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Introduction

Legislative requirement

Under section 102 of the Local Government Act 2002 all local authorities must adopt a revenue and financing policy.

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.

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.

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	● Leadership
Community and Recreation	● Upper Hutt Libraries
	● Community Services
	● Whirinaki Whare Taonga
	● Emergency Management
	● Te Kupenga o Rongomai
	● Property
	● Parks and reserves
	● Akatārawa Cemetery
	● H ₂ O Xtream
Economic Development	● Economic development
Sustainability	● Sustainability
	● Waste
Planning and Regulatory	● City planning
	● Animal management
	● Environmental health
	● Alcohol licensing
	● Parking enforcement
	● Building control

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)**⁴³

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.

INCLUDED Business activities	EXCLUDED NOT business activities
• Commercial sawmills and timber yards • Farm products processing plants • Retail nurseries and garden centres • Veterinary hospitals and clinics	• Farming activities • Intensive animal farming • Wellington Racing Club • Forestry

⁴³ 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)**

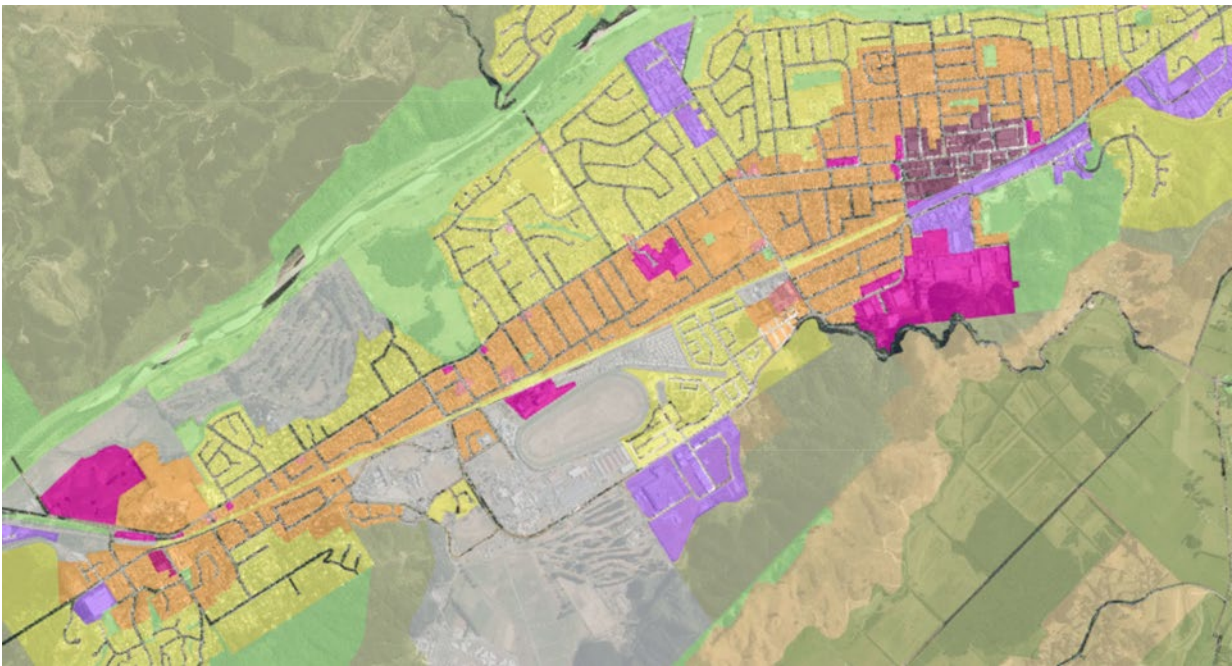
A rating unit will be allocated to this category if it is used primarily for commercial forestry

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.
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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.
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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.
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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.
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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.

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.

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
Leadership	Less	More	95 – 100%	0 – 5%	0 – 5%	0 – 5%
Community and recreation						
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 ₂ 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%
Economic Development	Less	More	90 – 100%			0 – 10%
Water Supply*	More	Less		75 – 85%	15 – 25%	0 – 5%
Wastewater*	More	Less		75 – 85%	15 – 25%	0 – 5%
Stormwater*	More	Less		90 – 100%	0 – 10%	0 – 10%
Land Transport						
Subsidised	Less	More		45 – 50%	0 – 5%	45 – 55%
Non-subsidised	Less	More		90 – 100%	0 – 10%	0 – 10%
Sustainability						
Sustainability initiatives	Less	More	80 – 100%		0 – 20%	0 – 20%
Waste	More	Less	70 – 80%		20 – 30%	20 – 30%
Planning and regulatory						
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
Leadership	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
Community and recreation								
Community development	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
Emergency management	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.
Property	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.
Parks and reserves	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: • Akatārawa Cemetery • H2O Xtream • Upper Hutt Libraries • Te Kupenga o Rongomai • Whirinaki Whare Taonga	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.
Akatārawa Cemetery	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
H2O Xtream	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
Upper Hutt Libraries	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.
Te Kupenga o Rongomai multi-use sports hub	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
Whirinaki Whare Taonga 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
Economic Development	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.
Water Supply	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.
Wastewater	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.
Stormwater	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
Land Transport								
Subsidised	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		road users, high density properties creating high traffic impacts. Utility operators	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.
Non-subsidised	Infrastructure	transport network is used to transport both goods and consumers to their premises		cause addition cost when undertaking operations within the road corridor		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	
Sustainability								
Sustainability initiatives	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.
Waste	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

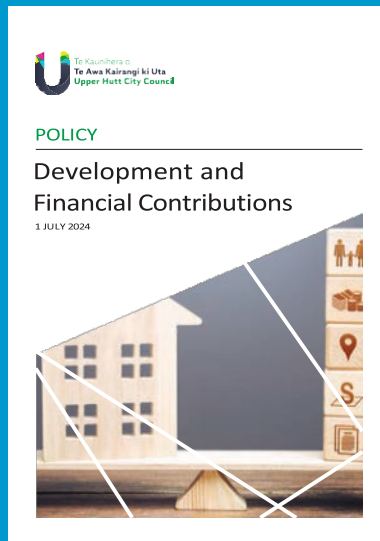
Activity group (and activities)	Community outcomes	Distribution of benefits	Period of benefit	Exacerbator pays	Costs and benefits	Operating expenditure	Capital expenditure	Rationale
						30% Grants and subsidies 20 – 30%		the ability to recycle items is both a benefit to the individual as well as the whole community.
Planning and regulatory								
Alcohol licensing	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.
Animal management	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%	Nil or minor	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
Building control	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.
City planning	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				
Environmental health	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.
Parking enforcement	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



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.

294 Objectives

Commencement

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295 Remission of rates

301 Rates postponement

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.

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.

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.

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.

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.

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.
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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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313 Schedule 1 Operational guidelines for
community engagement

314 Schedule 2 Examples of
engagement activities

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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
A Consistency with a prior decision or decisions (including current policies and strategies)	Decision or proposal is significantly inconsistent. EXAMPLE <i>A decision or proposal that retires a Council adopted strategy</i>	Decision or proposal is consistent but with some notable variations EXAMPLE <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 EXAMPLE <i>Adopting a public places bylaw to enforce a public places policy</i>
B Involves the transfer of ownership or control of strategic assets to or from the Council.	Majority transfer (≥ 51%) EXAMPLE <i>Full transfer of an asset</i>	Minority transfer EXAMPLE <i>30% share transfer of an asset</i>	Nominal or no transfer
C Levels of public interest known.	High levels of public interest known. EXAMPLE <i>Adoption of a psychoactive substance policy</i>	Moderate levels of public interest known. EXAMPLE <i>Adoption of an event sponsorship policy</i>	Low levels of public interest known. EXAMPLE <i>Adoption of an elected member support policy</i>
D The degree to which the issue affects the community or the city of Upper Hutt.	Impacts a large proportion of the community. EXAMPLE <i>A change in the rubbish collection timeframes</i>	Impacts a subgroup or groups within the community. EXAMPLE <i>Creation of a neighbourhood playground</i>	Impacts an individual person or household. EXAMPLE <i>Removal of a street tree</i>
E 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. EXAMPLE <i>Closure of a facility</i>	A more than nominal alteration of a service. EXAMPLE <i>Digitisation of most hard copy books at the public libraries</i>	A nominal or no alteration of a service. EXAMPLE <i>Undertaking of a tender with a different contractor</i>
F Ability to reverse the decision.	Highly difficult EXAMPLE <i>Constructing a purpose built building, or where Council is legally obliged or committed through contractual arrangements</i>	Moderately difficult EXAMPLE <i>Adoption of a Speed Limit Bylaw</i>	Low difficulty EXAMPLE <i>A minor amendment to a policy</i>

Criteria	High significance	Medium significance	Low significance
G Level of financial consequences in relation to unbudgeted operating cost or capital cost in the Long Term Plan.	Unbudgeted operating cost(s) greater than 5% of total expenses for the financial year of the proposal/decision. EXAMPLE <i>A \$3.1 M unbudgeted increase in lease costs</i> and/or Unbudgeted capital cost(s) greater than 1% of total assets in the financial year of the proposal/decision. EXAMPLE <i>Construction of an \$8.38 M unbudgeted building</i>		

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	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. A formal resolution is to be obtained by presenting a report to Council, which addresses the requirements identified in the LGA sections 77 – 81. 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.
3. For all matters identified as having a high degree of significance	If an issue is determined as having a high degree of significance, then it is significant and the issue will be considered by Council. 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. Council will apply the principles of consultation (LGA s82) and be guided by the operational guidelines in Schedule 1.
4. Consider if the <i>Special Consultative Procedure</i> is appropriate	Review the issue, proposal or other matter to determine if any of these factors exist: ● Development of, review, or amendments to the Long Term Plan ● Preparation of the Annual Plan ● It is considered that the Special Consultative Procedure is relevant and required. If yes, then follow the Special Consultative Procedure in line with LGA sections 83 – 87.
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
- H₂O 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.



Reproduced with permission from the International Association for Public Participation (IAP2) Federation—www.iap2.org

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 activities⁴⁴

	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.	- Email newsletter to local communities and networks - Information flyers - Public notices/info in local newspaper and on Council's website - Use of social media	Once a decision is made and is being implemented.
CONSULT	To obtain public feedback on analysis, alternatives, and/or decisions.	- Formal submissions and hearings or the Special Consultative Procedure - Focus groups - Community meetings - Online opportunities to submit ideas/feedback - Rates inserts - Display boards	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.	- Workshops - Focus/stakeholder group meetings - Public meetings, drop-in sessions - Online surveys/forums - Displays at public venues	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.	- Pre-consultation - Working groups (involving community experts) - Community advisory groups (involving community representatives) - Forums	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.	- Binding referendum - Local body elections - Delegation of some decision-making to a community	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.⁴⁵
- 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).

45 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

Activity	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.
Community	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.
Decisions	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.
Engagement	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.
Having significance	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.
Not significant	The issue/decision does not trigger the policy criteria or thresholds.
Operational matters	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
Significant	In relation to any issue, proposal, decision, or other matter, means that the issue, proposal, decision, or matter has a high degree of significance.
Significance	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: ① the district or region; ② any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter; 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).

**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

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

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).
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.
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 ₂ 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
52,975	Total rate funding requirement	64,326	78,117	57,591	64,146	66,292	64,574	64,115	63,614	63,162	63,839

		Published		Amended							
23 24 Annual Plan	Funded by	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
52,975	Total	64,326	78,117	57,591	64,146	66,292	64,574	64,115	63,614	63,162	63,839
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%
5.81%	Forecast net change in overall rate funding requirement	19.93%	19.94%	(27.78%)	9.88%	1.85%	(4.09%)	(2.21%)	(2.28%)	(2.21%)	(0.43%)
0.0%	Less forecast inflation (LGCI) ⁴⁶	0.0%	2.7%	2.0%	2.2%	2.2%	2.1%	2.1%	2.0%	2.0%	1.9%
5.81%	Forecast real change in core rate funding requirement	19.93%	17.24%	(29.78%)	7.68%	(0.35%)	(6.19%)	(4.31%)	(4.28%)	(4.21%)	(2.33%)

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
	Current assets										
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
32,128	Total current assets	25,624	24,462	55,609	29,625	37,451	42,735	45,217	48,702	43,605	44,540
	Non-current assets										
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
1,126,199	Total non-current assets	1,321,090	1,370,392	1,303,713	1,311,046	1,332,549	1,365,554	1,370,129	1,421,771	1,469,933	1,470,021
1,158,327	TOTAL ASSETS	1,346,714	1,394,854	1,359,322	1,340,671	1,370,000	1,408,289	1,415,345	1,470,473	1,513,539	1,514,562

		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
	Current liabilities										
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
23,617	Total current liabilities	30,024	31,154	28,709	30,404	31,774	33,849	35,623	38,367	40,151	47,277
	Non-current liabilities										
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
164,044	Total non-current liabilities	209,699	230,929	152,075	116,437	109,093	105,317	99,001	112,002	108,897	97,780
187,661	TOTAL LIABILITIES	239,723	262,084	180,785	146,841	140,867	139,166	134,624	150,369	149,048	145,057
970,666	NET ASSETS	1,106,991	1,132,770	1,178,537	1,193,831	1,229,132	1,269,123	1,280,721	1,320,104	1,364,490	1,369,504
	EQUITY										
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
970,666	TOTAL EQUITY	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	1,369,504

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
82,595	Total revenue		90,743	105,486	80,307	86,642	86,322	87,227	86,673	93,743	93,798	85,258
	Operating expenditure											
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
87,269	Total operating expenditure		93,450	105,419	69,257	71,348	72,663	73,762	75,075	77,138	79,344	80,244
(4,674)	Surplus/(deficit) before tax		(2,707)	67	11,050	15,294	13,659	13,465	11,598	16,605	14,454	5,014
0	Tax expense		0	0	0	0	0	0	0	0	0	0
(4,674)	Surplus/(deficit) after tax		(2,707)	67	11,050	15,294	13,659	13,465	11,598	16,605	14,454	5,014
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	Total other comprehensive revenue for the year – net of tax	0	25,714	34,716	0	21,643	26,526	0	22,778	29,932	0	
(4,674)	TOTAL COMPREHENSIVE REVENUE FOR THE YEAR	(2,707)	25,781	45,766	15,294	35,302	39,991	11,598	39,383	44,386	5,014	

Cashflow (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
	Operating activities ⁴⁷										
	Cash was provided from:										
71,994	Rates and other receipts	85,073	99,123	76,280	83,048	82,727	83,639	83,087	90,165	90,219	81,687
400	Interest received	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
72,394		86,073	100,123	77,280	84,048	83,727	84,639	84,087	91,165	91,619	82,687
	Cash was applied to:										
(56,645)	Payments to suppliers and employees	(51,606)	(63,708)	(44,195)	(48,474)	(49,817)	(51,270)	(52,563)	(54,016)	(55,867)	(56,937)
(6,775)	Interest paid	(8,384)	(11,489)	(8,419)	(6,725)	(6,582)	(6,270)	(6,164)	(5,921)	(6,668)	(6,598)
(63,420)		(59,990)	(75,197)	(80,823)	(87,348)	(90,278)	(93,352)	(96,954)	(100,944)	(105,870)	(109,693)
8,974	Net cash inflow/(outflow)	26,083	24,926	24,926	34,805	33,956	38,888	42,542	54,778	54,575	52,556
	Investing activities										
	Cash was provided from:										
0	Proceeds from sale of fixed assets	0	0	75,000	31,235	0	0	0	0	0	0
0	Decrease in investments	0	644	0	0	0	0	0	0	3,103	0
0		0	644	75,000	31,235	0	0	0	0	3,103	0
	Cash was applied to:										
(12,307)	Increase in investments	(437)	0	(5,998)	(8,877)	(6,926)	(8,320)	(7,109)	(10,514)	0	(8,640)
(43,108)	Purchase of fixed assets	(89,565)	(47,424)	(49,857)	(37,252)	(38,228)	(56,853)	(61,598)	(77,236)	(79,453)	(34,028)
(55,415)		(90,002)	(47,424)	(55,855)	(46,129)	(45,154)	(65,173)	(68,707)	(87,750)	(79,453)	(42,668)
(55,415)	Net cash inflow/(outflow) from investing activities	(90,002)	(46,780)	(55,855)	(46,129)	(45,154)	(65,173)	(68,707)	(87,750)	(76,350)	(42,668)

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
	Financing activities										
	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)
46,089	Net cash inflow/(outflow) from financing activities	48,495	21,871	(77,750)	(34,181)	(6,372)	(2,082)	(4,814)	15,591	(1,158)	(3,680)
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
7,522	Cash, cash equivalents, and bank overdrafts as at 30 June	2,255	2,271	2,537	2,379	3,604	3,603	3,663	5,262	6,541	7,598
	Composition of cash										
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
7,521	Closing cash balance	2,255	2,271	2,537	2,379	3,604	3,603	3,663	5,262	6,541	7,598

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
970,666	Prospective Equity at end of year	1,106,991	1,132,771	1,178,537	1,248,481	1,193,831	1,269,123	1,280,721	1,320,104	1,364,490	1,369,504
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
970,666	Total recognised revenues and expenses for the period	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	1,369,504

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.

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.

Commission

Where revenue is derived by acting for another party, the revenue that is recognised is the commission or fees on the transactions.

Interest and dividends

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

Dividends are recognised 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

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.
Internal transactions	Each cost centre is stated with the inclusion of internal costs and revenues. In order to present a true and fair view in the financial statements these transactions have not been eliminated. This method has no effect on the operating result for the year.
Income taxation	Council has a tax exemption in relation to the surplus or deficit for the period.
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.
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 <i>Prospective Statement of Financial Position</i> (page 258).
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.

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.

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.

**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.

**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.
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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.
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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 H₂O Xstream 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 <i>Prospective Statement of Comprehensive Revenue and Expense</i> (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.

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:
	● <b data-bbox="550 392 997 425">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. ● <b data-bbox="550 728 758 761">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
9,208	Total other revenue	8,201	5,761	5,007	3,005	3,111	3,021	3,028	3,139	3,043	3,049

NOTE 3 Depreciation and amortisation (FORECAST \$000)

		Published		Amended							
23 24 Annual Plan	Activity	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
21,243	Total Depreciation and amortisation expense	24,154	28,645	15,945	15,324	15,507	15,397	15,653	16,312	16,264	16,688

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
200	Rates remissions 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
30,889	Total Other Expenses	30,868	34,198	25,683	29,114	29,973	31,098	31,865	33,134	34,263	34,451

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 H2O Xstream 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 Rooding depreciation reserve (targeted)	0	50,746	(40,325)	10,421
Total special funds	18,797	145,392	(104,489)	59,700

*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.

General reserve	1	Available for any appropriate purpose.
Amenity fund(s)	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.
Plant renewal	4	Funds allocated from rates to replace/upgrade plant assets in the activity charged with the original allocation.
Reserve fund contributions	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.
Cash in lieu of parking	6	Funds collected instead of requiring the provision of parking by developers and used for parking purposes.
Property sales	7	Profits generated by the sale of property and available to assist in the funding of a Council work programme.

Roading levies	8 – 16 Funds raised from subdivisions in specific catchments and available for roading projects only in the catchment that provided the funds.
Harcourt Park maintenance	17 Funds collected from fees and charges for this activity and only available for approved maintenance purposes in that park.
Library and cemetery development	18 Funds collected for or generated by the specific activity and only available for projects in that activity.
Trench resealing levy	19 Funds collected to ensure the correct reinstatement of trenching work by third parties.
Kurth Crescent development levy	20 Funds to be collected from developers to provide stormwater upgrade in Kurth Crescent.
H₂O Xstream plant renewal reserve	21 Funds allocated from rates to replace/upgrade H ₂ O Xstream plant and equipment.
Maidstone Park turf renewal	22 Funds allocated from rates and fees and charges to replace/upgrade the artificial turf.
Library vehicles plant renewal	23 Funds allocated from rates to replace/upgrade library vehicles and plant and equipment.
General depreciation reserve	24 Funds allocated from rates to replace/renew community assets, and to repay debt.
Targeted depreciation reserves	25 – 28 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
Purpose of each fund	The income from fees or rates for each of these activities can only be expended on each specific activity. Any surpluses are transferred into these accounts and applied in future periods to mitigate income requirements.

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
Total special funds	7,228	0	(7,114)	114

* 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
61,931	Total operating funding (A)	76,648	90,760	70,453	75,256	77,788	76,303	76,696	78,894	78,689	76,592
Applications of operating funding											
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
66,255	Total applications of operating funding (B)	69,330	76,995	54,927	56,489	57,711	58,798	59,906	61,043	63,322	64,171
(4,324)	Surplus/(deficit) of operating funding (A-B)	7,319	13,765	15,526	18,767	20,077	17,505	16,790	17,851	15,367	12,421

		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
60,922	Total sources of capital funding (C)	57,429	31,437	4,228	6,011	(268)	6,411	2,734	28,013	11,524	2,558
Applications of capital funding											
4,612	Capital expenditure 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
56,598	Total applications of capital funding (D)	64,748	45,201	19,752	24,778	19,810	23,918	19,524	45,863	26,890	14,977
4,324	Surplus/(deficit) of capital funding (C-D)	(7,319)	(13,765)	(15,526)	(18,767)	(20,077)	(17,505)	(16,790)	(17,851)	(15,367)	(12,421)
0	Funding balance ((A-B)+(C-D))	0	0	0	0	0	0	0	0	0	0

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 ⁴⁸	Factor
<i>Standard</i> ⁴⁹	100
<i>Rural</i>	75
<i>Business</i>	290
<i>Forestry</i> (deferred until Year 2)	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*.

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.

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.

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.

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.

INCLUDED Business activities	EXCLUDED NOT business activities
- Commercial sawmills and timber yards - Farm products processing plants - Retail nurseries and garden centres - Veterinary hospitals and clinics	- Farming activities - Intensive animal farming - Wellington Racing Club

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

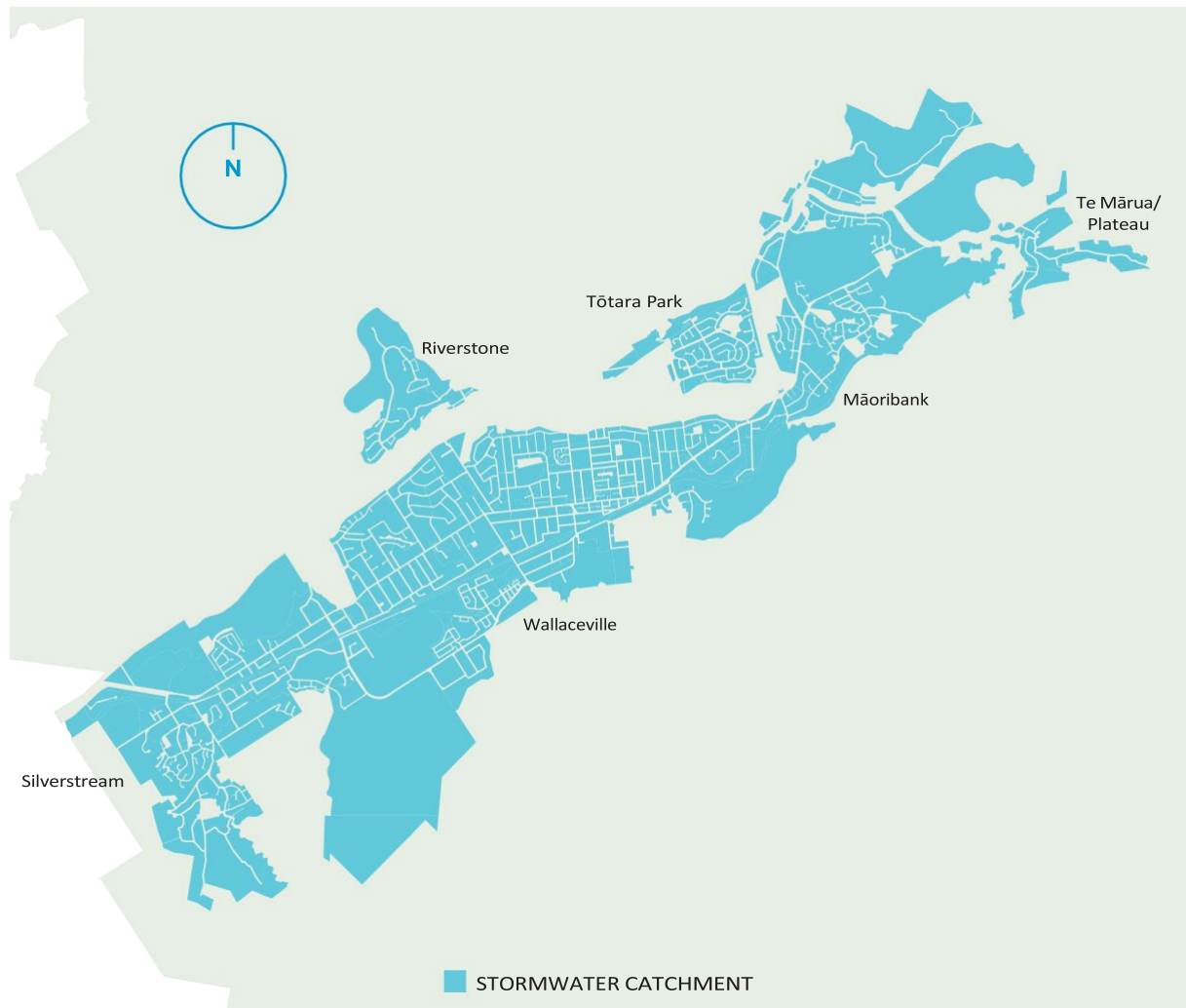
Council will consider the following when determining whether a part of a rating unit is a SUIP:

- 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.⁴⁵

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 ⁴⁵	1,434	1,532	1,630	1,728	1,801
NEW Targeted roading rate (previously within the General rate)	236	322	408	494	559
NEW Targeted compliance rate (previously within the General rate)	34	46	58	70	80
Total Indicative rates	2,640	3,177	3,713	4,250	4,653
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 ⁵⁰	1,493	1,613	1,732	1,852	1,948
NEW Targeted roading rate (previously within the General rate)	686	935	1,184	1,434	1,633
NEW Targeted compliance rate (previously within the General rate)	98	133	169	204	233
Total Indicative rates	4,991	6,383	7,774	9,166	10,279
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
NEW Targeted roading rate (previously within the General rate)	177	239	306	358	422
NEW Targeted Government compliance rate (previously within the General rate)	25	34	44	51	60
Total Indicative rates	905	1,217	1,563	1,826	2,155
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

⁵⁰ 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.
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.
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
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.
Authorisation	This Amended Long Term Plan, including the prospective financial statements, is authorised for issue by Upper Hutt City Council on 18 February 2026.