. The building is no longer earthquake prone and is safe to occupy, meeting current standards and expectations.

The overarching goal of the project is to deliver a resilient, modern, and fit-for-purpose building that is future-proof and flexible, to meet both the community's expectations for local government service delivery and Council's organisational needs for the next 40+ years. This would include a ground floor extension, addition of a fourth level, and a new Council Chambers at ground level.

Critical success factors include:

- Refurbish and refit the interior of the Civic Centre to a modern standard.
- Improve access to Council services and public interface.

Council's preferred option that is budgeted for, is to modernise the building to ensure it remains fit for purpose and enable ongoing provision of Council services.

#### Key options for this decision

- **Do nothing**—the building will continue to date and become increasingly difficult to accommodate the public's needs and meet developing building standards.
- **Complete capital improvements**—will provide a facility that meets future demand and community expectations however would put considerable financial strain on council with the current economic situation.
- **Defer capital improvements**—increased funding required to undertake required works at a later stage due to inflation, potential for higher standards that must be met, and potentially a higher level of risk and unplanned disruption to service.

#### Key relevant projects and programmes (\$M)

PROJECT/PROGRAMME	TYPE	Y1 – Y3	Y4 – Y10	Y11 – Y20	Y21 – Y30
Capital	LOS/renewal		0.3	27.0	

**H<sub>2</sub>O XTREAM UPGRADE: HYDROTHERAPY POOL**

 2031

Council proposes to take the opportunity during an extensive maintenance shutdown to construct a hydrotherapy pool. Originally included in the 2021 H<sub>2</sub>O Xtream upgrade project, but due to financial constraints removed from scope.

H<sub>2</sub>O Xtream continues to provide essential aquatic recreational opportunities and holds a niche position in the regional market. This project has a high strategic fit because it delivers upon the recreational needs of the community and fulfils Council’s obligations to maintain ageing community assets.

Additional benefits of this project would be the ability to run better and more frequent learn to swim programmes, targeted rehabilitation sessions for the community and the ability to further generate revenue to help maintain and run the facility.

Council’s preferred option that is budgeted for, is to construct the hydrotherapy pool as programmed to deliver the additional aquatic opportunity to meet the needs of the community and improve the level of service.

**Key options for this decision**

- **Do nothing**—does not meet community expectations and could lead to decreased customer satisfaction.
- **Upgrade the current facility to meet changing expectations**—the preferred option: will provide a facility that meets future demand and community expectations.
- **Delay construction**—risks commitment to project and results in not meeting customer expectations.

**Key relevant projects and programmes (\$M)**

PROJECT/PROGRAMME	TYPE	Y1 – Y3	Y4 – Y10	Y11 – Y20	Y21 – Y30
Capital	LOS		13.1		

## PROJECTS IN PROGRESS

The following projects are already in progress and no further decisions will be made. Because they have financial implications for this Strategy and Long Term Plan, we have included them here for reference.

### SIGNIFICANT CAPEX DECISION

#### PINEHAVEN STREAM IMPROVEMENTS

 2021

This project is underway.

Pinehaven Stream upgrade to address a long history of flooding within the catchment. The current level of service is well below Council’s minimum service level. The project is designed to reduce the frequency of flooding to a 1 in 25 year event in the Pinehaven Stream catchment.

The protection of property and people from the adverse effects of floodwaters provides a strong strategic fit with protecting the health and well-being of the community.

Council’s preferred option that is budgeted for covers investment in a range of complimentary works which will provide maximum benefit to achieve the project objectives – including a combination of stream works through to managed retreat.

#### Key options for this decision

- **Do nothing**—does not meet community expectations and is not considered a viable long term solution.
- **Invest in the upgrades as proposed below**—the preferred option.
- **Delay investment**—accepting existing levels of flooding protection, which do not meet levels of service.

#### Key relevant projects and programmes (\$M)

PROJECT/PROGRAMME	TYPE	Y1 – Y3	Y4 – Y10	Y11 – Y20	Y21 – Y30
Capital	LOS	3.1			

## H<sub>2</sub>O XTREAM UPGRADE

 2021

This project is underway and has a forecast completion date of May 2025.

H<sub>2</sub>O Xtream is almost 25 years old and in need of significant ongoing maintenance and a range of extensive asset renewal works. Council proposes to take the opportunity to significantly upgrade and expand the facility with the addition of new water space, improved slides and other attractions to enhance aquatic opportunities for the community. The proposed upgrade project was originally selected through public consultation on the Long Term Plan 2018 – 2028. Since 2018 it has advanced through the planning and design stages, with detailed proposed costs and two options were consulted on.

H<sub>2</sub>O Xtream will continue to provide essential aquatic recreational opportunities and holds a niche position in the regional market. This project has a high strategic fit because it delivers upon the recreational needs of the community and fulfils Council’s obligations to maintain ageing community assets.

Council’s preferred option that is budgeted for, is to address extensive asset renewal works in conjunction with an upgrade to deliver more water space capacity and additional aquatic opportunities to meet the needs of the community and improve the level of service.

### Key options for this decision

- **Do nothing**—potential interruption to levels of service due to unexpected failure. Higher operational costs due to failures and longer periods for annual maintenance shutdowns. Potential inability to meet pool water quality standards, resulting in health and safety issues.
- **Upgrade the current facility to meet changing expectations**—the preferred option: will provide a facility that meets future demand and community expectations and reducing the risk of service disruption.
- **Undertake a limited facelift of the facility**—continue reactive maintenance including consideration of further closures—does not meet customer expectations and not considered a cost effective long term solution.

### Key relevant projects and programmes (\$M)

PROJECT/PROGRAMME	TYPE	Y1 – Y3	Y4 – Y10	Y11 – Y20	Y21 – Y30
Capital	LOS/growth/renewal	21.7			

## AKATĀRAWA CEMETERY REDEVELOPMENT

 2021

This project is underway.

Akatārawa Cemetery, jointly owned by Upper Hutt City Council and Hutt City Council, has an estimated capacity for a further five to six years, based on current interment trends. Further development of the cemetery, carried out in five stages, will provide interment options for a further 58 years.

Upper Hutt and Hutt City Councils have purchased a block of land adjacent to the Akatārawa Cemetery in order to meet future demands. Expanding the existing location was deemed to be more cost effective than development of a new facility at a new location.

The demand for land for burials will continue to rise as population increases and ages. This project has a high strategic fit because it delivers upon community cultural, compassionate and heritage outcomes.

Council's preferred option that is budgeted for, is to undertake development works to maintain interment options and ensure statutory compliance for sanitary services.

#### Key options for this decision

- **Do nothing**—statutory compliance issues as Council must ensure that there is provision for adequate services for burials and interments.
- **Complete the redevelopment as proposed**—the preferred option: while details are subject to further planning and investigation, the timing of the works is important to ensure the cemetery capacity is sustained to cater for future interments.
- **Develop an alternative site**—suitable land must be available, additional funding for purchase would need to be secured, designation and consenting would be required to enable use.
- **Encourage and provide alternatives to interment at the cemetery**—many alternative options are at variance to current legislation. Development of a new site brings consenting issues from adjoining land owners and stakeholders.

#### Key relevant projects and programmes (\$M)

PROJECT/PROGRAMME	TYPE	Y1 – Y3	Y4 – Y10	Y11 – Y20	Y21 – Y30
Capital	LOS	3.4	0.1		

## CHALLENGE 3 Supporting growth and demand

### Our growth projections

Our city will continue to grow with an expected additional 18,200 people living within the city in the next 30 years (Sense Partners 2022 population forecast). Implementation of the National Policy Statement on Urban Development has seen further intensification, particularly around rapid transport stations, resulting in an uplift from previous medium to longer term predictions.

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### How much will it cost?

With the removal of water services from 1 July 2026 within the period of this Infrastructure Strategy, Council will require \$38.3 M to build assets to support growth and demand.

Council has identified three themes within this challenge:

- New population.
  - Changing demographics.
  - Modelling future growth.
- 

### New population

The resultant growth from the new population will have impact on services that supply new dwellings and in particular to water supply and pressure (for firefighting), as well as traffic, parking, and public transport and open space demands.

Changes in the National Policy Statement on Urban Development enable significant opportunities for intensification within existing urban areas that are in a walkable proximity to rapid transit stops, as well as around and within the city centre and metropolitan zones. For Upper Hutt, this change could result in development of at least six stories in the centre of the valley adjacent to the Hutt Valley Railway Line. This marked a significant change from previous development controls.

In response, Council will build and vest assets from subdivisions that provide services to the new population. The timing of the development of these assets is critical to ensure community safety and maintenance of levels of service. Asset Management plans are reviewed every three years to inform the Infrastructure Strategy, and this ensures that additional network capacity is available as growth occurs.

Council has the ability to levy Development Contributions to fund these works when the need for new network capacity is as a result of growth. In most cases these projects also have benefits to the existing community. Therefore, a cost allocation model must be developed to accurately allocate these costs.

**Changing demographics**

Demand can further be influenced by change in the existing population demographics, notable with more ageing residents or an increase of younger people having different needs for council services and infrastructure. New demands can be placed on assets and services. Consequently, as a result, demand of other services may reduce.

**Modelling future growth**

Modelling of predicted growth is essential to ensure that the right assets are available in the right place, in the right time, and with the right capacity to meet the needs of future communities. These forecasts require regular review to ensure that they remain accurate and relevant throughout the life of the Infrastructure Strategy.

There is some uncertainty and a range of external factors influencing the exact locations, extent, and timing of growth—such as the regional growth framework discussed above. For the past three years we’ve had a focus on modelling predicted growth and the impact on our network assets and aspects such as traffic modelling. This work will help inform better understanding of the specific impact of growth and accordingly shape future decision-making on the capital expenditure required to service this growth.

**SIGNIFICANT CAPITAL EXPENDITURE (CAPEX) DECISIONS**

The following tables show the significant capital decisions in the 30-year view of this Infrastructure Strategy. Significant decisions are those that involve a commitment of over \$1.5 M in any one year of the 30 years between 2024 and 2054.

**Timing**

The timing of each decision is a key factor. The projects and programmes planned for the first three years have the most detail and confidence as the greatest amount of planning and option development has taken place—or some being largely committed to a clear preferred option. Ongoing programmes such as routine renewals, decisions on specific individual options or work completed can be relatively minor in scale and these are undertaken as part of business-as-usual.

For these work programmes, further specific options for individual component projects may be developed and considered closer to the relevant decision points.

## FERGUSSON/WARD/WHAKATIKI INTERSECTIONS

 2028

Significant developments on Lane Street, Alexander Road, and Ward Street have resulted in a substantial increase in traffic using the Fergusson/Ward/Whakatiki intersections. Each intersection is currently roundabout controlled. We need to upgrade these intersections to be able to safely manage increased demand.

Council's preferred option that is budgeted for, is based on upgrading the intersections to traffic signals, including investigation and design phases.

**Key options for this decision**

- **Do nothing**—results in not meeting the forecast growth expectations potentially limiting the extent and timing of growth.
- **Improve intersections using traffic signals**—this is the preferred option and provides for the forecast growth.
- **Improve intersections using a multi-lane roundabout option**—potentially provides for forecast growth but at higher cost, to be confirmed through further investigation and planning.

**Key relevant projects and programmes (\$M)**

PROJECT/PROGRAMME	TYPE	Y1 – Y3	Y4 – Y10	Y11 – Y20	Y21 – Y30
Capital	Growth/LOS/renewal	0	5.1		

## SILVERSTREAM BRIDGE REPLACEMENT

 2028

Council will decide whether to proceed with implementing improvements to the Silverstream Bridge. The bridge sits astride a major fault line and currently intrudes into Te Awa Kairangi/Hutt River floodway. It is nearing the end of its useful life, and operational issues include poor safety performance for general traffic and cyclists, increasing congestion, and delays.

The project will encompass associated improvements required to the adjacent Eastern Hutt Road, Fergusson Drive, and Field Street intersections. Significant growth is anticipated in this part of the city and this project includes assisting to provide for this growth. The bridge is a major connection to State Highway 2 (SH2) and a key, high value transport link from a resilience perspective.

The bridge is partly owned by Hutt City Council and carries the water main to Porirua. Any improvements to the bridge will need to be coordinated with SH2 improvements and so the actual timing of implementation of this project is dependent upon a number of other parties along with Upper Hutt City Council. Business case work to align stakeholders and define the project will occur through this Long Term Plan period. The Silverstream Bridge remains an essential connection to SH2.

This project has a high strategic fit because it contributes to the provision of a safe, resilient, and efficient transport network.

Council's preferred option that is budgeted for, is based on replacing the existing bridge with a higher capacity bridge.

#### Key options for this decision

- **Do nothing**—this would result in not meeting the forecast growth expectations potentially limiting the extent and timing of growth, likely reduced levels of service for road users, and may make this key asset vulnerable to natural hazards.
- **Replace with higher capacity bridge**—the preferred option provides for forecast growth and meets level of service expectations, as well as improving a key asset that is vital for resilience.

#### Key relevant projects and programmes (\$M)

PROJECT/PROGRAMME	TYPE	Y1 – Y3	Y4 – Y10	Y11 – Y20	Y21 – Y30
Capital	Growth/LOS/renewal	0.2	27.8		

# Council's plan

## Our objective

Infrastructure asset management is an important core function in Council for a few reasons:

- Many of the services delivered by Council rely on assets to support their delivery.
- Assets represent a significant investment by the community that needs to be protected.
- Asset failure can have social, cultural, environmental, and economic effects on the community.

The objective of asset management is to meet the required level of service, in the most cost effective manner, through the management of assets for present and future ratepayers and residents. Good asset management is about achieving best value through the right balance between cost, risk, and performance.

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## Building on what we already have

This Strategy reflects on what has already been done and considers the best way to move forward to ensure efficient and effective management of these assets to achieve the outcomes the community requires. It identifies significant infrastructure challenges and opportunities for Upper Hutt over the next 30 years. Decisions made in regard to the most likely scenario for responding to these issues are reflected in budgets incorporated into the Long Term Plan.

At a high level, there is broadly a good infrastructure base across our asset activities. Historically, Council has taken a relatively austere approach to infrastructure spending, with work programmes being primarily budget-driven. In this round of asset management planning, programming has been based on asset lifecycle and condition ratings, and we have responded to previous under-investment in some areas. There are significant future challenges emerging, particularly pertaining to networks built around the same time that will require renewals with short periods of time between each.

Beyond this Strategy, more detail about Council's approach to the management of its infrastructure assets is set out in the Asset Management Strategy and relevant activity Asset Management Plans.

# Asset management

## Determining how we invest in and maintain assets

Asset management is used by Council to develop, direct, coordinate, and control asset management activities, and align those activities with organisational and service objectives to achieve its statutory functions. Elements of the asset management are viewed as a set of tools, including policies, plans, business processes, and information systems which are integrated to give assurance that the asset management activities will be delivered.

Council has been working to identify which aspects of asset management require interventions, and priority for work to be undertaken, namely:

- Asset data improvement activities to improve the quality and richness of asset information.
- Implementing the Waka Kotahi NZ Transport Agency *Asset Management Data Standard*.
- Updating the Asset Management Strategy to guide infrastructure asset management in Council.
- Updating the Asset Management Plans to drive common financial decision-making for the Long Term Plan and (30-Year) Infrastructure Strategy.
- Providing accessible and reliable asset data, which is devolved, repeatable, and timely.
- Applying smart thinking to core infrastructure in line with industry best practice.
- Providing in-house asset management expertise.

## Internal asset management

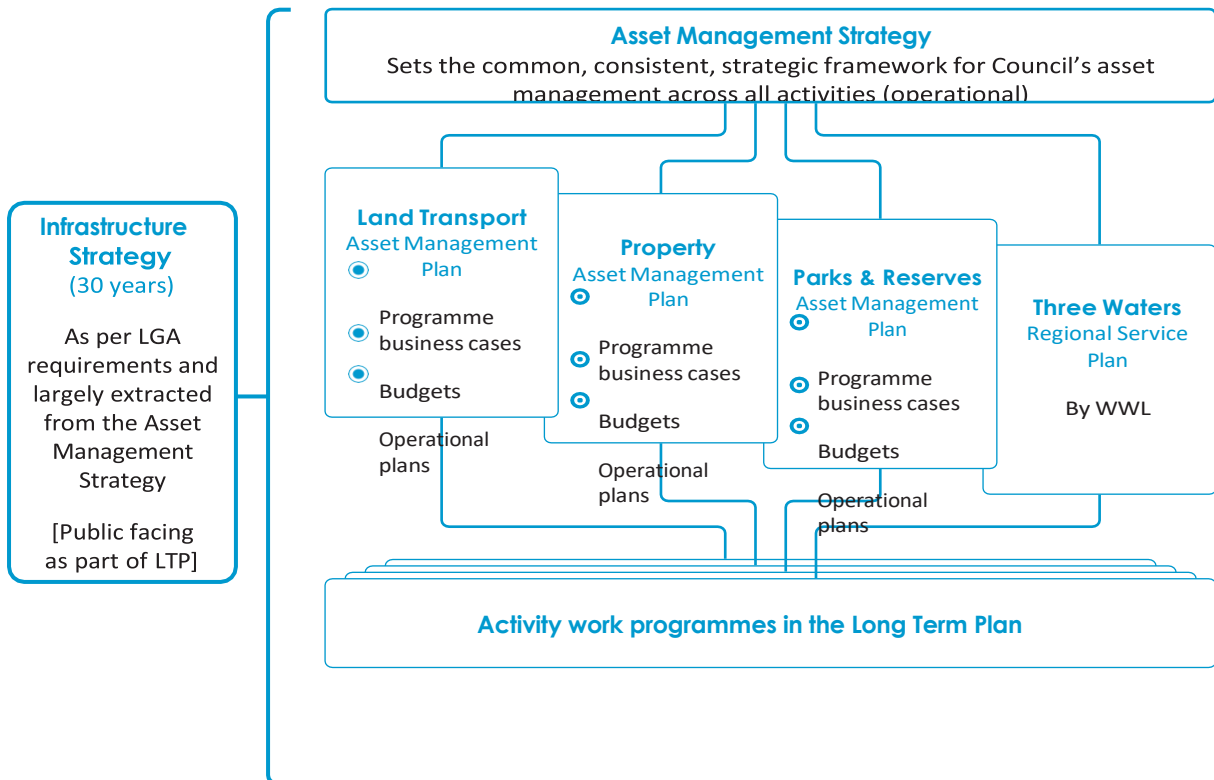
Asset Management Plans have been prepared for the land transport, property, and parks and reserves activities. These plans have been prepared based on standard industry practice and have been used to forecast the expenditure needed to operate, maintain, and renew assets.

## Water services

For the first two years of the LTP (amended) 2024-2034 for three waters activities, Wellington Water Limited (WWL) undertakes asset management planning for its six owner (client) councils, including Upper Hutt City Council. This encompasses a regional focus and a different suite of asset management documents, including the *2021-51 Strategic Asset Management Plan* and *2021-51 Regional Service Plan*.

The Regional Service Plan includes investment plans (by each council), and is the core component we considered in this strategy to determine the work programmes and budgets for the Long Term Plan.

For the first two years of the Long Term Plan (amended) 2024-34, the six client councils have agreed to WWL providing a *Minimum Viable Product Asset Management Plan* in the form of a suite of documents that provide updated information to support the *2021 Strategic Asset Management Plan* and *2021 Regional Service Plans*. Water services will transfer to Tiaki Wai on 1 July 2026.



### Improving asset management

Council is committed to improving the Asset Management Plans and places emphasis on improving asset management processes and systems. Further investment on improving asset management will be made in the future to make sure Council has the right information to make the best possible decisions on assets.

We collate and analyse information about infrastructure assets to ensure that we can meet the service expectations and current and future needs of our residents. This information can come in many forms, from legislative requirements (what we must do), regulations and guidelines (ensuring best practice), and community informed strategies and desires.

The asset work programmes are based on anticipated life-cycle renewals modified by asset inspections. By considering condition rating and performance as a modifying influence, work programmes can be focused on areas of highest need in terms of continuity of service level

delivery. An example is a cluster of leakage complaints from customers, which may trigger a condition assessment in that location, and this may result in renewals being reprioritised to that location.

On occasion, Council also identifies assets that are no longer required. This is generally in conjunction with a decision to stop or reduce a level of service to the community. Council considers its service levels for the community as part of each Long Term Plan process.

For the first two years of the Long Term Plan (amended) 2024-2034 Council continues to work with WWL to move from a primarily age-based work and renewals programme to a combination of condition, age, and performance criteria. This approach is recognised as best practice and gives a higher degree of certainty that investment needs are prioritised to provide best value. Water services will transfer to Tiaki Wai on 1 July 2026.

**Asset management  
roles and  
responsibilities**

Effective asset management is critical to Council to enable the right decisions to be made in the most cost efficient manner. In 2018, Council decided to implement a more consistent approach across its infrastructure assets. The establishment of an in-house infrastructure assets management team has enabled the increase in the knowledge of assets and improved capability in asset management practice across the organisation.

Asset management leaders provide direction for asset management within Council and communicate this through the Asset Management Strategy. Council's asset management leaders foster a whole of organisation approach to ensure that staff are working towards aligned outcomes.

Service delivery teams work together towards the aligned asset management outcomes set by the asset management leaders. The service delivery teams manage the future state of the assets, as well as managing the present operations and maintenance of the assets. Council's internal service delivery teams (roads, parks, and property) are supplemented by WWL for the delivery of the three waters services – water supply, wastewater, and stormwater.

Wellington Water was established in September 2014 as a council-controlled organisation to take a regional, shared service approach to the delivery of the three waters services across the Wellington Region.

# Infrastructure funding and affordability

## Managing peaks and troughs in spending

The capital investment needed for infrastructure assets often requires substantial expenditure when they need replacing or require significant maintenance. However, the long life of most infrastructure assets means that significant peaks in expenditure are typically followed by long periods where relatively low expenditure is required.

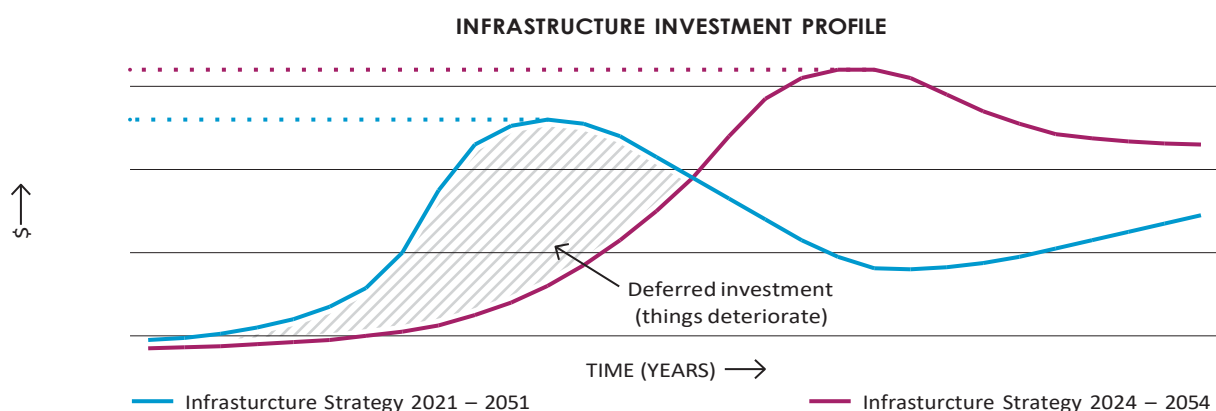
The Long Term Plan balances the forecast spending needs with ratepayer affordability. This affordability has been determined by projected levels of rates, other income, and debt in the Financial Strategy.

The purpose of the Financial Strategy in a large part is to ensure that the plan in the infrastructure strategy can be carried out. It does this by prescribing adequate financial resourcing through various funding mechanisms so that the infrastructure goals can be achieved in an affordable manner.

The Infrastructure and Financial Strategies work together to provide the desired outcomes that will maintain levels of service and ensure adequate investment where required. The significant strategic considerations or 'drivers' that have influenced the development of the Financial Strategy are growth, three waters services, and this Strategy.

In line with policy, Council uses development contributions as an additional funding source to invest in new public infrastructure assets and/or increase capacity in existing downstream assets.

It is usual that not all the identified spending requirements in the Asset Management Plans can be afforded within the funding available. In these cases, the budgeting process prioritises expenditure on maintaining and renewing existing assets before creating new ones. The cumulative effect of deferred investment creates a bow wave that is more costly to fund than the initial need, at greater risk of asset failure, and generally more reactive maintenance is required to keep assets in service.



### Three waters investment decisions and potential risks

From 1 July 2026, responsibility for providing wastewater, stormwater and drinking water services will be transferred from Council to Tiaki Wai, the new multi-council water services entity established under the Local Government (Water Services Preliminary Arrangements) Act 2024.

Council has decided to focus on and increase investment in renewals, but at a lower level of capital expenditure than requested by WWL for its work programmes. This was done to maintain affordability. It is also in line with our approach of responsible financial stewardship for the present and the future—minimising financial risk and ensuring resilience in our three waters infrastructure.

Over the last three years, WWL adopted a criticality framework to identify the criticality of assets and prioritise asset condition assessments. Council provided stimulus funding so WWL could undertake a significant amount of condition assessment work to better understand the risk of asset failures, and the resulting service failures, including the Very High Criticality Asset (VHCA) condition assessment activity. Final reports from this work were provided to Council in 2023, and the resulting investment recommendation considered in this Long Term Plan.

Potential risks resulting from not following WWL’s recommended funding allocation could result in:

- Frequency of unplanned service disruptions increases and customer satisfaction decreases resulting in compounding reduction in level of service.
- Planned maintenance is deferred resulting in more reactive maintenance requirements.
- Delayed long term step change for operating costs is inevitable in later years.
- Non-compliances may result in increased dissatisfaction from mana whenua and regulatory bodies, and potential fines.
- Increased public dissatisfaction.
- Renewal backlog increases over the thirty years.
- The time horizon for investing in a new water source may not

be able to be pushed out (dependent on the other metropolitan councils) or even may need to be bought forward.

- Impacts on the net carbon zero target being met.
- Freshwater quality gets worse, E.coli and other contaminants increase and wastewater overflows will increase. This includes the 2040 target of swimmable water quality is not achievable (relating to wastewater, and stormwater).

Where necessary, Council will manage these potential risks during the intervening period through its annual plan process, and reconsider future investment decisions.

### Three waters services

#### 30-year investment plan

From 1 July 2026, responsibility for providing wastewater, stormwater and drinking water services will be transferred from Council to Tiaki Wai, the new multi-council water services entity established under the Local Government (Water Services Preliminary Arrangements) Act 2024.

The challenge we face in relation to the condition of our three waters infrastructure is the significant financial investment required over the long term and the region's capability to be able to deliver the necessary works. Council is particularly aware of the financial pressures on residents and businesses in the city, especially the impact of higher living costs on families. We have carefully considered affordability and community expectations in addressing the long-term funding.

Not all the identified spending requirements in the first 2 years can be afforded within the funding available. The priority will be on maintaining and renewing existing assets before creating new ones. Council has identified projects that are unable to fit within the financial provision set by the Financial Strategy.

The criticality of each project will be determined and, where appropriate, deferred—being cognisant that any deferred projects will create a bow wave that will be more costly to fund than the initial need in the future.

Council has increased investment in network renewals to address the backlog and keep pace with the renewals and will continue to work with WWL to maintain increased investment over the duration of this Strategy which together with non-asset opportunities could address the backlog within the 30-year timeline. We'll consider opportunities to deliver the currently unfunded projects in the first 2 years, including:

- The application of our *Development and Financial Contributions Policy* to invest in critical unfunded projects increasing capacity in existing downstream assets.
  - Review the current WWL carryover budget and programme of works to identify where funding can be reallocated to service unfunded projects.
  - Investigate the possibility of standardisation regionally or nationally including other regulatory improvements to the drinking water regulatory framework through Taumata Arowai, making projects easier to implement.
  - Council has set aside money to prepare growth assessments in the first 3 years to determine the full extent of the infrastructure requirement.
-

# Delivery of the capital plan

## **Improving delivery outcomes**

Council has a focus on improving overall delivery of our capital plan to ensure capital expenditure is undertaken in a timely manner. There is a range of factors creating challenges in this delivery, and these factors affect different components of the overall programme in different ways.

For example, a large component of recent years' underspends comprised a small number of major projects, most delayed due to dependence on third parties such as Waka Kotahi NZ Transport Agency funding or other external factors beyond Council's control (such as consenting and environment court).

Two significant projects underway—H<sub>2</sub>O Xtream upgrade and Akatārawa Cemetery redevelopment—make up a substantial component of the planned capital spend in Year 1 of this Long Term Plan. These are being managed by the in-house project delivery function and are not subject to external party involvement.

These projects are also following the project delivery approach and methodology as were taken with the recent Whirinaki Whare Taonga, Maidstone Max, and Civic Centre seismic strengthening projects. Whirinaki Whare Taonga, and Maidstone Max were legacy projects which initially suffered from lack of scope definition and detailed cost estimates, and were delivered successfully within budget and on approved end date for Whirinaki Whare Taonga, however weather-delayed for Maidstone Max.

### **Three waters services delivery**

For the first two years of the Long Term Plan (Amended) 2024-2034 delivery of the three waters programme remains at medium risk due to dependence on WWL as the delivery agent. In this area, there has also been some historic underspend. Over the last three years, there have been unexpected external challenges that have further impacted delivery, including COVID lockdowns, material supply delays, and skilled labour shortages. However, each year has seen a further uplift in capacity to deliver the capital programme. In response to this we're focusing on improving decision-making through a better understanding of the condition of our assets. We're also not fully funding WWL's proposed ambitious capital programme. This will mitigate ongoing lack of delivery and underspends and ensure the programme is more realistic and achievable.

### **Financial implications for delayed delivery**

In general, where delays occur in capital expenditure or programme delivery, the ultimate result is that if the work is completed within a reasonable timeframe, the benefits are achieved for the community regardless of the exact timeframes. Projects or works that are not completed at all would be significant, compared to delayed delivery.

To mitigate financial implications of any delivery delays for ratepayers, Council has changed its budgeting process so that any programme delivery delays will not have an impact on rates collected for that financial year. Examples are:

- Rating for loan repayments and interest in the next financial year after the loans have been drawn down instead of the year the work is forecast to happen.

- All capital expenditure is now funded via loans (not rates as previously the case for renewal works) to ensure intergenerational equity, but this also means the point above applies, and thus rates will only include loan repayments and interest once the works or project has commenced.

### **Changing our financial approach to the capital programme**

The financing of assets and funding of the capital programme is changing from our previous approach. In the previous two Long Term Plans, significant capital investments were funded through debt and reserves. Most of these projects have been completed or will be completed in the first year of this Long Term Plan.

In this Long Term Plan, Council has agreed to move to funding depreciation through rates, and while depreciation reserves are being established, to rate fund both principal and loan repayments. Funding depreciation and interest through rates aligns with the objective of intergenerational. This reflects that today's ratepayers pay their share of the amount of the Council's assets that they consume, and the interest costs reflects the financing over time of these assets. As part of the Annual Plan process, Council will review the affordability of the level of rate-funding of depreciation on an annual basis.

In previous Long Term Plans, depreciation was not rate-funded, debt was raised to fund asset renewals, and the repayment of this debt will occur over the 10 years of this Long Term Plan. By rate-funding depreciation, over time, reserves will be established to fund future renewals and to repay debt. Until sufficient reserve renewals have been established, principal repayments will be rate-funded. Rating for principal repayments while reserves are being established for renewals provides financial stability and resilience. Debt-funding of renewals will continue but will decrease over the life of this Long Term Plan.

The level of investment required in Years 11 – 30 is likely to be considerably higher. This could result in a significant variation from the depreciation costs that are currently projected. If a significant increase in capital investment is required, Council will assess the appropriate level of rate-funded depreciation.

## **Most likely scenario**

This Strategy provides an overview of Council's most likely scenario for the management of its infrastructure. The most likely scenario includes potential projects that may or may not proceed subject to funding decisions made through future long term and annual planning processes.

### **This scenario has been determined by:**

- Including the funded capital and operating budget forecasts from the Long Term Plan 2024 – 2034. The timing of projects and budget provisions have been informed by the Asset Management Plans.

- Identifying projects through the Long Term Plan that are unable to fit within the financial provision set by the Financial Strategy. These projects are assumed to be required in the future and this is reflected in the Financial Strategy.
- Using the assumptions for levels of service, demand, and renewals as outlined in the Asset Management Strategy, Asset Management Plans, and the Wellington Regional Asset Management Plan for Water Services.
- The preferred options for the significant capital decisions discussed in this Strategy are those that are included in the Long Term Plan budget.

**Detail and confidence**

The plans and forecasts for the first three years have the most detail and confidence as the greatest amount of planning has taken place. The investments identified between Year 4 and Year 10 are an outline and have a reasonable degree of confidence. The forecasts beyond Year 10 should be viewed as indicative estimates and will be developed further as time passes and more information is obtained.

**The changing infrastructure environment**

Changes to the requirements and management of infrastructure is expected to occur and Council will consider the appropriate approach as part of the future relevant Long Term Plan process.

Forecast expenditure required in the Local Government Act 2002 (LGA) is:

Period of forecast expenditure	Description of required forecast in LGA
Years 1 – 3	In detail
Years 4 – 10	In outline
Years 11+	An indicative estimate

This uncertainty and need for ongoing refinement is acknowledged in the tiered framework for forecast expenditure contained in the LGA.

The forecast expenditure is significantly higher than historical expenditure.

## Indicative estimates

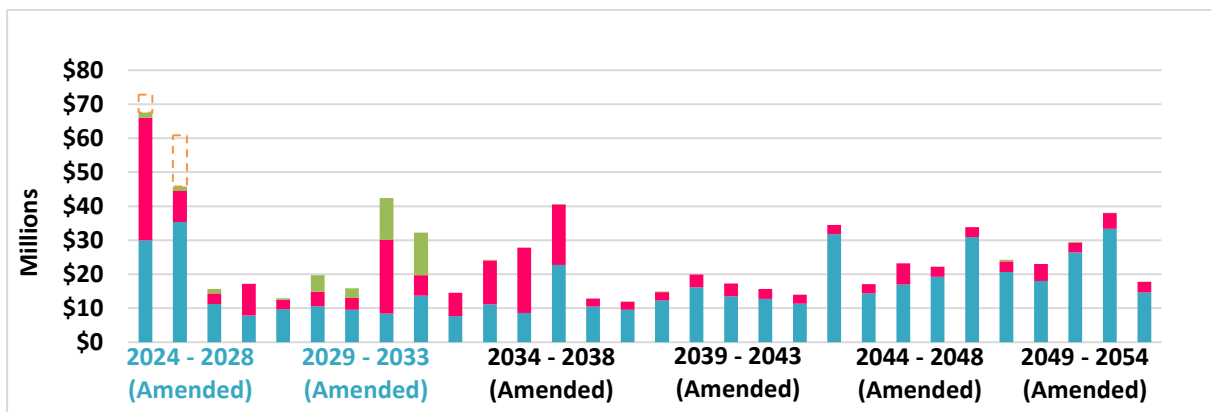
**Amended Capex and opex** The total projected capital expenditure (capex) for Council’s infrastructure assets over the next 30 years is approximately \$746.4 M. Over the same period, Council projects an operational expenditure (opex) of approximately \$592.6 M for its infrastructure assets.

The allocation of (inflated) capex and opex across our infrastructure activities is as follows.

Infrastructure Activity	Amended Capex (\$)	Amended Opex (\$)
Water supply*	\$13,739,196	\$22,148,440
Wastewater*	\$37,990,348	\$10,304,929
Stormwater*	\$5,572,369	\$1,251,450
Land transport	398,596,964	147,353,074
Property	201,986,005	258,780,872
Parks and reserves	88,518,194	152,770,742
<b>TOTAL</b>	<b>746,403,076</b>	<b>592,609,507</b>

\*Responsibility for Three waters services will transfer to Tiaki Wai on 1 July 2026

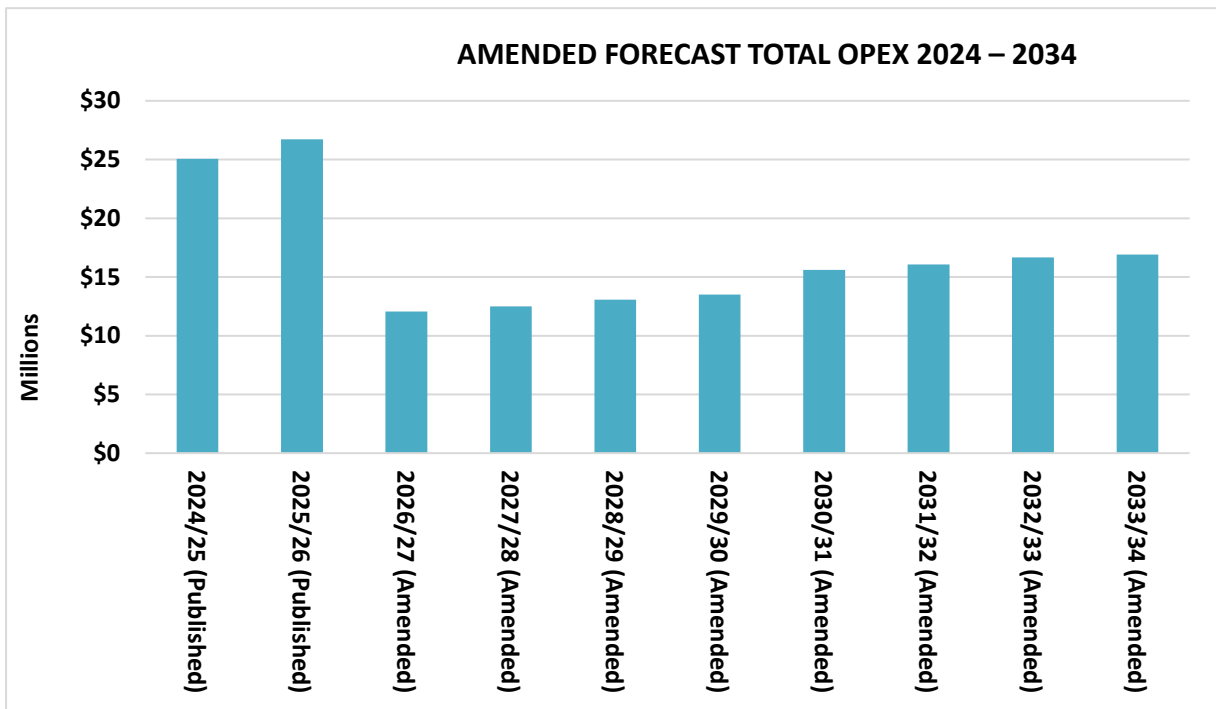
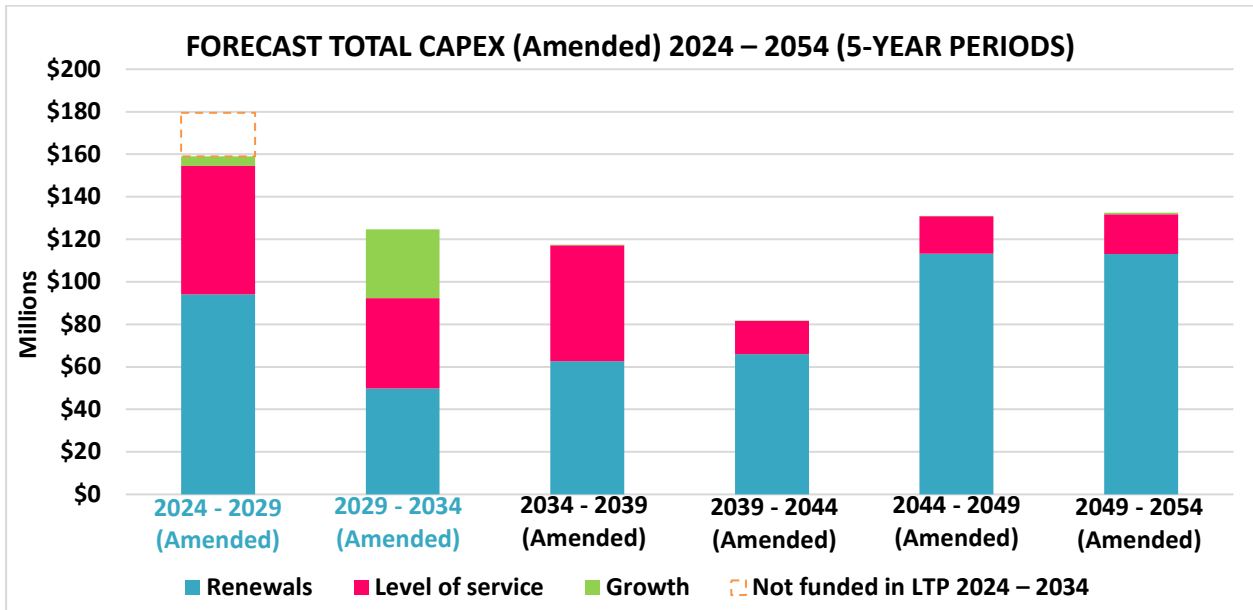
FORECAST TOTAL CAPEX (amended) 2024 – 2054

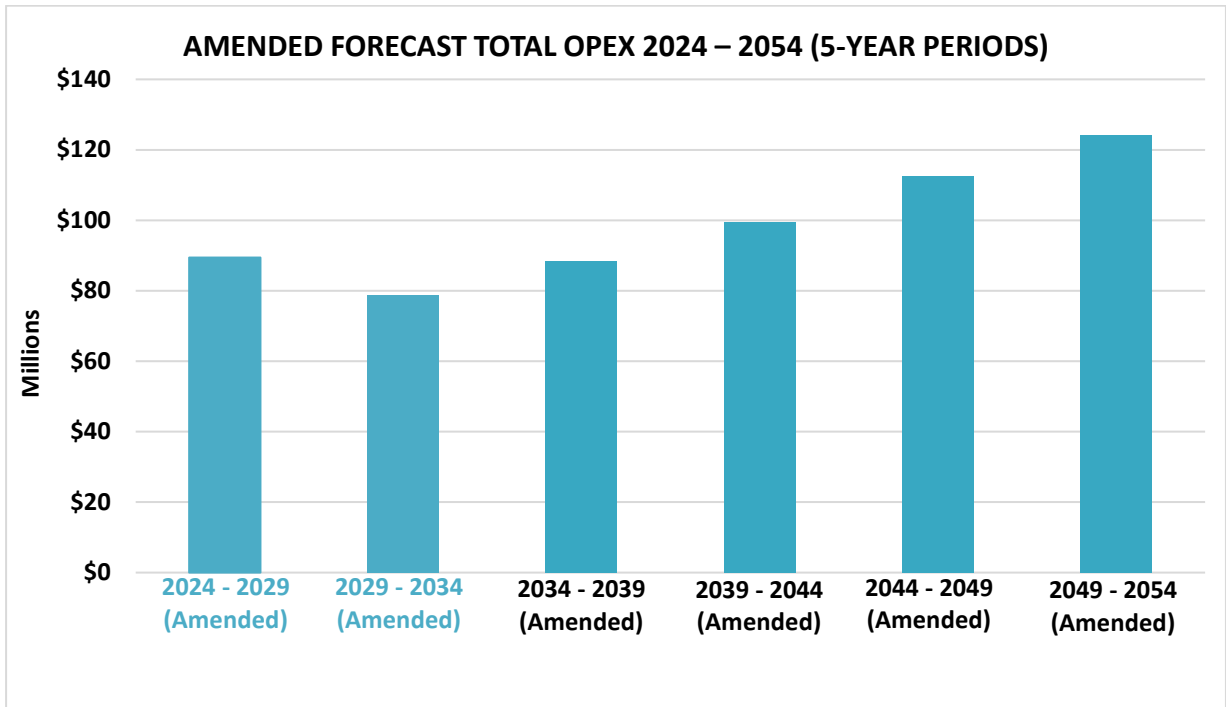


### Key

This key is used for all capex graphs in our Infrastructure Strategy:  
(all capex graphs)

- **Renewals**—includes all investment necessary to renew the condition and life of an asset and maintain the integrity of the existing network taking into account seismic upgrades.
- **Level of service (change)**—includes those capital investments required to improve/upgrade parts of the asset systems currently below existing target service standards, or to achieve increasing service standards due to increasing customer expectations/changes in technical standards or legislative requirements.
- **Growth (new)**—includes all capital investment resulting from changes in demand for the services delivered by the assets.
- ⊘ **Not funded in Long Term Plan 2024 – 2034**





# Water supply

## Context

**How water is acquired, treated, and managed**

For the first two years of the Long Term Plan (amended) 2024-2034 Wellington Water Ltd (WWL) on behalf of Council, is responsible for the treatment, storage, distribution, and management of the region’s water supply including that for Upper Hutt City.

Raw water comes from three sources; Te Awa Kairangi/Hutt River, the Waiwhetu Aquifer, and the combined flow of the Ōrongorongo and Wainuiomata rivers. It is then treated to ensure that the region’s cities are provided a high standard of drinking water, fully complying with the New Zealand Drinking Water Standards for source and distribution. Under normal supply conditions, Upper Hutt City is supplied from Te Awa Kairangi/Hutt River via the Te Mārua water treatment plant.

The treated water is pumped to reservoirs where it is distributed through a network of pipes to meet the needs of residential, commercial, and industrial properties.

From 1 July 2026 water services will transfer to Tiaki Wai.

**Costs**

For the first two years of Long Term Plan (Amended) 2024-2034 Council will along with the other councils in the region, purchase our water in bulk from Greater Wellington Regional Council (GWRC). The cost of this water is close to \$4.9 M per annum for Upper Hutt and is largely outside Council’s control or discretion. The actual costs represent Upper Hutt’s share of the total regional water supply requirement, and the capital and operational costs incurred by GWRC to provide it.

In addition, the cost of pumping, distributing, and maintaining the city infrastructure that transports water from Council’s water reservoirs to taps is about another \$7.43 M per annum.

From 1 July 2026 water services will transfer to Tiaki Wai.

**Consumption**

In Upper Hutt, total water consumption for [22 | 23] was averaging 450 litres per person per day, following an upward regional trend driven largely by increasing leakage. Whilst water conservation programmes are currently in place, a renewed focus on demand reduction and water loss management is required if impending major investment in a new water source is to be deferred due to this growing regional demand.

**Assets and value**

Upper Hutt’s water supply network is valued at \$116.2 M (2023), and includes 10 pump stations, 16 reservoirs, 287 km of water mains, approximately 17,500 service connections, 1,660 fire hydrants, and 3,781 valves.

# Asset condition and performance

## **Awareness and risks**

Improving and increasing information about the health and condition of the assets is a priority. There is a particular focus on understanding the condition and risk associated with the most critical assets, including all water storage reservoirs. Where these condition assessments identify significant risks, the intention is that these assets will be prioritised within the renewal programme.

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## **Replacing ageing assets**

The water supply pipeline assets are ageing and approximately 38% of these assets will need replacing within the 30-year period of this Strategy. The existing backlog of pipes that have already reached their nominal life is 4%. This is forecast to increase to 5% by 2033, and will continue to grow unless addressed. Opportunities Council will look at to deliver the backlog and currently unfunded projects are outlined on page 216 as part of our three waters services 30-year investment plan. Understanding the condition of lower-criticality assets relies on data collected from condition assessment activities conducted across the region.

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## **Prioritising critical assets**

Council has prioritised the assessment of critical assets through the Very High Criticality Assets (VHCA) programme. After this, WWL has been able to utilise the data from the detailed assessments made to develop a complete picture of the network condition and to inform future investment priority.

This assessment has indicated that 85% of the drinking water network is considered to be condition grades 1 – 3, with no structural defects or, some structural defects evident causing minor deterioration or, structural defects present with moderate deterioration. 10% is considered to be condition grade 4 (poor) with significant level of external or internal deterioration. 5% is considered to be condition grade 5 (very poor) with deterioration extending to a point where there is no reliable structural capacity and failure is imminent or has already occurred. As networks age and the condition deteriorates increased levels of planned and reactive activity can be anticipated.

With the increased need for asset renewals and growing backlog of 12,322 metres of water supply pipeline (5% of the network at condition grade 5), the amount of water lost through leaks continues to rise. We have exceeded our target of less than 20%, with the estimated water loss increasing from 21% to 44%.

The renewal of drinking water assets will be prioritised based on asset criticality and the best available understanding of asset condition.

**Focus areas**

- Ensuring the water supply is resilient, efficient, safe, and assists in the delivery of Council’s strategic goals.
- Looking after existing infrastructure (renewals, operations, and maintenance).
- Gaining asset condition knowledge to inform prioritisation of renewals programme.
- Ensuring critical services are maintained such as providing a safe drinking water supply.
- Reducing water demand to respond to acute water shortage risks, climate change impacts and improve resilience, including community education and proactive leak detection and repairs.
- Reducing carbon emissions through alternative design and construction techniques.
- Improving network resilience to natural disasters by using more resilient materials.

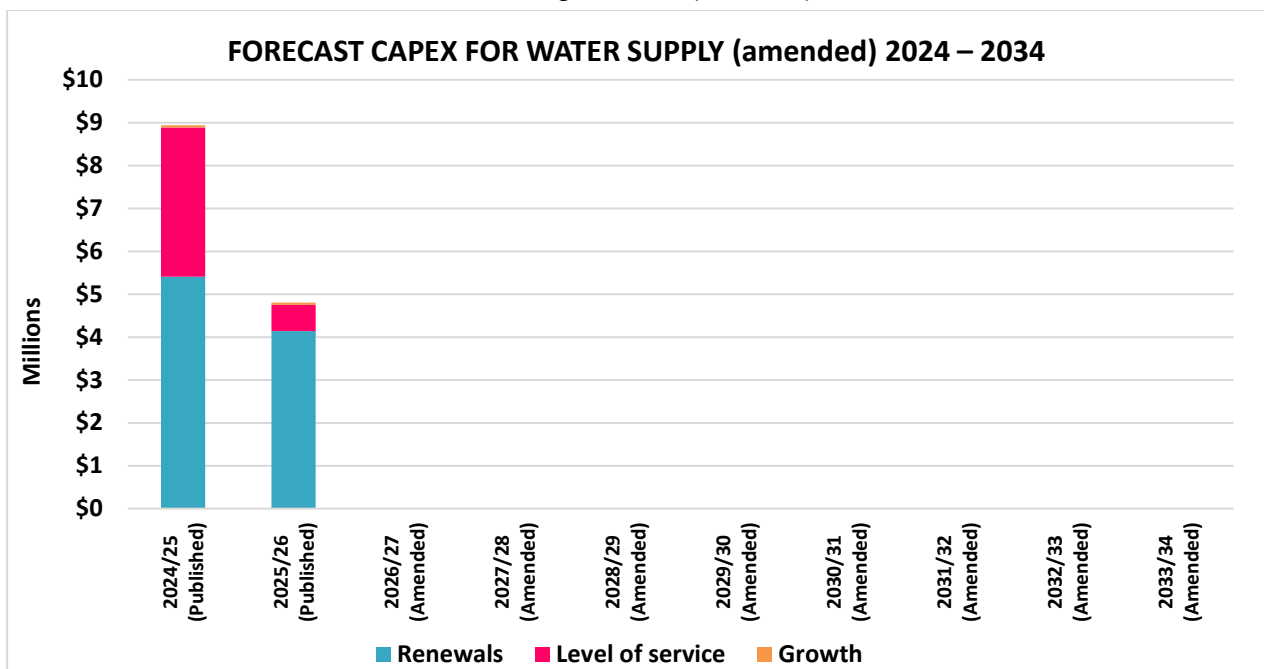
These will be the focus areas for the first two years of LTP (Amended) 2024-34, from 1 July 2026 water services will transfer to Tiaki Wai.

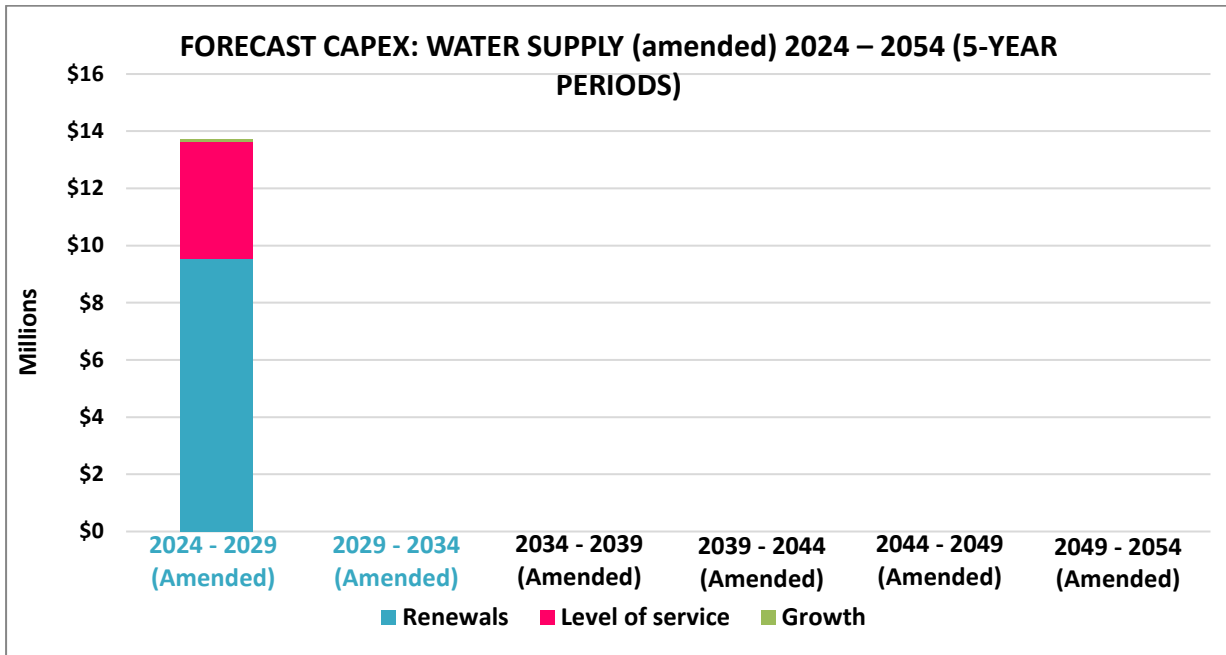
## Indicative estimates

### Capital expenditure

(capex)

The estimated capital needs for the water supply activity have been prepared for the next 30 years. The forecast capital expenditure for the first two years has been included in this Long Term Plan (Amended).



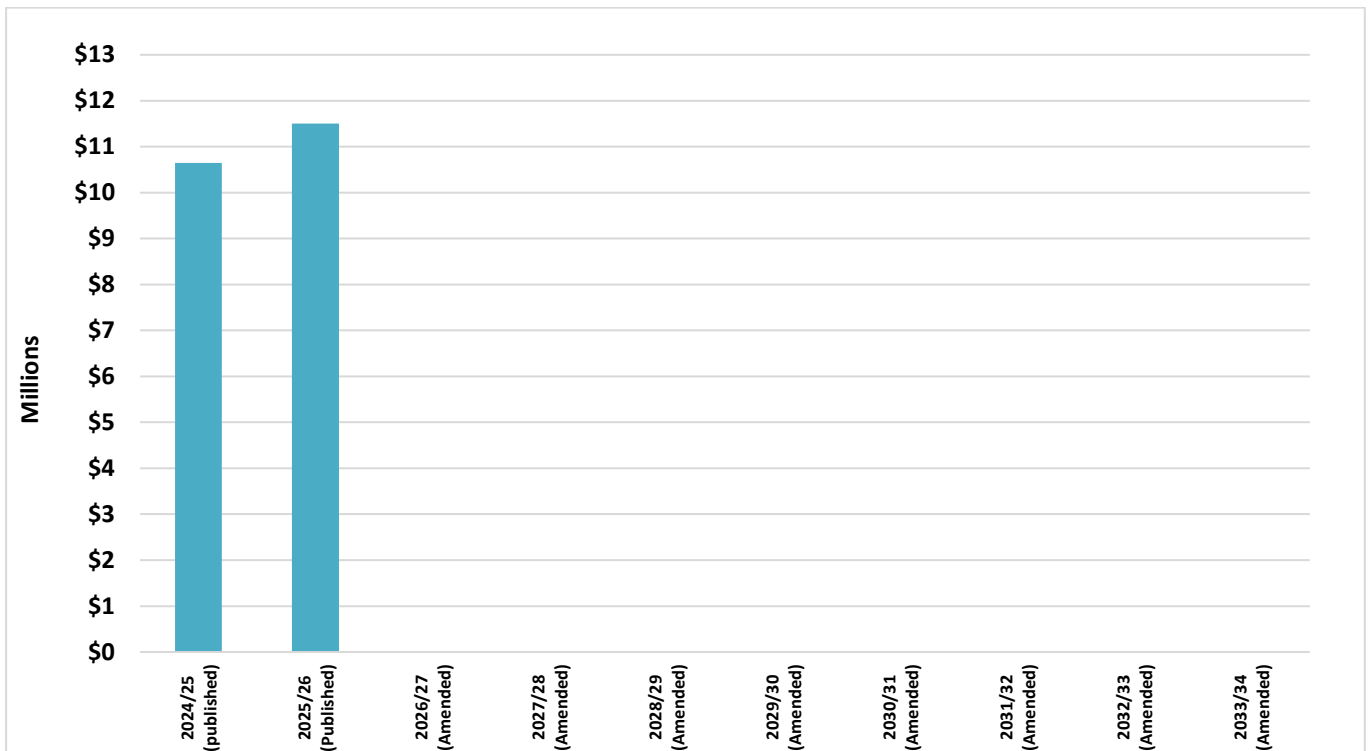


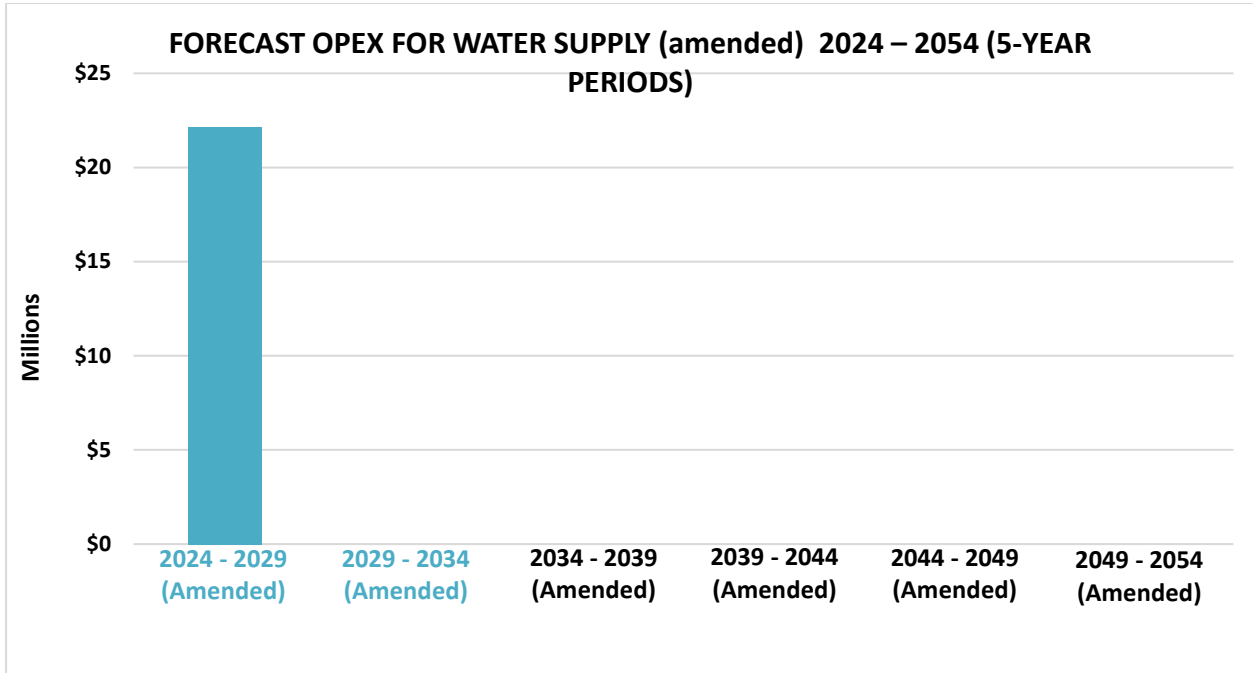
**Operational expenditure (opex)**

The forecast operational expenditure for the first two years of the Long Term Plan (amended) 2024-2034 has been included.

Operational expenditure includes indirect costs to provide the service to the community such as loan repayments, interest costs, and overheads. Forecast operational expenditure is shown as gross costs.

**FORECAST OPEX: WATER SUPPLY (amended) 2024 – 2034**





# Wastewater

## Context

### How wastewater is treated and managed

For the first two years of the Long Term Plan (amended) 2024-2034 Wellington Water Ltd (WWL) on behalf of Council, will be responsible for collection, treatment, and disposal of Upper Hutt's wastewater and trade waste.

From 1 July 2026 water services will transfer to Tiaki Wai.

Upper Hutt's wastewater system removes about 12 million litres of wastewater from homes, shops, and business premises each day. Wastewater and trade waste are discharged from properties into a network of gravity and pressure pipelines, which take the wastewater to the treatment plant in Seaview. At the treatment plant, wastewater is treated before being discharged into Cook Strait off Bluff Point. Solids, removed as part of the treatment process, are currently composted off-site and reused.

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### Assets and value

Upper Hutt has 228 km of sewer mains, 4,987 wastewater manholes, 19 pump stations, one overflow chamber, and one pipe bridge. The wastewater assets are valued at \$157 M (2023).

For the first two years of the Long Term Plan (amended) 2024-2034 Hutt City Council is responsible for administration of the bulk wastewater system from Hutt City and Upper Hutt, conveying wastewater to the Seaview Wastewater Treatment Plant and the operation of the Wastewater Treatment Plant. Upper Hutt City Council pays an annual operating levy and Upper Hutt's share of capital works.

**Upgrading the main trunk pipelines**

Some localised upgrades have been identified to meet growth projections. The main trunk pipelines are ageing, particularly the pressure pipelines. Some of these were constructed as early as the 1950s and currently cannot be taken off-line for inspection or maintenance. There is a major programme of capital works proposed over the period of this Strategy to renew and provide some redundancy and resilience in these critical pipelines.

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**Inflow and infiltration**

Parts of Upper Hutt’s wastewater network experience issues with inflow (stormwater getting into the wastewater network via cross connections between the networks) and infiltration (groundwater getting into the wastewater network). Council’s wastewater network is divided into 38 catchments for the purpose of sewer flow monitoring. This helps us to identify inflow and infiltration issues in the catchments and plan remedial works.

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**Central government standards**

There are new environmental requirements for the operation of the network, that will need both operating and capital expenditure over the coming 30 years to reduce the amount and frequency of untreated wastewater contaminating freshwater bodies.

## Asset condition and performance

**Awareness and risks**

Improving and increasing information about the health and condition of the assets is a priority. There is a particular focus on understanding the condition and risk associated with the most critical assets including wastewater trunk mains. Where these condition assessments identify significant risks, the intention is that these assets will be prioritised within the renewal programme.

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**Replacing ageing assets**

The wastewater pipeline assets are ageing, and approximately 59% of these assets will need replacing within the 30-year period of this Strategy. The existing backlog of pipes that have already reached their nominal life is 6%. This is forecast to increase to 15% by 2033 and will continue to grow unless addressed. Opportunities Council will look at to deliver the backlog and currently unfunded projects are outlined on page 223 as part of our three waters services 30-year investment plan. Understanding the condition of lower-criticality assets relies on data collected from condition assessment activities conducted across the region.

**Prioritising  
critical assets**

Council has prioritised the assessment of critical assets through the Very High Criticality Assets (VHCA) programme. After this, WWL has been able to utilise the data from the detailed assessments made to develop a complete picture of the network condition and to inform future investment priority.

The assessment has indicated that 79% of the wastewater network is considered to be condition grades 1 – 3, with no structural defects or, some structural defects evident causing minor deterioration or, structural defects present with moderate deterioration. 21% is considered to be condition grade 4 (poor), with significant defects present with serious deterioration evident. None of the network is currently considered to be condition grade 5 (very poor), with deterioration extending to a point where structural failure is imminent or has already occurred. As networks age and the condition deteriorates increased levels of planned and reactive activity can be anticipated.

**Condition and  
performance of  
the wastewater  
network**

From an asset condition and performance perspective, the wastewater network can be addressed as two networks each with its own performance challenges:

- Upper Hutt City’s wastewater network
- The bulk wastewater network from Upper Hutt and Hutt City conveying wastewater to the Seaview Wastewater Treatment Plant

Upper Hutt City’s wastewater network performance appears to relatively static based on the DIA measures, improving over a three year trend. Median response time to resolve a sewage overflow resulting from a blockage or other fault in the sewerage system has improved, however the median response time to attend a sewage overflow resulting from a blockage or other fault in the sewerage system has increased and is exceeding targets due to the increasing work volume and resource constraints. For the first two years of Long Term Plan (Amended) 2024-2034 WWL will continue to manage this by prioritising the highest risks and the available resources accordingly which has an impact on the response times.

The bulk wastewater network and Seaview Wastewater Treatment Plant performance should improve with the investment uplift as part of the Hutt Valley Wastewater Scheme included in this Long Term Plan (Amended) which should result in improved asset performance, performance measure outcomes, and decreased regulatory actions.

The renewal of wastewater assets will be prioritised based on asset criticality and the best available understanding of asset condition.

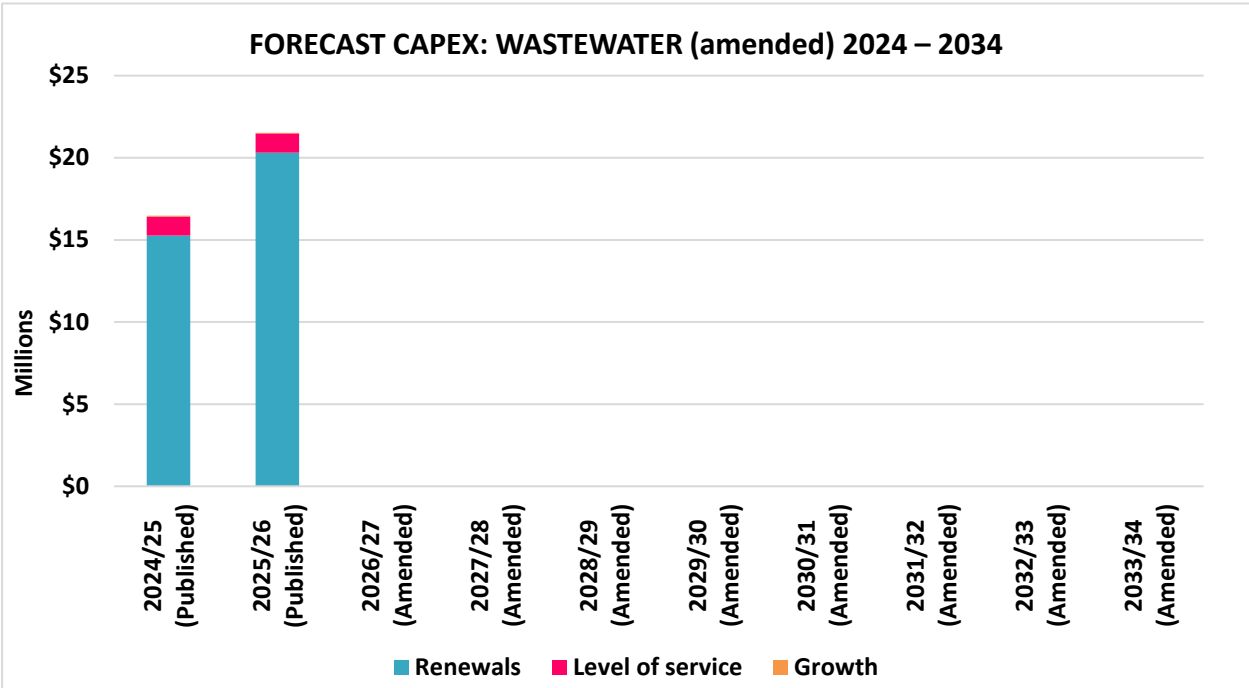
**Focus areas**

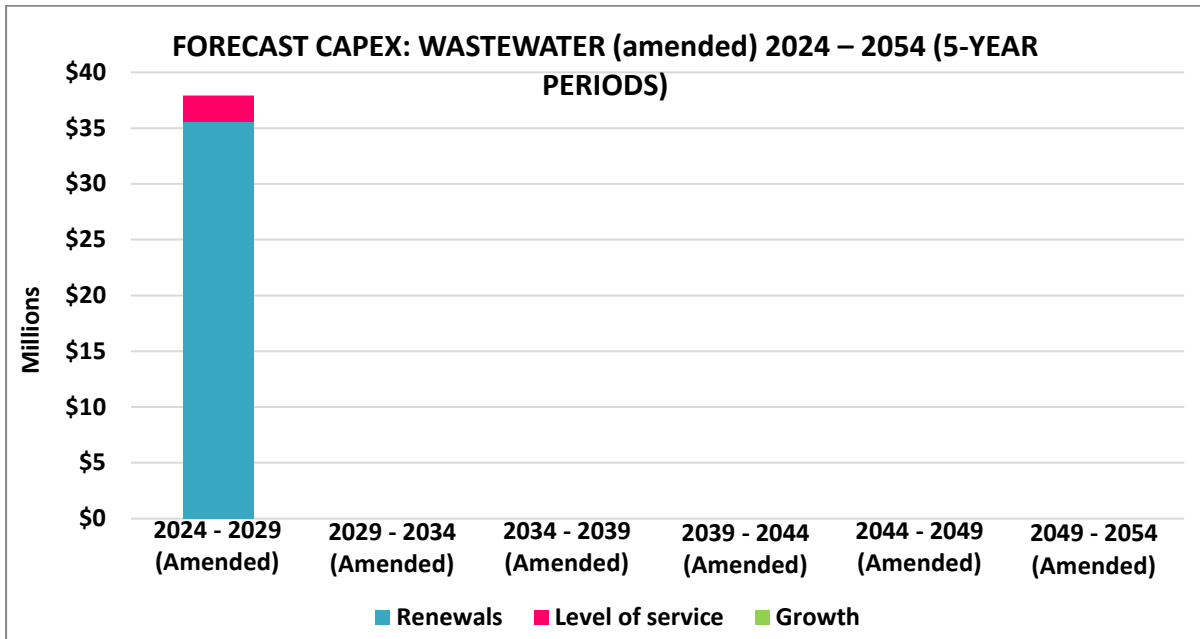
- Ensuring the wastewater network is resilient, efficient, effective, safe, and assists in the delivery of Council’s strategic goals.
- Looking after existing infrastructure (renewals, operations, and maintenance).
- Gaining asset condition knowledge to inform prioritisation of renewals programme.
- Ensuring critical services are maintained to prevent overflows and manage risk to public health and environment.
- Improving understanding of network capacity and performance through monitoring and modelling.
- Managing demand and improving capacity to reduce network overflows and comply with newly issued network discharge consents.
- Reducing carbon emissions through alternative design and construction techniques and improved management of sludge.
- Improving network resilience by using more resilient materials.

## Indicative estimates

**Capital expenditure (capex)**

The estimated capital needs for the wastewater activity have been prepared for the next 30 years. The forecast capital expenditure for the first two years of the Long Term Plan (Amended) 2024-2034 has been included.

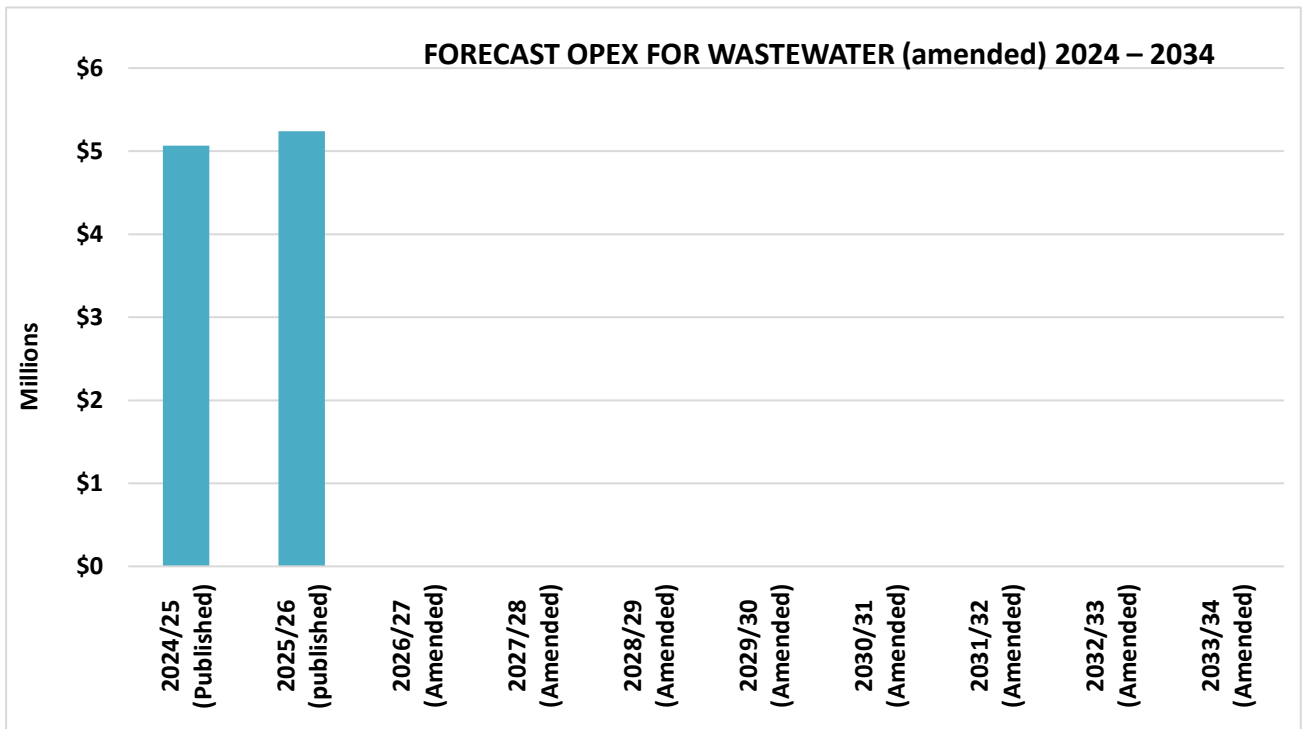


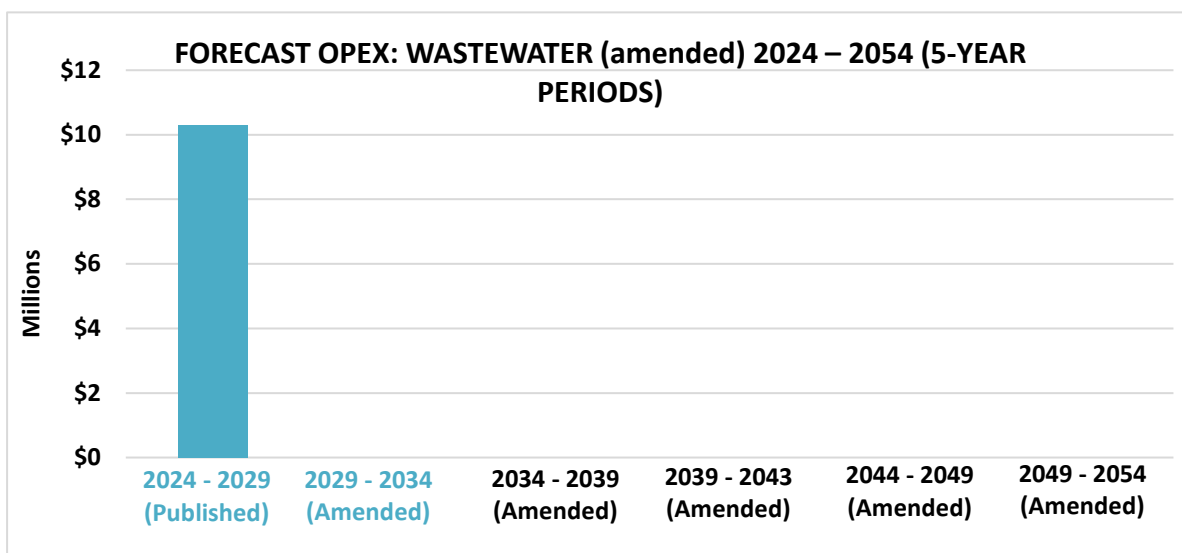


**Operational expenditure (opex)**

The forecast operational expenditure for the first two years of the Long Term Plan (Amended) 2024-2034 has been included .

Operational expenditure includes indirect costs to provide the service to the community such as loan repayments, interest costs and overheads. Forecast operational expenditure is shown as gross costs.





# Stormwater

## Context

### How stormwater is managed

The city’s stormwater system is designed to manage the collection and disposal of stormwater within urban areas by a combination of reticulated pipes, pumps, open drains, and onsite soakage pits.

### Assets and value

The stormwater system comprises 51 km of open drains, 160 km of stormwater mains, 3,546 stormwater manholes, 7 pump stations, 3 retention ponds (Wallaceville Reserve, Grants Bush, Brown Owl), and a stormwater dam (Heretaunga). The stormwater assets are valued at \$168.6 M (2023)

### Our stormwater standard and level of service

#### Our stormwater standard and level of service

While Council has no immediate plans to change the level of service for existing development, it needs to determine the level of flooding that people are willing to accept and the cost implications to achieve its design standards. Areas susceptible to 1:25 and 1:100 year flood events have been mapped to assist in decision-making. The Pinehaven Flood Management project is an example of Council working towards meeting both a stormwater design standard and associated channel improvements.

Council’s current policy is to provide flood protection to a design standard of meeting a 1:25 year flood event if there is a secondary flow path, and for a 1:100 year event if there is no secondary flow path. This standard applies to all new development.

**Climate change considerations**

Increased rainfall because of climate change could increase stormwater flows thereby placing pressure on the network and impact the levels of service. Additional design capacity is allowed for, to factor in climate change impacts, when carrying out planned upgrades to the stormwater network and for development.

The level of service debate also emerges through the, yet to be determined, finite capacity of onsite soakage pits to absorb stormwater run-off both increasing frequent high intensity rainfall events and the demands that medium intensity development put on reducing areas of permeability.

**New standards and costs**

Greater Wellington Regional Council (GWRC) is implementing the National Policy Statement for Freshwater Management through updates to its Regional Plan. This creates a range of new environmental standards that will increase the cost of operating the stormwater network in a compliant manner.

# Asset condition and performance

**Awareness and risks**

Improving and increasing information about the health and condition of the assets is a priority. There is a particular focus on understanding the condition and risk associated with the most critical assets including some stormwater assets. Where these condition assessments identify significant risks, the intention is that these assets will be prioritised within the renewal programme.

**Replacing ageing assets**

Approximately 88% of the stormwater pipeline assets have a nominal (age-based) life beyond the 30-year period of this Strategy. Understanding the condition of lower-criticality assets, such as the city’s stormwater pipes, relies on data collected from condition assessment activities conducted across the region.

**Prioritising critical assets**

Council has prioritised the assessment of critical assets through the Very High Criticality Assets (VHCA) programme. After this, Wellington Water has been able to utilise the data from the detailed assessments made to develop a complete picture of the network condition and to inform future investment priority.

This assessment has indicated that 68% of the stormwater network is considered to be condition grades 1 – 3, with no structural defects or, some structural defects evident causing minor deterioration or, structural defects present with moderate deterioration. 32% is considered to be condition grade 4 (poor), with significant defects

present with serious deterioration evident. None of the network is currently considered to be condition grade 5 (very poor) with deterioration extending to a point where structural failure is imminent or has already occurred. As networks age and the condition deteriorates increased levels of planned and reactive activity can be anticipated.

---

### **Condition and performance of the stormwater network**

The stormwater system is performing adequately with all performance measures being met. Performance of the stormwater system is difficult to determine when assessing the Department of Internal Affairs measures. Its performance is relative to the extremity of the storm events in any given year. Additionally, we assume that because of climate change, the frequency and extremity of storm events will increase over time, rendering the network less able to deal with extreme events.

We have seen an increase in the number of complaints about stormwater performance over the past few years, not related to an increase in flooding events. This is due to the very narrow definition of flooding events under the DIA rules, along with the difficulty in obtaining this data.

For the first two years of Long Term Plan (Amended) 2024-2034 the renewal of stormwater assets will be prioritised based on asset criticality and the best available understanding of asset condition.

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### **Focus areas**

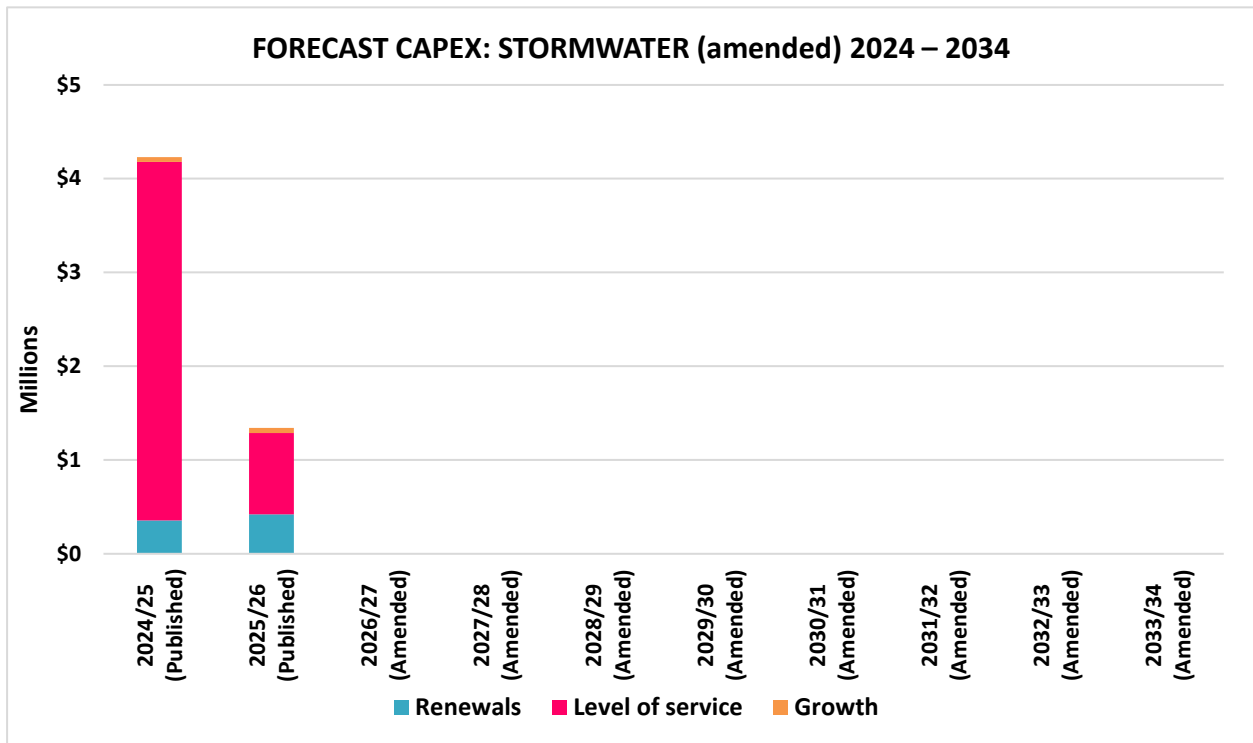
- Ensuring the stormwater network is resilient, efficient, effective, safe, and assists in the delivery of Council's strategic goals.
- Delivering services in an integrated catchment management approach.
- Looking after existing infrastructure (renewals, operations, and maintenance).
- Gaining asset condition knowledge to inform prioritisation of renewals programme.
- Ensuring critical services, such as control systems, are maintained.
- Completion of future growth study for the region to ensure services align to growth.
- Improving environmental water quality to comply with global discharge consents.
- Improving understanding of network capacity and performance through monitoring and modelling.
- Interventions in place to protect overland flow paths.

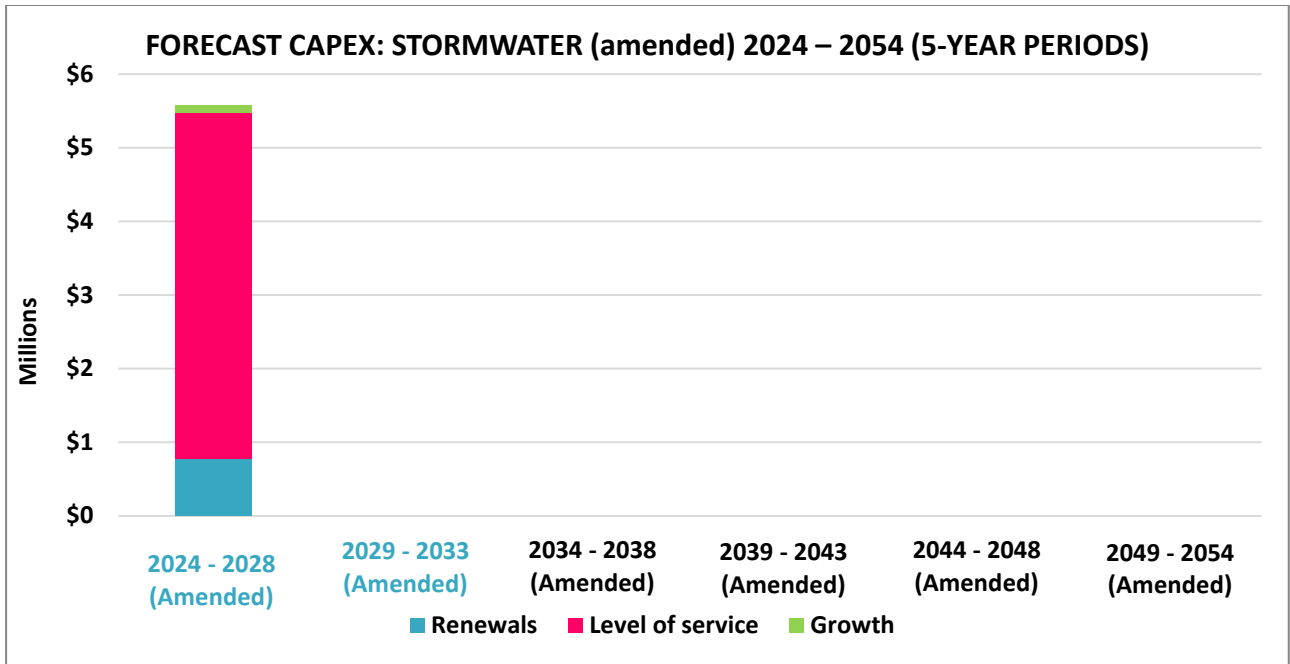
- Development controls such as hydraulic neutrality.
- Climate change factored in to planning and design of new works and development.
- From 1 July 2026 water services will transfer to Tiaki Wai.

## Indicative estimates

### Capital expenditure (capex)

The estimated capital needs for the stormwater activity have been prepared for the next 30 years. For the first two years of Long Term Plan (Amended) 2024-2034 the forecast capital expenditure has been included.

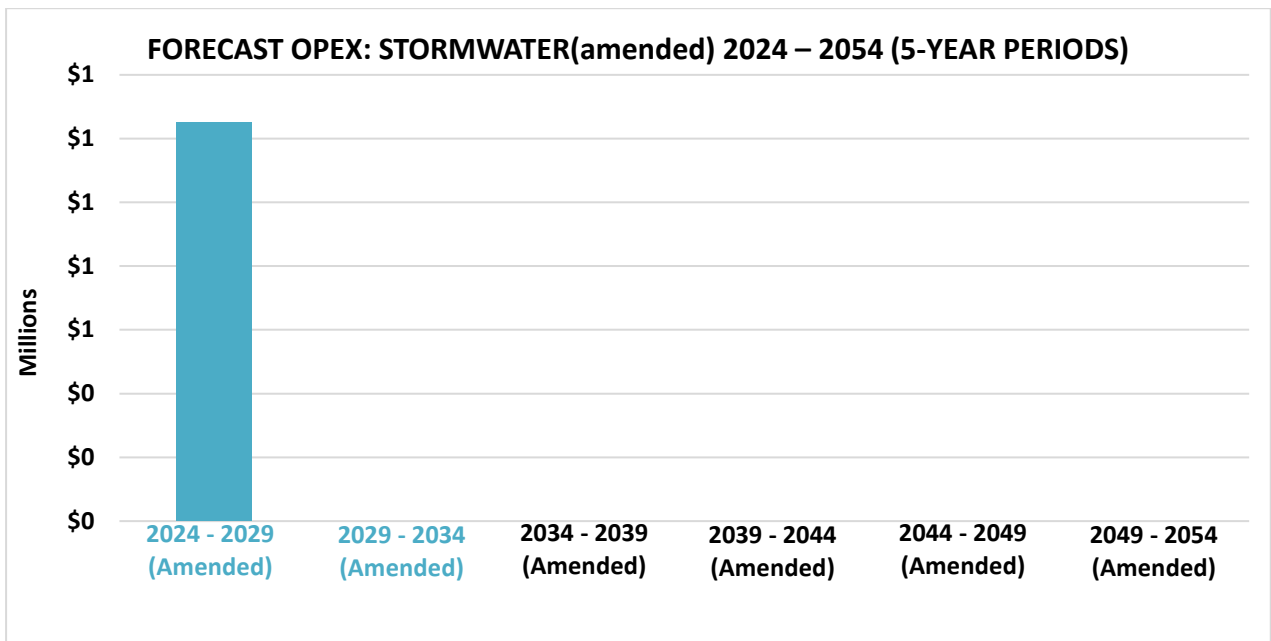
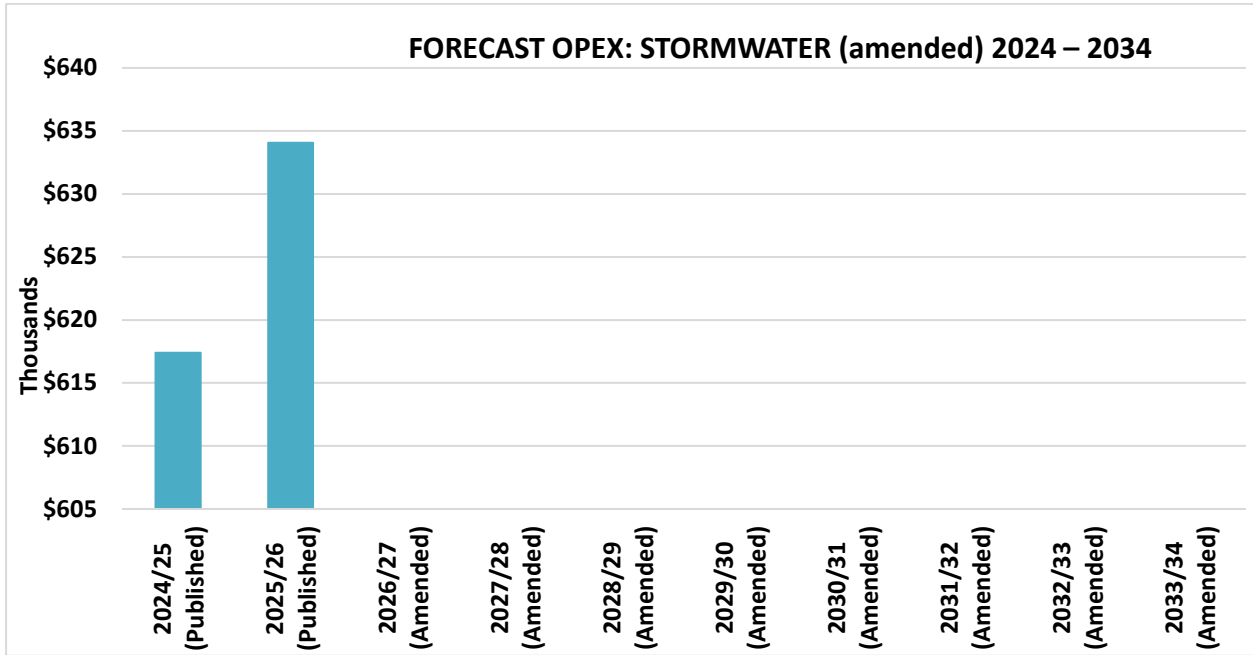




**Operational expenditure (opex)**

For the first two years of the Long Term Plan (Amended) 2024-2034 the forecast operational expenditure has been included.

Operational expenditure includes indirect costs to provide the service to the community such as loan repayments, interest costs and overheads. Forecast operational expenditure is shown as gross costs.



# Land transport

## Context

### **Movement and access**

The ability to move is fundamental to the quality of life in Upper Hutt. Council's land transport assets provide people with access to employment, services, education, tourism sites and recreation, as well as providing parking for residents and businesses, and the movement of goods to support a thriving economy. They enable residents and visitors to move freely, efficiently, and safely throughout the city.

Land transport covers the assets and infrastructure required to operate and manage the free movement of motor vehicles, public transport, commercial traffic, cyclists, and pedestrians within Upper Hutt and across city boundaries. The land transport network amounts to an annual 173.7 million vehicle kilometres of journeys travelled on the network.

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### **Assets and value**

Upper Hutt's transport network is valued at \$343 M (2023). This includes 251 km of roads; 48 road bridges and 6 pedestrian/cycle bridges; footpaths, cycleways, and pedestrian crossings; signs, street lights, and traffic signals; public car parks, street furniture, and refuse bins; street planters and vegetation.

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### **Partnership with central government and GWRC**

The Government, through Waka Kotahi NZ Transport Agency, partners with Council by operating State Highway 2 that runs through Upper Hutt. It also co-invests with Council in transport infrastructure and services.

Bus and train services are provided and funded through the Greater Wellington Regional Council.

## Asset condition and performance

Council has several processes and systems to inspect, investigate, and gather data on road assets. Undertaking these inspections, in a routine cyclic manner allows Council to continuously monitor the roading assets and identify the problems and hazards associated with them.

### **Formal road and footpath inspections**

Annually, Council engages the services of a suitably qualified road and footpath condition rating service to undertake a full 100% inspection of the roading network. All results are checked for acceptable tolerance levels before inputting into Roading Assessment and Maintenance Management System (RAMM).

**Inspections of contracted work**

Other than the road and footpath condition rating survey, Council staff monitor all land transport assets through both formal and informal means. For activities such as rural cleaning, full inspections are carried out while random inspections are carried out for other activities, such as street cleaning. More detail on the methods and frequency of inspections are recorded in each Activity Plan.

**Feedback from staff and the public**

Formal, informal, and random monitoring is gathered from Council staff as they move through the city. We also gather data from public feedback and through requests for service.

**Condition and performance of the roading network**

The smooth travel exposure of the network has increased from 76% to 78% with additional funding allocated from 2022 – 2027 to carry out additional pavement rehabilitation on Fergusson Drive. This contributed to 43% of the [22|23] result. While the overall target (80%) has not been met, it does show improvement, which we expect to continue as the pavement work progresses.

To achieve the required level of service and address the increase in the costs of work, over the next three years we’ve budgeted to increase the volume of pavement rehabilitation by 173% and resurfacing work by 17%.

The existing programme is consistent with Council’s long-term historic programme and deterioration rates are not expected to change. As such, operational expenditure is expected to continue similar to the current rate and levels of service are not expected to change.

Increasing contract supervision through additional internal resources is expected to improve contractor delivery. This should in-turn increase levels of service and reduce the demand for operational expenditure repairs.

**Focus areas**

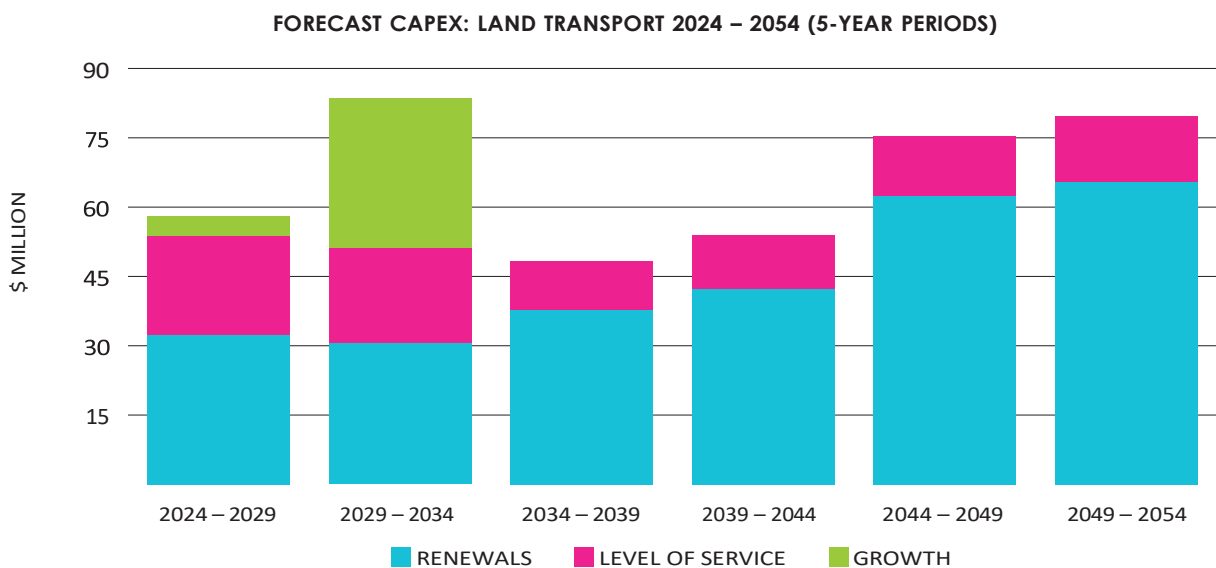
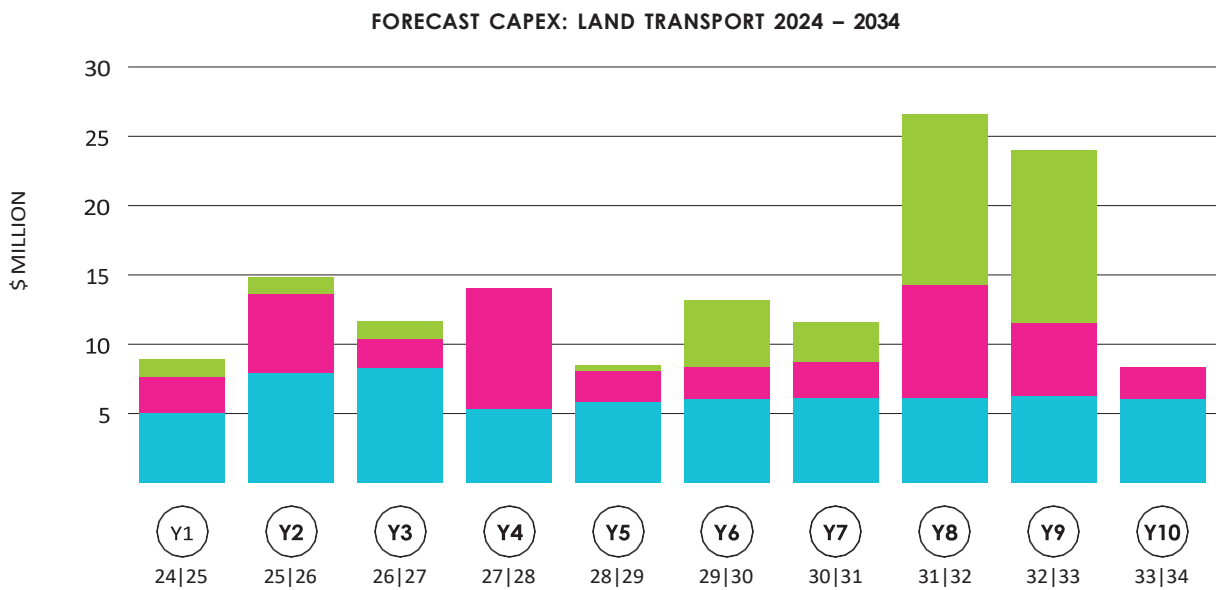
- Ensuring the road network is resilient, efficient, effective, and safe, and assists in the delivery of Council’s strategic goals.
- Reducing the vulnerability of the rural roading network to natural hazard events.
- Addressing substandard rural carriageway widths and the impact on safety of motorists, cyclists, horse riders, and pedestrians on rural roads.
- Delivering agreed levels of service as the city sustains a period of growth.

- Providing cycling and walking facilities to meet the agreed levels of service for all ages.
- Continue advocating with Greater Wellington Regional Council and Waka Kotahi NZ Transport Agency for capacity and safety upgrades of State Highway 2 and State Highway 58.

## Indicative estimates

### Capital expenditure (capex)

The estimated capital needs for the transport activity have been prepared for the next 30 years. The forecast capital expenditure from 1 July 2024 to 30 June 2034 has been included in this Long Term Plan.

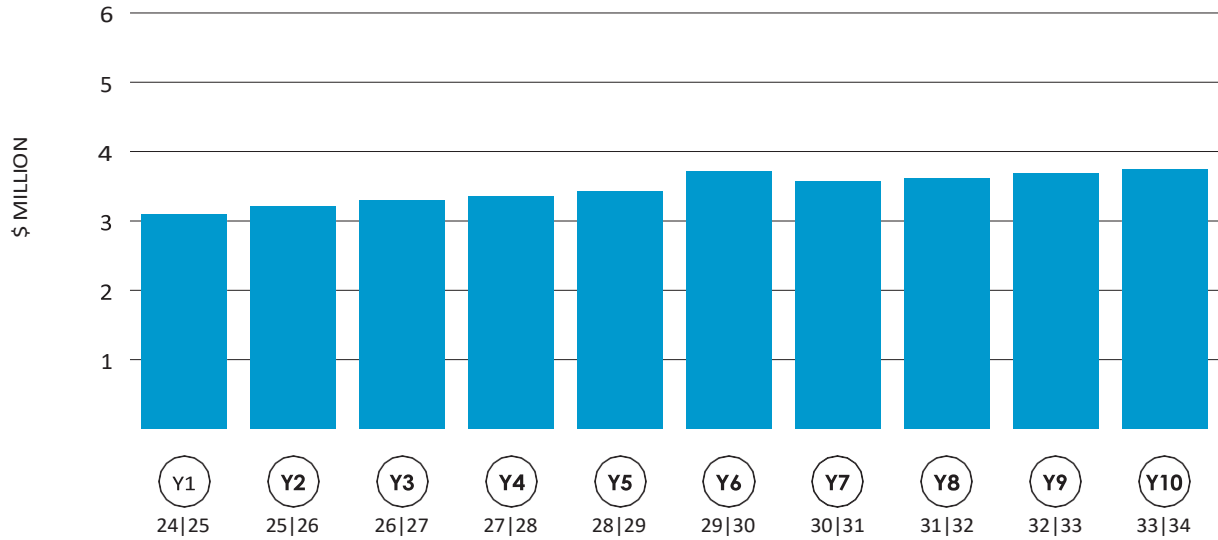


**Operational expenditure (opex)**

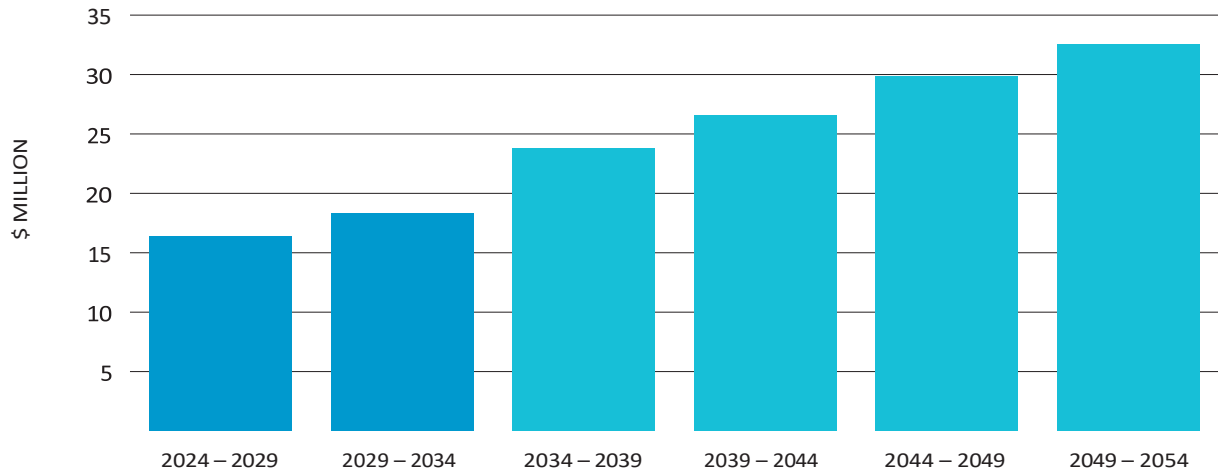
The forecast operational expenditure from 1 July 2024 to 30 June 2034 has been included in this Long Term Plan. Estimated expenditure beyond 2034 is based on the Year 10 forecast and then adjusted for anticipated growth of the city.

Operational expenditure includes indirect costs to provide the service to the community such as loan repayments, interest costs and overheads. Forecast operational expenditure is shown as gross costs.

**FORECAST OPEX: LAND TRANSPORT 2024 – 2034**



**FORECAST OPEX: LAND TRANSPORT 2024 – 2054 (5-YEAR PERIODS)**



# Property

## Context

### **Delivering services to the community**

Council owns properties so that we can deliver services as defined in the LGA. Council is obligated to:

*“meet the current and future needs of communities for good quality local infrastructure, local public services, and performance of regulatory functions in a way that is the most cost effective for households and businesses.”*

The range of services Council delivers is varied, and so the property assets we hold is also diverse. Most of the services Council provides require a land-based asset infrastructure base. Consequently, Council must by reason of function, hold and maintain property assets as either owners, lessees, or in some other form such as stakeholders in trusts, or partnerships.

### **Assets and value**

Council’s properties are valued at \$99 M (2023). They comprise 16 building complexes including administrative buildings (where day-to-day Council business is undertaken), leisure and recreation facilities, an arts and entertainment facility, community houses, a holiday park, and a works depot. These buildings range in age and use. Both asset condition and performance information are used to determine when a renewal is required for these facilities.

Council also holds approximately 1,174 ha of land, used for three waters services (15 ha), roading activities (426 ha), parks and reserves (671 ha) and civic activities (3 ha).

## Asset condition and performance

Council has several processes and systems to inspect, investigate, and gather data on land and property assets. Undertaking these inspections, in a routine cyclic manner allows Council to continuously monitor the land and property assets and identify the problems and hazards associated with them.

### **Level of service reviews**

Council reviews levels of service, customer expectations, and any other future developments around Upper Hutt, on an annual basis. More detail on the methods and frequency are recorded in each Activity Plan.

**Feedback from staff and the public**

Formal, informal, and random monitoring is gathered from Council staff as they move through the city. We also gather data from public feedback, and through requests for service.

The asset information is continuously updated, and will contribute to the improvement journey.

**Focus areas**

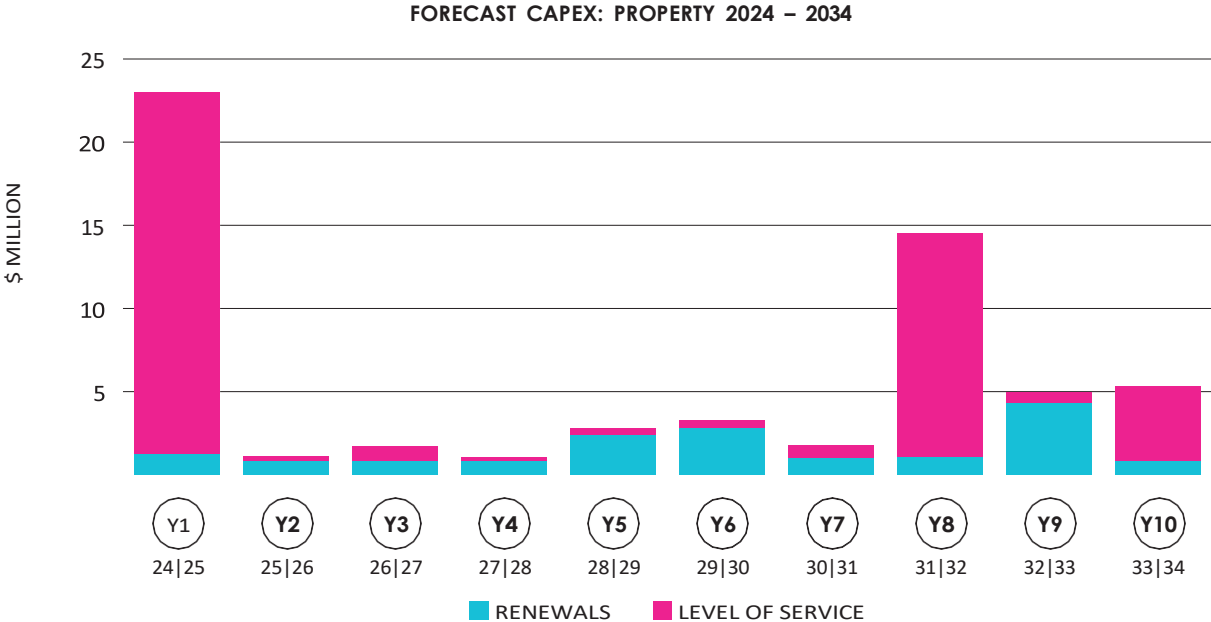
- Ensuring community facilities are maintained so that they are safe, fit for purpose, welcoming, and assist in the delivery of Council’s strategic goals.
- Continuing with the upgrade and expansion of H<sub>2</sub>O Xtream swimming pool.
- Complete required seismic strengthening works on Council buildings when considered appropriate.

# Indicative estimates

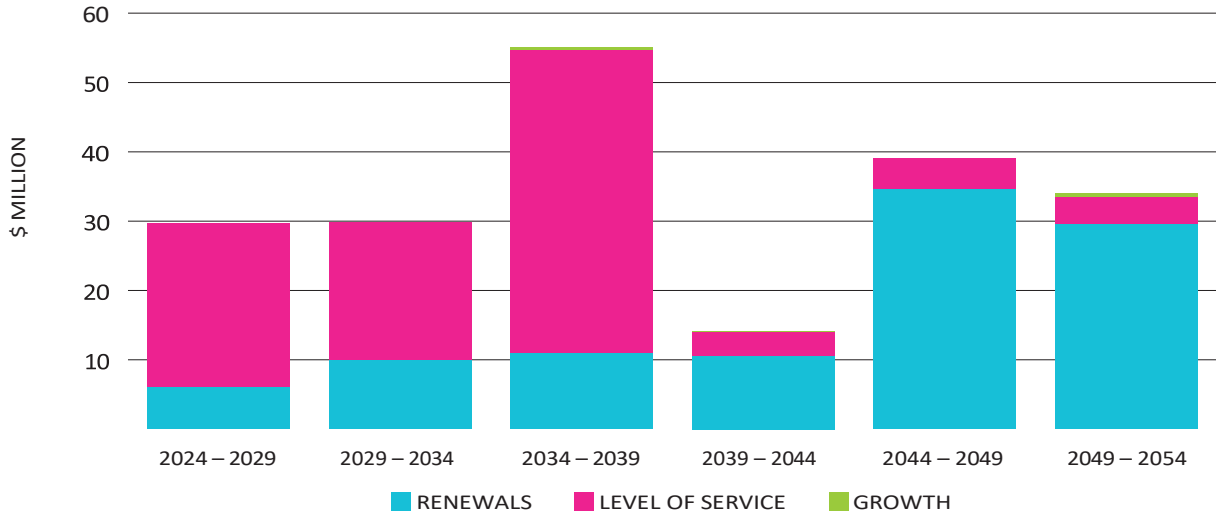
**Capital expenditure (capex)**

The estimated capital needs for the land and property activity have been prepared for the next 30 years. The forecast capital expenditure from 1 July 2024 to 30 June 2034 has been included in this Long Term Plan.

The H<sub>2</sub>O Xtream upgrade will continue in Year 1 and is a significant component of the level of service improvements in this Long Term Plan.



FORECAST CAPEX: PROPERTY 2024 – 2054 (5-YEAR PERIODS)

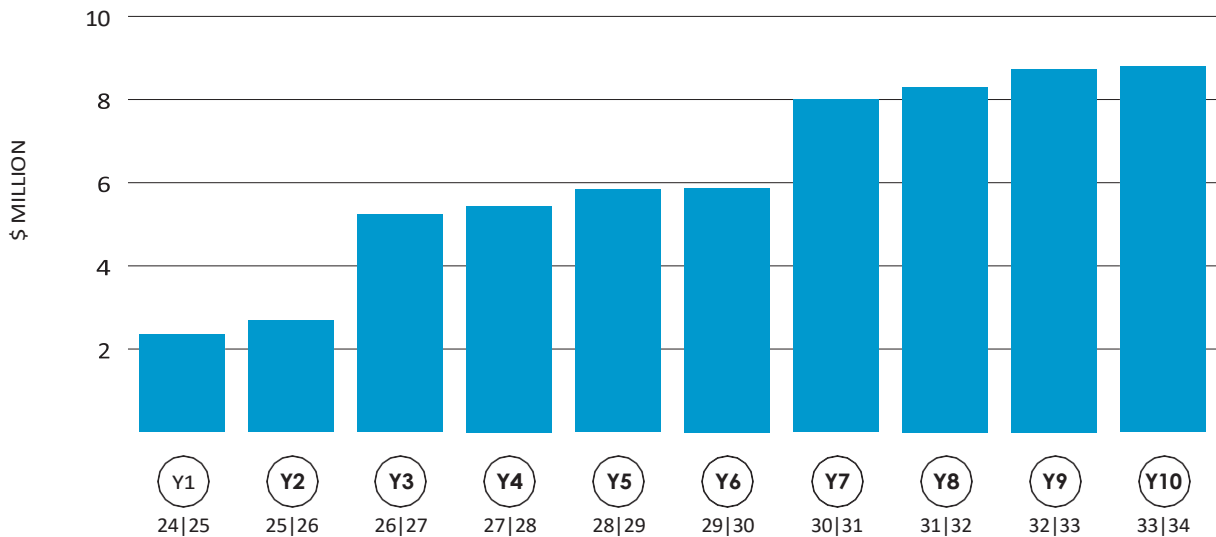


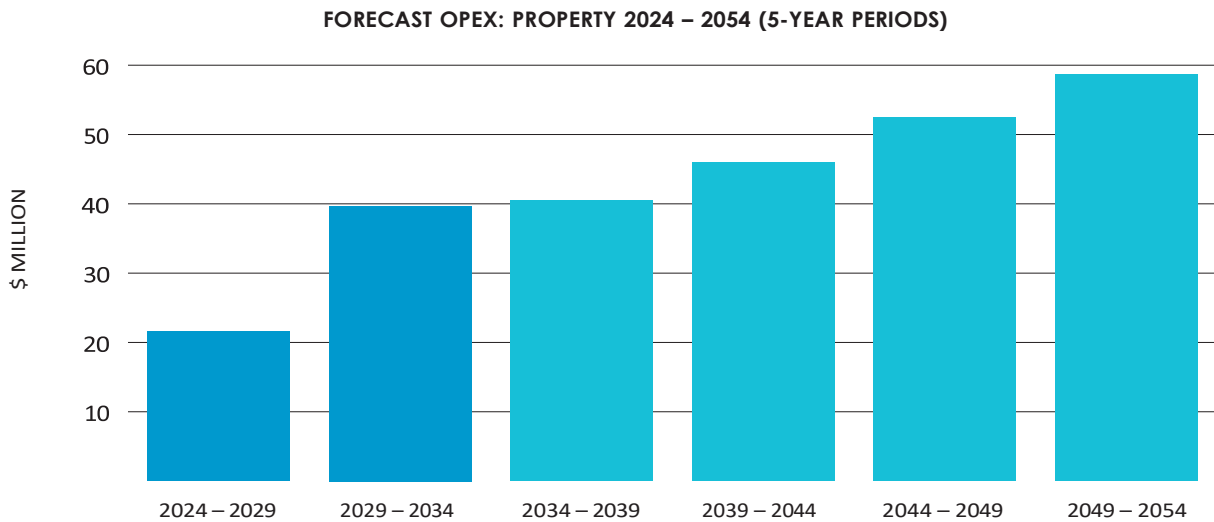
**Operational expenditure (opex)**

The forecast operational expenditure from 1 July 2024 to 30 June 2034 has been included in this Long Term Plan (amended). Estimated expenditure beyond 2034 is based on the Year 10 forecast and then adjusted for anticipated growth of the city.

Operational expenditure includes indirect costs to provide the service to the community such as loan repayments, interest costs and overheads. Forecast operational expenditure is shown as gross costs.

FORECAST OPEX: PROPERTY 2024 – 2034





## Parks and reserves

### Context

#### Meeting local and regional recreation needs

Our parks and reserves provide passive and active recreation areas to meet the needs and expectations of our growing city.

Council owns and manages over 748 ha of open space. This includes destination parks, neighbourhood parks, sports parks, Akatārawa cemetery, and natural areas. 70% of the Wellington Region’s parks and reserves are in Upper Hutt. Council has an Open Space Strategy which sets the long-term direction for open space in Upper Hutt.

#### Assets and value

Parks and reserves infrastructure assets are valued at \$114 M (2023). This includes 39 ha of sports grounds, 31 regional and neighbourhood playgrounds, 16 park buildings, 24 toilet blocks, and 24 km of walking and cycling tracks.

Akatārawa Cemetery is also included in this portfolio and is jointly owned by Upper Hutt City Council and Hutt City Council, providing burial services for the Hutt Valley.

#### Open Space Strategy

Based on the Open Space Strategy, significant investment has been made in refreshing facilities such as Maidstone Max, taking into account the age of facility and the changing demand of users. A review of the Open Space Strategy is underway, the impact of which is uncertain.

Cycleways and ancillary infrastructure that add to or enhance the connection of regional and national cycleways, are expected to gain priority. Whilst considering affordability, we expect the Open Space Strategy will align with these levels of service as demand for cycleway connections increases.

**Akatārawa Cemetery**

While currently able to meet demand, Upper Hutt has an ageing population which is expected to have an impact on the requirements for burials in the next 10 to 15 years. The redevelopment of Akatārawa Cemetery budgeted for in 2018, is underway with provision to extend it in this Long Term Plan. The extension will be developed from a block of land adjacent to the Akatārawa Cemetery which has been purchased for cemetery purposes. The costs of development will be shared between the two cities on a ratio of one quarter Upper Hutt and three quarters Hutt City.

## Asset condition and performance

Council has several processes and systems to inspect, investigate and gather data on open spaces assets. Undertaking these inspections, in a routine cyclic manner allows Council to continuously monitor the open spaces assets and identify the problems and hazards associated with them.

**Annual reviews**

Council reviews the levels of service, customer expectations of the Upper Hutt open spaces, and any other future developments around Upper Hutt, on an annual basis. Further detail on the methods and frequency are recorded in each Activity Plan.

**Feedback from staff and the public**

Formal, informal and random monitoring is gathered from Council staff as they move through the city. We also gather data from public feedback, and through requests for service.

The asset information is continuously improved, and audits completed in the previous Long Term Plan as well as an asset re-categorisation in UniverusAssets contributed to the improvement journey.

**Focus areas**

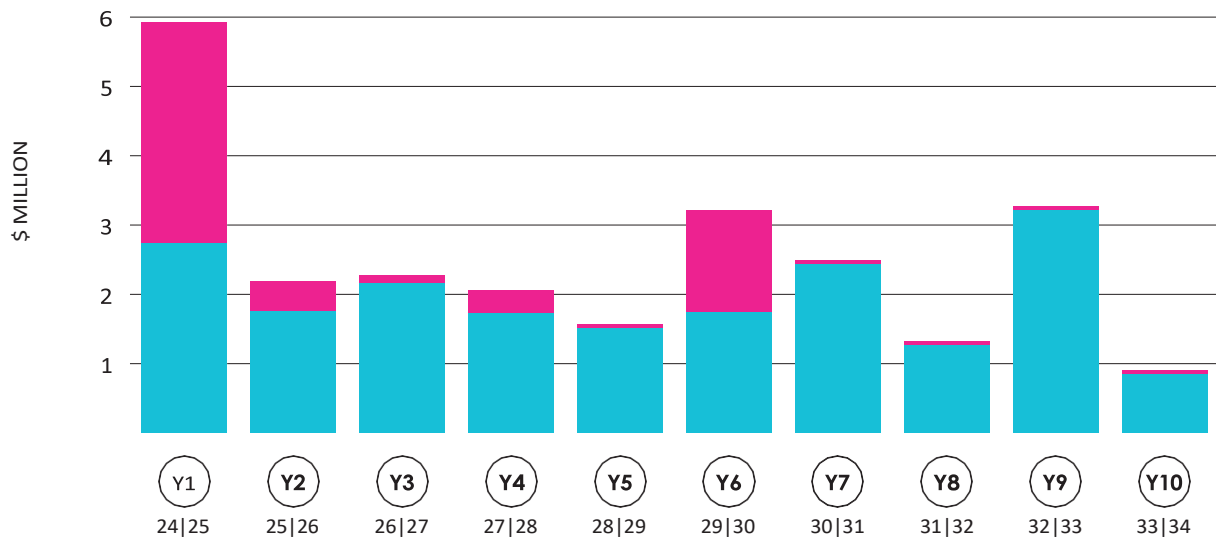
- Ensuring parks and reserves assets are resilient, effective, safe, meet the requirements of the community, and assists in the delivery of Council's strategic goals.
- Catering for anticipated future growth in burial requirements.
- Providing cycling and walking facilities to meet the agreed levels of service for all ages.
- Continuing to align work programmes and levels of service with the Open Space Strategy.

# Indicative estimates

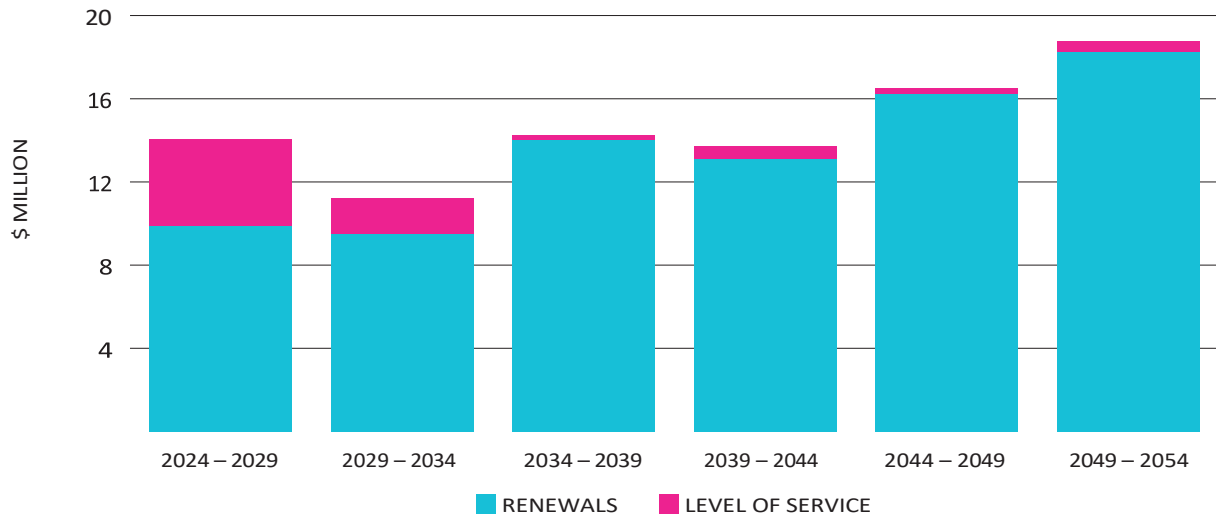
## Capital expenditure (capex)

The estimated capital needs for the parks and reserves activity have been prepared for the next 30 years. The forecast capital expenditure from 1 July 2024 to 30 June 2034 has been included in this Long Term Plan.

FORECAST CAPEX: PARKS AND RESERVES 2024 – 2034



FORECAST CAPEX: PARKS AND RESERVES 2024 – 2054 (5-YEAR PERIODS)

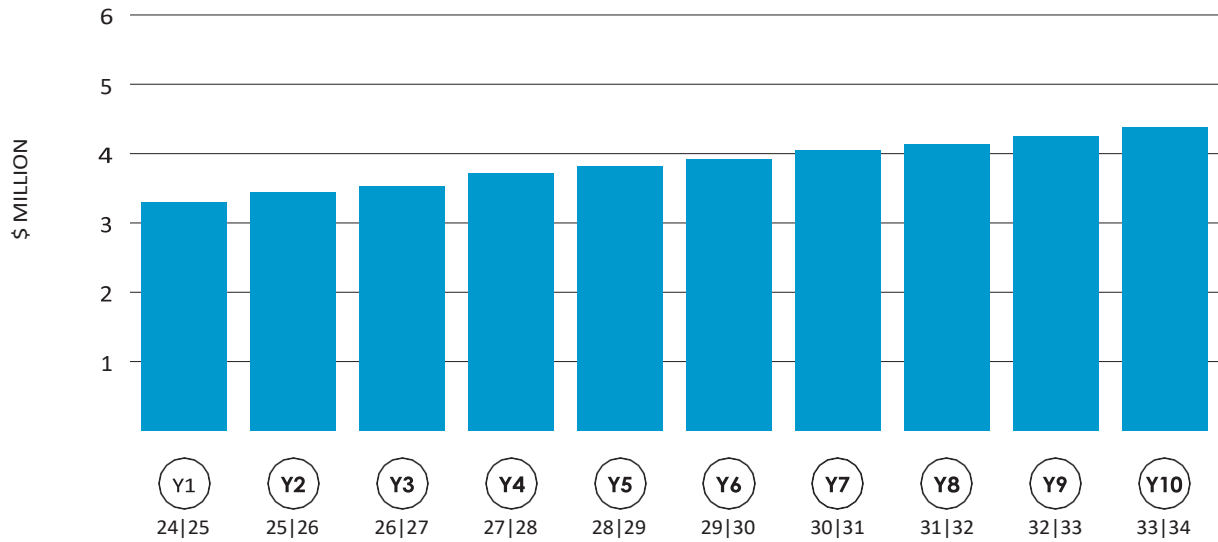


**Operational expenditure (opex)**

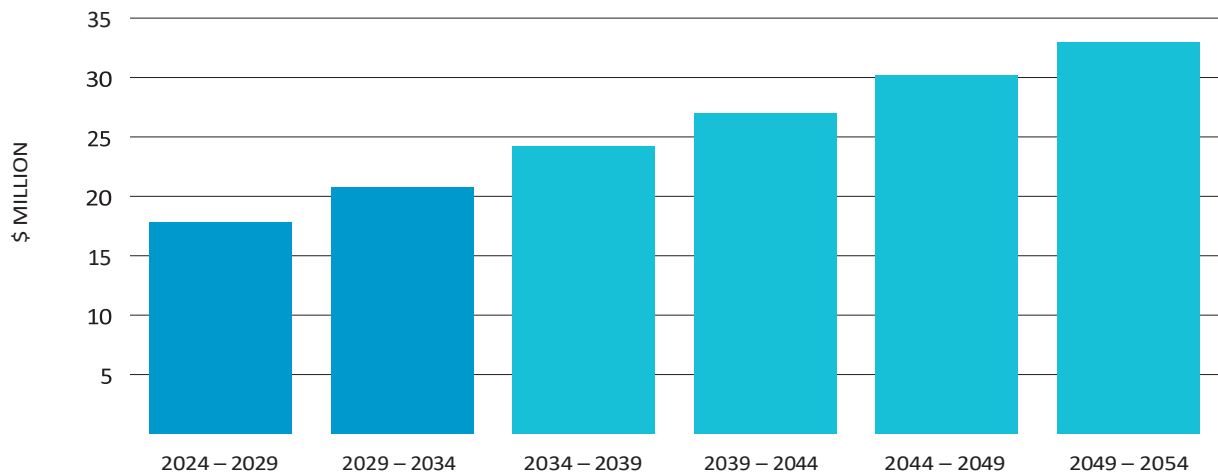
The forecast operational expenditure from 1 July 2024 to 30 June 2034 has been included in this Long Term Plan. Estimated expenditure beyond 2034 is based on the Year 10 forecast and then adjusted for anticipated growth of the city.

Operational expenditure includes indirect costs to provide the service to the community such as loan repayments, interest costs and overheads. Forecast operational expenditure is shown as gross costs.

**FORECAST OPEX: PARKS AND RESERVES 2024 – 2034**



**FORECAST OPEX: PARKS AND RESERVES 2024 – 2054 (5-YEAR PERIODS)**



# General assumptions

The following assumptions are specific to the Infrastructure Strategy. This Long Term Plan (amended) includes other forecasting assumptions related to the overall development of the plan, which also apply to this Strategy, notably the following:

- Funding depreciation
- Interest rates
- Capex do-ability
- Governance

For more in formation, please refer to *Significant forecasting assumptions* (page 124).

Assumption	Level of uncertainty and potential impact
<b>Inflation included</b>	<p>High degree of uncertainty as based on long-term inflation forecasts that are likely to change and would have a compounding effect over time.</p> <p>Changes in inflation rates would result in the need to change the available funding to continue to deliver the same service levels and programme of works.</p> <p>All financial information in this Strategy includes inflation unless stated otherwise.</p>
<b>Natural disasters</b>	<p>There is a high level of uncertainty as New Zealand is vulnerable to a wide range of shocks and stresses.</p> <p>These range from natural hazards such as earthquakes, tsunamis, floods, and pandemics. While we can't predict everything the future will bring, we do know that there's a high risk of some of these occurring, which can have a significant impact on infrastructure and financial requirements for remedial works. Council is insured for natural hazards, however this would not fully cover the costs of a severely damaging event.</p>
<b>No significant changes in levels of service</b>	<p>There is a high level of uncertainty on future level of service changes as service delivery within the current budgetary and economic environment is challenging as cost of living remains high.</p> <p>Service levels are generally assumed to remain the same for the period covered by this Strategy. Levels of service for the three waters may continue to be standardised across the Wellington Region, which in turn may affect the cost and programming of renewals and upgrades.</p>
<b>Natural Resources Plan changes</b>	<p>There is a high degree of uncertainty around this as the effect of this requirement is unknown.</p> <p>The Greater Wellington Regional Council <i>Natural Resources Plan</i> will require Council to hold stormwater discharge consents.</p>

<b>Assumption</b>	<b>Level of uncertainty and potential impact</b>
<b>No significant changes to legislation</b>	<p>There is a medium-high level of uncertainty as some legislative change is probable over the 30 years of the Strategy.</p> <p>The potential impact of future changes could result in additional required expenditure to comply with new standards, new funding opportunities/ mechanisms, or deliver higher service levels than planned at this point that could impact on the need for and nature of infrastructure.</p>
<b>Minimal compliance cost changes</b>	<p>Medium-high level of uncertainty on budgets for compliance costs for future legislative changes.</p> <p>Changes to legislation, regulations or rules that affect how we operate (usually through requiring compliance with new and higher standards) cannot be fully anticipated at this point. As a result, this Strategy has been developed based on current legislation, regulations, rules, and policy.</p>
<b>No significant changes to technology</b>	<p>Medium-high level of uncertainty as technological advancement is highly likely over the next 30 years.</p> <p>This could have a major impact on the scope, timing, and costs of anticipated projects as new technologies may deliver services in different ways through different types of infrastructure.</p>
<b>Full project costs identified</b>	<p>There is medium-high uncertainty over current projected project costs, with uncertainty increasing with increased time horizons.</p> <p>The costs shown in this document are full project costs irrespective of funding sources. The costs are present day values. Where studies or other funding are known to be available, these sources have been identified.</p>
<b>Waka Kotahi NZ Transport Agency subsidy constant</b>	<p>Medium degree of uncertainty that Waka Kotahi NZ Transport Agency subsidies will continue as currently provided at a rate of 51% subsidy for eligible works.</p> <p>Changes to rates or project eligibility criteria would have a large impact on the net cost of transport work for Council. If Council is unable to secure appropriate funding to maintain the assets through their lifecycle from Waka Kotahi then the shortfall will have to be rate payer funded, or work deferred.</p>
<b>Increasing resilience demands</b>	<p>Medium degree of uncertainty as we increase our knowledge and standards continue to evolve.</p> <p>The impacts of increasing resilience, climate change and environmental awareness, as well as growth have been factored into this Strategy based on current best knowledge. Successive iterations of this document will address how those assumptions align with future changes.</p>

Assumption	Level of uncertainty and potential impact
<b>Capacity and market resources available to undertake works</b>	<p>There is medium uncertainty regarding the wider market as there are high levels of forecast capital expenditure from government agencies, councils, and private sector entities involved in providing infrastructure services across New Zealand.</p> <p>Impact could be high, as construction and infrastructure sector continue to grow and with high demand budgets may not be sufficient to undertake the works as planned.</p>
<b>Water supply remains A1-a1</b>	<p>Council’s water supply is currently rated A1-a1 and it is assumed with a high degree of certainty that any future changes to drinking water standards or legislation is not expected to alter this grading.</p>
<b>Asset economic lives</b>	<p>There is a medium degree of uncertainty as local knowledge and historical trends are supplemented by application-based data and forecasting.</p> <p>The long-standing asset data quality problem for below ground assets will continue in the medium term with remaining lives of assets being uncertain.</p>

*See Appendix 1—Useful life assumptions (page 261)*

# Appendix 1—Useful life assumptions

The specific life cycles (rates of depreciation) applied to major classes of assets are below. Noting that ownership of water systems, sewerage systems and the wastewater assets will transfer to Tiaki Wai from 1 July 2026.

Infrastructure Assets	Years	Infrastructure assets	Years
<b>Water supply</b>		<b>Roading</b>	
Civil works	80 – 100	Bridges	20 – 100
Mechanical and electrical plant, outlets, pumps	20 – 50	Car parks	50
Pipework, appurtenances, and associated structures	50 – 100	Culverts	50 – 80
Reservoirs, intake structure	100	Footpaths/accessways	30 – 60
<b>Wastewater</b>		Roads (except land and formation)	4 – 30
Civil works	80 – 100	Roundabouts	50
Electronic equipment	10 – 20	Stormwater channels	15 – 60
Mechanical and electrical plant, outlets, pumps	15 – 50	Street and traffic lights	5 – 50
Pipework, wastewater mains	50 – 100	Street furniture and other features	12 – 25
<b>Stormwater</b>		Subways	80
Civil works	80 – 100	Sumps	60
Mechanical and electrical plant, outlets, pumps	20 – 50	<b>Operational assets</b>	
Pipe work, appurtenances, and associated structures	50 – 100	Buildings	10 – 100
<b>Telemetry</b>		Buildings fit-out and services	10 – 40
Civil works	80 – 100	Furniture and office equipment	5 – 15
Mechanical and electrical plant, outlets, pumps	20 – 50	Library books	3 – 5
Pipework, appurtenances, and associated structures	50 – 100	Motor vehicles	5 – 25
Electronic equipment	10 – 20	Parks and reserves services	10 – 100
		Plant and equipment	4 – 50
		<b>Diminishing value depreciation</b>	
		Furniture and office equipment	5
		Plant and equipment	4 – 50
		Vehicles and plant	5 – 105

## Ngā kaupapa here Policies

# D

**263** Revenue and Financing Policy (Amended)

**292** Development and Financial  
Contributions Policy

**293** Rates Remission and  
Postponement Policies

**304** Significance and Engagement Policy  
(Amended)

**318** Council-controlled organisations

# Kaupapa Here Pūtea Whiwhi me te Ahumoni Revenue and Financing Policy (adopted June 2025 and amended)

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265 Policy statement

266 Policy development process

269 Use of funding mechanisms

279 Other funding sources

280 Separately used or inhabited parts

281 Analysis of activities and  
funding conclusions

# Introduction

**Legislative requirement**

Under section 102 of the Local Government Act 2002 all local authorities must adopt a revenue and financing policy.

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**What it is and does**

The revenue and financing policy provides details of Council’s approach for the funding of operating and capital expenditure and provides predictability and certainty about sources and levels of funding available to Council. It clearly and transparently explains the rationale and process for selecting various tools to fund each significant activity of Council.

The revenue and financing policy is reflected in each of Council’s funding impact statements for a particular financial year or activity group. To understand the impact of the policy, it must be read in conjunction with the funding impact statements.

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**Requirements of the Local Government Act 2002**

Section 103 of the Local Government Act 2002 (the Act) identifies the required components and considerations that make up the policy.

The policy must include the local authority’s policies in respect of the funding of operating expenses and capital expenditure from the sources listed in s103 (1) and s103 (2).

Council must comply with section 101(3) of the Act, requiring Council to consider the following before it determines the funding source for each activity:

- ① the community outcomes to which the activity primarily contributes
- ② the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals
- ③ the period in or over which those benefits are expected to occur
- ④ the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity
- ⑤ the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

Additionally the Council has considered what to be appropriate, having considered the overall impact of any allocation of liability for revenue needs including the impacts on the current and future social, economic, environmental, and cultural wellbeing on the community. As required by section 101(3)(b) of the Act.

# Policy statement

## Funding of operational expenditure

Where expenditure does not create a new asset for future use or extend the lifetime or usefulness of an existing asset, it is classed as operating expenditure. Operating expenditure pays for Council’s day-to-day operations and services, from maintaining local roads and providing street lighting to looking after parks and issuing building consents and liquor licenses.

Council funds operating expenditure from the following sources:

- General rates
- Targeted rates
- Fees and Charges
- Interest and dividends from investments
- Borrowing
- Grants and subsidies
- Other sources including lease income, cash reserves, restricted or special funds, surpluses from previous financial years.

Council may choose to not fully fund operating expenditure in any particular year if the deficit can be funded from operating surpluses in the immediately preceding or subsequent years.

Council has determined the proportion of operating expenditure to be funded from each of the sources above, and the method for apportioning rates and other charges.

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## Funding of capital expenditure

Capital expenditure is the spending on creation of a new asset or extending the lifetime of an existing asset. Capital expenditure can also be incurred to improve the level of service provided by the asset.

Council funds capital expenditure from the following sources:

- General rates
- Targeted rates
- Borrowing
- Proceeds from asset sales
- Development contributions
- Financial contributions
- Grants and subsidies
- Other including restricted or special funds, surpluses from previous financial years.

Renewal of assets, except water assets, are to be incrementally funded by rating for depreciation. Funding for depreciation means users of the assets pay for their share of the cost.

Borrowing or loan funding is an appropriate funding mechanism to meet the cost of developments that increase Council’s level of service or support growth. Loan funding will be used in conjunction with any relevant development contributions, financial contributions or available grants.

The costs of borrowing will be borne by those who benefit from the asset over time. This is known as the ‘intergenerational equity principle’ and means the costs of maintaining or improving any asset should be recovered from those that benefit over the period the benefits of that expenditure accrue.

## Policy development process

In developing the policy and determining the appropriate funding sources for each activity, Council considered a range of factors including assessing each activity as required by s101(3) of the Act. The factors considered are described below.

### Community outcomes

These are outcomes that a local authority aims to achieve in order to promote the social, economic, environmental, and cultural wellbeing of its district or region in the present and in the future. The Local Government Act 2002 requires Councils to consider the community outcomes to which each activity contributes when determining funding sources.

The community outcomes are listed below:



**TAIAO**  
Environment

We’re immersed in natural beauty. We care for and protect our river, our stunning parks, and our natural environment.



**PAPŌRI ME TE AHUREA**  
Social and cultural

We celebrate our whānau, heritage, and culture. We’re a caring, safe, and healthy community.



**ŌHANGA**  
Economy

We’re a city of opportunity. We attract new investment and offer opportunities for people and businesses to prosper.

Our city centre is alive, attractive, and vibrant.



**TŪĀPAPA**  
Infrastructure

We have reliable and efficient networks and infrastructure that support our city.

**Distribution of benefits**

The Local Government Act 2002 requires costs to be allocated and that each activity undertaken is funded from sources the local authority deems appropriate. In considering what funding sources are appropriate Council considers where the benefits lie. In assessing the distribution of benefits for each activity, Council considered whether the benefits flowed to the city as a whole (public benefit), to individuals (users or exacerbators), or to identifiable parts of the community (parts of the community or specific group/s within the community like rural or business groups). This is discussed in the activity analysis section.

**Period of benefits (intergenerational equity)**

Council must also consider intergenerational equity, the principle that costs of any expenditure should be recovered over the time that the benefits of the expenditure accrue. This principle applies particularly to capital expenditure and results in infrastructural costs being spread more evenly across the life of the asset and the different rate payers who benefit from it. Intergenerational equity issues arising in relation to capital expenditure and investments are discussed in the policy statement section of this policy. As operational expenditure is funded annually (except where borrowing is used to fund operational expenditure with a long-term benefit) there are no intergenerational equity issues to be considered and therefore the period of benefit is not discussed in the activity analysis section.

**Exacerbator pays**

Council must assess the extent to which each activity is undertaken to remedy the negative effects of the actions or inactions of an individual or group. It is important to note that the actions themselves may not be negative or 'bad' but they may have negative effects on the whole community, in terms of requiring Council expenditure on the relevant activity.

This principle is particularly relevant to Council's regulatory functions and other activities taken to mitigate the adverse effects on the environment. The principle suggests that Council should, where practical, recover costs directly from the individual or group that contributes to the deterioration of a situation or to a cost that is a direct result of their actions. This principle is discussed for relevant activities in the activity analysis section.

**Costs and benefits**

This consideration includes transparency, accountability and some assessment of the cost efficiency and practicality of funding a particular activity separately.

Transparency and accountability are most evident when an activity is distinctly funded. This allows rate payers, or payers of user charges, to see how much money is being raised for and spent on the activity.

However, funding every activity on such a distinct basis would be administratively complex.

Council agreed that the level of activities presented in the activity analysis section of this policy is the best balance between transparency and administrative costs. Identifying and accounting for each activity separately from other activities enables:

- ① more transparent disclosure and accountability of projects and funding to the Upper Hutt community.
- ② greater opportunity for the Upper Hutt community to have input on decisions, proposals, issues, and matters through consultation.
- ③ identification of how the activity contributes to the achievement of community outcomes and service delivery goals through detailed understanding and planning.
- ④ improved monitoring of the activity in terms of how well Council is achieving its community outcomes annually.
- ⑤ identification of costs required to support the activity in terms of time involved planning, monitoring, accounting, reporting and administration

**Overall impact of the funding mechanisms selected**

Following the consideration of the five matters discussed above, the benefits of each activity become apparent. Once this consideration is complete and indicative cost allocations compiled, the final step in Council’s process of developing this policy has been to consolidate the results of the activity analysis and consider the overall impact of any allocation of liability for revenue needs on the community. The impact is assessed on the current and future interests of the community including impacts relating to economic, environmental, social and cultural wellbeing on the community.

**Benefits allocation and funding mechanism**

For each activity, Council allocated appropriate funding mechanisms based on where benefit for each activity lies. The benefit and funding mechanism allocation is included in the ‘analysis of activities and funding conclusions’ section of this policy.

In preparation of this policy a range was used for funding mechanisms to reflect the variability of usage and revenue sources. This is a change from the Revenue and Financing Policy set in the 2021 Long Term Plan which used an absolute percentage.

# Use of funding mechanisms

Funding sources available to a local authority are set out in the Act and the Local Government (Rating) Act 2002 For funding mechanisms used by Council a description of the funding source and how it is applied is provided below.

# Activities funded by general rates

The general rate is used to fund the following activities.

Leadership	<ul style="list-style-type: none"> <li>Leadership</li> </ul>
Community and Recreation	<ul style="list-style-type: none"> <li>Upper Hutt Libraries</li> <li>Community Services</li> <li>Whirinaki Whare Taonga</li> <li>Emergency Management</li> <li>Te Kupenga o Rongomai</li> <li>Property</li> <li>Parks and reserves</li> <li>Akatārawa Cemetery</li> <li>H<sub>2</sub>O Xtream</li> </ul>
Economic Development	<ul style="list-style-type: none"> <li>Economic development</li> </ul>
Sustainability	<ul style="list-style-type: none"> <li>Sustainability</li> <li>Waste</li> </ul>
Planning and Regulatory	<ul style="list-style-type: none"> <li>City planning</li> <li>Animal management</li> <li>Environmental health</li> <li>Alcohol licensing</li> <li>Parking enforcement</li> <li>Building control</li> </ul>

## Calculating general rates by differential

General rates are calculated on the capital value of all rateable properties in the city and assessed on a differential basis.

In exercising this judgement Council considered that capital value is considered a general taxing mechanism, shifting the ‘differential factor’ for each sector’s share of the city’s overall capital value is the principal means that Council has used to achieve the desired overall rates impact on the wider community.

Council also considered affordability as well as other impacts for all sectors in proposing the rate differentials. It considered the impact of rates on residential properties, and in particular on the affordability of rates for low, average and fixed income households.

Council has considered the use of a Uniform Annual General Change (UAGC) which is fixed rate either set per rating unit or a separately used or inhabited part of a rating unit, and concluded because of the

regressive nature, it is not appropriate for the Upper Hutt community.

Council agreed that for activities where a city benefit was identified, funding for that benefit through a differential general rate would be the most efficient, equitable and transparent method. The general rate is an appropriate funding source for a city-wide benefit, except where the Council considers the transparency and accountability reasons for having a separate targeted rate are more compelling.

The differential categories for the general rate are discussed in the following section. This reasoning has not been repeated throughout the rest of the policy unless Council has made an exception to it for an activity.

Under differential rating, all land (which may be a rating unit or part of a rating unit) is allocated to one or more of the following categories:

**Standard  
(previously also  
known as Residential)**<sup>43</sup>

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

**Business**

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

- it has been allocated to the *Utility* category; **or**
- it has been allocated to the *Standard* category because it is being used, principally, as a single residential dwelling (used principally for private residential purposes).
- it has been allocated to the Vacant land Category.

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

- where the business activity is the principal activity on a rating unit, the whole rating unit will be allocated to the *Business* category.
- where the business activity is not the principal activity on a rating unit but takes place in a physically discrete part of the rating unit, that part will be allocated to the *Business* category.

For the purposes of this policy, we’ve defined business activities as follows.

<b>INCLUDED Business activities</b>	<b>EXCLUDED NOT business activities</b>
<ul style="list-style-type: none"> <li>● Commercial sawmills and timber yards</li> <li>● Farm products processing plants</li> <li>● Retail nurseries and garden centres</li> <li>● Veterinary hospitals and clinics</li> </ul>	<ul style="list-style-type: none"> <li>● Farming activities</li> <li>● Intensive animal farming</li> <li>● Wellington Racing Club</li> <li>● Forestry</li> </ul>

<sup>43</sup> Standard maybe called ‘Residential’ in some places. For this purpose, the words are interchangeable. Moving forward ‘Standard’ is the preferred word.

**Utility**

Regardless of zoning and notwithstanding that it may meet the requirements for inclusion in another category, a rating unit or part rating unit will be allocated to the *Utility* category for rating purposes to the extent that:

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

**Three Waters Utility**

A rating unit or part rating unit will be allocated to the *Three Waters Utility* category for rating purposes to the extent that it:

- Meets both the criteria in *Utility*; **and**
- It is used solely for the purpose of:
  - Draining stormwater; **or**
  - Draining wastewater from Upper Hutt city and its district into the bulk sewer line; **or**
  - Supplying potable water to Upper Hutt City and its district but not used to carry water directly from the reservoirs owned by Greater Wellington Regional Council.

**Rural**

A rating unit or part rating unit will be allocated to the *Rural* category for rating purposes to the extent that:-

- it is situated in a rural zone; **and**
- has an area of 30 ha or more.
- it does not fall within the definition of Forestry

If Council is satisfied that:

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

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

**Corrections Facility**

A rating unit will be allocated to this category if it is used primarily by the Department of Corrections for the housing of inmates under their care.

**Forestry (modified)**

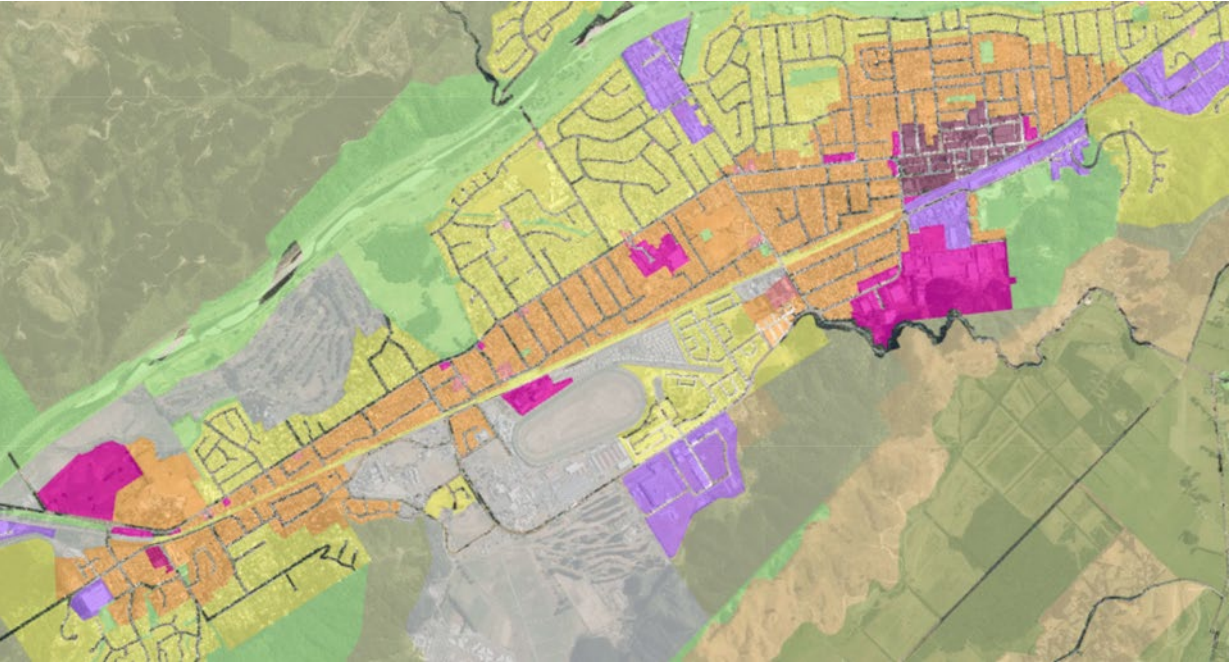
A rating unit will be allocated to this category if it is used primarily for commercial forestry

**Vacant Land** NEW

A rating unit will be allocated to this category when it is within the city’s ‘walkable catchment’ as shown below and has either:

- ① a zero improvement value; **or**
- ② a positive improvement value but no permitted or consented activity underway, including improvements (such as buildings) which are unused and/or derelict.

The ‘walkable catchment’ is indicated in orange below



**APPLYING DIFFERENTIALS TO EACH CATEGORY**

The categories defined above are based on the use the land is put to.

**Allocating differentials**

All categories are allocated a differential based on a factor of 100 for the *Standard* differential category. The factors for each differential will be defined annually in the Funding Impact Statement of the Long Term Plan or Annual Plan for that financial year. These are set out below.

As noted in the detailed step one considerations in Appendix 1 that for Government Compliance and Land Transport, a targeted rate is used for transparency reasons. The Land Transport targeted rate is based on capital value therefore the rationale for a Land Transport differential is the same as a general rate differential.

- a) Rural properties 75

Because of the distance and the likely reduced level of service being received by these properties, a general rating differential is appropriate for

rural rating units. The activities that are likely to have a reduced level of service for at least but not limited Animal Control, Liquor Licensing, Environmental Health, Parking Enforcement, and Parks and Reserves.

b) Business 290

In addition to the impact of rates on residential properties, the Council considered the additional costs that the business properties compared with residential properties create relating to the following activities:

- land transport impacts of heavy vehicles and the number of vehicle movements that are created by business activities
- economic development,
- licensing, including alcohol & environmental health and
- city planning.

Furthermore, there are non-financial impacts created by businesses including the environmental impacts of noise and pollution caused by vehicles servicing commercial and industrial properties and the social impacts including congestion and safety on other road users.

Therefore, a general rating differential is appropriate for business rating units.

c) Utility and Three Waters Utility 300

Utility and Three Waters Utilities rating units have the similar impacts (both financial and non-financial) to businesses. In addition, they create additional impacts due to the extensive use of the road reserve. These impacts are on the overall well beings of residential properties including reduced amenity values and increased congestion and safety on other road users.

Therefore, a general rating differential is appropriate for Utility and Three Waters Utilities rating units.

d) Forestry 75

Forestry has similar impacts as large rural properties, a general rating differential is appropriate for Forestry rating units.

Therefore, a general rating differential is appropriate for Forestry rating units.

e) Corrections Facility 350

This facility has significant impact on the community including economic impacts of the majority of employment for this facility is based outside of the Upper Hutt City. In addition, the facility occupies a significant amount of land that could be better utilised for housing.

Therefore, a general rating differential is appropriate for Corrections Facility units

f) Vacant Land 500

Generally (commercial) vacant land creates additional costs for Council and reduces the amenity value of surrounding properties. In addition, vacant land has a lower capital value than surrounding values however because of the increased costs this therefore creates an imbalance between the total amount of rates being collected on vacant land compared with the costs that are being incurred by the Council associated with vacant land.

Therefore, a general rating differential is appropriate for Vacant Land rating units.

### 3. Stormwater

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

As businesses have a higher intensity and therefore have a higher storm water runoff it is appropriate that a differential factor be applied to those properties

# Targeted rates

## What is a targeted rate?

A targeted rate is set under s16 or s19 of the Act and has been used to fund the following activities:

- Water supply\*
- Wastewater\*
- Stormwater\*
- Central Government compliance
- Transport (including subsidised and non-subsidised roading activities)

\* Water services targeted rates relate to years 1 and 2 of the LongTerm Plan. Water services activities are transferring to Tiaki Wai on 1 July 2026.

A targeted rate is used according to the policy when Council considers a targeted rate would enable a higher transparency in funding allocation for an activity; or

Council considers that a targeted rate is fairer due to specific benefit groups/categories being able to be identified.

From time-to-time, it is necessary for Council to provide activities, services or facilities that only, or primarily, benefit specific ratepayers or small groups of ratepayers, therefore, Council may set a targeted rate to provide such activities, services or facilities. Targeted rates will be assessed against the rating units owned by the ratepayers who are to benefit.

# Fees and charges

## Who pays fees and charges?

Fees and charges will be used where the level of benefit can be isolated to specific users, beneficiaries or exacerbators of the service and/or the activity can be distinctly identified for which user fees represent the fairest method to seek a contribution from the identified beneficiaries or exacerbators.

**Setting fees and charges**

This policy includes the percentage of fees and charges Council aspires to collect for the relevant activity. The percentage is decided giving due consideration to the affordability of those fees. The actual fees and charges collected by Council will vary depending on a number of external factors.

## Interest and dividends from investments

**Utilisation of interest and dividends**

Council receives limited interest from cash investments. Any interest received can be used to offset the rate required in the year received. Any dividends received can also be used to offset rates.

## Borrowing

**What we borrow money for**

Council uses borrowing for capital expenditure. Council may use borrowing for operational expenses in exceptional circumstances and where the expense contributes to a longer-term outcome.

Borrowing is managed by the provisions of Council’s Treasury Risk Management Policy (TRMP). Funding mechanisms to fund capital development are set out within the TRMP.

Council may be obliged to use overdraft facilities and/or loan funding in order to carry out essential repairs and restore core services and operations in the event of a major civil emergency.

## Proceeds from asset sales

**Use of proceeds from asset sales**

Funds from asset sales are applied first to offset borrowing in the relevant activity from which the asset was sold, and secondly for repayment of existing term debt.

## Development and financial contributions

**Development contributions**

Development contributions are to be used as a funding source for capital expenditure resulting from growth for community facilities and all relevant infrastructure—in accordance with Council’s Development Contributions Policy.

**Financial contributions**

Council will continue to use Resource Management Act-based financial contributions in some circumstances.

## Grants and subsidies

### Waka Kotahi funding

Each year Council receives funding from Waka Kotahi NZ Transport Agency as part of the overall replacement and renewal programme for the city's roading infrastructure.

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### Other grants and subsidies

Council pursues other grant and subsidy funding available from central government wherever it is considered appropriate.

## Other funding sources

Other funding sources used include lease income, cash reserves, surplus from previous financial periods, and special/restricted funds.

### Use of surpluses from previous financial periods

Where Council has recorded an actual surplus in one financial period, it may pass this benefit to ratepayers in a subsequent period. A surplus may arise from the recognition of additional income or through savings in expenditure.

For capital surpluses, the amount retained will be carried forward to fund the associated capital expenditure. For operational surpluses, the amount retained will go to an operational reserve to offset rates in future periods.

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### Funding of expenditure from restricted or special funds

Certain operating and capital expenditure items may be funded from restricted or special funds. Restricted and special funds are those reserves within Council's equity that are subject to special conditions of use, whether under statute or accepted as binding by Council, and that may not be revised without reference to the courts or a third party. Transfers may be made only for specified purposes or when specified conditions are met.

The following restricted and special funds are available for Council to use:

- **Trusts and bequests:** From time-to-time Council may be the recipient/holder of trusts monies and/or bequests. These funds can only be used for the express purposes for which they were provided to Council.
- **Other reserves:** Restricted funds are also included in other reserves, funds, renewals, and contingency accounts. Subject to meeting any specified conditions associated with these reserves Council may expend money, of an operating or capital nature, from these reserves.

# Definition of separately used or inhabited part

A separately used or inhabited part (SUIP) of a rating unit means any part of a rating unit which is:

1. inhabited or used by an owner; or
2. inhabited or used by any person other than an owner by tenancy or other agreement.

For the avoidance of doubt, where an owner occupies the entirety of a rating unit, or tenants the entirety of a rating unit, there will be only one SUIP.

## Assessment and determination

Council will consider the following when determining whether a part of a rating unit is a SUIP:

1. A SUIP does not need to be occupied in order to be categorised as separately used. Availability for separate use is sufficient.
2. In determining whether a part of a rating unit is used for accommodation, Council will consider whether it has independent kitchen facilities (including cooking facilities) and separate toilet and sanitation, but these are not required, and a part of a rating unit made available for temporary accommodation may be a SUIP without these.

The following are some examples of rating units that are likely to comprise more than one separately used or inhabited part. Please note that these are illustrative only and not an exhaustive list:

- Single dwelling or business premises which includes separate accommodation.
- A rating unit that includes a flat with a stove and separate living and toilet facilities.
- A dwelling where part of the dwelling or an outbuilding is made available for rent.
- Commercial building with multiple tenancies.
- Individually surveyed lots of vacant land on one Record of Title offered separately for sale.

# Analysis of activities and funding conclusions

The table below summarises how the operating expenditure associated with each of the Council's activity activities are funded through applying the requirements of section 101(3)(a) of the Local Government Act. The Description of each activity can be found in Section B of the Long Term Plan.

Activity group (and activities)	Individual benefit	Community benefit	General rate	Targeted rate	Fees and charges	Grants and subsidies
<b>Leadership</b>	Less	More	95 – 100%	0 – 5%	0 – 5%	0 – 5%
<b>Community and recreation</b>						
Community development	Less	More	75 – 90%			10 – 25%
Emergency management	Less	More	95 – 100%		0 – 5%	0 – 5%
Property	Less	More	80 – 85%		15 – 20%	0 – 10%
Parks and reserves	Less	More	75 – 85%		15 – 25%	0 – 5%
Akatārawa Cemetery	More	Less	15 – 30%		70 – 85%	
H <sub>2</sub> O Xtream	Less	More	75 – 85%		15 – 25%	0 – 5%
Upper Hutt Libraries	Less	More	95 – 100%		0 – 5%	0 – 5%
Te Kupenga o Rongomai	Less	More	90 – 100%			0 – 10%
Whirinaki Whare Taonga	Less	More	90 – 100%			0 – 10%
<b>Economic Development</b>	Less	More	90 – 100%			0 – 10%
<b>Water Supply*</b>	More	Less		75 – 85%	15 – 25%	0 – 5%
<b>Wastewater*</b>	More	Less		75 – 85%	15 – 25%	0 – 5%
<b>Stormwater*</b>	More	Less		90 – 100%	0 – 10%	0 – 10%
<b>Land Transport</b>						
Subsidised	Less	More		45 – 50%	0 – 5%	45 – 55%
Non-subsidised	Less	More		90 – 100%	0 – 10%	0 – 10%
<b>Sustainability</b>						
Sustainability initiatives	Less	More	80 – 100%		0 – 20%	0 – 20%
Waste	More	Less	70 – 80%		20 – 30%	20 – 30%
<b>Planning and regulatory</b>						
Alcohol licensing	More	Less	10- 40%		60 – 90%	
Animal management	More	Less	20 – 30%		70 – 80%	
Building control	More	Less	20 – 30%	0 – 5%	70 – 80%	
City planning	Less	More	60 – 70%	0 – 5%	30 – 40%	
Environmental health	Less	More	60 – 70%		30 – 40%	
Parking enforcement	More	Less	10 – 30%		70 – 90%	

\* Water services activities transfer to Tiaki Wai on 1 July 2026.

**Appendix 1** Detail of funding needs analysis (section 101(3)(a).

Activity group (and activities)	Community outcomes	Distribution of benefits	Period of benefit	Exacerbator pays	Costs and benefits	Operating expenditure	Capital expenditure	Rationale
<b>Leadership</b>	Social and cultural	The community as a whole	Short term	LGOIMA requests (vexatious & legitimate)	No benefit identified	General rate 95 – 100% Targeted rate 0 – 5% Fees and charges 0 – 5% Grants and subsidies 0 – 5%	Nil or minor	All residents and rate payers have equal opportunity to benefit and have the ability to contribute to this activity
<b>Community and recreation</b>								
<b>Community development</b>	Social and cultural	The community as a whole	Short term	No significant exacerbators identified	No benefit identified	General rate 75 – 90% Grants and subsidies 10 – 25%	Nil or minor	While not all residents directly benefit. all residents and rate payers received the indirect benefit of this activity
<b>Emergency management</b>	Social and cultural	The whole community benefits from this activity. It is triggered where the disruption to community life is such that a coordinated community response is required.	Short term	No significant exacerbators identified	No benefit identified	General rate 95 – 100% Fees and charges 0 – 5% Grants and subsidies 0 – 5%	Nil or minor	As the community as a whole benefit from this activity, the costs are best recovered from General rates.
<b>Property</b>	Social and	While the there	Intergenerational	No significant	No benefit to	General rate	Accumulated	

Activity group (and activities)	Community outcomes	Distribution of benefits	Period of benefit	Exacerbator pays	Costs and benefits	Operating expenditure	Capital expenditure	Rationale
	cultural	are direct benefit to the lessees Everyone benefits but the receive a higher benefit and therefore a range of funding sources are used.	- ongoing with assets having a life of greater than 10 years	exacerbators identified	separately fund	80 – 85% Fees and charges 15 – 20% Grants and subsidies 0 – 10%	surpluses from General rates, fees and charges Loans, Financial and/or Development Contributions, Grants and subsidies	Everyone benefits but the lessee receive a direct benefit and therefore a range of funding sources are used.
<b>Parks and reserves</b>	Social and cultural	Contributes to the City's green space, biodiversity and environmental outcomes Occupiers, leases and hirers of the reserves Everyone benefits but the occupiers receive a higher benefit	Intergenerational - ongoing with assets having a life of greater than 10 years	Vandalism, events, theft, freedom campers	No benefit identified other than those that have different funding streams including: <ul style="list-style-type: none"> <li>• Akatārawa Cemetery</li> <li>• H2O Xtream</li> <li>• Upper Hutt Libraries</li> <li>• Te Kupenga o Rongomai</li> <li>• Whirinaki Whare Taonga</li> </ul>	General rate 75 – 85% Fees and charges 15 – 25% Grants and subsidies 0 – 5%	Accumulated surpluses from General rates, fees and charges Loans, Financial and/or Development Contributions, Grants and subsidies	Everyone benefits but the occupiers receive a higher benefit and therefore a range of funding sources are used.
<b>Akatārawa Cemetery</b>	Social and cultural	The community as a whole, any	Intergenerational – history &	No significant exacerbators	No further benefit	General rate 15 – 30%	Accumulated surpluses from	Wider public benefit for open

Activity group (and activities)	Community outcomes	Distribution of benefits	Period of benefit	Exacerbator pays	Costs and benefits	Operating expenditure	Capital expenditure	Rationale
		identifiable part of the community, and individuals	physical infrastructure	identified	identified	Fees and charges 70 – 85%	General rates, fees & charges, Loans	space & recognition & place of remembrance. Private benefit – place where people can be interred, cost of the plot & interment
<b>H2O Xtream</b>	Social and cultural	The community as a whole including users of the facility	Intergenerational	No significant exacerbators identified	No further benefit identified	General rate 75 – 85% Fees and charges 15 – 25% Grants and subsidies 0 – 5%	Accumulated surpluses from general rates Fees & charges Loans Financial and/or Development contributions	Everyone has the ability to use the facility and Council can identify the users
<b>Upper Hutt Libraries</b>	Social and cultural	The community as a whole however it is possible to identify users	Both long and short term benefits	Researchers, people who demand excessive staff time for professional and commercial purposes	No further benefit identified	General rate 95 – 100% Fees and charges 0 – 5% Grants and subsidies 0 – 5%	Accumulated surpluses from General rates, fees & charges, Loans	Everyone has the ability to use the library and we can identify certain users for specific services, however there is a significant benefit to the whole community.
<b>Te Kupenga o Rongomai multi-use sports hub</b>	Social and cultural	The community as a whole including users of the facility	Intergenerational	No significant exacerbators identified	No further benefit identified	General rate 90 – 100% Grants and subsidies 0 –	Accumulated surpluses from general rates Fees & charges	Everyone has the ability to use the facility and Council can identify the

Activity group (and activities)	Community outcomes	Distribution of benefits	Period of benefit	Exacerbator pays	Costs and benefits	Operating expenditure	Capital expenditure	Rationale
						10%	Loans Financial and/or Development contributions	users
<b>Whirinaki Whare Taonga</b> our hub for arts	Social and cultural	The community as a whole including users and visitors to the facility	Intergenerational	No significant exacerbators identified	No further benefit identified	General rate 90 – 100% Grants and subsidies 0 – 10%	Accumulated surpluses from general rates Fees & charges Loans	Everyone has the ability to use the facility and Council can identify the users
<b>Economic Development</b>	Economy	Commercial groups receive a higher direct benefit than other groups of ratepayers as help ensure Upper Hutt remains a viable base for business	Short term	No significant exacerbators identified	No benefit to separately fund	General rate 90 – 100% Grants and subsidies 0 – 10%	Nil or minor	Although Commercial groups receive a higher direct benefit than other groups of ratepayers, this additional benefit is addresses as part of general rate differential.
<b>Water Supply</b>	Infrastructure	The users of the water supply are the primary beneficiaries however there is a wider benefit of having a potable water supply	Intergenerational (up to 100 years)	Central Government legislation, illegal connections, high use users	No benefit identified other use of targeted rates and fees charges	Targeted rate 75 – 85% Fees and charges 15 – 25% Grants and subsidies 0 – 5%	Accumulated surpluses from Targeted rates Fees & charges Loans Financial and/or Development contributions	The majority of beneficiaries of this activity are those who are either connected or can be connected to the water supply, therefore it is appropriate that only those groups

Activity group (and activities)	Community outcomes	Distribution of benefits	Period of benefit	Exacerbator pays	Costs and benefits	Operating expenditure	Capital expenditure	Rationale
		including the provision of fire fighting						of properties that are charged for the service.
<b>Wastewater</b>	Environment	Private benefit for people to dispose of their waste. Public benefit for the community to have an appropriate environmental solution. Those non-residential properties with multiple pan receive a higher benefit.	Intergenerational (up to 100 years)	Industries with high waste volumes and loadings, unconsented activity, low volume high impact waste	No benefit identified other use of targeted rates	Targeted rate 75 – 85% Fees and charges 15 – 25% Grants and subsidies 0 – 5%	Accumulated surpluses from Targeted rates Fees & charges Loans Financial and\or Development contributions	The majority of beneficiaries of this activity are those who are either connected or can be connected to the wastewater supply, therefore it is appropriate that only those groups of properties that are charged for the service.
<b>Stormwater</b>	Infrastructure	While the community as a whole benefit, most of the direct is received by identifiable parts of the community	Intergenerational (up to 100 years)	Commercial density creates additional cost and need for the activity	No benefit identified other use of targeted rates	Targeted rate 90 – 100% Fees and charges 0 – 10% Grants and subsidies 0 – 10%	Accumulated surpluses from Targeted rates Fees & charges Loans Financial and\or Development contributions	The majority of direct benefit is received by identifiable parts of the community
<b>Land Transport</b>								
<b>Subsidised</b>	Infrastructure	While the community as a whole benefit,	Intergenerational	Heavy vehicles, irresponsible	The use of targeted rates provides	Targeted rate 45 – 50% Fees and	Accumulated surpluses from Targeted rates	Based on the impacts of both benefits and

Activity group (and activities)	Community outcomes	Distribution of benefits	Period of benefit	Exacerbator pays	Costs and benefits	Operating expenditure	Capital expenditure	Rationale
		there is a higher degree of benefit received by commercial properties because the transport network is used to transport both goods and consumers to their premises		road users, high density properties creating high traffic impacts. Utility operators cause addition cost when undertaking operations within the road corridor	additional transparency. The activity for additional the activity has been separated into subsidised and non-subsidised	charges 0 – 5% Grants and subsidies 45 – 55%	Fees & charges Loans Grants and subsidies Financial and/or Development contributions	exacerbators it is appropriate that a differential tone of the rate is the most appropriate method to recover the balance of the costs of this activity after providing it for the appropriate subsidies being received from central government.
<b>Non-subsidised</b>	Infrastructure					Targeted rate 90 – 100% Fees and charges 0 – 10% Grants and subsidies 0 – 10%	Accumulated surpluses from Targeted rates Fees & charges Loans Financial and/or Development contributions	
<b>Sustainability</b>								
<b>Sustainability initiatives</b>	Environment	The whole community benefit from having a sustainable initiative	Short term expenditure with longer term benefits	None identified	No benefit in breaking this activity down any further	General rate 80 – 100% Targeted rate 0 – 20% Grants and subsidies 0 – 20%	Nil or minor	As currently sustainable initiatives are currently focused on development and policy, it is appropriate that this be funded from general rates and subsidies where possible.
<b>Waste</b>	Environment	The individual and the community as a whole	Intergenerational	Inappropriate disposal of waste	No need to break activity down any further	General rate 70 – 80% Fees and charges 20 –	Nil or minor	Waste minimization benefits the whole community, while

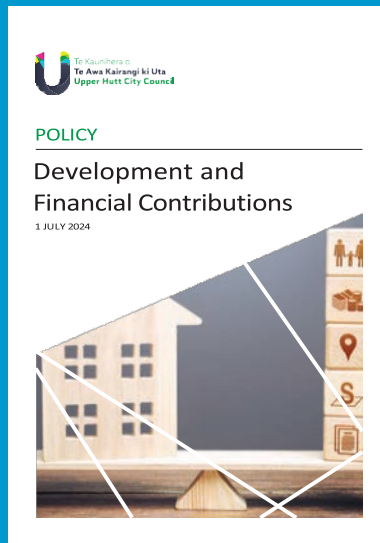
Activity group (and activities)	Community outcomes	Distribution of benefits	Period of benefit	Exacerbator pays	Costs and benefits	Operating expenditure	Capital expenditure	Rationale
						30% Grants and subsidies 20 – 30%		the ability to recycle items is both a benefit to the individual as well as the whole community.
<b>Planning and regulatory</b>								
<b>Alcohol licensing</b>	Social and cultural	The activity predominantly benefits those individuals that obtain the appropriate license. However, this activity protects the whole community	Short to medium	Those premises that are unlicensed or those that do not maintain the required standards	No financial reason to separately fund	General rate 10 – 40% Fees and charges 60 – 90%	Nil or minor	As both the direct users and the community as a whole benefit a allocation of General rate 30 - 40% Fees and charges 60 – 47% is appropriate.
<b>Animal management</b>	Social and cultural	Community as a whole Animal owners	Short term	All animal owners create the need however irresponsible owners create a greater cost. Legislative (Dog Control Act)	No financial reason to separately fund	General rate 20 – 30% Fees and charges 70 – 80%	<b>Nil or minor</b>	Animal control is primarily a health & safety service for the community & therefore benefits everyone. There are costs that the Council can directly attribute to individual owners.

Activity group (and activities)	Community outcomes	Distribution of benefits	Period of benefit	Exacerbator pays	Costs and benefits	Operating expenditure	Capital expenditure	Rationale
<b>Building control</b>	Economy	The property owner and inhabitant. There is a wider benefit from buildings being built to code. Commercial properties require a higher degree of service	Short term	Non consented buildings, construction industry parties not complying with the building act Vacant land can create negative costs for Council	No benefit to separately fund	General rate 20 – 30% Targeted rate 0 – 5% Fees and charges 70 – 80%	Nil or minor	This benefits the property owner and inhabitant. There is a wider benefit from buildings being built to code. Enforcement can create additional costs.
<b>City planning</b>	Economy	The community as a whole benefit from this activity except where there is a private plan change that has specific benefits to the applicant The relevant community (through the consent process), free planning advice, public counter,	The outcomes of this activity result in ongoing benefits and some of these benefits can last a significant period of time	Applicants for private plan changes Resource consent holders who do not comply with the resource consent conditions. Unconsented activities. Vexatious and frivolous objectors Vacant land can create negative costs	Keep as one activity as it enables a holistic approach to city planning and development.	General rate 60 – 70% Targeted rate 0 – 5% Fees and charges 30 – 40%	Nil or minor	A city plan benefits both all ratepayers and developer. The relevant community (through the consent process), notified and non-notified consents have different levels of benefit. Enforcement and monitoring can create additional costs

Activity group (and activities)	Community outcomes	Distribution of benefits	Period of benefit	Exacerbator pays	Costs and benefits	Operating expenditure	Capital expenditure	Rationale
		responding to complaints, compliant & safe buildings in the community. Commercial properties require a higher degree of service		for Council				
<b>Environmental health</b>	Social and cultural	The activity predominantly benefits those individuals that obtain the appropriate license. However, this activity protects the whole community, the whole community also benefit	Short to medium	Those premises that are unlicensed or those that do not maintain the required standards.	No financial reason to separately fund	General rate 60 – 70% Fees and charges 30 – 40%	Nil or minor	As both the direct users and the community as a whole benefit a allocation of General rate 60 – 70% Fees and charges 30 – 40% is appropriate.
<b>Parking enforcement</b>	Economy	Retailers, visitors and the community as a whole and those with a parking exemption	Short to medium	Vehicle drivers, non-compliant vehicle operators and property owners within	No financial reason to separately fund	General rate 10 – 30% Fees and charges 70 – 90%		Parking ensures that safe parking facilities are available to the residents and visitors to the City to enable optimal

Activity group (and activities)	Community outcomes	Distribution of benefits	Period of benefit	Exacerbator pays	Costs and benefits	Operating expenditure	Capital expenditure	Rationale
				parking exemption areas.				vehicle circulation, this also provides benefits to Commercial properties

# Kaupapa Here Takoha Whakawhanake Development and Financial Contributions Policy



The Development and Financial Contributions Policy has been adopted alongside this Long Term Plan. We have published it as a separate document because it may be updated outside the Long Term Plan cycle.

For more information, the policy is available on our website at [upperhutt.govt.nz/DFCPolicy](https://upperhutt.govt.nz/DFCPolicy)



# Kaupapa Here Whakaitinga tāke kaunihera

## Rates Remission and Postponement Policies

This policy is made in accordance with sections 102 and 108 – 110 of the Local Government Act 2002 and are applied according to sections 85 – 90 of the Local Government (Rating) Act 2002.

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# Objectives

**This policy enables Council to:**

- Act in an equitable way to help facilitate financial assistance and support for ratepayers, and
- Support core Council activities and essential services, and
- Contribute to Council’s priority of resilience with an emphasis on financial sustainability, and
- Address certain anomalies in the rating system.

# Commencement

**Origin and reviews**

This policy was originally adopted by Council with effect on 1 July 2005. The policy was last reviewed in 2021. The 2024 revisions will come into effect on 1 July 2024.

# Scope

**Limitations of application**

Remissions or postponements are only applicable to ratepayers identified in the Council’s rating information database, not the occupant of the property.

Remissions or postponements are limited to rates set and assessed by the Council. Council collects rates on behalf of the Wellington Regional Council and has no authority to remit or postpone such rates other than by specific approval of that Council.

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**Making an application**

When required, an application can be made in writing using the form on our website or by contacting Council’s Customer Service team.

# Decisions

**Delegation and conditions**

Decisions on the remission or postponement of rates are delegated to Council Officers, except as noted.

All delegations are recorded in Council’s delegation manual.

Council reserves the right to impose conditions on any remission of rates or penalties.

# Remission of rates

## What is it?

Remission of rates involves reducing the amount owing or waiving collection of rates.

Council's rates remission policy considers the following:

- Rates remissions to promote sport, recreation, health, and education
- Rates and/or penalties levied in error
- Rates remission on Māori freehold land
- Rates remission for financial hardship
- Remission of late-payment penalties
- Remissions for natural disasters
- Remissions for economic development
- Remission for miscellaneous circumstances

## Rates remissions to promote sport, recreation, health, and education

### Objective

The remission of rates to promote sport, recreation, health, and education facilitates the ongoing provision of non-commercial sporting and recreational opportunities. The purpose of granting rates remission to an organisation is to recognise the public good contribution and to assist the organisations to continue operations.

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### Conditions and criteria

Council will grant a 30 percent remission of rates levied on land which is 50 percent non-rateable in accordance with clause 2 of Part 2 of Schedule 1 of the Local Government (Rating) Act 2002, which is land owned or used by a society or association of persons (whether incorporated or not) for games or sports, except galloping races, harness races, or greyhound races.

## Remission of rates and/or penalty errors

**Objective** The objective of this consideration is to enable Council to act equitably where rating or penalty errors have occurred.

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**Conditions and criteria** On receipt of an application by a ratepayer, or if identified by Council, Council will remit rates and/or penalties where it is demonstrated that the rates or penalty was levied in error by Council.

## Remissions of rates on Māori freehold land

**Background** Section 102 of the Local Government Act 2002 requires Council to adopt a policy on the remission of rates on Māori freehold land. Māori freehold land is that which has the status set out in Part 6 s129(2)(b) of Te Ture Whenua Māori Act 1993.

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**Policy** Council will not remit rates on Māori freehold land, except where its other remissions or postponement considerations apply.

## Remissions for financial hardship

**Objective** The objective of this consideration is to enable Council to address and mitigate the impacts of financial hardship on both individuals and businesses, contributing a community that is resilient and equitable.

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**Conditions and criteria** In the context of this policy, hardship is defined as a situation where the income of a ratepayer reduces to a point where paying rates would significantly compromise the ratepayer's ability to meet their basic needs.

Council will consider remissions under this consideration only where postponement is, in Council's opinion, not suitable.

Each application will be considered on a case-by-case basis, and as well as the evidence presented by the applicant, Council will evaluate whether:

- ① Applicants have demonstrated they are unable to pay rates because of hardship.
- ② Applicants have tried all other avenues to fund their rates.

- ③ The hardship results from demonstrated significant income reduction.
- ④ A history of regular rates payments in Upper Hutt for two years or longer.

## Remission of late-payment penalties

**Objective** The objective of this consideration is to enable Council to act equitably when a ratepayer has made a late payment, attracting penalties, but the late payment is unusual in the context of the ratepayer’s payment history and due to an extraordinary circumstance.

**Conditions and criteria** Council will consider remitting penalties under this consideration where the ratepayer:

- ① has made a payment late, attracting penalties,
- ② has a two-year history of regular payments of rates or a payment plan for rates arrears that is being complied with, and
- ③ can demonstrate that the delay in payment is due to an extraordinary circumstance.

## Remissions for natural disasters

**Objective** To allow Council, at its discretion, to remit rates and/or penalties for any rating unit that has been detrimentally affected by natural disaster (significant event caused by natural hazards such as an earthquake, landslide, flood, storm, or a natural hazard fire) rendering dwellings uninhabitable.

**Conditions and criteria** Council may remit all or a part of any rate or user charge made and levied in respect of land, if the land is detrimentally affected by natural disaster and its capacity to be inhabited, used or otherwise occupied for an extended period of time is affected.

Council is unlikely to grant a remission where the rating unit affected is in a known hazard prone location.

For the purposes of this policy, ‘detrimentally affected’ means:

- a rating unit that uninhabitable, unoccupiable or otherwise unusable due to a ‘s124 notice’ being issued under the Building Act 2004 and the residents have been required to move out by the Council; or

- a rating unit that is a total loss; or
- as determined by Council after considering the matters specified in this policy.

In determining whether a rating unit is detrimentally affected and the period for which the rates remission is to apply Council may take into account:

1. whether the rating unit is known to be hazard prone,
2. the extent to which essential services such as water, or sewerage to any dwellings were interrupted and could not be supplied.
3. whether essential services such as water or sewerage to any dwellings are able to be provided.
4. whether any part of the dwellings remain habitable, and
5. any property revaluation undertaken by Councils valuation provider.

Applications must be received within six months of the event, or within such further time as Council may allow.

The remission will be for such period of time as Council considers reasonable, limited to the time between the event and when buildings are deemed usable, but no less than 30 days after the event.

The decision to remit all or any part of a rate or penalty or user charge shall be at the discretion of Council.

## Rates remission for Economic Development

### Objective

Rates remissions for economic development provide support for Business Development and Strategic Economic Projects promoting employment and economic development within the city, by:

- Assisting new businesses to become established in the city.
- Assisting existing businesses in the city to expand and grow.
- Assisting the establishment of significant initiatives which are of strategic economic value to the city.

### Business development objective

To provide remissions for Business Development projects promoting employment and economic development within the city. These may include commercial and/or industrial developments, involving the construction or alteration of any building or buildings, fixed plant and machinery, or other works intended to be used for industrial, commercial, or administrative purposes.

**Business development conditions and criteria**

In determining remissions for business development projects Council will consider the extent to which a project contributes to the following:

- ① The development is of importance for the future economic development of the city, which may be demonstrated by the scale, type or nature of the development.
- ② The number of new employment opportunities the development will create.
- ③ The amount of new capital investment the development will bring into the city.
- ④ The extent that the new development would increase the rating base.
- ⑤ The business demonstrates a long-term commitment to remain and operate in the city. Property ownership or a long-term lease of property may be accepted as a proof of commitment.
- ⑥ The development protects or retains cultural aspects of the city e.g. maintains and protects a heritage building.
- ⑦ The development adds new and/or visually attractive infrastructure/buildings to the city.
- ⑧ The granting of a remission would encourage the development to proceed.

Any remission for a business development project requires the approval of Council based on a formal application. Applications for such projects will be presented to Council at the discretion of the Chief Executive.

Council at its discretion will determine the amount, type and duration of any rates remission granted, and may impose such additional or special conditions as it make think fit in any particular case.

**Strategic economic projects objective**

Rates remissions for strategic economic projects apply to large, complex projects, that promote employment and economic development in Upper Hutt.

**Strategic economic projects conditions and criteria**

In determining remissions for strategic economic projects Council will consider the extent to which a project contributes to the following:

- 1. The project will make an ongoing strategic economic contribution to the city.
- 2. The project will create new and ongoing employment opportunities.

3. The project will bring new capital investment to the city.
  
4. The project will provide a point of difference for the city.

Applications for remission for such projects will be presented to Council at the discretion of the Chief Executive.

Council, at its discretion, will determine the amount, type, and duration of any rates remission granted, and may impose such additional or special conditions as it may think fit in any particular case.

## Remission for miscellaneous circumstances

### Objective

Not all situations in which Council may wish to remit rates will be known in advance and be included in Council policy.

This consideration allows for the possibility of a rates remission in circumstances that have not been specifically addressed in other parts of this policy, and where Council considers it equitable to remit rates.

### Conditions and Criteria

Council may remit rates and/or penalties on a rating unit where it determines that:

1. the rates, or a particular rate, assessed on that rating unit are disproportionate to those assessed in respect of comparable rating units; or
2. the circumstances of the rating unit or the ratepayer are comparable to those where a remission may be granted under the Council's other rates remission policies, but are not actually covered by any of those policies; or
3. the circumstances are such that the rates assessed by Council are inequitable.

The amount and duration of a remission using this provision will be determined by Council on a case-by-case basis.

Council reserves the right to impose further conditions on a case-by-case basis.

Approval of this remission will not set a precedent that application of the usual rates unfairly disadvantages other ratepayers.

# Rates postponement

## What is it?

Rates postponement means that Council allows the ratepayer to delay paying their rates. Ratepayers still have to pay postponed rates, but at a later time. In some cases, rates may be postponed for a set number of years. In other cases, rates may be postponed until a certain event occurs, such as the ratepayer selling their property or dying.

Council's rates postponement policy considers the following:

- Financial hardship
- Māori freehold land

## Postponement due to financial hardship

### Objective

The objective of this policy is to enable Council to address and mitigate the impacts of financial hardship on both individuals and businesses contributing to a community that is resilient and equitable.

### Conditions and criteria

In the context of this policy, hardship is defined as a situation where the income of a ratepayer reduces to a point where paying rates would significantly compromise the ratepayer's ability to meet their basic needs.

Where ratepayers are suffering from hardship Council will, in the first instance, work with them to consider if a payment plan arrangement is a suitable way to address payment of their rates. One or more instalments may be paid in smaller amounts over a period, where such arrangements have been agreed to between Council Officers and the ratepayer.

Where this is not possible, ratepayers may apply for a postponement of all or some of the rates applicable to the rating unit subject to the following conditions:

- 1 Each application will be considered on a case-by-case basis.
- 2 Applicants have demonstrated to the satisfaction of Council they are unable to pay rates because of hardship, having regard to the hardship criteria set out below.
- 3 Applicants must have a previous good history of on time payment.

Relevant considerations for Council will include:

- ① Whether applicants have tried all other avenues to fund their rates.
- ② Whether hardship has been caused by an unforeseen emergency or Civil Defence event.
- ③ If the ratepayer is eligible for the government rate rebate or other support.

If a postponement is granted, the following conditions will apply to the rating unit and ratepayer.

1. Any outstanding rates still owing at the end of the agreed postponement period will be subject to penalties.
2. An annual postponement fee may be required. This fee will be calculated as a percentage interest rate and will be used to cover Council's administrative and financial costs.
3. Postponed rates may be registered as a charge, by registering a *Notice of Charge* on the Record of Title.
4. If the rating unit in respect of which postponement is sought is subject to a mortgage, then the applicant will be required to obtain the mortgagee's consent before the Council will agree to postpone rates.
5. The postponed rates, or any part thereof, may be paid at any time.
6. Any postponed rates (under this policy) will be postponed until the earlier of:
  - Ⓐ the ratepayer's death, or
  - Ⓑ the ratepayer no longer owns the rating unit, or
  - Ⓒ the ratepayer stops using the property as their residence; or
  - Ⓓ the end date specified by the Council.
7. For the rates to be postponed the Council will require evidence each year, by way of statutory declaration, of the ratepayer's property insurance and the value of encumbrances against the property, including mortgages and loans.

**Hardship criteria**

The following criteria will be used to determine hardship, and the applicant must provide evidence to support their claim for postponement:

- 1. loss of employment; and/or
- 2. significant reduction in income; and/or
- 3. (for business only) a significant reduction in revenue from the business, over a recent period; and/or
- 4. qualification for a mortgage ‘holiday’ from the bank; and/or
- 5. other third-party evidence that demonstrates significant difficulty to pay rates, and/or
- 6. (for business only) qualification for a government emergency financial support package, such as an emergency wage subsidy scheme.

## Postponement of rates on Māori freehold land

**Objective**

Section 102 of the Local Government Act 2002 requires Council to adopt a policy on the remission and postponement of rates on Māori freehold land. Māori freehold land is that which has the status set out in Part 6 s129(2)(b), Te Ture Whenua Māori Act 1993.

**Policy**

Council policy is that it will not postpone rates on Māori freehold land. However, the conditions and criteria for the postponement of rates provided for within this policy will also apply to Māori freehold land, where applicable.

# Kaupapa Here Whai Hiranga me te Toro Iwi Significance and Engagement Policy (Amended)

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# Purpose

Upper Hutt City Council engages with our community every day and in many different ways. It can be a one-way simple communication to keep people informed, or it can be a two-way process of consultations or engagement.

## Providing certainty

The policy has been developed to provide certainty on:

- When and how Council will engage or consult with communities.
- What Council will take into account when deciding what is significant.
- When the community will have a direct opportunity to contribute to decision-making.

## Aim

Our aim is to have the right conversation with the right people about the right issues before making significant decisions.

This policy outlines the types of things that you can expect to be consulted about, such as the key issues in the Long Term Plan and Annual Plan, a decision that will change a service that you expect and value, or something that will add cost to the ratepayer.

The policy guides Council’s assessment of whether an issue or proposal is important (significant) to the community. It gives certainty and clarity that those important decisions will be treated in an agreed way with the community, and that Council will follow the local government rules of engagement and meet the purpose of local government:

*“to enable democratic local decision-making and action by,  
and on behalf of, communities...”*  
—Local Government Act 2002

# Out of scope

## Specifically legislated decision-making processes

Many decisions made by Council are governed by specific Acts outside the Local Government Act 2002. These Acts prescribe the decision-making and consultation procedure required. Consequently, there are some decision-making processes that are not within the scope of this Significance and Engagement Policy. These include:

- Resource Management Act 1991
- Civil Defence Emergency Management Act 2002
- Land Transport Act 1998

- Local Electoral Act 2001

### Other exceptions

In addition, this policy will not apply and engagement will not be required where:

- in the opinion of the Council, failure to make a decision urgently would result in unreasonable or significant damage to property, or risk to people's health and safety;
- there are any physical alterations to strategic assets that are required to prevent an immediate hazardous situation arising;
- Council must repair an asset to ensure public health and safety due to damage from an emergency or unforeseen situation;
- Council is required to act with urgency due to a crisis.

### Special consultative procedure

In addition, Council is required to undertake a *special consultative procedure* on certain matters, as set out in Section 83 of the Local Government Act 2002 (LGA) regardless of whether they are considered significant as part of this policy.

Where Council makes a decision that is significantly inconsistent with this policy, the steps identified in s80 of the LGA will be applied.

## Review of the policy

### In conjunction with the Long Term Plan

The policy may be amended from time to time. Council will consider making amendments when we prepare a Long Term Plan (every three years).

Amending the policy requires consultation unless Council considers it has sufficient information about community interests and preferences to enable the purpose of the policy to be achieved without consultation.

## Application of the Significance and Engagement Policy

This policy applies to any proposal or decision before Council.

### This policy is applied in two steps:

- STEP 1** Determine the significance of the proposal/decision.
- STEP 2** Determine whether there is a requirement to engage or not (guided by the level of significance), and if so, the level of engagement.

Council will determine the appropriate time to make the above assessment. This may differ depending on the issue and the type of decision and process. Significance and engagement may be reassessed as a matter progresses.

## STEP 1 Determining the degree of significance

### Assessment and application

To determine the degree of significance of an issue, proposal or other matter Council must:

- 1 Assess the matter against the significance principles outlined below; and
  - 2 Apply the criteria to assess the degree of significance.
- 

### Significance principles

Council will first assess the matter against the following principles:

- The likely impact of the decision on present and future interests of the community.
  - Level of impact on Māori, Māori culture, traditions and values, and their relationship to land and water.
  - Possible environmental, social, and cultural impacts.
  - How the decision aligns with historical Council decisions.
  - The potential effect on delivering Council's strategic aspirations.
  - The impacts on Council's capacity to meet its statutory responsibilities now and in the future.
  - If the matter has already been clearly described in the Long Term Plan (LTP), including the nature and extent of the proposed action.
  - If it is an operational matter not requiring governance consideration or decision-making.
- 

### Significance as a continuum

Significance can be thought of as a continuum. At one end are matters that are 'not important' (low or no significance) such as a minor technical amendment to a Council policy. At the other end of the continuum are matters deemed to be 'critical' (very high significance) such as a new project that requires substantial, discretionary funding, or a proposed policy change which may significantly change the application of a policy.



**Source:** Society of Local Government Managers (SOLGM)  
Significance and Engagement Policies guide 2014

### Criteria to assess the degree of significance

Council will use the criteria in the table below when determining the degree of significance of a proposal, issue or matter:

- A** Consistency with a prior decision or decisions
- B** Transfer of ownership or control of strategic assets
- C** Levels of public interest are known
- D** Community (as a whole or part)
- E** Level(s) of service provided by Council and Council's capacity
- F** Ability to reverse the decision
- G** Level of financial consequence

Council will assess the degree of significance of a proposal or decision on a case-by-case basis using the table below and determine the level of significance of a proposal or decision to be high, medium or low.

- 1** If the proposal or decision triggers two or more of the criteria which are under the high significance level column, the level of significance will be deemed to be high (i.e. the proposal or decision will be deemed significant).
- 2** If the proposal or decision triggers three or more criteria which are under the low significance level column, the level of significance will be deemed to be low.
- 3** If the level of significance of a proposal or decision is not deemed to be high (under clause 3) or low (under clause 4), the level of significance will be deemed to be medium.

Where the significance of a proposal or decision is unclear against any of the criterion, Council will treat that criterion as being more, rather than less significant.

## DETERMINING SIGNIFICANCE

Criteria	High significance	Medium significance	Low significance
<b>A</b> Consistency with a prior decision or decisions (including current policies and strategies)	Decision or proposal is significantly inconsistent. <b>EXAMPLE</b> <i>A decision or proposal that retires a Council adopted strategy</i>	Decision or proposal is consistent but with some notable variations <b>EXAMPLE</b> <i>A decision or proposal contrary to a public places policy allowing restaurants to use entire width of public footpaths for outdoor entertainment</i>	Decision or proposal is consistent <b>EXAMPLE</b> <i>Adopting a public places bylaw to enforce a public places policy</i>
<b>B</b> Involves the transfer of ownership or control of strategic assets to or from the Council.	Majority transfer (≥ 51%) <b>EXAMPLE</b> <i>Full transfer of an asset</i>	Minority transfer <b>EXAMPLE</b> <i>30% share transfer of an asset</i>	Nominal or no transfer
<b>C</b> Levels of public interest known.	High levels of public interest known. <b>EXAMPLE</b> <i>Adoption of a psychoactive substance policy</i>	Moderate levels of public interest known. <b>EXAMPLE</b> <i>Adoption of an event sponsorship policy</i>	Low levels of public interest known. <b>EXAMPLE</b> <i>Adoption of an elected member support policy</i>
<b>D</b> The degree to which the issue affects the community or the city of Upper Hutt.	Impacts a large proportion of the community. <b>EXAMPLE</b> <i>A change in the rubbish collection timeframes</i>	Impacts a subgroup or groups within the community. <b>EXAMPLE</b> <i>Creation of a neighbourhood playground</i>	Impacts an individual person or household. <b>EXAMPLE</b> <i>Removal of a street tree</i>
<b>E</b> The extent to which a decision significantly alters the intended level of service provision for a group of Council activities (including a decision to commence or cease any such group of activity) or significantly affects the capacity of Council in relation to any activity identified in the Long Term Plan.	Ceasing or commencing a service. <b>EXAMPLE</b> <i>Closure of a facility</i>	A more than nominal alteration of a service. <b>EXAMPLE</b> <i>Digitisation of most hard copy books at the public libraries</i>	A nominal or no alteration of a service. <b>EXAMPLE</b> <i>Undertaking of a tender with a different contractor</i>
<b>F</b> Ability to reverse the decision.	Highly difficult <b>EXAMPLE</b> <i>Constructing a purpose built building, or where Council is legally obliged or committed through contractual arrangements</i>	Moderately difficult <b>EXAMPLE</b> <i>Adoption of a Speed Limit Bylaw</i>	Low difficulty <b>EXAMPLE</b> <i>A minor amendment to a policy</i>

Criteria	High significance	Medium significance	Low significance
<p><b>G</b> Level of financial consequences in relation to unbudgeted operating cost or capital cost in the Long Term Plan.</p>	<p>Unbudgeted operating cost(s) greater than 5% of total expenses for the financial year of the proposal/decision.</p> <p><b>EXAMPLE</b> <i>A \$3.1 M unbudgeted increase in lease costs</i></p> <p><b>and/or</b></p> <p>Unbudgeted capital cost(s) greater than 1% of total assets in the financial year of the proposal/decision.</p> <p><b>EXAMPLE</b> <i>Construction of an \$8.38 M unbudgeted building</i></p>		

## STEP 2 Determining engagement

**Is engagement required, and to what extent?**

To determine whether engagement is required on an issue, proposal or other matter—and if so—the extent of engagement, Council will:

- 1 Assess the matter against the engagement principles outlined below; and
- 2 Apply the ‘Determining engagement’ assessment.

**Engagement principles**

- The significance of a matter will influence the time and resource Council will invest in evaluating options and obtaining the views of affected and interested parties. Engagement may be required at various stages of the decision-making process and may take different forms depending on the stage. Both significance and the form of engagement will be assessed on a case-by-case basis.
- Council will consider the extent of engagement that is necessary to understand the community’s view before a particular decision is made and the form of engagement that might be required. In linking the level of significance to the level of engagement, a balance must be struck between the costs of engagement and the value it will add to the decision-making process.
- Council acknowledges the unique status of Māori and aims to engage with the wider Māori community to ensure their views are appropriately represented in the decision-making process. Council is committed to providing relevant information to inform Māori contribution and improve their access to Council’s engagement and

decision-making processes. Council is building relationships with local organisations representing Māori, iwi, and mana whenua.

- Feedback provided by the community to date has identified that the majority of the Upper Hutt community prefers online engagement/communication, and that due to time constraints people must feel strongly about a matter before they will engage with Council.
- With this in mind, Council has moved toward a more effective process of engagement which includes a higher level of digital communication across platforms such as our website and Facebook, in an effort to reach a wider cross-section of the community.

## DETERMINING ENGAGEMENT ASSESSMENT

Significance	What we'll do
1. For matters of low degree of significance	When a matter is assessed as having low or no significance, Council will inform the community once a decision is made and is being implemented.
2. For matters that have a medium degree of significance	<p>When a matter is considered to have significance but not regarded as significant, Council is required to make a formal resolution before action may be taken. This requirement excludes matters already covered by the Long Term Plan.</p> <p>A formal resolution is to be obtained by presenting a report to Council, which addresses the requirements identified in the LGA sections 77 – 81.</p> <p>The report to Council will include an assessment of the degree of significance of the issue, and whether engagement and/or consultation is recommended. If engagement and/or consultation are recommended, then an engagement plan will be included in the report.</p>
3. For all matters identified as having a high degree of significance	<p>If an issue is determined as having a high degree of significance, then it is significant and the issue will be considered by Council.</p> <p>This decision requires a report to Council outlining the assessment of the degree of significance of the issues, the degree of engagement proposed, the engagement plan proposed, and a recommendation.</p> <p>Council will apply the principles of consultation (LGA s82) and be guided by the operational guidelines in Schedule 1.</p>
4. Consider if the <i>Special Consultative Procedure</i> is appropriate	<p>Review the issue, proposal or other matter to determine if any of these factors exist:</p> <ul style="list-style-type: none"> <li>● Development of, review, or amendments to the Long Term Plan</li> <li>● Preparation of the Annual Plan</li> <li>● It is considered that the Special Consultative Procedure is relevant and required.</li> </ul> <p>If yes, then follow the Special Consultative Procedure in line with LGA sections 83 – 87.</p>
5. Consultation and/or engagement	Council will apply the principles of consultation (LGA s82) and use the operational guidelines in Schedule 1.

# Strategic assets

## Definition

Defined in s5 of the Local Government Act 2002, an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future wellbeing of the community. As the Significance and Engagement Policy sets out Council's preference about engagement on decisions relating to specific issues, including assets, Council is required to state what its Strategic Assets are at the time of adoption of this policy.

The following are considered to be strategic assets for Upper Hutt City Council in terms of the Act:

- Upper Hutt City primary (regional) and secondary (district) arterial roading routes
- Upper Hutt Civic Centre
- Whirinaki Whare Taonga
- H<sub>2</sub>O Xtream aquatic centre
- The Central Library and Pinehaven Library
- Te Kupenga o Rongomai | Maidstone Sports Hub
- Harcourt Park, Trentham Memorial Park, and Maidstone Park
- Upper Hutt City water supply network\*
- Upper Hutt City stormwater network\*
- Upper Hutt City wastewater network, including the Upper Hutt City Council share of the Hutt Valley Wastewater network\*
- Akatārawa Cemetery

For the removal of doubt, each strategic asset is listed as a whole entity, and the term 'strategic asset' does not apply to the individual elements of that asset.

\* All water related services and functions will transfer to Tiaki Wai on 1 July 2026.

# Schedule 1 Operational guidelines for community engagement

**Engagement process**

Once the level of significance of an issue, proposal or decision has been determined, Council will consider the level and form of community engagement. Depending on the matter being considered and the stakeholders involved, the preferred method(s) or combination of engagement tools will be identified and applied to meet the goals of the specific engagement.

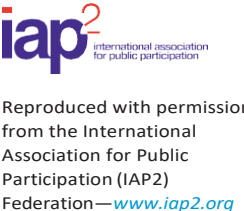
In the course of reaching decisions on a particular issue or proposal at different times and stages, Council may use a variety of engagement techniques. The engagement methods may be adapted, based on a range of other factors, including but not limited to history and public awareness of the issue, stakeholder involvement, timing related to other events or engagement, and budgets.

Council will build on existing relationships and networks with individuals and communities, and look to extend the range of parties involved in the community engagement as appropriate.

Council refers to the International Association of Public Participation (IAP2) engagement spectrum (below) as a basis for methods of engagement before making a decision.

**IAP2’s Spectrum of Public Participation**

IAP2’s Spectrum of Public Participation was designed to assist with the selection of the level of participation that defines the public’s role in any public participation process. The Spectrum is used internationally, and it is found in public participation plans around the world.



INCREASING IMPACT ON THE DECISION					
	INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
PUBLIC PARTICIPATION GOAL	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision making in the hands of the public.

Council will consider engagement methods and tools relative to the level of significance. These will support community participation through an engagement spectrum approach, as set out in the following table.

Differing levels and methods of engagement may be required during the varying phases of consideration and decision-making on an issue or proposal. Council will review the suitability and effectiveness of the engagement strategy and methods as the process proceeds.

## Schedule 2 Examples of engagement activities<sup>44</sup>

	Public participation goal	Examples of tools Council might use	When the community is likely to be involved
INFORM	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities, and/or solutions.	<ul style="list-style-type: none"> <li>● Email newsletter to local communities and networks</li> <li>● Information flyers</li> <li>● Public notices/info in local newspaper and on Council's website</li> <li>● Use of social media</li> </ul>	Once a decision is made and is being implemented.
CONSULT	To obtain public feedback on analysis, alternatives, and/or decisions.	<ul style="list-style-type: none"> <li>● Formal submissions and hearings or the Special Consultative Procedure</li> <li>● Focus groups</li> <li>● Community meetings</li> <li>● Online opportunities to submit ideas/feedback</li> <li>● Rates inserts</li> <li>● Display boards</li> </ul>	Once Council has determined an initial preferred position it would endeavour to provide the community with sufficient time to participate and respond.
INVOLVE	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	<ul style="list-style-type: none"> <li>● Workshops</li> <li>● Focus/stakeholder group meetings</li> <li>● Public meetings, drop-in sessions</li> <li>● Online surveys/forums</li> <li>● Displays at public venues</li> </ul>	The community or specific communities could be engaged throughout the process, or at specific stages of the process as appropriate.
COLLABORATE	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	<ul style="list-style-type: none"> <li>● Pre-consultation</li> <li>● Working groups (involving community experts)</li> <li>● Community advisory groups (involving community representatives)</li> <li>● Forums</li> </ul>	The community or specific communities will be engaged from the outset, including the development of alternatives to the identification of the preferred solution.
EMPOWER	To place final decision-making in the hands of the public.	<ul style="list-style-type: none"> <li>● Binding referendum</li> <li>● Local body elections</li> <li>● Delegation of some decision-making to a community</li> </ul>	The community or communities will be engaged throughout the process to ensure ownership of the development of alternatives, identification of the preferred solution(s), and delegated decision-making on the preferred solution.

44 Adapted from the IAP2 Spectrum of Public Participation. Tools may be applicable across multiple levels of engagement.

# Schedule 3 Special Consultative Procedure

## What is the Special Consultative Procedure?

The Special Consultative Procedure is a formal consultation process that must be carried out in certain circumstances. Council may also decide to use the special consultative procedure, if it wishes, for any other significant decisions.

The law requires us to use the Special Consultative Procedure for:

- Making, amending or revoking a bylaw.<sup>45</sup>
- Adopting and amending our Long Term Plan.
- Other acts if expressly required by laws.

Under the Special Consultative Procedure we must:

- Develop a Statement of Proposal and if considered necessary, a Summary, and make them widely available.
- Allow a minimum feedback period of one month.
- Ensure people are given the opportunity to present their views to Council at a hearing.

## Hearings and feedback

**Location** Hearings will generally be held in Upper Hutt City Council Chambers, 838 – 842 Fergusson Drive, Upper Hutt.

**Online presentations** Council can allow any person to present their views to the local authority by way of audio link or audio-visual link.

**Interpretation** If we’re asked to do so, Council may enable interpretation for/to New Zealand’s other official languages—Te Reo Māori and New Zealand Sign Language—where practical.

**Decision and communication** Following the conclusion of the consultation and/or engagement process, Council will be required to make a decision.

Once a decision has been made, the community will be informed of the decision made using a method appropriate to the nature of the consultation (for example this may range from public notices to direct communication to submitters).

<sup>45</sup> According to the Local Government Act 2002 Part 8 Section 156, Council does not need to use the Special Consultative Procedure if the change is minor or a correction of an error which does not affect existing rights. In such case, the change can be made by resolution, publicly notified.

# Schedule 4 Definitions

<b>Activity</b>	Refers to the list of Council Activities identified in the Long Term Plan, which is a service or function provided by, or on behalf of, Council.
<b>Community</b>	A community, for the purposes of this policy, is a group of people with a shared or common interest, identity, experience or values. For example, cultural, social, environmental, business, financial, neighbourhood, political or spatial groups. ‘The community’ refers to all of the people that are a part of the diverse communities in Upper Hutt.
<b>Decisions</b>	Refers to the decisions of Council by formal resolution at Council and Council Committee meetings. It also refers to decisions made by officers or others under delegated authority.
<b>Engagement</b>	Is a term used to describe the process of establishing relationships, sharing information, and seeking feedback from the community to inform and assist decision-making. Engagement is an important part of participatory democracy within which there is a continuum of community involvement.
<b>Having significance</b>	Significance is a continuum and as an issue moves along the spectrum (from low to high) Council assigns it an incremental level of significance. If a matter is determined to ‘have significance’ then it will require a formal resolution from Council before action can be taken.
<b>Not significant</b>	The issue/decision does not trigger the policy criteria or thresholds.
<b>Operational matters</b>	The matter concerns the day-to-day operations of Council, is carried out under delegated authority, and is in accordance with the Long Term Plan, Annual Plan or relevant legislation
<b>Significant</b>	In relation to any issue, proposal, decision, or other matter, means that the issue, proposal, decision, or matter has a high degree of significance.
<b>Significance</b>	The degree of importance of an issue, proposal, decision, or matter, as assessed by Council, in terms of its likely impact on, and likely consequences for: <ol style="list-style-type: none"> <li>① the district or region;</li> <li>② any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter;</li> <li>③ the capacity of the local authority to perform its role, and the financial and other costs of doing so (as described by the Local Government Act).</li> </ol>

**Special Consultative Procedure**

.....  
This is a formal process which enables the community to have a say on a significant decision. Council will take the community’s views into account before making a decision. This is a more formal process than inviting feedback. There are rules about how we undertake special consultation (see Schedule 3: Comments are treated as formal submissions which will be made publicly available and submitters can choose to present their views at a hearing before elected members).  
.....

**Strategic aspirations**

.....  
Refers to any high level, direction setting goal or document that Council aims to deliver, including the city vision priority areas, which represent the community outcomes for the city.  
.....

**Strategic asset**

.....  
An asset or group of assets as defined in Local Government Act s5.  
.....

# Ngā ringaringa me ngā waewae o te Kaunihera Council-controlled organisations (Amended)

319 What is a council-controlled organisation

Whirinaki Whare Taonga

322 Te Aka o te Kupenga Maidstone Park Trust

323 Wellington Water Limited / Tiaki Wai Limited

# What is a council-controlled organisation?

The Local Government Act 2002, section 6, defines a council-controlled organisation (CCO) as one in which a Council or group of Councils controls more than 50% of the voting rights, or the power to appoint more than 50% of trustees or directors.

## Upper Hutt City Council has three CCOs

- **Whirinaki Whare Taonga (Whirinaki)** is a CCO because Council has the right to appoint 50% or more of the trustees.
- **Te Aka o te Kupenga Maidstone Park Trust (Te Aka o te Kupenga)** is a CCO because Council has the right to appoint 50% or more of the trustees.
- **Wellington Water Limited (WWL)** Wellington Water Limited (WWL) is a Council-Controlled Organisation for the first two years of the 2024–34 Long Term Plan (Amended). From 1 July 2026, Wellington Water Limited will be amalgamated into Tiaki Wai Limited as part of the new multi-council owned water service organisation, as one or more local authorities hold more than 50 percent of the shares in the company.

### What's included in our financial reporting

For the purposes of financial reporting, Whirinaki and Te Aka o te Kupenga (the Trusts) are consolidated into the group financial statements of Upper Hutt City Council because they meet the criteria under the accounting standard PBE IPSAS 35 *Consolidated Financial Statements*. WWL does not meet the criteria which is based on the degree of Council's control in each CCO. Council is deemed to control the Trusts for financial reporting purposes, but as a minority shareholder in WWL, Council is not deemed to have control.

### The CCOs contribute to Council's vision for Upper Hutt

*'We have an outstanding natural environment, leisure and recreational opportunities, and we are a great place for families to live, work and play.'*

## Whirinaki Whare Taonga

### History

The Trust known as Whirinaki Whare Taonga (the Trust) shares its name with the event and gallery space adjacent to Council's Civic Centre on Fergusson Drive and is a charitable trust originally established by the Council in 2001 as The Upper Hutt Cultural Centre Charitable Trust. It became known as Expressions Arts and Entertainment Trust in 2002 and Whirinaki Whare Taonga in 2022.

### Subsidiaries

Whirinaki Whare Taonga has no subsidiaries.

**Nature and scope of activities**

The Trust’s purpose is the advancement of, and education in, cultural activities, the arts, recreation, and leisure.

The Trust operates the exhibition and events facility known as Whirinaki Whare Taonga next to the Civic Centre on Fergusson Drive.

**Policies and objectives relating to ownership and control**

Council’s primary objective for the Trust is that it successfully operates Whirinaki Whare Taonga for the benefit of Upper Hutt residents.

Council supports the Trust through a rent-free lease of the land and buildings it occupies, and payment of an annual operating grant.

**Key performance targets**

The Trust sets its performance targets annually with the Council through its Statement of Intent. A summary follows.

**Non-financial targets**

- 14 exhibitions are presented annually. Ten public programmes across the exhibitions are presented.
- One significant exhibition (block buster) annually.
- At least two of the 14 exhibitions will have an interactive or alternative engagement elements specifically aimed at children and family audiences.
- A minimum of two exhibitions to reflect the diverse and distinct communities of Upper Hutt annually.
- One exhibition with a local Upper Hutt social/cultural history focus will be presented annually.
- One touring exhibition every two years.
- Local iwi and the Ōrongomai Marae community are involved with curatorial practice and presentation of programmes through consultation and engagement, where appropriate. Te Reo will also be visible across the Centre.
- A minimum of three Te Ao Māori exhibitions presented annually.
- 90% of respondents surveyed in Council’s community surveys are satisfied or very satisfied with the range and quality of events and exhibitions.
- Visitors will tell us about the positive impact their participation in exhibitions, experiences and programme has had on them.
- Five performing arts programmes are presented.

- Connect, support, and collaborate with the local arts community through regular networking activities and events.
- Actively promote information about local arts, culture, and heritage activities in an arts communication strategy.
- Provide opportunities for local and national artists to sell work with at least four (4) exhibitions having works for sale.
- Develop a number of free and accessible hands-on outreach art activities and cultural events.
- Develop and maintain an Upper Hutt visual and performing arts directory.
- A regular gallery programme for preschool children 'Little Whirinaki.'
- Education programmes are presented to at least 2,000 students each year.
- An annual art award is provided.
- One artwork is installed through the city's public spaces per year.
- Four *Friends of Whirinaki Whare Taonga* events are held annually and four newsletters presented annually.
- 110,000 visitors to the Centre annually (by Whirinaki Whare Taonga in-house monitoring).
- A café licensee is retained on site.
- Assist and advise 10,000 customers per year through the *isite* facility.
- One exhibition every two years featuring works from the Pumpkin Cottage Collection.
- A study is completed into conserving and increasing access into the heritage properties of Golder Cottage and The Blockhouse.

#### **Financial targets**

The Trust is not expected to return a profit to Council and does not have financial targets. Its accounts are consolidated with Council's.

# Te Aka o te Kupenga Maidstone Park Trust

## History

Te Aka o te Kupenga Maidstone Park Trust (Te Aka o te Kupenga) was established by Council in November 2022 to be a community-led organisation to operate Te Kupenga o Rongomai – Maidstone Sports Hub, Te Kupenga o Rongomai signed a Management Agreement with Council in October 2023.

The new entity has taken over responsibilities previously held by Maidstone Park Trust. The facility's new name was gifted by Te Ati Awa, with support from Ngāti Toa and Ōrongomai Marae.

Te Kupenga o Rongomai was part of a \$31.8 million community and recreation development project at Maidstone Park and supported by \$15 M of central Government "shovel-ready" funding. It opened in early 2024.

## Subsidiaries

Te Aka o te Kupenga Maidstone Park Trust has no subsidiaries.

## Nature and scope of activities

Te Aka o te Kupenga's primary purpose is to manage and operate community facilities at Maidstone Park for the benefit of Upper Hutt and its communities and towards the promotion and support of participation in sport, recreation and other leisure-time activities.

## Policies and objectives relating to ownership and control

Council's primary objective for Te Aka o te Kupenga is that it successfully operate Te Kupenga o Rongomai – Maidstone Sports Hub and some other ancillary services on the park for the benefit of Upper Hutt residents.

Council supports Te Aka o te Kupenga through a rent-free lease of the land and buildings it occupies, and payment of an annual Management fee.

## Key performance targets

Because Te Aka o te Kupenga is within its first 12 months of establishment it has not yet set any performance targets with Council. Baseline performance will be measured in its first year and then targets set accordingly through its Statement of Intent for the following financial years.

As part of its establishment, Te Aka o te Kupenga has entered into a Management Agreement with Council under which it provides certain services to Council including:

- Maintenance and upkeep of assets it manages.
- Ensuring a manager oversees operations of its assets and they are made available for sporting and other recreational activities.
- Determine user charges, subject to certain limitations and priority rules protecting the interests of Anchor Sports.
- Arrange advertising and promotion.
- Manage relationships with key stakeholders.
- Undertake reporting and compliance.

Te Aka o te Kupenga will not be expected to provide a financial return to Council.

## Wellington Water Limited/Tiaki Wai Limited

**On 1 July 2026 Wellington Water Limited will be amalgamated into Tiaki Wai Limited to be part of the new water services organisation.**

**The information below is relevant for the first two years of the 2024-2034 Long Term Plan (Amended) only.**

### History

In 2008, a review of Council's infrastructure services was undertaken. The review found that:

- Qualified engineers were in short supply globally, and the employee value proposition of local authorities in New Zealand does not match the attraction of high paying overseas jobs.
- Staff at Council were overloaded and the cost of consultants to fill the gap were increasing.
- Increased strategic planning and capacity to draft reports, estimates, and analyses was required.

In response, it was decided to outsource the water and drainage management services to Capacity Infrastructure Services Limited (Capacity) which was a Council Controlled Trading Organisation (CCTO), jointly owned by Wellington City Council and Hutt City Council. The proposal from Capacity was expected to save money and provide the capacity required.

In 2012, a proposal was received by Council from Capacity recommending that Capacity transforms into an outcome focused business model, and to incorporate Upper Hutt City Council and Porirua City Council as shareholders.

The key issues the recommendation sought to address were:

- lack of efficiency in costs and service level management;
- lack of transparency and accountability within the regional water industry arising from the retention of cost and reputation risks by Councils;
- limited scope for pursuing options for adopting a ‘whole of network’ approach; and
- getting ahead of the Central Government consolidation agenda.

Wellington Water Limited (WWL) was established in September 2014 and is now owned by Hutt, Porirua, Upper Hutt, Wellington City and Greater Wellington Regional Council (19% each), and South Wairarapa District Council (5%).

The councils are all shareholders, but do not receive dividends as the purpose of the company is to provide a service to the shareholder-councils rather than to provide a financial return.

A representative from each council sits on the Wellington Water Committee that provides overall leadership and direction for the company.

The company is governed by a board of independent directors appointed by the Wellington Water Committee.

## Subsidiaries

Wellington Water Limited has no subsidiaries.

## Policies and objectives relating to ownership and control

Council’s principal objectives in owning WWL are:

- WWL provide safe drinking water, readily available to customers (across the Wellington region)
- Wastewater treatment services protect people and the environment from wastewater contaminants.
- The way we work results in a balance in the interests of water, people, and the environment.
- The region’s networks are resilient; they operate effectively irrespective of natural shocks and environmental factors.
- We have a capable, adaptive, and collaborative workforce using innovative practices and exchanges of knowledge to drive optimal performance.

**Nature and scope of activities**

Wellington Water Limited:

- manages Council’s water assets under contract including day to day operation, maintenance, development and replacement;
- undertakes asset management planning; and
- provides input into Council’s resource consenting and building control functions.

WWL’s annual activities are set in conjunction with its other shareholder-Councils through its Statement of Intent.

Detailed information about WWL’s objectives and performance are available on its website, [wellingtonwater.co.nz](http://wellingtonwater.co.nz)

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**Key performance targets**

WWL’s annual performance objectives are set in conjunction with its other shareholder-councils through its *Statement of Intent*.

**Non-financial targets**

In summary, its performance objectives are to achieve measured success in the following areas:

- 1.Compliance with the Department of Internal Affairs standards for drinking water, including safety of drinking water and reticulation system adequacy.
- 2.Fault response times agreed with Councils.
- 3.Customer satisfaction.
- 4.Demand management.
- 5.Discharge compliance.

Detailed information about WWL’s objectives and performance are available on its website, [wellingtonwater.co.nz](http://wellingtonwater.co.nz)

**Financial targets**

WWL is not expected to make a financial return to Council.

# Tauākī Ahumoni

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# Introduction

## Reporting entity

Upper Hutt City Council (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 Council's operations include the LGA and the Local Government (Rating) Act 2002 (LGRA).

The Upper Hutt City Council 'Group' consists of Council, Whirinaki Whare Taonga trust (Whirinaki) and Te Aka o te Kupenga Maidstone Park Trust (Te Aka o te Kupenga). For the purposes of the Long Term Plan, 'Council' is Upper Hutt City Council only. Whirinaki and Te Aka o te Kupenga do not materially impact the prospective financial statements, and therefore are not included.

Council has an interest in the Hutt Valley Wastewater Scheme.

Council is a 12.24% shareholder in Wellington Water Limited (WWL). As this is a minority shareholding, the financial results of WWL are not consolidated into the Group's accounts. Instead, the shareholding is held as an investment. Council contracts WWL to carry out the maintenance and development of the Three Waters infrastructure on its behalf. At the 1 July 2026 this responsibility will transfer to Tiaki Wai Limited.

The primary objective of Council is to provide local infrastructure, local public services, and perform regulatory functions for the community. Council does not operate to make a financial return.

Accordingly, Council has designated itself a public benefit entity (PBE) in Tier 1 entity for the purposes of New Zealand equivalents to International Public Sector Accounting Standards (IPSAS).

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## Basis of preparation

The prospective financial statements are for Council as a separate legal entity. Consolidated prospective financial statements comprising Council and its controlled entities and associates have not been prepared.

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## Statement of compliance

The prospective financial statements have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R) which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The prospective financial statements comply with IPSAS, and other applicable financial reporting standards, as appropriate for public benefit entities, in accordance with Tier 1 PBE accounting standards.

The accounting policies set out below have been applied consistently to all periods presented in these prospective financial statements.

**Presentation  
currency and  
rounding**

The prospective financial statements are presented in New Zealand dollars, rounded to the nearest thousand (\$000), unless otherwise stated.

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

**Changes in  
accounting policies**

There have been no changes in accounting policies since the previous year.

## Measurement basis

**Historical cost  
measurement basis**

The measurement basis applied is historical cost, modified by the revaluation of land and buildings, certain infrastructure assets and financial instruments, and investment property. The accrual basis of accounting has been used unless otherwise stated.

**Forecast figures**

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

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

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

# Significant risks

**It should be noted that:**

- ① Actual results achieved during the 2023 – 2024 year are likely to vary from the forecasts presented in this document and the variations may prove to be material.
- ② The information in this document may not be appropriate for purposes other than as described herein.
- ③ The rate of inflation and interest rates may differ significantly from the assumptions used in preparing these forecast financial statements. The actual results are likely to vary materially depending upon other circumstances that arise during the period.

**Historical cost basis**

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

# Judgements and estimations

**Preparation and policy**

The preparation of prospective financial statements using PBE standards requires the use of judgements, estimates, and assumptions. Where material, information on the main assumptions is provided in the relevant accounting policy.

**Justification**

The estimates and assumptions are based on historical experience as well as other factors that are believed to be reasonable under the circumstances. Subsequent actual results may differ from these estimates.

**Review**

The estimates and assumptions are reviewed on an ongoing basis and adjustments are made where necessary.

**Significant effects**

Judgements that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the Statement of Accounting Policies. Significant judgements and estimations include asset revaluations, impairments, certain fair value calculations and provisions.

# Rate funding requirement—by activity group (FORECAST \$000)

		Published				Amended					
23   24 Annual Plan	Groups of activities	24   25 Y1	25   26 Y2	26   27 Y3	27   28 Y4	28   29 Y5	29   30 Y6	30   31 Y7	31   32 Y8	32   33 Y9	33   34 Y10
4,191	Leadership	3,062	3,439	3,292	4,320	4,514	4,483	4,199	4,345	4,309	4,408
	Community and Recreation										
907	Community development	659	675	631	718	719	748	706	707	734	738
585	Activation	433	492	522	597	587	609	578	578	597	598
385	Emergency management	472	492	512	542	565	576	588	603	615	632
2,413	H <sub>2</sub> O Xtream	5,718	9,296	10,988	11,665	11,784	10,728	9,845	9,276	9,223	8,909
3,658	Upper Hutt Libraries	3,963	4,210	4,776	5,402	5,650	5,534	5,600	5,637	5,790	5,823
2,036	Whirinaki Whare Taonga	2,357	2,160	3,005	3,259	3,472	3,456	3,468	3,586	3,508	3,599
942	Property	1,382	1,294	1,429	1,489	1,455	1,344	1,369	1,257	1,226	1,264
4,906	Parks and reserves	6,833	9,731	10,500	10,998	11,084	10,660	10,319	10,508	9,600	9,676
127	Akatārawa Cemetery	(4)	254	307	272	281	203	98	(14)	(131)	(233)
(2)	Support services	0	0	0	0	0	0	0	0	0	0
3,164	Economic Development	2,450	2,601	2,176	2,610	2,632	2,514	2,472	2,498	2,570	2,600
7,749	Water Supply	11,865	13,966								
6,866	Wastewater	9,918	10,707								
1,891	Stormwater	3,457	4,086								
7,712	Land Transport	7,769	10,167	12,346	14,317	15,435	15,585	15,061	14,623	14,733	15,306
570	Sustainability	349	490	2,800	3,090	3,220	3,335	5,276	5,536	5,707	5,872
	Planning and Regulatory										
2,738	City planning	2,216	2,459	2,582	2,840	2,844	2,714	2,594	2,604	2,675	2,697
2,137	Building and compliance services	1,428	1,599	1,723	2,027	2,048	2,085	1,941	1,870	2,006	1,949
<b>52,975</b>	<b>Total rate funding requirement</b>	<b>64,326</b>	<b>78,117</b>	<b>57,591</b>	<b>64,146</b>	<b>66,292</b>	<b>64,574</b>	<b>64,115</b>	<b>63,614</b>	<b>63,162</b>	<b>63,839</b>

23   24 Annual Plan	Funded by	Published			Amended						
		24   25 Y1	25   26 Y2	26   27 Y3	27   28 Y4	28   29 Y5	29   30 Y6	30   31 Y7	31   32 Y8	32   33 Y9	33   34 Y10
0	Accumulated General Fund	0	0	0	0	0	0	0	0	0	0
52,975	Rates revenue requirement	64,326	78,117	57,591	64,146	66,292	64,574	64,115	63,614	63,162	63,839
<b>52,975</b>	<b>Total</b>	<b>64,326</b>	<b>78,117</b>	<b>57,591</b>	<b>64,146</b>	<b>66,292</b>	<b>64,574</b>	<b>64,115</b>	<b>63,614</b>	<b>63,162</b>	<b>63,839</b>
7.31%	Change in rating requirement	21.43%	21.44%	(26.28%)	11.38%	3.35%	(2.59%)	(0.71%)	(0.78%)	(0.71%)	1.07%
1.50%	Forecast growth (in rating database)	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
<b>5.81%</b>	<b>Forecast net change in overall rate funding requirement</b>	<b>19.93%</b>	<b>19.94%</b>	<b>(27.78%)</b>	<b>9.88%</b>	<b>1.85%</b>	<b>(4.09%)</b>	<b>(2.21%)</b>	<b>(2.28%)</b>	<b>(2.21%)</b>	<b>(0.43%)</b>
0.0%	Less forecast inflation (LGCI) <sup>46</sup>	0.0%	2.7%	2.0%	2.2%	2.2%	2.1%	2.1%	2.0%	2.0%	1.9%
<b>5.81%</b>	<b>Forecast real change in core rate funding requirement</b>	<b>19.93%</b>	<b>17.24%</b>	<b>(29.78%)</b>	<b>7.68%</b>	<b>(0.35%)</b>	<b>(6.19%)</b>	<b>(4.31%)</b>	<b>(4.28%)</b>	<b>(4.21%)</b>	<b>(2.33%)</b>

46 LGCI: Local Government Cost Index according to Berl.

## Financial position (PROSPECTIVE STATEMENT \$000)

		Published		Amended							
23   24 Annual Plan	ASSETS	24   25 Y1	25   26 Y2	26   27 Y3	27   28 Y4	28   29 Y5	29   30 Y6	30   31 Y7	31   32 Y8	32   33 Y9	33   34 Y10
	<b>Current assets</b>										
7,521	Cash and cash equivalents	2,255	2,271	2,537	2,379	3,604	3,603	3,663	5,262	6,541	7,598
16,573	Other financial assets	15,424	14,039	13,531	18,771	25,204	30,332	32,597	34,332	27,807	27,543
0	Derivative financial instruments	0	0	0	0	0	0	0	0	0	0
7,828	Trade and other receivables	7,345	7,552	38,941	7,875	8,043	8,200	8,358	8,508	8,658	8,800
206	Assets held for sale	600	600	600	600	600	600	600	600	600	600
0	Inventories	0	0	0	0	0	0	0	0	0	0
<b>32,128</b>	<b>Total current assets</b>	<b>25,624</b>	<b>24,462</b>	<b>55,609</b>	<b>29,625</b>	<b>37,451</b>	<b>42,735</b>	<b>45,217</b>	<b>48,702</b>	<b>43,605</b>	<b>44,540</b>
	<b>Non-current assets</b>										
2,929	Non-current financial assets	6,132	6,699	479,420	479,789	480,127	480,449	480,766	481,659	482,222	482,183
0	Derivative financial instruments	5,000	5,000	5,000	8,000	8,000	8,000	10,000	10,000	10,000	10,000
22	Trade and other receivables	15	11	7	3	0	0	0	0	0	0
76,788	Operational property, plant, and equipment	94,536	101,349	100,898	99,777	105,596	106,639	106,088	112,379	112,258	115,214
42,540	Aquatic assets	63,658	66,321	63,646	60,981	63,953	61,296	58,636	72,798	72,703	70,061
117,987	Restricted property, plant, and equipment	147,946	159,218	157,954	157,186	166,584	167,281	167,311	177,499	178,421	177,003
885,931	Infrastructure assets	1,003,803	1,031,794	496,788	505,310	508,289	541,888	547,327	567,437	614,330	615,560
2	Intangible assets	0	0	0	0	0	0	0	0	0	0
<b>1,126,199</b>	<b>Total non-current assets</b>	<b>1,321,090</b>	<b>1,370,392</b>	<b>1,303,713</b>	<b>1,311,046</b>	<b>1,332,549</b>	<b>1,365,554</b>	<b>1,370,129</b>	<b>1,421,771</b>	<b>1,469,933</b>	<b>1,470,021</b>
<b>1,158,327</b>	<b>TOTAL ASSETS</b>	<b>1,346,714</b>	<b>1,394,854</b>	<b>1,359,322</b>	<b>1,340,671</b>	<b>1,370,000</b>	<b>1,408,289</b>	<b>1,415,345</b>	<b>1,470,473</b>	<b>1,513,539</b>	<b>1,514,562</b>

		Published		Amended							
23   24 Annual Plan	LIABILITIES	24   25 Y1	25   26 Y2	26   27 Y3	27   28 Y4	28   29 Y5	29   30 Y6	30   31 Y7	31   32 Y8	32   33 Y9	33   34 Y10
	<b>Current liabilities</b>										
9,900	Payables and deferred revenue	16,400	16,843	17,071	17,314	17,776	18,282	18,742	19,143	19,285	19,342
217	Derivative financial instruments	0	0	0	0	0	0	0	0	0	0
684	Employee entitlements	1,500	1,541	1,571	1,604	1,637	1,668	1,700	1,730	1,760	1,788
12,816	Borrowings	12,124	12,771	10,068	11,487	12,361	13,899	15,181	17,494	19,106	26,147
<b>23,617</b>	<b>Total current liabilities</b>	<b>30,024</b>	<b>31,154</b>	<b>28,709</b>	<b>30,404</b>	<b>31,774</b>	<b>33,849</b>	<b>35,623</b>	<b>38,367</b>	<b>40,151</b>	<b>47,277</b>
	<b>Non-current liabilities</b>										
2,457	Derivatives financial instruments	0	0	0	0	0	0	0	0	0	0
314	Employee entitlements	250	257	262	267	273	278	283	288	293	298
161,273	Borrowings	209,449	230,672	151,814	116,169	108,820	105,039	98,718	111,714	108,604	97,482
<b>164,044</b>	<b>Total non-current liabilities</b>	<b>209,699</b>	<b>230,929</b>	<b>152,075</b>	<b>116,437</b>	<b>109,093</b>	<b>105,317</b>	<b>99,001</b>	<b>112,002</b>	<b>108,897</b>	<b>97,780</b>
<b>187,661</b>	<b>TOTAL LIABILITIES</b>	<b>239,723</b>	<b>262,084</b>	<b>180,785</b>	<b>146,841</b>	<b>140,867</b>	<b>139,166</b>	<b>134,624</b>	<b>150,369</b>	<b>149,048</b>	<b>145,057</b>
<b>970,666</b>	<b>NET ASSETS</b>	<b>1,106,991</b>	<b>1,132,770</b>	<b>1,178,537</b>	<b>1,193,831</b>	<b>1,229,132</b>	<b>1,269,123</b>	<b>1,280,721</b>	<b>1,320,104</b>	<b>1,364,490</b>	<b>1,369,504</b>
	<b>EQUITY</b>										
226,738	Accumulated funds	234,163	234,048	692,185	698,869	704,257	711,772	717,788	728,766	746,182	748,499
23,708	Restricted reserves	26,156	26,338	25,245	33,854	42,125	48,075	53,657	59,285	56,323	59,020
720,220	Asset revaluation reserves	846,672	872,385	461,107	461,107	482,750	509,276	509,276	532,054	561,986	561,986
<b>970,666</b>	<b>TOTAL EQUITY</b>	<b>1,106,991</b>	<b>1,132,771</b>	<b>1,178,537</b>	<b>1,193,831</b>	<b>1,229,132</b>	<b>1,269,123</b>	<b>1,280,721</b>	<b>1,320,104</b>	<b>1,364,490</b>	<b>1,369,504</b>

## Comprehensive revenue and expense (FORECAST \$000)

			Published		Amended							
23 24 Annual Plan	Revenue	NOTE	24 25 Y1	25 26 Y2	26 27 Y3	27 28 Y4	28 29 Y5	29 30 Y6	30 31 Y7	31 32 Y8	32 33 Y9	33 34 Y10
53,215	Rates		64,666	78,467	57,947	64,402	66,554	64,841	64,387	63,891	63,444	64,125
4,545	Fees and charges		5,347	8,541	6,624	6,794	6,983	7,178	7,393	7,609	7,846	8,099
2,608	Development and financial contributions		1,950	3,598	2,618	1,924	1,964	2,002	2,039	2,075	2,111	2,146
12,619	Subsidies and grants		9,579	8,119	7,113	9,517	6,711	9,186	8,827	16,029	16,353	6,839
400	Interest and dividends		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
9,208	Other revenue	2	8,201	5,761	5,006	3,005	3,111	3,021	3,028	3,139	3,043	3,049
<b>82,595</b>	<b>Total revenue</b>		<b>90,743</b>	<b>105,486</b>	<b>80,307</b>	<b>86,642</b>	<b>86,322</b>	<b>87,227</b>	<b>86,673</b>	<b>93,743</b>	<b>93,798</b>	<b>85,258</b>
	<b>Operating expenditure</b>											
19,340	Personnel costs		18,159	18,855	19,210	20,185	20,601	20,997	21,394	21,771	22,149	22,508
21,242	Depreciation and amortisation expense	3	24,154	28,645	15,945	15,324	15,507	15,397	15,653	16,312	16,264	16,688
6,775	Finance costs		8,384	11,489	8,419	6,725	6,582	6,270	6,164	5,921	6,668	6,598
3,296	Bulk drainage levy		3,996	4,143								
5,727	Bulk water levy		7,889	8,089								
30,889	Other expenses	4	30,868	34,198	25,683	29,114	29,973	31,098	31,865	33,134	34,263	34,451
<b>87,269</b>	<b>Total operating expenditure</b>		<b>93,450</b>	<b>105,419</b>	<b>69,257</b>	<b>71,348</b>	<b>72,663</b>	<b>73,762</b>	<b>75,075</b>	<b>77,138</b>	<b>79,344</b>	<b>80,244</b>
<b>(4,674)</b>	<b>Surplus/(deficit) before tax</b>		<b>(2,707)</b>	<b>67</b>	<b>11,050</b>	<b>15,294</b>	<b>13,659</b>	<b>13,465</b>	<b>11,598</b>	<b>16,605</b>	<b>14,454</b>	<b>5,014</b>
0	Tax expense		0	0	0	0	0	0	0	0	0	0
<b>(4,674)</b>	<b>Surplus/(deficit) after tax</b>		<b>(2,707)</b>	<b>67</b>	<b>11,050</b>	<b>15,294</b>	<b>13,659</b>	<b>13,465</b>	<b>11,598</b>	<b>16,605</b>	<b>14,454</b>	<b>5,014</b>
0	Gains/(loss) on infrastructure assets revaluation	0	0	34,716	0	0	26,526	0	0	29,932	0	
0	Financial assets at fair value	0	0	0	0	0	0	0	0	0	0	

			Published		Amended							
23   24 Annual Plan	Revenue	NOTE	24   25 Y1	25   26 Y2	26   27 Y3	27   28 Y4	28   29 Y5	29   30 Y6	30   31 Y7	31   32 Y8	32   33 Y9	33   34 Y10
	through equity											
0	Gains on operational, aquatic, and restricted assets revaluation	0	25,714	0	0	21,643	0	0	22,778	0	0	
0	<b>Total other comprehensive revenue for the year – net of tax</b>	0	25,714	34,716	0	21,643	26,526	0	22,778	29,932	0	
(4,674)	<b>TOTAL COMPREHENSIVE REVENUE FOR THE YEAR</b>	(2,707)	25,781	45,766	15,294	35,302	39,991	11,598	39,383	44,386	5,014	

# Cashflow (FORECAST \$000)

23   24 Annual Plan	Published		Amended							
	24   25 Y1	25   26 Y2	26   27 Y3	27   28 Y4	28   29 Y5	29   30 Y6	30   31 Y7	31   32 Y8	32   33 Y9	33   34 Y10
<b>Operating activities<sup>47</sup></b>										
Cash was provided from:										
71,994	85,073	99,123	76,280	83,048	82,727	83,639	83,087	90,165	90,219	81,687
400	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
<b>72,394</b>	<b>86,073</b>	<b>100,123</b>	<b>77,280</b>	<b>84,048</b>	<b>83,727</b>	<b>84,639</b>	<b>84,087</b>	<b>91,165</b>	<b>91,619</b>	<b>82,687</b>
Cash was applied to:										
(56,645)	(51,606)	(63,708)	(44,195)	(48,474)	(49,817)	(51,270)	(52,563)	(54,016)	(55,867)	(56,937)
(6,775)	(8,384)	(11,489)	(8,419)	(6,725)	(6,582)	(6,270)	(6,164)	(5,921)	(6,668)	(6,598)
<b>(63,420)</b>	<b>(59,990)</b>	<b>(75,197)</b>	<b>(80,823)</b>	<b>(87,348)</b>	<b>(90,278)</b>	<b>(93,352)</b>	<b>(96,954)</b>	<b>(100,944)</b>	<b>(105,870)</b>	<b>(109,693)</b>
<b>8,974</b>	<b>26,083</b>	<b>24,926</b>	<b>24,926</b>	<b>34,805</b>	<b>33,956</b>	<b>38,888</b>	<b>42,542</b>	<b>54,778</b>	<b>54,575</b>	<b>52,556</b>
<b>Net cash inflow/(outflow)</b>										
<b>Investing activities</b>										
Cash was provided from:										
0	0	0	75,000	31,235	0	0	0	0	0	0
0	0	644	0	0	0	0	0	0	3,103	0
<b>0</b>	<b>0</b>	<b>644</b>	<b>75,000</b>	<b>31,235</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,103</b>	<b>0</b>
Cash was applied to:										
(12,307)	(437)	0	(5,998)	(8,877)	(6,926)	(8,320)	(7,109)	(10,514)	0	(8,640)
(43,108)	(89,565)	(47,424)	(49,857)	(37,252)	(38,228)	(56,853)	(61,598)	(77,236)	(79,453)	(34,028)
<b>(55,415)</b>	<b>(90,002)</b>	<b>(47,424)</b>	<b>(55,855)</b>	<b>(46,129)</b>	<b>(45,154)</b>	<b>(65,173)</b>	<b>(68,707)</b>	<b>(87,750)</b>	<b>(79,453)</b>	<b>(42,668)</b>
<b>(55,415)</b>	<b>(90,002)</b>	<b>(46,780)</b>	<b>(55,855)</b>	<b>(46,129)</b>	<b>(45,154)</b>	<b>(65,173)</b>	<b>(68,707)</b>	<b>(87,750)</b>	<b>(76,350)</b>	<b>(42,668)</b>
<b>Net cash inflow/(outflow) from investing activities</b>										

47 Prospective cash flow from operating activities excludes rates received for and payable to Greater Wellington Regional Council. The net effect of these transactions is \$0.

		Published		Amended							
23   24 Annual Plan		24   25 Y1	25   26 Y2	26   27 Y3	27   28 Y4	28   29 Y5	29   30 Y6	30   31 Y7	31   32 Y8	32   33 Y9	33   34 Y10
	<b>Financing activities</b>										
	Cash was provided from:										
51,792	Loan raised	57,533	34,002	6,216	6,240	3,063	7,355	4,589	25,132	9,554	7,414
	Cash was applied to:										
(5,703)	Loan repayments	(9,038)	(12,131)	(83,965)	(40,422)	(9,435)	(9,437)	(9,403)	(9,542)	(10,712)	(11,095)
<b>46,089</b>	<b>Net cash inflow/(outflow) from financing activities</b>	<b>48,495</b>	<b>21,871</b>	<b>(77,750)</b>	<b>(34,181)</b>	<b>(6,372)</b>	<b>(2,082)</b>	<b>(4,814)</b>	<b>15,591</b>	<b>(1,158)</b>	<b>(3,680)</b>
7,874	Cash, cash equivalents and bank overdrafts as at 1 July	17,679	2,255	2,271	2,537	2,379	3,604	3,603	3,663	5,262	6,541
(352)	Net increase (decrease) in cash, cash equivalents, and bank overdrafts	(15,424)	16	266	(158)	1,225	(1)	59	1,600	1,279	1,056
<b>7,522</b>	<b>Cash, cash equivalents, and bank overdrafts as at 30 June</b>	<b>2,255</b>	<b>2,271</b>	<b>2,537</b>	<b>2,379</b>	<b>3,604</b>	<b>3,603</b>	<b>3,663</b>	<b>5,262</b>	<b>6,541</b>	<b>7,598</b>
	<b>Composition of cash</b>										
6,721	Cash and bank balances	(2,745)	(2,729)	(2,463)	(2,621)	(1,396)	(1,397)	(1,337)	262	2,541	4,598
800	Call account	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	4,000	3,000
<b>7,521</b>	<b>Closing cash balance</b>	<b>2,255</b>	<b>2,271</b>	<b>2,537</b>	<b>2,379</b>	<b>3,604</b>	<b>3,603</b>	<b>3,663</b>	<b>5,262</b>	<b>6,541</b>	<b>7,598</b>

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.

## Changes in equity (FORECAST \$000)

		Published		Amended							
23 24 Annual Plan		24 25 Y1	25 26 Y2	26 27 Y3	27 28 Y4	28 29 Y5	29 30 Y6	30 31 Y7	31 32 Y8	32 33 Y9	33 34 Y10
975,340	Equity at the start of the year	1,109,698	1,106,991	1,132,771	1,178,537	1,193,831	1,229,132	1,269,123	1,280,721	1,320,104	1,364,490
(4,674)	Total comprehensive income	(2,707)	25,781	45,766	15,294	35,302	39,991	11,598	39,383	44,386	5,014
<b>970,666</b>	<b>Prospective Equity at end of year</b>	<b>1,106,991</b>	<b>1,132,771</b>	<b>1,178,537</b>	<b>1,248,481</b>	<b>1,193,831</b>	<b>1,269,123</b>	<b>1,280,721</b>	<b>1,320,104</b>	<b>1,364,490</b>	<b>1,369,504</b>
226,738	Accumulated Funds	234,163	234,048	692,185	698,869	704,257	701,772	717,788	728,766	746,182	748,499
720,220	Asset Revaluation Reserves	846,672	872,385	461,107	461,107	482,750	509,276	529,276	532,054	561,986	561,986
23,708	Restricted Reserves	26,156	26,338	25,245	33,854	42,125	48,075	53,657	59,285	56,323	59,020
<b>970,666</b>	<b>Total recognised revenues and expenses for the period</b>	<b>1,106,991</b>	<b>1,132,771</b>	<b>1,178,537</b>	<b>1,193,831</b>	<b>1,229,132</b>	<b>1,269,123</b>	<b>1,280,721</b>	<b>1,320,104</b>	<b>1,364,490</b>	<b>1,369,504</b>

The opening balance of Year 1 [24 | 25] may not agree with closing balance of [23 | 24] Annual Plan (Year 0). This is because Council is taking into account the actual transactions for the [23 | 24] year, which presents a more accurate forecast of the opening balance of Year 1.

## **NOTE 1** General accounting policies

### 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 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, 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 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 POLICIES**

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 Greater Wellington Regional Council (GWRC) are not recognised in the financial statements as Council is acting as an agent for GWRC.

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

Revenue from late payment penalties is recognised when they are incurred.

**Subsidies and grants**

**Waka Kotahi New Zealand Transport Agency roading subsidies**

Council receives government grants from Waka Kotahi New Zealand Transport Agency (NZTA), which subsidises part of 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.

**Fees and charges**

**Infringements and fines**

Revenue from fines and penalties (e.g. traffic and parking infringements) are recognised when tickets/infringement notices are paid.

**Metered water charges – until 30 June 2026**

Revenue from water charges 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.

**Building and resource consent revenue**

Fees and charges for building and resource consent services are initially recognised at time of application with any additional charges being recognised prior to completion.

**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.

**Vested or donated physical assets**

For assets received for no or nominal consideration, the asset is recognised at its fair value when 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-life assets that must be used for a specific use (e.g. land must be used as a recreation reserve), Council immediately recognises that fair value of the asset as revenue. A liability is recognised only if Council expects that it will need to return or pass the asset to another party.

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**Reserve fund and development contributions**

The revenue is recognised when Council provides, or is able to provide the service for which the contribution was charged or when the subdivision is substantially complete. 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.

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**Commission**

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

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**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 when the right to receive payment has been established.

Dividends are recognised in surplus or deficit unless the dividend clearly represents a recovery as part of the cost of the investment.

## Expenses

Expenditure is recognised when Council has been supplied with the service or has control of the goods supplied.

**Borrowing costs**

All borrowing costs are recognised as an expense in the period in which they are incurred. Council does not capitalise its interest on borrowings

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**Grant expenditure**

Non-discretionary grants are those grants that are awarded if the grant applications meet the specified criteria and are approved. They are recognised as expenditure when an application that meets those criteria is received.

Discretionary grants are those grants where 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 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.

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**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.

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**Income taxation**

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

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**Personnel costs**

Salaries and wages are recognised as an expense as employees provide services.

Employer contributions to KiwiSaver and the Government Superannuation Fund are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

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**Depreciation and amortisation**

Depreciation of property, plant, and equipment and amortisation of intangible assets are charged on a straight-line basis over the estimated useful life of the associated assets.

## Cash and cash equivalents

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

**Bank overdrafts**

Bank overdrafts are shown within borrowing in current liabilities in the *Prospective Statement of Financial Position* (page 258).

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**Short term-deposits**

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

Council holds unspent funds included in cash at bank, and term deposits that are subject to restrictions. These unspent funds relate to monies which are received or levied for a specific purpose or benefit a discrete group of users. These are contained within our restricted reserves and are detailed in Note 5 (page 285).

# Other financial assets

## Recognition

Council classifies its financial assets into the following three categories:

- financial assets at fair value through surplus or deficit;
- financial assets at amortised cost; 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.

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## 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 surplus or deficit.

Financial assets in this category include shares, bonds, and derivatives.

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## Financial assets at amortised cost

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 assets are impaired or derecognised are recognised in the surplus or deficit.

Investments in this category include term deposits and borrower notes.

**Financial assets at fair value through other comprehensive revenue and expenses**

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 investments 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:

- investments that Council intends to hold long term but which may be realised before maturity; and
- shareholding that 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 evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

**Financial assets at amortised cost and held-to-maturity investments**

Impairment is established when there is evidence that 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 assets 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 of term deposits, local authority stock, government bonds, and community loans, are recognised directly against the instrument's carrying amount.

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**Financial assets at fair value through other comprehensive revenue and expenses**

For shares, a significant or prolonged decline in the fair value of the shares below its cost is considered to be objective evidence of impairment. For listed bonds, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation and default in payments is considered to be objective evidence of impairment. If impairment evidence exists, the cumulative loss recognised in other comprehensive revenue and expense is transferred to the surplus or deficit.

Impairment losses on shares recognised in the surplus or deficit are not reversed through the surplus or deficit. If in a subsequent period the fair value of listed bonds increases and the increase can be objectively related to an event after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

## Trade and other receivables

**Recording receivables**

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL).

The ECL allowance has been calculated based on rate of actual bad debts written off plus forward adjustment factors to derive the forecast default rate. The forward adjustment factors used were the average Treasury forecasted unemployment rate, inflation rate, and GDP growth rate.

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**Uncollectable receivables**

A receivable is considered to be uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

Receivables are generally short-term and not interest-bearing. Therefore, the carrying value of receivables approximates their fair value.

Council does not provide for any uncollectability on rates receivable, as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgment, then Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

**Writing off rates**

Rates are written off:

- when remitted in accordance with the Council’s Rates Remission Policy; and
- in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2002.

**Writing off other receivables**

Other receivables are written-off when there is no reasonable expectation of recovery.

**Payment plans**

Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the effect of discounting is material.

**Impairment of receivables**

The impairment provision has been calculated based on expected losses for council’s pool of debtors. Expected losses have been determined based on an analysis of Council’s losses in previous periods, and a review of specific debtors.

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.

**Loans**

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

The difference between face value and present value of expected future cash flow of the loan is recognised in the Prospective Statement of Comprehensive Revenue and Expense as a grant.

**Carrying value**

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

**Community loans** 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 of the loan is 0%, second year is 1%, third year is 2%, and fourth and subsequent years is 3%. The fair value of loans at initial recognition has been determined using cashflows at a rate based on the loans recipient’s assessed financial risk factors.

## Non-current assets classified as held for sale

**Recognition** 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.

**Impairment losses** 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.

**No depreciation or amortisation** 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.

**Council land** Council has identified a parcel of land as being made available for sale at Duncraig Street.

## Intangible assets

**Software acquisition and development** Acquired computer software licenses are capitalised on the costs incurred to acquire and 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 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 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 *Prospective Statement of Comprehensive Revenue and Expense* (page 334).

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

Computer software: 3 years (33% per year)

## Property, plant, and equipment

Property, plant, and equipment is divided into four major categories

- **Operational property, plant, and equipment:** this includes land, buildings, street trees, improvements, library books, plant and equipment, and motor vehicles.
- **Restricted property, plant, and equipment:** restricted assets are parks and reserves owned by Council which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.
- **Aquatic assets:** building, plant, and equipment relating to H<sub>2</sub>O Xtream aquatic centre.
- **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.

Infrastructure assets (except land under roads) are measured at fair value less accumulated depreciation and impairment losses. Land under roads is held at cost.

From 1 July 2026 ownership of water assets will transfer to Tiaki Wai.

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

All property, plant, and equipment is shown at cost or valuation less accumulated depreciation and impairment losses.

**Revaluation**

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.

Those asset classes that are revalued are valued on a set revaluation cycle and 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.

While assumptions are used in all revaluations, the most significant of these are in infrastructure. For example where stormwater, wastewater and water supply pipes are underground, the physical deterioration and condition of assets are not visible and must therefore be estimated. Any revaluation risk is minimised by performing a combination of physical inspections and condition modelling assessments.

**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 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 Prospective Statement of Comprehensive Revenue and Expense. Where 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 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.

**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 in the *Prospective Statement of Comprehensive Revenue and Expense* (page 334).

**Value in use for non-cash generating assets**

Non-cash generating assets are those 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 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.

**Depreciation**

All assets, except for land and road formations, have been depreciated on either a straight line or diminishing value basis at rates estimated to write off the cost of the assets over their estimated useful life.

Hutt Valley Wastewater Scheme assets are controlled by Hutt City Council. Council is entitled to a share in any sale proceeds of these assets. The Seaview wastewater treatment plant is depreciated over 20 years and sewage pipelines over 40 – 80 years. The Hutt Valley Wastewater Scheme assets transfer to Tiaki Wai 1 July 2026.

The specific rates of depreciation applied to major classes of property, plant, and equipment are detailed in Appendix 1 of the Infrastructure Strategy (page 261).

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

**Critical accounting estimates and assumptions**

In preparing these financial statements, 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 based on historical experience and other factors, including reasonable expectations or future events. 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 fiscal year are discussed below.

**Infrastructure assets**

There are several assumptions and estimates used when performing depreciated replacement cost valuations over infrastructure assets. These include:

- The physical deterioration and condition of an asset, for example 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 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 Council could be over or under estimating the annual depreciation charge recognised as an expense in the *Prospective Statement of Comprehensive Revenue and Expense* (page 334 under surplus/deficit).

To minimise this risk, Council infrastructure asset useful lives have been determined with reference to the *New Zealand Infrastructure Asset Valuation and Depreciation Guidelines* (published by the New Zealand 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 Council's asset management planning activities, which gives Council further assurance over its useful life estimates.

Experienced independent valuers perform Council's infrastructure asset revaluations.

Council has no flood protection or control works to disclose as this function is carried out by GWRC. Water supply has no treatment plants and facilities. Council's wastewater treatment plant and facilities are shared under a joint arrangement with Hutt City Council called the Hutt Valley Wastewater Scheme. All water services transfer to Tiaki Wai 1 July 2026.

## Payables and deferred revenue

### **Recorded at the amount payable**

Short-term creditors and other payables are recorded at the amount payable.

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 value.

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### **Provisions**

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) resulting from a past event. It is probable that expenditure 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.

## Employee entitlements

### **Short-term 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. 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.
- The present value of the estimated future cash flows.

**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.

**Critical accounting estimates and assumptions**

The present value of retirement and long service leave obligations depend 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 the salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability.

Expected future payments are discounted using forward discount rates derived from the 90-day call rate from NZ Treasury. The discount rates used have maturities that match, as closely as possible, the estimated future cash outflows. The salary inflation factor has been determined after considering historical salary inflation patterns and after obtaining advice from an independent actuary.

## Financial instrument risks

**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. Borrowings and investments issued at fixed rates of interest expose Council and Group to fair value interest rate risk. The Council’s Treasury Risk Management policy requires the use of a ‘corridor approach’, whereby the percentage of fixed rate lending is required to stay within set minimum and maximum amounts for current and future years. Fixed to floating interest rate swaps are entered into to hedge the fair value interest rate risk.

**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 Council to cash flow interest rate risks.

Generally, 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 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 Council causing Council to incur a loss. Due to the timing of its cash inflows and outflows, Council invests surplus cash into term deposits which gives rise to credit risk. Council’s Investment policy limits the amount of credit exposure to any one financial institution or organisation. Council only invests with entities that have a S&P Global credit rating of at least A+ for short-term and A– for long-term investments.

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

## Borrowings and other financial liabilities

**Borrowings**

Borrowings are initially recognised at their fair value. 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.

Council manages its borrowing in accordance with its funding and financial policies, which include a Liability Management Policy.

**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* (page 332).

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 Cashflow* (page 336).

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

## **Interest expense rates**

Loans are secured by a rate pursuant to Section 115 of the LGA upon the rateable property of the City of Upper Hutt.

# Equity

## **Capital is equity, represented by net assets.**

Council's capital is its equity (or ratepayers' funds), which comprise retained earnings and reserves. Equity is represented by net assets.

The LGA requires 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. Ratepayers' 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 LGA and applied by Council.

Intergenerational equity requires today's ratepayers to meet the costs of utilising 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 LGA requires Council to make adequate and effective provision in its LTP and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The LGA sets out the factors that 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 Council's Long Term Plan.

Components of equity are:

- Accumulated funds
- Restricted reserves (other accounts restricted by law and special funds)
- Asset revaluation reserves

**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 Council.

Council has the following restricted reserves:

- **Other accounts restricted by law.** These accounts 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. Conditions applying to these reserves may not be revised by 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.
- **Special funds.** These funds 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. Special funds are reserves established by Council decision. Council is legally allowed to alter them without reference to any third party. Transfers to and from these reserves are at the discretion of Council.

**Asset revaluation reserves**

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

## NOTE 2 Other revenue (FORECAST \$000)

		Published		Amended							
23 24 Annual Plan		Y1 24 25	Y2 25 26	Y3 26 27	Y4 27 28	Y5 28 29	Y6 29 30	Y7 30 31	Y8 31 32	Y9 32 33	Y10 33 34
2,934	Cost reimbursement from other agencies	2,559	94	1,564	2	100	2	2	106	2	2
5,789	Vested assets	5,160	5,160	2,877	2,429	2,429	2,429	2,429	2,429	2,429	2,429
154	Petrol tax subsidies	129	126	122	121	120	119	117	116	115	113
331	Parking and vehicle infringements	353	381	444	453	462	471	480	488	497	505
<b>9,208</b>	<b>Total other revenue</b>	<b>8,201</b>	<b>5,761</b>	<b>5,007</b>	<b>3,005</b>	<b>3,111</b>	<b>3,021</b>	<b>3,028</b>	<b>3,139</b>	<b>3,043</b>	<b>3,049</b>

## NOTE 3 Depreciation and amortisation (FORECAST \$000)

23 24 Annual Plan	Activity	Published		Amended							
		Y1 24 25	Y2 25 26	Y3 26 27	Y4 27 28	Y5 28 29	Y6 29 30	Y7 30 31	Y8 31 32	Y9 32 33	Y10 33 34
0	Leadership	0	0	0	0	0	0	0	0	0	0
5,315	Community and Recreation	5,468	8,523	8,277	7,483	7,584	6,982	7,194	7,764	7,109	7,141
16	Economic Development	9	9	9	9	9	9	9	9	9	9
2,558	Water Supply	2,892	3,032								
4,907	Wastewater	6,067	7,063								
2,713	Stormwater	3,022	3,142								
5,705	Land Transport	6,659	6,832	7,610	7,708	7,790	8,283	8,326	8,365	8,975	9,380
26	Sustainability	33	39	45	119	120	119	120	169	166	153
3	Planning and Regulatory	4	5	5	5	5	5	5	5	5	5
<b>21,243</b>	<b>Total Depreciation and amortisation expense</b>	<b>24,154</b>	<b>28,645</b>	<b>15,945</b>	<b>15,324</b>	<b>15,507</b>	<b>15,397</b>	<b>15,653</b>	<b>16,312</b>	<b>16,264</b>	<b>16,688</b>

## NOTE 4 Other expenses (FORECAST \$000)

		Published			Amended						
23 24 Annual Plan		24 25 Y1	25 26 Y2	26 27 Y3	27 28 Y4	28 29 Y5	29 30 Y6	30 31 Y7	31 32 Y8	32 33 Y9	33 34 Y10
1,176	Insurance	1,813	2,234	2,436	2,669	2,923	3,197	3,495	3,816	4,166	4,657
914	Disaster fund insurance	910	1,096	0	0	0	0	0	0	0	0
180	Audit fees	216	266	271	277	283	288	294	299	304	309
105	Audit fees (Long Term Plan)	0	0	126	0	0	151	0	0	181	0
360	Rental	375	386	393	402	410	418	426	434	442	449
814	Loss on sale of assets	1,888	1,071	277	320	203	328	280	558	545	185
	Rates remissions										
200	sports clubs and non-profit bodies	200	205	209	214	218	222	227	231	235	238
170	economic development	170	175	178	182	185	189	193	196	199	203
50	penalty remissions	50	51	52	53	55	56	57	58	59	60
1,385	Consultants	1,236	1,287	1,312	1,190	1,276	1,238	1,261	1,284	1,306	1,399
107	Printing, photocopying, and stationery	97	100	102	104	106	108	110	112	114	116
12	Telephone rental, mobile, and tolls	10	10	10	10	11	11	11	11	11	11
454	Motor vehicle expenses	462	481	524	573	566	627	647	689	701	702
718	Electricity/gas energy costs	1,020	1,295	1,328	1,364	1,400	1,436	1,471	1,505	1,538	1,569
2,645	Rates on Council properties	3,139	3,755	529	565	605	647	692	741	793	849
2,480	Land transport general maintenance	2,567	2,673	2,738	2,796	2,853	3,135	2,976	3,016	3,069	3,119
2,272	Water reticulation maintenance	2,769	3,414								
736	Sewer maintenance	1,069	1,098								
639	Drain maintenance	617	634								
15,472	Other costs	12,260	13,967	15,198	18,395	18,880	19,047	19,724	20,184	20,601	20,585
<b>30,889</b>	<b>Total Other Expenses</b>	<b>30,868</b>	<b>34,198</b>	<b>25,683</b>	<b>29,114</b>	<b>29,973</b>	<b>31,098</b>	<b>31,865</b>	<b>33,134</b>	<b>34,263</b>	<b>34,451</b>

## NOTE 5 Restricted reserves

### Schedule of special funds (FORECAST \$000)

	Opening balance 1 July 2024	Total deposits	Total withdrawals	Closing balance 30 June 2034
① General reserve	5,770	2,771	0	8,541
② Amenities fund	628	302	0	930
③ Civic amenities fund	1	1	0	2
④ Plant renewal	507	29	(537)	(1)
⑤ Reserve fund contributions	8,053	27,095	(6,780)	28,368
⑥ Cash in lieu of parking	3	1	0	4
⑦ Property sales	55	27	0	82
⑧ Sierra Way subdivision	158	76	0	234
⑨ Akatārawa roading levy	309	148	0	457
⑩ Kaitoke roading levy	83	40	0	123
⑪ Mangaroa roading levy	343	165	0	508
⑫ Katherine Mansfield levy	232	112	0	344
⑬ Blue Mountains levy	110	53	0	163
⑭ Moonshine Hill levy	27	13	0	40
⑮ Alexander Road levy	30	15	0	45
⑯ Swamp Road levy	444	213	0	657
⑰ Harcourt Park maintenance fund	14	55	0	69
⑱ Cemetery development	0	0	0	0
⑲ Trench resealing levy	14	7	0	21
⑳ Kurth Crescent development levy	54	26	0	80

	Opening balance 1 July 2024	Total deposits	Total withdrawals	Closing balance 30 June 2024
21 H <sub>2</sub> O Xtream plant renewal	895	173	(1,067)	1
22 Maidstone Park turf renewal	957	38	(995)	0
23 Library vehicles plant renewal reserve	110	4	(114)	0
24 General depreciation reserve	0	63,282	(54,671)	8,611
25 Water supply* depreciation reserve (targeted)	0	0	0	0
26 Wastewater* depreciation reserve (targeted)	0	0	0	0
27 Stormwater* depreciation reserve (targeted)	0	0	0	0
28 Roding depreciation reserve (targeted)	0	50,746	(40,325)	10,421
<b>Total special funds</b>	<b>18,797</b>	<b>145,392</b>	<b>(104,489)</b>	<b>59,700</b>

\*Responsibility for Three waters will transfer to Tiaki Wai on 1 July 2026

## Special fund purposes

Our special funds are held in investments to cover the following situations.

<b>General reserve</b>	1	Available for any appropriate purpose.
<b>Amenity fund(s)</b>	2, 3	Available for lending at concessional rates to community groups for the development/construction of assets that will generate a benefit for the overall community.
<b>Plant renewal</b>	4	Funds allocated from rates to replace/upgrade plant assets in the activity charged with the original allocation.
<b>Reserve fund contributions</b>	5	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.
<b>Cash in lieu of parking</b>	6	Funds collected instead of requiring the provision of parking by developers and used for parking purposes.
<b>Property sales</b>	7	Profits generated by the sale of property and available to assist in the funding of a Council work programme.

<b>Roading levies</b>	<b>8 – 16</b> Funds raised from subdivisions in specific catchments and available for roading projects only in the catchment that provided the funds.
<b>Harcourt Park maintenance</b>	<b>17</b> Funds collected from fees and charges for this activity and only available for approved maintenance purposes in that park.
<b>Library and cemetery development</b>	<b>18</b> Funds collected for or generated by the specific activity and only available for projects in that activity.
<b>Trench resealing levy</b>	<b>19</b> Funds collected to ensure the correct reinstatement of trenching work by third parties.
<b>Kurth Crescent development levy</b>	<b>20</b> Funds to be collected from developers to provide stormwater upgrade in Kurth Crescent.
<b>H<sub>2</sub>O Xtream plant renewal reserve</b>	<b>21</b> Funds allocated from rates to replace/upgrade H <sub>2</sub> O Xtream plant and equipment.
<b>Maidstone Park turf renewal</b>	<b>22</b> Funds allocated from rates and fees and charges to replace/upgrade the artificial turf.
<b>Library vehicles plant renewal</b>	<b>23</b> Funds allocated from rates to replace/upgrade library vehicles and plant and equipment.
<b>General depreciation reserve</b>	<b>24</b> Funds allocated from rates to replace/renew community assets, and to repay debt.
<b>Targeted depreciation reserves</b>	<b>25 – 28</b> Funds allocated from targeted rates to replace/renew roading, water supply, wastewater, and stormwater assets, and to repay debt. Water supply, wastewater, and stormwater reserves will transfer to Tiaki Wai on 1 July 2026
<b>Purpose of each fund</b>	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.

## Other accounts restricted by law (FORECAST \$000)

	Opening balance 1 July 2024	Total deposits	Total withdrawals (Amended)	Closing balance 30 June 2034 (Amended)
① Dog control account	114	0	0	114
② Water supply rate account*	624	0	(624)	0
③ Wastewater rate account*	5,260	0	(5,260)	0
④ Stormwater rate account*	1,230	0	(1,230)	0
<b>Total special funds</b>	<b>7,228</b>	<b>0</b>	<b>(7,114)</b>	<b>114</b>

\* Responsibility for water services will transfer to Tiaki Wai on 1 July 2026

## Funding impact statements

### Format

All the Funding Impact Statements (FIS) are in a format prescribed by regulation and are not GAAP compliant.

### Intent, exclusions, and inclusions

The intention is to show how the operational and capital expenditure of 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. Loss on disposal of fixed assets, and other (minor) non-cash items are excluded from the FIS as they are not funded.

### Finding the statements

The funding impact statement for all of Council follows in the next page. Funding impact statements for each activity group are included in *Section B: Groups of activities* (beginning on page 35).

## Funding impact statement—all of Council (FORECAST \$000)

		Published		Amended							
23 24 Annual Plan	Sources of operating funding	24 25 Y1	25 26 Y2	26 27 Y3	27 28 Y4	28 29 Y5	29 30 Y6	30 31 Y7	31 32 Y8	32 33 Y9	33 34 Y10
36,468	General rates, uniform annual general charges, rates penalties	30,549	38,403	44,441	48,901	49,910	48,024	48,070	47,991	47,412	47,498
16,507	Targeted rates	34,117	40,064	13,506	15,501	16,644	16,816	16,316	15,900	16,031	16,627
180	Subsidies and grants for operating purposes	2,465	2,025	2,631	2,363	2,451	2,576	3,200	5,567	5,669	2,635
7,685	Fees and charges	8,007	8,731	6,717	6,886	7,169	7,265	7,479	7,797	7,930	8,178
400	Interest and dividends from investments	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
691	Local authority fuel tax, fines, infringement fees and other receipts	511	537	2,158	605	614	622	631	639	647	654
<b>61,931</b>	<b>Total operating funding (A)</b>	<b>76,648</b>	<b>90,760</b>	<b>70,453</b>	<b>75,256</b>	<b>77,788</b>	<b>76,303</b>	<b>76,696</b>	<b>78,894</b>	<b>78,689</b>	<b>76,592</b>
<b>Applications of operating funding</b>											
59,428	Payments to staff and suppliers	60,951	65,511	46,513	49,768	51,132	52,532	53,746	55,126	56,657	57,577
6,773	Finance costs	8,379	11,484	8,414	6,721	6,579	6,267	6,160	5,917	6,665	6,595
54	Other operating funding applications	0	0	0	0	0	0	0	0	0	0
<b>66,255</b>	<b>Total applications of operating funding (B)</b>	<b>69,330</b>	<b>76,995</b>	<b>54,927</b>	<b>56,489</b>	<b>57,711</b>	<b>58,798</b>	<b>59,906</b>	<b>61,043</b>	<b>63,322</b>	<b>64,171</b>
<b>(4,324)</b>	<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>7,319</b>	<b>13,765</b>	<b>15,526</b>	<b>18,767</b>	<b>20,077</b>	<b>17,505</b>	<b>16,790</b>	<b>17,851</b>	<b>15,367</b>	<b>12,421</b>

		Published		Amended							
23   24 Annual Plan	Sources of capital funding	24   25 Y1	25   26 Y2	26   27 Y3	27   28 Y4	28   29 Y5	29   30 Y6	30   31 Y7	31   32 Y8	32   33 Y9	33   34 Y10
12,212	Subsidies and grants for capital purposes	6,985	5,968	4,360	7,033	4,140	6,492	5,509	10,346	10,570	4,091
2,608	Development and financial contributions	1,950	3,598	2,618	1,924	1,964	2,002	2,039	2,075	2,111	2,146
46,102	Increase/(decrease) in debt	48,494	21,871	(2,750)	(2,946)	(6,372)	(2,083)	(4,814)	15,592	(1,157)	(3,679)
0	Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
0	Lump sum contributions	0	0	0	0	0	0	0	0	0	0
0	Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0
<b>60,922</b>	<b>Total sources of capital funding (C)</b>	<b>57,429</b>	<b>31,437</b>	<b>4,228</b>	<b>6,011</b>	<b>(268)</b>	<b>6,411</b>	<b>2,734</b>	<b>28,013</b>	<b>11,524</b>	<b>2,558</b>
<b>Applications of capital funding</b>											
Capital expenditure											
4,612	to meet additional demand	9,468	8,909	1,756	3,148	639	2,411	1,354	6,770	4,262	513
41,225	to improve the level of service	32,301	7,020	2,653	6,182	2,273	6,651	3,018	18,628	5,441	6,324
18,569	to replace existing assets	25,680	29,848	11,231	7,844	9,977	10,587	11,489	16,979	22,516	7,691
(7,808)	Increase/(decrease) in reserves	(2,702)	(576)	4,112	7,604	6,921	4,269	3,663	3,486	(5,329)	449
0	Increase/(decrease) of investments	0	0	0	0	0	0	0	0	0	0
<b>56,598</b>	<b>Total applications of capital funding (D)</b>	<b>64,748</b>	<b>45,201</b>	<b>19,752</b>	<b>24,778</b>	<b>19,810</b>	<b>23,918</b>	<b>19,524</b>	<b>45,863</b>	<b>26,890</b>	<b>14,977</b>
<b>4,324</b>	<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>(7,319)</b>	<b>(13,765)</b>	<b>(15,526)</b>	<b>(18,767)</b>	<b>(20,077)</b>	<b>(17,505)</b>	<b>(16,790)</b>	<b>(17,851)</b>	<b>(15,367)</b>	<b>(12,421)</b>
<b>0</b>	<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Differential and targeted rating schedule

This schedule sets out the rates that the Council intends to set for each of the years covered by this plan, defines the detail that will apply for the 2024 – 2025 rating year and is to be read in conjunction with Council’s Revenue and Financing Policy and the rest of the Funding Impact Statement.

This schedule states the revenue sought for the [24 | 25] rating year (Long Term Plan Year 1).

## GENERAL RATES

### Calculating general rates

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

For [24 | 25]—Long Term Plan Year 1, Council will apply the following differential factors:

Differential rating group <sup>48</sup>	Factor
<i>Standard</i> <sup>49</sup>	100
<i>Rural</i>	75
<i>Business</i>	290
<i>Forestry (deferred until Year 2)</i>	290
<i>Utility and Three Waters Utility</i>	300
<i>Corrections Facility</i>	350
<i>Vacant land</i>	500

The revenue sought for [24|25] from the general rate is \$30,548,908. The purposes to which this revenue will be applied are to meet the costs of leadership, community development, facilities, parks and reserves, economic development, sustainability, licensing, city planning, and environmental health.

Council does not set a uniform annual general charge.

48 The categories are as defined in this document.

49 Previously in some documents called *Residential*.

# TARGETED RATES

## Water supply

For [24|25], Council has resolved to collect the revenue needed for the water supply service on the following basis.

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

The revenue sought from this rate is \$2,733,889 (approximately 20% of the total requirement needed for the costs of water supply).

- 2 Of the total revenue required for the water supply service, 60% has been identified as required for general water supply, by way of a targeted rate on each serviced or serviceable property.

A serviced property is one supplied with water and the rate is assessed per separately used or inhabited part of a rating unit. If a property can be but is not supplied with water (meaning it is situated within 100 metres of any part of the water works) it is considered serviceable and 50% of the serviced charge will apply per rating unit.

The revenue sought from this rate is \$9,130,899 (approximately 60% of the total requirement needed for the costs of water supply).

- 3 The remaining 20% of the revenue required to provide the general water supply, is raised by way of a user charge, based on the quantity of water used, as calculated by water meters installed on the properties concerned and authorised by the *Water Supply Bylaw*, and specified in the *Schedule of Fees and Charges*.

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## Wastewater

The targeted rate for wastewater disposal will be an amount based on the number of water-closets (pans) or urinals connected to a public sewage drain.

A rating unit used primarily as a residence for one household is deemed to have not more than one pan or urinal under the Local Government (Rating) Act 2022 Schedule 3 Note 4.

For rating units other than those used primarily as a residence for one household, the rate will be assessed one the first pan or urinal, and for every second pan or urinal thereafter. If there is an odd number of pans the assessment is rounded down.

For [24|25], with regard to schools in the city, Council has resolved to calculate the number of whole charges based on the extent of the provision of service (Schedule 3, clause 8), using a formula which calculates the number of applicable charges as being the lesser of:

- A** the assessed number as above for non-residential rating units, and
- B** the number of charges based on the following formula:

*Volume of water used per annum ÷ 228 (228 being the number of cubic metres assessed as being a standard residential unit annual usage).*

10% of the Wastewater activity is funded through fees and charges (trade waste charges, levied at businesses).

The revenue sought from this charge is \$9,918,378 and is to be applied towards the cost of the sewerage reticulation and disposal of bulk sewage schemes.

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## **Stormwater**

For [24|25], Council has resolved to collect the revenue needed for stormwater purposes by way of a set rate per dollar on capital value, on a differential basis, with businesses having a differential factor of 140 and other properties a factor of 100. This rate will apply to all rating units contained within the Upper Hutt *Urban Drainage District* (shown as the shaded area in the map on page 373).

The revenue sought from this rate is \$3,456,881 and is to contribute to the costs of stormwater drainage and flood protection of the city.

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## **NEW Land transport rate**

The targeted rate for land transport will be calculated on the capital value of all rateable properties in the city and assessed on a differential basis. Under differential rating, all property is allocated to one of the following differential rating groups based on zoning or usage and a differential, based on a factor of 100 for the standard differential group.

For [24|25], Council will apply the same differential factors for the targeted land transport rate as used in the general rate.

The revenue sought from this charge is \$7,768,987 and is to be applied towards the cost of maintain the transport network of the city.

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## **NEW Government compliance rate**

The targeted rate for Government compliance will be calculated on the capital value of all rateable properties in the city and assessed on a differential basis. Under differential rating, all property is allocated to one of the following differential rating groups based on zoning or usage and a differential, based on a factor of 100 for the standard differential group.

For [24|25], Council will apply the same differential factors for the targeted government compliance rate as used in the general rate.

The revenue sought from this charge is \$1,107,587 and is to be applied towards the costs of unfunded mandates being imposed by central government and its agencies.

**Rates on  
Defence land**

The rates described in General rates, Water supply—(1) fire protection, Stormwater, Land transport rate, and Government compliance rate, take into account the requirement to ensure that Defence Department land is not paying a higher amount of rates than would be payable under a land value rating system. This is in accordance with section 22 of the Local Government (Rating) Act 2002.

**Lump sum  
contributions**

Council will not invite lump sum contributions to targeted rates in [24|25].

## Differential definitions

For [24|25], Council has resolved to define its differential rating categories, to which all rateable property in the district of Upper Hutt shall be allocated, as follows.

**Rural**

A rating unit or part rating unit will be allocated to the *Rural* category for rating purposes to the extent that:-

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

If Council is satisfied that:

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

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

**Utility**

Regardless of zoning and notwithstanding that it may meet the requirements for inclusion in another category, a rating unit or part rating unit will be allocated to the *Utility* category for rating purposes to the extent that:

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

**Three Waters Utility**

A rating unit or part rating unit will be allocated to the *Three Waters Utility* category for rating purposes to the extent that it:

- Meets both the criteria in *Utility*; **and**
- It is used solely for the purpose of:
  - Draining stormwater; **or**
  - Draining wastewater from Upper Hutt city and its district into the bulk sewer line; **or**
  - Supplying potable water to Upper Hutt City and its district, but not used to carry water directly from the reservoirs owned by Greater Wellington Regional Council.

**Business**

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

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

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

- where the business activity is the principal activity on a rating unit, the whole rating unit will be allocated to the *Business* category.
- where the business activity is not the principal activity on a rating unit but takes place in a physically discrete part of the rating unit, that part will be allocated to the *Business* category.

For the purposes of our policy, we've defined business activities as follows.

<b>INCLUDED Business activities</b>	<b>EXCLUDED NOT business activities</b>
<ul style="list-style-type: none"> <li>● Commercial sawmills and timber yards</li> <li>● Farm products processing plants</li> <li>● Retail nurseries and garden centres</li> <li>● Veterinary hospitals and clinics</li> </ul>	<ul style="list-style-type: none"> <li>● Farming activities</li> <li>● Intensive animal farming</li> <li>● Wellington Racing Club</li> </ul>

**Corrections Facility** A rating unit will be allocated to this category if it is used primarily by the Department of Corrections for the housing of inmates under their care.

**Forestry** NEW From 1 July 2025, a rating unit will be allocated to this category if it is used primarily for commercial forestry.

**Vacant Land** NEW A rating unit will be allocated to this category when it is within the city's 'walkable catchment' as shown below and has either:

- ① a zero improvement value; **or**
- ② a positive improvement value but no permitted or consented activity underway, including improvements (such as buildings) which are unused and/or derelict.

More information along with a map indicating Upper Hutt's walkable catchment is included in the Revenue and Financing Policy (page 263)

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

## Contiguous rating

Council will apply the provisions of the Rating Valuations Act 1998, The Local Rating Act 2002, and any other relevant legislation to this situation.

# Separately used or inhabited part (SUIP)

## Definition

A separately used or inhabited part (SUIP) of a rating unit means any part of a rating unit which is:

- ① inhabited or used by an owner; or
- ② inhabited or used by any person other than an owner by tenancy or other agreement.

For the avoidance of doubt, where an owner occupies the entirety of a rating unit, or tenants the entirety of a rating unit, there will be only one SUIP.

## Assessment and determination

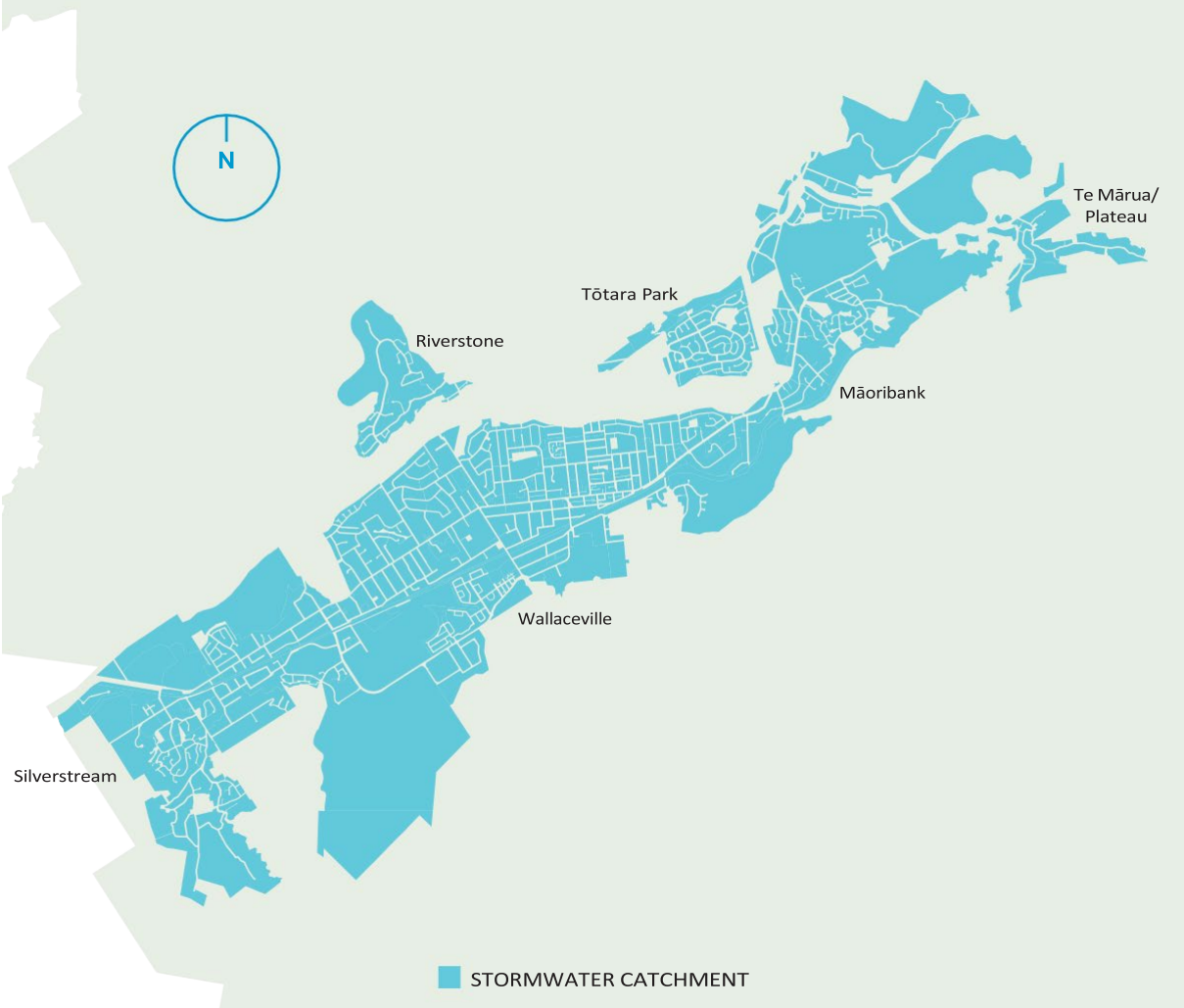
Council will consider the following when determining whether a part of a rating unit is a SUIP:

- ① A SUIP does not need to be occupied in order to be categorised as separately used. Availability for separate use is sufficient.
- ② In determining whether a part of a rating unit is used for accommodation, Council will consider whether it has independent kitchen facilities (including cooking facilities) and separate toilet and sanitation, but these are not required, and a part of a rating unit made available for temporary accommodation may be a SUIP without these.

The following are some examples of rating units that are likely to comprise more than one separately used or inhabited part. Please note that these are illustrative only and not an exhaustive list:

- Single dwelling or business premises which includes separate accommodation.
- A rating unit that includes a flat with a stove and separate living and toilet facilities.
- A dwelling where part of the dwelling or an outbuilding is made available for rent.
- Commercial building with multiple tenancies.
- Individually surveyed lots of vacant land on one Record of Title offered separately for sale.

# Upper Hutt urban drainage map used for stormwater rates



# Indicative rates for sample properties

The following tables include figures outlining indicative rates for [24|25], for properties in Upper Hutt based on their capital value (CV) and rating differential categories (Standard, Business, and Rural). Figures are in dollars (\$) and include GST. They do not include Greater Wellington Regional Council rates.<sup>45</sup>

Indicative residential rates (by CV)	\$550 K	\$750 K	\$950 K	\$1.15 M	\$1.3 M
General rates	936	1,276	1,617	1,957	2,213
Targeted water rates <sup>45</sup>	1,434	1,532	1,630	1,728	1,801
<b>NEW</b> Targeted roading rate (previously within the General rate)	236	322	408	494	559
<b>NEW</b> Targeted compliance rate (previously within the General rate)	34	46	58	70	80
<b>Total Indicative rates</b>	<b>2,640</b>	<b>3,177</b>	<b>3,713</b>	<b>4,250</b>	<b>4,653</b>
Total Indicative rates from previous year (Annual Plan 23 24)	2,129	2,616	3,102	3,589	3,678
Increase per week	9.82	10.78	11.76	12.71	18.74

Indicative business rates (by CV)	\$550 K	\$750 K	\$950 K	\$1.15 M	\$1.3 M
General rates	2,715	3,702	4,689	5,676	6,466
Targeted water rates <sup>50</sup>	1,493	1,613	1,732	1,852	1,948
<b>NEW</b> Targeted roading rate (previously within the General rate)	686	935	1,184	1,434	1,633
<b>NEW</b> Targeted compliance rate (previously within the General rate)	98	133	169	204	233
<b>Total Indicative rates</b>	<b>4,991</b>	<b>6,383</b>	<b>7,774</b>	<b>9,166</b>	<b>10,279</b>
Total Indicative rates from previous year (Annual Plan 23 24)	4,380	5,685	6,990	8,296	9,340
Increase per week	11.75	13.42	15.08	16.74	18.07

Indicative rural rates (by CV)	\$550 K	\$750 K	\$950 K	\$1.15 M	\$1.3 M
General rates	702	945	1,213	1,417	1,672
<b>NEW</b> Targeted roading rate (previously within the General rate)	177	239	306	358	422
<b>NEW</b> Targeted Government compliance rate (previously within the General rate)	25	34	44	51	60
<b>Total Indicative rates</b>	<b>905</b>	<b>1,217</b>	<b>1,563</b>	<b>1,826</b>	<b>2,155</b>
Total Indicative rates from previous year (Annual Plan 23 24)	876	1,178	1,512	1,767	2,086
Increase per week	0.55	0.75	0.97	1.13	1.32

<sup>50</sup> Water—targeted rates figures are based on the existence of only one water connection and one pan charge per property, and being within the stormwater drainage district (see page 373).

# Statement of responsibility

**Preparation** The Council and management of Upper Hutt City Council accept responsibility for the preparation of the Long Term Plan prospective financial statements and the judgements used in them.

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**Providing reasonable assurance** 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 prospective financial reporting presented in the Long Term Plan, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

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**Actual results** The Long Term Plan does not include any actual financial results for years prior to the periods covered by the Long Term Plan 2024 – 2034

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**Longevity** It is not intended that the Long Term Plan will be updated (outside of its 3-yearly cycle) unless there is a significant event, which fundamentally impacts the Long Term Plan.

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**Authorisation** This Amended Long Term Plan, including the prospective financial statements, is authorised for issue by Upper Hutt City Council on 18 February 2026.

## Ērā atū pārongo Other information

# E

377 Upper Hutt

380 Upper Hutt City Council (Amended)

383 Glossary (Amended)

# Te Awa Kairangi ki Uta

## Upper Hutt



<b>Population</b>	48,240 <sup>51</sup>	
<hr/>		
<b>Geographical</b>	<b>Total area</b> <sup>52</sup>	<b>~54 km<sup>2</sup>   53,986 ha</b>
	Rural <sup>53</sup>	48,885 ha
	Residential <sup>53</sup>	1,804 ha
	Business <sup>53</sup>	208 ha
	Special activity <sup>53</sup>	526 ha
	Open space <sup>53</sup>	1,764 ha
	Council parks and reserves <sup>54</sup>	748 ha
	Roading network (length) <sup>55</sup>	251 km
<hr/>		
<b>Rating information</b> <sup>56</sup>	Number of rating units (21 May 2024)	18,129
	Rateable capital value (21 May 2024)	\$17,248,755,450
	Rateable land value (21 May 2024)	\$10,041,933,150
	Last valuation	1 July 2022
	Next valuation	1 July 2025

51 2023 Census—Stats NZ Tatauranga Aotearoa

52 Upper Hutt City Territorial Boundary—Stats NZ Tatauranga Aotearoa 2023

53 Upper Hutt City Council's District Plan Zones (2024)

54 Upper Hutt City Council's Parks and Reserves Boundaries (2024)

55 Annual Report 2022 – 2023

56 Upper Hutt City Council New Valuations summary 2024

# History of local government in Upper Hutt

1876	Hutt County Council constituted
28 March 1908	District of Upper Hutt constituted
1 February 1928	Borough of Upper Hutt constituted
2 May 1966	City of Upper Hutt proclaimed
1 April 1973	Rimutaka Riding incorporated within the city
30 March 1978	Grant of Arms by the College of Arms
1 November 1988	Hutt County Council abolished and the Heretaunga/Pinehaven Ward incorporated within the city
1 November 1989	City of Upper Hutt constituted with the abolition of the Heretaunga/Pinehaven Community Council

## Vexillography and heraldry

### Upper Hutt flag

In 1982, with the consent of the New Zealand Herald, Upper Hutt produced a flag to be flown on appropriate occasions. One is on permanent display in Council Chambers and another is flown outside at the Civic Centre during office hours. It consists of the city colours—gold across maroon quarters—with the shield in the middle.



**Coat of arms**

The Coat of Arms for the city was granted by the Royal College of Arms (London) in 1978 by letters patent. This means that the Coat of Arms is protected and cannot be used without Council’s authority, which must be in terms of the Laws of Arms. The original grant is displayed on Level 2 in the Civic Centre. The Arms are made up of a shield, a crest, supporters, and a motto scroll.



In front of the rock in the crest is a New Zealand falcon, known as the bush hawk or karearea (*falco novaeseelandiae*) and is described as probably the most fearless of New Zealand’s native birds.

The two birds in the shield are pigeons (*hemiphaga novaeseelandiae*) and represent the early bird life in the Valley’s bush. The wavy band is a representation of Te Awa Kairangi (the Hutt River) and indicates its importance in the city of Upper Hutt. The bottom portion shows a tōtara tree (*podocarpus totara*) symbolising the original vegetation that abounded on the valley floor. The same shield is on the flag.

On the scroll, the Latin motto “Nihil altius pulchriusve” in English means “Nothing higher or more beautiful.” This was chosen to record that the city has special physical features and a lovely setting. The mountainous nature of some of the terrain, the presence of the hills and trees that form so many of the views, the close affinity of the city and farm, and the varied beauty of the river valleys form a combination which is most unusual and could well be unique in the context of world cities.

**City badge**

The Royal College of Arms also granted a city badge. The badge is placed on property of the Council and used for less formal situations. It consists of a New Zealand pied fantail (*hipidura fuliginosa*), tail erect and expanded and perched on a twig within a circlet of gold chain.



# Te Kaunihera o Te Awa Kairangi ki Uta Upper Hutt City Council



Te Kaunihera o  
**Te Awa Kairangi ki Uta**  
Upper Hutt City Council

**Delivery** Civic Centre  
838 – 842 Fergusson Drive  
Upper Hutt

**Post** Private bag 907  
Upper Hutt 5140

**Telephone** (04) 527 2169

**Website** [upperhutt.govt.nz](http://upperhutt.govt.nz)

**Facebook/Messenger** [/upperhuttcitycouncil](https://www.facebook.com/upperhuttcitycouncil)

# Our Mayor and Councillors (elected members to October 2025)



**Wayne Guppy**  
koromatua | mayor  
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**Hellen Swales**  
koromatua tuarua | deputy mayor  
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**Dylan Bentley**  
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**Dave Wheeler**  
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# Our Mayor and Councillors (elected members from October 2025)

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Mayor of Upper Hutt

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## **Corey White**

Deputy Mayor

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## **Angela McLeod**

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## **Emma Holderness**

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## **Matt Carey DSD**

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## **Tracey Ultra**

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# Kuputaka

## Glossary(Amended)

<b>Activity</b>	Goods or services provided by the Council, including the provision of facilities and amenities, and performing regulatory and other governmental functions. Council has ten activity areas.
<b>Asset</b>	Something of value that the Council owns in order to provide a service for the people of Upper Hutt. Examples include roads, parks, pipelines and buildings.
<b>Capital expenditure</b>	Expenditure incurred in acquiring or adding value to assets (also abbreviated to 'capex').
<b>Capital value</b>	The value of land plus additions such as buildings, driveways, and fences (also abbreviated to 'CV').
<b>Democracy</b>	A way we govern ourselves. It can be used to mean community participation in decision-making between elections, as well as at elections.
<b>Depreciation</b>	The measure of consumption of economic benefits in an asset, whether arising from use, age or obsolescence.
<b>Development contribution</b>	A payment made by a developer to cover part of the costs of providing infrastructure to a new development. A territorial authority may require a development contribution to be made to the territorial authority when granting <ul style="list-style-type: none"><li>● a resource consent</li><li>● a building consent</li><li>● an authorisation for a service connection</li></ul>
<b>Fees and charges</b>	Charges for a Council service that must be met by the user of the service such as swimming pool charges, resource consent fees, trade waste charges. Refer to the Schedule of Fees and Charges online at <a href="http://upperhutt.govt.nz">upperhutt.govt.nz</a>
<b>General rates</b>	The rates levied on most properties for general services including residential, rural, business and utility. They are levied on the basis of zoning, land use and capital value.
<b>Grant or subsidy</b>	Money given from local or central government or other funds to a person or group for a specified purpose.

<b>Governance Statement</b>	The Governance Statement provides information on a wide range of matters concerning the structures, processes and policies of the Upper Hutt City Council. It must be prepared within 6 months of each triennial general election of members of the local authority, and may be updated at any other appropriate time. Refer to <a href="http://upperhutt.govt.nz">upperhutt.govt.nz</a>
<b>Hearing</b>	Meeting at which members of the public speak to elected representatives and/or staff about an issue.
<b>Income</b>	Revenue gained from all sources during the year, such as rates, grants, special funds, subsidies, and fees and charges. Income does not include loans or the proceeds in excess of the net book value from the sale of assets.
<b>Infrastructure</b>	The stock of fixed capital equipment that helps a community to function. This includes the pipes and machinery that allow councils to collect and manage water, wastewater, storm water and rubbish, as well as assets such as roads and buildings.
<b>Local Government Act</b>	The key legislation from central government that defines the powers and responsibilities to local authorities such as Upper Hutt City Council (also abbreviated to 'LGA').
<b>Long Term Plan</b>	Also known as the 10-year Plan—details what Council plans to do over the next 10 years and why (also abbreviated to 'LTP').
<b>Operating costs</b>	Expenses incurred during the year in providing or maintaining services to the community without acquiring or adding value to assets.
<b>Pan</b>	Water closets or urinals connected to a public sewage drain.
<b>Performance measures</b>	How Council measures its non-financial progress in achieving its vision and community outcomes.
<b>Regional authority</b>	Elected representatives with primary responsibility for governing a regional area, with particular emphasis on natural resources and the environment, and also the organisation governed by these representatives. A regional authority may co-operate on selected issues with territorial councils in its region and others.
<b>Resource consent</b>	Where a council, using delegated authority under the Resource Management Act, gives an applicant permission for a particular land use activity.
<b>Resource Management Act</b>	Resource Management Act (RMA) is New Zealand's main piece of legislation that sets out how we should manage our environment (also abbreviated to 'RMA').

<b>Significance</b>	The ‘significance’ of a particular matter determines the process which Council may use to make a decision, particularly with regards to consultation. Refer to the Council’s Significance and Engagement Policy (page 304).
<b>Special funds</b>	Funds that have been set aside for a particular purpose, or as cash reserves.
<b>Strategic asset</b>	The key assets that Council needs to provide services for the community. They are defined in Council’s Significance and Engagement Policy (page 304).
<b>Submission</b>	Feedback or proposal from a citizen or group on an issue aimed to influence judgement at the council level at times such as draft Annual Plan, Long Term Plan or other new significant plans.
<b>Targeted rates</b>	Targeted rates may be levied on specific properties, for specific services. Current targeted are outlined in the Revenue and Financing Policy (page 263).
<b>Territorial authority</b>	A city or district council.
<b>Three (3) waters</b>	A term for grouping the three water services provided by Councils together: water supply; wastewater; and stormwater.
<b>Wellington Regional Strategy</b>	The Wellington Regional Strategy focuses on achieving sustainable growth and development in the Wellington region.
<b>Works programme</b>	The works programme sets out the plans to be carried out over the next 10 years, such as pipeline renewal upgrades, enhanced cycle tracks, or equipment replacements. The schedule includes the year the work will take place, the costs of the work and the source of funding.
<b>Wellington Water Limited (WWL):</b>	A council-controlled organisation that provides water services to the Wellington region until 30 June 2026. It is jointly owned by Porirua, Hutt, Upper Hutt, Wellington City, South Wairarapa District Council and Greater Wellington Regional Council. During 2024 and 2025 Council completed a series of decisions to give effect to the Government’s Local Water Done Well reform.
<b>Tiaki Wai</b>	As a result, Upper Hutt City Council’s responsibility for water supply, wastewater and stormwater will end on 1 July 2026, when these services transfer to a new multi-council owned water service organisation for the metropolitan Wellington region, named Tiaki Wai Limited. This change is in accordance with provisions of the Local Government (Water Services Preliminary Arrangements) Act 2024 and Local Government (Water Services) Act 2025 enabling the reform.

Tiaki Wai will operate drinking water, wastewater, and piped stormwater services for approximately 432,000 people across the Wellington metropolitan area from 1 July 2026. It will take over the services and work being done today by Wellington Water, and the people doing that work. Tiaki Wai is jointly owned by Upper Hutt, Hutt, Porirua and Wellington City Councils along with Greater Wellington Regional Council.