

Rārangi upoko Contents

Nau mai **4** Welcome

Tō tātou whāinga 6 Our vision

Whakamāramatanga **9** About the Annual Report

Whakarāpopototanga 11 Overview

Nga manahau whakatopu **24** Groups of activities

Whākinga **85** Disclosures

Ahumoni **97** Financials

Ngā tūtohunga me ngā takohanga 177 Compliance and responsibility

180 Audit opinion

Nau mai Welcome

Kua nui ngā panoni i te wāhanga kāwanatanga ā-kāinga nō te taenga mai o tēnei
Kāwanatanga ā-motu hōu kotahi tau ki muri
nei. Ina koa, kua whakarērea te arotake i te
anamata mō ngā kaunihera, kua whakatūria
hoki te kaupapahere hōu e kīia nei ko local
water done well.

I a mātou e kohi ana i ngā maramara kōrero a tēnei Pūrongo ā-Tau, kua kaha ā mātou whakawhanake i te kaupapahere wai hōu me hōna whakaritenga hinonga. Ahakoa ngā putanga, ka whakaaweawetia tā mātou tūnga ahumoni, arā, ko te rahi o tā mātou pūtea tārewa, ko te nui hoki o ngā tāke kaunihera.

I te tīmatanga o tēnei tau ahumoni, i tuwhera ngā tatau o Te Kupenga o Rongomai Maidstone Sports Centre, ā, i hoki ora mai mātou ki te tari kaunihera kua whakapakari rū i te pokapū raraupori. Ko te kaupapa whakamutunga o tēnei tau te whakamana i te Mahere Pae Tawhiti 2024 – 2034.

Kua whakatakoto pū te Pirimia i hōna kawatau i te hui taumata a Te Kāwanatanga ā-Rohe i Aotearoa i tēnei tau, i whakamāramatia hoki i ngā ratonga a te Kāwanatanga ā-rohe ā muri ake. Ka toaitia e ia te ara 'meinga kia ngāwari' e pēnei ana i hō mātou whakataunga i te Mahere Pae Tawhiti. Ā muri ake nei, ka matakitea e mātou ka whakarahi ake te whakatātare a te Kāwanatanga ā-motu i hā mātou mahi. Engari, ko te whakapono a tēnei Kaunihera, kua ū pai tō mātou Mahere ki hērā kawatau.

We are a year on from the change in Central Government which has brought significant changes to the Local Government space. In particular, the change in direction around rethinking local government and the new *local water done well* policy has seen us working in a changing environment.

As we've been collating this Annual Report, we've been working to develop the new water strategy and entity arrangements. Regardless of the outcomes, this work will affect our financial models, both in terms of debt levels and ratepayer funding.

Early on in the financial year, we saw the delivery of Te Kupenga o Rongomai Maidstone Sports Centre, and we moved back into our earthquake-strengthened offices at the Civic Centre. The year's final project was the adoption of the Long Term Plan 2024 – 2034.

The Prime Minister clearly laid out expectations at this year's LGNZ conference, stating where Central Government sees the prioritisation of Local Government service provision going forward. He reiterated a 'back to basics' approach in theme with decisions we'd made in the Long Term Plan. We're expecting more scrutiny from Central Government as we find our way in this new working environment. However we believe that our Long Term Plan commitments are aligning with those expectations.

Kua 9.4% te piki a tā mātou tutukinga ahumoni-kore i 2022 – 2023. Ahakoa te rahi o ngā mahi kei te haere, ka whakanuia e mātou ngā whakapai kua tutuki.

Mō te wāhanga ahumoni, kua nui ake ngā utu ratonga whakararata-kore i ngā taumata ahumoni kua whakamanahia e tēnei Kaunihera. Ahakoa, kua ū ki hō mātou taumata ratonga, ka nui ake ngā wero kei te haramai. Ka āta uruparea hērā tūāhuatanga i a mātou e whakawhanake ana i te Mahere Pae Tawhiti. I a mātou e ū kaha ana ki hō mātou takohanga ahumoni, e arotahi tonu ana i nga māhi whakatika i ngā huarahi, i ngā tūāhanga wai-toru, i hērā atu ratonga matua hoki.

Ka nui hō mātou whakatau e uaua ana i tā mātou whakawhanake i te Mahere Pae Tawhiti. I te mutunga iho, Ahakoa te whakapātaritari a hētehi o ngā whakatau, me taurite aua whakaaro ki ngā tūāpapa ratonga e tika ana mō te hapori, ki te tutuki pai i tō mātou mahere ahumoni. Nā hēnei tūāhuatanga, kua whakaiti nei te nui o ngā kaimahi Kaunihera. Rua tekau mā whā ngā tūnga kua whakakorengia.

Mō te wā tonu nei, ka aupēhi te ōhanga ā-motu i ngā wero nui. Engari, ka ngākau titikaha te Kaunihera, e manawanui hoki ana mātou, ka ū kaha ki ngā tūāpapa ratonga e tika ana mō tō tātou hapori. We've improved our non-financial performance by 9.4% from 2022 – 2023. There's still work to do but we're proud of the improvements we've made.

From a financial perspective, all non-controllable service costs increased more than the levels we'd budgeted. We maintained delivery of services to the level we'd committed to. However, there remains significant financial challenges ahead. We've responded to the situation through the development of the Long Term Plan. We remain focused on funding roading and water infrastructure and other core services whilst ensuring the Council is financially healthy.

Delivering the Long Term Plan involved some very challenging and difficult decisions. Ultimately Council made decisions that, despite being unpopular, were necessary to maintain core levels of service and deliver on our capital plan. The new operating environment brought with it a reorganisation of Council operations that has seen a reduction of 24 staff positions.

It is clear that the challenging economic environment will continue for a time, but despite this, Council remains well-positioned and confident that we can provide the level of service our community needs.



Wayne Guppy
KOROMATUA | MAYOR

Geoff Swainson
TE TUMU WHAKARAE | CHIEF EXECUTIVE

Tō tātou whāinga Our vision

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

WE HAVE an

outstanding natural environment, leisure, and recreational opportunities,

we are a great place for families to live, work, and play.

Community outcomes

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



new investment and offer opportunities for people and businesses to prosper. Our city centre is alive, attractive, and vibrant.

Strategic drivers

Our strategic drivers are the factors that have influenced Council's strategic thinking and our planning processes. They represent both opportunities to be pursued and issues that need to be addressed for Upper Hutt City. Some of these are national or even global issues. These strategic drivers are discussed in detail on pages 12 – 15 of our Long Term Plan 2021 – 2031.







Climate change and sustainability

A growing urban city





Strategic priorities

Our five strategic priorities—based on the strategic drivers—are the areas we want to focus on. They're also based on the various conversations we've had with our community. We've summarised these below. For more detailed information, please refer to page 16 of our Long Term Plan 2021 – 2031.

- 1
- Investing in and upgrading the **infrastructure and facilities** needed for our growing city. We have factored building resilience into infrastructure.
- **Growing sustainably** and delivering on our community's expectations that Council will lead initiatives to advance our Sustainability Strategy.
- Fostering the **wellbeing of our community and economy** and ensure we are resilient in the wake of COVID-19.
- Continuing to work on developing a **vibrant and attractive City Centre,** which our community has told us repeatedly, is an important priority for this city.
- Continuing to deliver our 'business as usual' services which are the bedrock of service delivery to our community

Our community outcomes, strategic drivers, and strategic priorities inform our activities and what we are reporting in the Annual Plan. Details of other frameworks we consider, such as our Performance Management Framework are detailed further in this report.

Whakamāramatanga About the Annual Report

To guide our activities and management of our financials and ratepayers' money responsibly, we work to detailed plans. This Annual Report covers the performance of Upper Hutt City Council from 1 July 2023 to 30 June 2024. It outlines our financial and non-financial performance. Council has a wide range of responsibilities, and we provide a variety of services to the Upper Hutt community.

The Annual Report provides information on what Council actually did and achieved, comparing this to what was planned in the Long Term Plan and Annual Plan. This includes information on our nine activity groups, services, performance framework, and financials.

Council's governance statement provides the overarching framework for how we will meet our outcomes on behalf of the community. These are outcomes that we aim to achieve in meeting the current and future needs of communities for good-quality infrastructure, local public services, and performance of regulatory functions. The Local Government Act requires councils to identify the community outcomes to which each activity contributes. Our community outcomes are on page 7.

Elected members, acting as Council, are responsible for governance, including:

- the development and adoption of Council policy;
- monitoring the performance of Council against its stated objectives and policies;
- prudent stewardship of Council resources;
- o employment of the Chief Executive; and
- appointment of the Deputy Electoral Officer.

Elected members are also responsible for representing the interests of the residents and ratepayers of the city.

Planning and reporting schedule



Format

This report is grouped into four main sections.

OVERVIEW

A snapshot of what we delivered in the 2023 - 2024 year.

GROUPS OF ACTIVITIES

What we achieved, how we performed against our targets, and comparing spending to our LTP Year 3 budgets.

DISCLOSURES

Details of new standards adopted, along with particular matters of interest.

FINANCIALS

This section sets out our financial statements in detail.







Whakarāpopototanga **Overview**





































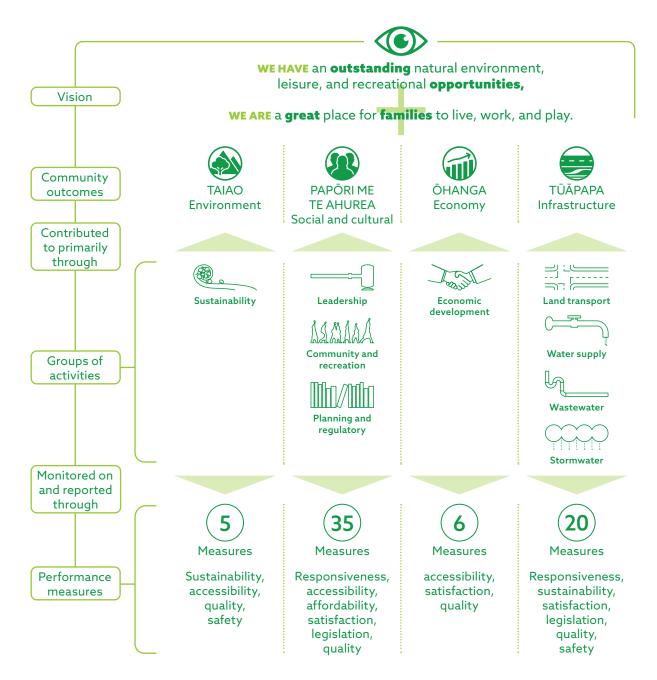






Performance management framework

Our performance management framework details how Council's vision links to our community outcomes, activity areas, and performance measures we use. This enables residents to make a judgement on whether or not the Council action being measured is worth funding through rates or fees, and allows Council to take corrective actions if the expected results are not being achieved.



Our Long Term Plan also details what we do in each activity area, why we do it, expected effects on the community, key projects, how we pay for it, and our performance measures, alongside the key legislation strategies, policies and plans that guide our work. This Annual Report details the performance of Council against the objectives stated in our Long Term Plan 2021 – 2031.

Reporting entity

Upper Hutt City Council is the Local Government Authority in Upper Hutt. It is governed by a group of elected members who are individuals in the community and are elected by the public to make decisions on behalf of the Upper Hutt Community.

Elected members are comprised of the Mayor and ten councillors. Acting as Council, elected members are responsible for governance, including:

- the development and adoption of Council policy;
- o monitoring the performance of Council against its stated objectives and policies;
- prudent stewardship of Council resources;
- o employment of the Chief Executive; and
- appointment of the Deputy Electoral Officer.

Elected members are also responsible for representing the interests of the residents and ratepayers of the city.

Separate to the Council are the Council officers (or staff). The officers are responsible for helping to both inform the elected members to aid their decision making, and complete work and projects as a result of the decisions made by the elected members.

Page 9 of our Annual Report details how Council's Governance Statement provides the overarching framework for how Council will meet its outcomes on behalf of the community. These are outcomes that Council aims to achieve in meeting the current and future needs of communities for good-quality infrastructure, local public services, and performance of regulatory functions. Page 13 details our Council vision as established in our Long Term Plan 2021 - 2031 (LTP), and how we intend to achieve this vision in the medium to long term by the activities we will deliver in this period.

Basis of preparation and statement of compliance

Upper Hutt City Council—accountability reporting: The Groups of activities section (Council's performance reporting information) was prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirements to comply with New Zealand generally accepted accounting principles (NZ GAAP).

The service performance report as set out on pages 13 to 20 and 24 to 89 has been prepared in accordance with the Tier 1 PBE financial reporting standards, which have been applied consistently throughout the period and complies with PBE financial reporting standards.

Purpose and Strategic Outcomes

The purpose of Upper Hutt City Council is to meet the current and future needs of communities for good-quality infrastructure, local public services, and performance of regulatory functions, as specified in our Governance Statement, and other strategic documents such as our LTP and Annual Plan.

Our LTP contains the vision for Upper Hutt City Council 'We have an outstanding natural environment, leisure, and recreational opportunities, and we are a great place for families to live, work, and play.' This is presented on page 6 of this Annual Report. Alongside this on page 7 are our community outcomes—these are the outcomes we want for our community, in working towards our vision. These outcomes guide our activities, projects, and service levels.

The LTP also contains our strategic drivers, and strategic priorities for the medium to long term. Each Annual Plan considers these strategic drivers and priorities, which are detailed on page 8 of this Annual Report.

Council has grouped together its functions under nine activity groups. Each activity group contributes to one or more of the community outcomes. Our LTP also details what we do in each activity area, why we do it, expected effects on the community, key projects, how we pay for it, and our performance measures, alongside the key legislation strategies, policies and plans that guide our work. These activity areas are:



Performance under our activity groups

The performance framework enables Council to manage and monitor the non-financial performance of our activities, the work programme undertaken, and ensures efforts contribute to our purpose and community outcomes. The performance framework describes:

- **O** Level of service: what the community can expect Council to provide.
- Performance measures: how success or progress will be measured.
- Performance targets: the level of performance that Council is aiming for.

Our performance targets were consulted with the community, and adopted through our LTP 2021 - 2031. This Annual Report measures the Year 3 targets.

Rationale for Long Term Plan measures

We have set targets for performance based on the LTP 2021 - 2031. We are still using the same measures as consulted with the community in the LTP. We are reporting on the targets as set in Year 3 of the LTP. As our performance framework on page 13 details, our performance measures are set in a framework that links to Council's vision, community outcomes, and activity areas. The criteria Council uses to measure performance relates to satisfaction, quality, affordability, accessibility, legislation, safety, responsiveness, and sustainability. 18 of our performance measures are mandatory with all councils required to report these to the Department of Internal Affairs (DIA). These mandatory measures relate to Water supply, Wastewater, Stormwater, and Land transport activities.

Activities Summary Information and further disclosures of performance Information

Activity and service performance information for each activity is contained on pages 24 to 84.

We've included footnotes for some of the non-financial performance measures where they provide meaningful additional information. Some of the footnotes explain why measurements were not met, while others provide information when we have restated measures from previous annual reports, or why measures have been reported as NA.

How much did it cost?

The sources of operating and capital funding and the application of the operating and capital funding are included in the funding impact statement of each Council activity group on pages 31 to 84.

The total cost for the Council Group activities was \$71.339 M as reflected in the funding impact statement for the whole of Council's Group activities on page 165. The total cost excludes non-cash expenditure as per the table below:

Less: other non-cash transactions	\$1.345 M
Less: loss on disposal of fixed assets	\$2.755 M
Less: depreciation	\$23.574 M
Total expenses (as per the Statement of comprehensive revenue and expense)	\$99.012 M

Other judgements included those made to determine the cost of outputs, these can be found within the allocation of overheads to significant activities policy in Note 3 to the financial statements on page 112.

Key judgements

There are 66 measures in total across our nine activity groups.

Some of our performance measures are based on results from formal surveys, particularly our annual Community Survey, providing an indication of resident satisfaction. This survey is undertaken by an external provider (Muirton).

The 2024 Community Survey ran from May to June, with a total of 710 responses (a response rate of 27%). The 2024 response rate is slightly higher than the previous two surveys and can be considered 'high' by industry standards. In 2022 there were 680 responses received.

Surveys undertaken in the last four years have achieved a higher response rate when compared to prior years. Given the last four surveys have used the same design, there can be confidence in comparing results across each year.

The other annual surveys carried out which contributed to Council performance measures were the Building Consent, Community Groups, and Economic Development surveys. These surveys had 26, 33, and 32 responses respectively. These surveys primarily look at satisfaction measures with the users of these particular Council services (rather than general satisfaction with services in the Community Survey). These surveys are undertaken by Public Voice.

For all our surveys, the guestions are designed by Council to get insights on our relevant performance measures. The surveys may also ask wider questions for Council to consider including asking for suggestions on the services we deliver. Data was not available for one measure.

This year's performance summary

	Performance measures	Achieved 📀	Not achieved •	Not available
Leadership	1 - 5		5	
Community and recreation	6 - 22	5	10	2
Economic development	23 - 28	4	2	
Water supply	29 - 33	2	3	
Wastewater	34 - 37	2	2	
Stormwater	38 - 41	4		
Land transport	42 - 48	4	3	
Sustainability	49 - 53	2	2	1
Planning and regulatory	54 - 66	6	7	
	Total	29	34	3

Compared to last year

We compared this year's results against performance in 2022 - 2023. In the table below, we've added an indicator to show whether the performance is improved ♣, the same ➡, or reduced ९.

Activity group	Year-on-year performance			
Leadership	IMPROVED 🥒 1	REDUCED 🐪 4		
Community and recreation	IMPROVED 🥒 11	REDUCED 4 NA: 2		
Economic development	IMPROVED 🖈 1	REDUCED \$\square\$ 5		
Water supply 1	IMPROVED 🥒 6	REDUCED 🐪 3		
Wastewater 1	IMPROVED	2 REDUCED \$\frac{1}{2}		
Stormwater 1	IMPROVED 1 SAME →)7		
Land transport ¹	IMPROVED 🥕 5	REDUCED 🐪 3		
Sustainability	IMPROVED 🥒 1	REDUCED ★ 3 NA: 1		
Planning and regulatory	IMPROVED 7 SAME →	4 REDUCED \$\frac{1}{2}		

^{1.} Some Water supply, Wastewater, Stormwater, and Land transport performance measures contain multiple targets which we have considered separately for this analysis.

Commentary on our performance measures

Overall, our performance has improved from the previous year. We have continued to achieve against our Community and recreation activity group targets, but in other areas our performance has decreased, such as in Leadership and Sustainability.

For some activity groups, performance has greatly improved, but we continue to not meet all of our targets. This is particularly evident in the Community and recreation activity group, where we improved 11 of our 17 performance measures, compared to only six in the 2022 - 2023 year. Despite the overall achievement result in this activity group, the improvement indicates we are moving in the right direction to achieve the targets in the future.

There are three targets in the *Leadership* activity group where our performance significantly decreased in 2023 - 2024 compared with 2022 - 2023:

- Trust and effective management (-12%)
- Council rates, and fees for other services are perceived to have value for money (-12%)
- Overall satisfaction with the performance of our Mayor and councillors (-16%)

Financial summary

Deficit for the year

For the 2023 – 2024 financial year, Council had a net operating deficit of \$10.69 M (excluding revaluation movements) compared to a lower budgeted deficit of \$4.67 M. This is largely due to operating expenditure being \$11.74 M over budget, however this is partially offset by operating revenue being \$5.72 M over budget.

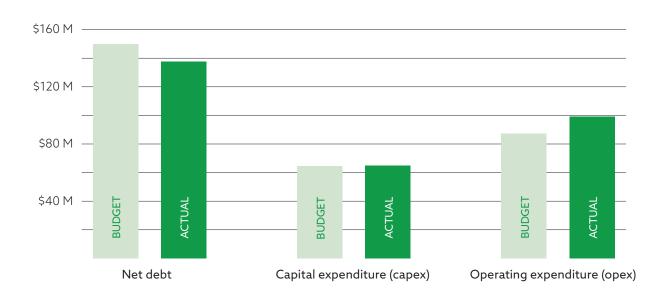
The operating expenditure increase was seen across most uncontrollable expenditure line items such as bulk water and finance costs. The operating revenue increase was driven by higher-than-budgeted fees and charges and interest received.

Financial statements

Our financial statements are prepared according to accounting standards, which means they have to include items that are not cash transactions (such as vested assets and depreciation). Actual cash received and spent during the year is detailed in the Statement of cash flows on page 106.

Debt

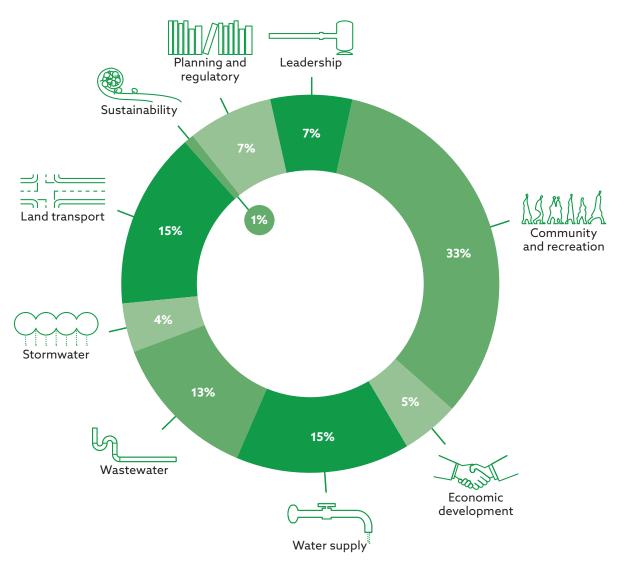
Public debt was \$137.45 M at the end of the year against an anticipated balance of \$149.99 M. We borrow to fund capital infrastructure projects. Project delays meant that we didn't borrow as much during the year as we expected to. A number of these delayed projects have been reprogrammed through the Long Term Plan 2021 – 2031.



Our financial position

The operating deficit was \$10.69 M. We encountered significant financial challenges. All non-controllable cost aspects of our services increased and were higher than the levels budgeted. Salaries remained within budget. All other costs incurred increases that we are not able to control, for example we are 'price takers' on the bulk water service costs we pay. Despite the financial challenges, Council remains focussed on funding roading and water infrastructure and other core services to the level the community expects. Council remains in a solid financial position with adequate debt capacity.

The graph below summarises how rates income was divided up into each of our nine activity groups.



Five-year financial performance summary

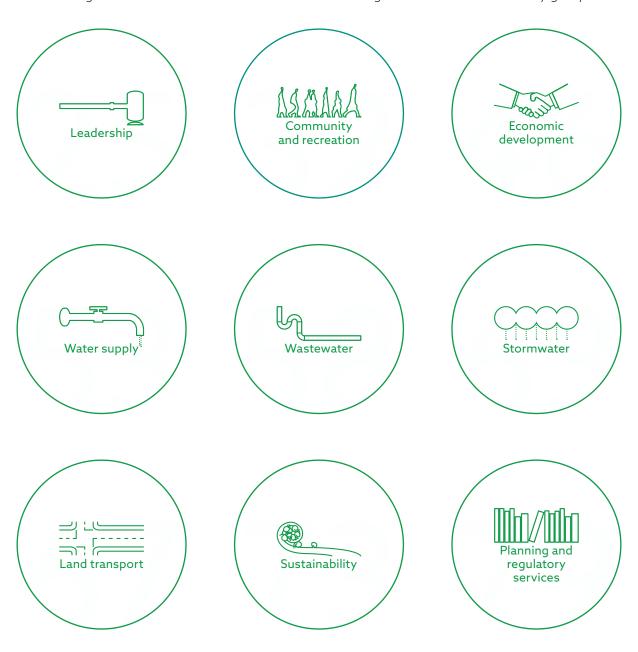
	ANNUAL PLAN 2023 - 2024 (\$000)	ACTUAL 2023 - 2024 (\$000)	ACTUAL 2022 - 2023 (\$000)	ACTUAL 2021 - 2022 (\$000)	ACTUAL 2020 - 2021 (\$000)	ACTUAL 2019 - 2020 (\$000)
Gross rates	53,215	54,073	50,121	46,452	43,755	42,631
Net surplus/(deficit)	(4,674)	(10,694)	(5,120)	11,985	1,403	6,811
Working capital	8,511	24,820	10,345	25,186	10,725	7,462
Borrowings	174,089	179,000	112,000	91,000	66,311	49,000
Total assets	1,158,327	1,634,866	1,101,657	1,024,233	924,768	838,278

Five-year Council financial statistics

	ANNUAL PLAN 2023 - 2024 (\$000)	ACTUAL 2023 - 2024 (\$000)	ACTUAL 2022 - 2023 (\$000)	ACTUAL 2021 - 2022 (\$000)	ACTUAL 2020 - 2021 (\$000)	ACTUAL 2019 - 2020 (\$000)
Proportion of gross rates to total income	64.4%	61.2%	63.8%	53.5%	64.4%	62.0%
Average gross rates per rateable property	\$2,982	\$3,025	\$2,857	\$2,647	\$2,506	\$2,435
Total interest expense on public debt	3.9%	4.4%	3.6%	2.4%	2.6%	3.6%
External public debt to annual rates	327.1%	331.0%	223.5%	195.9%	151.5%	114.9%
External public debt per rateable property	\$9,755	\$10,014	\$6,383	\$5,186	\$3,798	\$2,799
External public debt to total equity	17.9%	12.5%	11.5%	9.9%	7.9%	6.3%

Nga manahau whakatopu Groups of activities

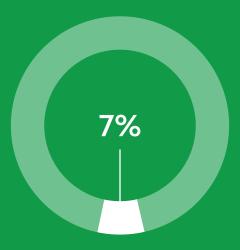
Our full range of services and facilities are divided and budgeted for under nine activity groups.



We meet the needs and aspirations of our city and community, as well as fulfill our statutory responsibilities through these activity groups. This section contains the projects and work programmes for each activity group along with our non-financial performance. We also compare the actual spending with the current and previous (2022 – 2023) year's Long Term Plan budgets.

Mana whakahaere Leadership

Rate funding



7% of the funding we received through rates went towards the Leadership group of activities. This \$3.7 M made up 100% of the group's total funding.

Community outcomes

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





PAPŌRI ME TE AHUREA Social and cultural



Economy



What we do

Elected member functions, planning, policy, strategy, monitoring and performance, partnerships, and communications and engagement The purpose of local government in New Zealand is to promote the wellbeing of communities in the present and for the future. This group of activities is about providing leadership for the community, advocating on its behalf, and enabling democratic decision-making in which the community is fully involved.

The direction for the **Leadership** activity group is set out in our Long Term Plan 2021 – 2031 on page 31.



What we achieved this year



His Worship the Mayor out in the community

An integral part of the Upper Hutt community, the Mayor attended a number of public functions, ceremonies, graduations, prizegivings, community group meetings and engagements with local schools. The Mayor also represents council on a number of regional committees.

The Mayor's monthly 'hot seat' also continued throughout the year at the libraries, including a pop-up at Pinehaven library. This provides an informal setting for anyone to meet with him without an appointment.

Citizenship ceremonies

Five citizenship ceremonies were held at Whirinaki Whare Taonga in July, August, November 2023, March and May 2024. Our ceremonies continue to have support of attending officers from the New Zealand Defence Force and the New Zealand Police which our candidates find valuable and important component of our ceremony.

Upper Hutt has been enriched by residents from 47 different countries gaining New Zealand citizenship. A total of 316 people became New Zealand citizens by attending their allotted ceremony.

Partnership, participation and protection of Māori contributions to decision-making Our relationships with Mana Whenua (Taranaki Whānui ki Te Upoko o Te Ika and Ngāti Toa Rangatira); and Mātāwaka (Ōrongomai Marae) continue to strengthen with increased involvement at both the consultation and application of Tikanga levels. We are progressing work under our first memorandum of partnership with the Wellington Tenths Trust branch of Taranaki whānui, signed last year.

Over the past year, for both internal and external activities, we continued collaboration with Mana Whenua and Ōrongomai, with notable engagement particularly on Māori representation matters relating to our representation review project.

As directed by Mana Whenua, where practical, councils have been taking a joint approach in getting Mana Whenua direction. We are continuing mahi towards developing an Effective Māori Engagement Strategy to support the commitment of both partners for effective engagement.

Representation Review

Council initiated its Representation Review process in June 2023, a mandatory review conducted every six years to ensure fair and effective community representation. This review is essential for determining the structure and number of representatives within Council, including the potential creation of new wards or community boards.

Throughout the review, Council has actively engaged with the community through surveys and public consultations, gathering input on key issues such as the possible introduction of a Māori ward, the number of councillors elected, and the use of community boards. Public participation has been a cornerstone of this process, with multiple opportunities provided for residents to express their views.

As of the end of June 2024, the initial proposal has been developed for consultation based on the feedback received, with adoption by Council anticipated by the legislated deadline of 31 July. This review process has been affected by legislated change taking place at the end of the year and new requirements concerning the establishment of Māori wards, meaning final decisions remain pending. The outcomes of this review will set in place arrangements for the 2025 local elections, ensuring that the representation model accurately reflects the community's needs and preferences.



Long Term Plan

Significant work was undertaken this year to adopt the Long Term Plan 2024-2034. Developed in an unprecedented environment of financial pressure and legislative uncertainty regarding water reform, the plan set out a back-to-basics approach focused on delivering core activities, maintaining infrastructure, and continuing to build financial resilience. Key matters for community feedback covered activity funding reductions, the level of investment in water services, and our revenue and financing policy.

The Long Term Plan also consulted and adopted a range of Council policies and the annual Fees and Charges. Formal consultation was completed in April and May 2024 with 632 submissions received and considered in three days of hearings and a further day of deliberations. The final Long Term Plan 2024-2034 was adopted on 27 June 2024.

Governance

This activity enables, promotes and supports transparent local democracy by providing advice and support to elected members, staff and the community. Council's Governance Statement is available on our website and it contains information about how the Council makes decisions and shows how the community can influence those processes.

Installation of an audio-visual system in Council Chambers in November 2023 improved Council's capability of live streaming and recording meetings and enhanced remote participation for elected members and the public.

Business as usual for the Governance team included facilitating 13 Council meetings, 24 committee meetings, and 23 Council workshops. The Governance team handed over servicing of the Hutt Valley Services Committee in December 2023 to Hutt City Council.

Council officers and elected members have been considering the recommendations from the Chief Ombudsman's October 2023 report 'Open for business'. An ongoing programme of work is being developed to improve governance accessibility and engagement with the community.

Strategy and policy

As part of their governance role, the Mayor and councillors were involved in discussions and decisions on policies, strategies, and proposed changes to Central Government legislation. The latter included making submissions on the Fast Track Approvals Bill, Resource Management (Freshwater Management and other matters) Amendment Bill, and Local Government (Water Services Preliminary Arrangements) Bill. The Mayor and councillors also considered other external submissions, for example they made a submission to on the Greater Wellinton Regional Council's Long Term Plan and the New Zealand Transport Agency's Emergency Works Consultation.

Communications and engagement

Residents, mana whenua, local businesses, partners, staff, elected members, and others should understand what we do, so they are informed, engaged, and enabled to provide meaningful feedback to help shape the future.

- Our triennial Long Term Plan, which reviews and sets Council direction for the coming 10 years, was consulted on and completed over the first six months of 2024, for Council adoption in June this year. This involved the elected officials meeting with ratepayers and residents through a series of targeted and general discussion and information sessions.
- We sought community feedback or consulted on 13 other significant topics: our Representation Review including Māori Wards, the Land Transport Speed Management Plan, notification of Plan Change 50—Rural Chapter of the District Plan, the Dangerous and Insanitary Buildings Policy, Marchant Road Subdivision, Local Approved Products Policy, development of Integrated Transport and Integrated City Centre strategies, changes to our Development and Financial Contributions Policy, public notification of Plan Change 47—Natural Hazards, and Easter Sunday Trading Policy review.
- Ongoing detailed communications supporting a variety of projects and activities remained a key focus this year. This ranges from the H₂O Xtream upgrade, Main Street watermain renewal, cemetery redevelopment to dog registration campaign, grants funding rounds, water resilience, and an acute summer water shortage risk to name a few.

How we performed

Our performance measures for the Leadership activity group are established in our Long Term Plan 2021 – 2031 on page 35. We are reporting against the Year 3 targets.

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

1 Satisfaction with Council in terms of leadership, trust, and effective management ²

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Satisfaction,	47%	≥ previous year	35% 🗢 (-12%)	Community
quality				Survey

Commentary: Concerns about 'rates being fair and reasonable' and the subsequently lower perception of value, are resulting in residents having a less favourable view of management. The two measures, 'rates being fair and reasonable' and 'value for money' both have a strong correlation with the 'overall management and reputation' measure, 0.63 and 0.72 respectively. Verbatim comments further support a conclusion that the need for higher rates is reflecting on perceptions of Council's management.

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

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Affordability	37%	≥ previous year	25% 🗢 (-12%)	Community Survey

Commentary: The less favourable result for 'value for money' is a direct consequence of residents' having lower perceptions of 'rates being fair and reasonable', the two measures being strongly correlated (0.75). The fact that both measures have declined strongly suggests that residents aren't recognising the value they receive, by way of facilities, services, and resources, in return for what they pay. Verbatim comments support a conclusion that dissatisfaction relates to the proposed rate increases.

3 Overall satisfaction with Council's services, infrastructure, and facilities 2

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Satisfaction,	50%	≥ 80%	51% 🗢 (+1%)	Community
quality				Survey

Commentary: The 'overall services, infrastructure, and facilities' measure is being influenced by perceptions of how well the city's roads are being maintained as reflected in the correlation between these measures. Verbatim comments also indicate concern about infrastructure not keeping pace with new residential developments in the city.

2. Respondents are satisfied or very satisfied.

4 Satisfaction with the overall performance of our Mayor and councillors ³

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Satisfaction,	45%	≥ 70%	29% 🗢 (-16%)	Community
quality				Survey

Commentary: Results for the 'overall performance of the Mayor and Councillors' is also being lowered by the less favourable 'value for money' and 'rates being fair and reasonable' measures, the correlations being 0.76 and 0.67 respectively. The fact that some residents are associating the need for rate increases with how Council is being managed, is likely to be reflecting on the perceived performance of elected representatives, thereby explaining the low result relative to the KPI target.

5 Satisfaction with the level of communication and engagement, and the channels we use 3

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Satisfaction,	47%	≥ 70%	45% 🗢 (-2%)	Community
quality				Survey

Commentary: Comments suggest that there is some need for greater transparency.

Funding impact statement (\$000)

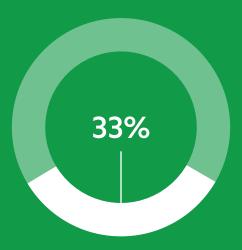
For 30 June 2024 for the **Leadership** group of activities.

LTP Y2 2022 - 2023	SOURCES OF OPERATING FUNDING	LTP Y3 2023 - 2024	ACTUAL 2023 - 2024
3,993	General rates, uniform annual general charges, rates penalties	4,131	3,667
0	Targeted rates	0	0
0	Subsidies and grants for operating purposes	0	0
4	Fees, charges	4	2
0	Internal charges and overheads recovered	0	0
0	Local authority fuel tax, fines, infringement fees, and other receipts	0	13
3,997	Total operating funding (A)	4,135	3,682
	APPLICATIONS OF OPERATING FUNDING		
268	Payments to staff and suppliers	139	115
0	Finance costs	0	0
4,029	Internal charges and overheads applied	4,296	3,767
0	Other operating funding applications	0	0
4,297	Total applications of operating funding (B)	4,435	3,882
(300)	Surplus (deficit) of operating funding (A – B)	(300)	(200)
	SOURCES OF CAPITAL FUNDING		
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	0	0
0	Increase (decrease) in debt	0	0
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
0	Total sources of capital funding (C)	0	0
	APPLICATIONS OF CAPITAL FUNDING		
	Capital expenditure		
0	- to meet additional demand	0	0
0	- to improve the level of service	0	0
0	- to replace existing assets	0	0
(300)	Increase (decrease) in reserves	(300)	(200)
0	Increase (decrease) of investments	0	0
(300)	Total applications of capital funding (D)	(300)	(200)
300	Surplus (deficit) of capital funding (C – D)	300	200
0	FUNDING BALANCE ((A - B) + (C - D))	0	0

Te pāpori me ngā mahi a te rēhia

MAMA Community and recreation

Rate funding



33% of the funding we received through rates went towards the Community and recreation group of activities. This \$17.7 M made up 22% of the group's total funding. The remaining funding came from fees and charges, debt, and other sources.

Community outcomes

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



Environment



Social and cultural



Economy



What we do

Support the community through our programmes, initiatives, facilities, and community liaison. This group of activities provides a number of initiatives and services that support the community. It is the largest of our activity groups because it includes development and

maintenance of our facilities—from Council owned buildings to parks and reserves. Along with these are associated programmes, recreation and leisure offerings, and community support.

The direction for the **Community and recreation** activity group is set out in our Long Term Plan 2021 – 2031 on page 38.



What we achieved this year



Civic Centre upgrade

The last of the minor works on the Civic Centre seismic upgrade were completed and the move back into the upgraded facility went well, as planned in September 2023. The building is no longer earthquake prone and compliant with today's standards. Compliance related Improvements included changes to the building wiring, ventilation systems and toilets. The reception and some meeting spaces have been changed to make them safer and more inviting for visitors.



Maidstone Community Sports Hub (MCSH) Now Te Kupenga o Rongomai – Maidstone Sports Hub

Practical completion was issued on the 29th of February 2024 and the building was handed over to Te Aka o te Kupenga (CCO) who have since hosted several events and club functions. The opening day held on the 9th of March was a resounding success with the community turning out in force to celebrate Upper Hutts' newest sporting facility.

In addition to the main sports hub building the development also includes a new Pétanque facility, new bleachers and shelters for the hockey and soccer turfs, new carpark, new public toilet and changing facilities, new building and park upgrades at Whakatiki Park to support the softball club and new lighting around the 2 main playing fields at maidstone park that will enable night time training and games up to a semi-professional level.

Te Kupenga o Rongomai is a commitment to a brighter, healthier future in sport bringing clubs and families together. Like H_2O Xtream the new sports hub is a fantastic regional asset that will attract clubs and events from around Wellington and NZ.

The sports hub was completed on budget and to a high standard of finish.



Plateau Road Playground

Nestled in the suburb of Te Marua, Plateau Road Playground is one of Upper Hutt's well-loved neighbourhood parks. However, the old playground was in need of a revamp for more enriched play experiences.

As part of the Upper Hutt City Councils Parks and Reserves Team, we aim to create such experiences, along with all-weather access paths and more shade opportunities.

The playground upgrade included the old swings and fort being replaced with multi use equipment - including ladders and slides for the toddlers and juniors who want to venture a bit further, and balance and coordination items such as colourful stepping logs to challenge the older kids. The playground edging was also replaced, and new safety surfacing installed.

A new link path has been installed from the footpath to the playground linking in the new all-weather shelter and new recycled plastic picnic table.

It's the perfect destination for some physical fun or a spot of reading under a shade tree! Another great location to spend time at in our growing city.



Arbour day planting

The Arbor Day planting took place in conjunction with Fergusson Intermediate Schools 43 Environment students, Forest and Bird and council staff, 420 native trees have been planted to further extend Bartons Bush. This is the 6th year of extending Bartons Bush existing stand of native trees.



Brians Track Bridge

A new wooden footbridge and steps have been completed through Riverstone River Reserve on Brians track. This is part of the work to fill in the missing links on the Hutt River Trail to have a continuous walking track on both sided of the Hutt River. This bridge bypassed a gully that was being undermined and the steps traverse a steep unstable bank. The new construction creates the link from Totara Park Bridge through to Moonshine Bridge being another bridge-to-bridge circuit.



Maidstone Park Hockey Turf

The artificial surface on the hockey turf at Maidstone Park was replaced, during this an upgrade of the base was carried out to make it easier to replace in future years.



New toilets and changing shelters were also installed at Maidstone Park beside the hockey turf, this was funded as part of the Maidstone Community Sports Hub project. The building was pre-constructed in Gisborne and transported to site.

Trentham Memorial Park

The artificial surface on the cricket nets at Trentham Memorial Park was completed.



Whakatiki Park Softball Club

The Whakatiki Pavilion and grounds currently leased by the Totara Park softball club had some renovation works, seismic upgrading and alterations to the skin diamond carried out, this was funded through the Maidstone Community Sports Hub project.



Akatārawa Cemetery

We acquired a ride-on mower and a shipping container for storage at the cemetery. The new ride-on mower saves significant time and reduced costs associated with grounds maintenance. Additionally, the shipping container provides a secure and convenient solution for storing burial equipment and supplies. These acquisitions have improved operational efficiency and reduced overall maintenance expenses.



Whirinaki Whare Taonga

This year saw over 180,000 visitors to Whirinaki Whare Taonga. It was also the year Whirinaki presented its biggest exhibition ever with over 20,000 visitors: *Hall of Heroes*, a huge exhibition that arrived in four containers from the States, exclusively to Upper Hutt, featuring superheroes from DC Comics and Marvel. Upper Hutt loved this exhibition, and we loved the happy faces of the families who visited. Our favourite quote this year was from a child who after visiting Hall of Heroes said loudly "This was the best day ever!" Hall of Heroes was entry by donation, keeping it open and accessible to all our communities. This high-profile blockbuster exhibition boosted the well-being of our visitors giving families a great outing, building connections and making memories.

The other major exhibition this year was *Home: One City Many Cultures* which told the story of ten families who have travelled from other countries to make Upper Hutt their home, celebrating the truly multicultural spirit of Upper Hutt. One of our key objectives is to provide opportunities and learning for the people in Upper Hutt and beyond, these two great exhibitions did this and more. The Gallery floor also featured *Tony Fomison: Lost in the Dark*, featuring one of the most important New Zealand painters of his generation, proving popular with

audiences, and Stevei Houkimau's *Whakapapa Chain 3.0* was a beautiful example of Toi Māori. Two exhibitions focused on light: *Stack* by Angus Muir presented a light installation of shapes and moving imagery while Bob Jahnke's installation *Roimata* spoke to our mistreatment of the environment and humanity in a Matariki timed exhibition.



In our performing arts spaces, we have had over 100 music, theatre and dance performances. From the belly dancing of the Middle East to an Indian Arangetram presentation, our intimate Late Night Sound Bite series to the sold-out shows of renowned performers Whirimako Black and Shihads Jon Toogood, the stillness of our Classical concerts, to the silliness of our children's theatre shows, it has been a year of delight and diversity. Six dance schools celebrated their end of year dance performances with over 9600 dancers on stage throughout the year, a regular groups of ukulele players gather once a month and we welcomed for the first time the Japanese film festival to Upper Hutt.

Approximately 4,200 school children attended curriculum-linked education programmes at Whirinaki as part of our self-funded schools programme, many from Upper Hutt. Being able to present two new events; Matariki Puanga and the first Upper Hutt Arts Trial were both big undertakings of the Community Arts and Cultural Advisor. The Street style Matariki saw 5,000 people celebrate with live music, crafts and street food and the Upper Hutt Arts Trail had 3,500 site visits to local artists' studios and spaces. A highlight of the years was accepting five gifts of artwork into the Pumpkin Cottage Collection: a collection of artwork held by the Trust for the people of Upper Hutt.



H₂O Xtream redevelopment

Preparation for the H_2O Xtream redevelopment commenced in 2022, with the facility closing to the public on 7 February 2023.

During the redevelopment, the H_2O Xtream swim school has operated out of Trentham School Pool, enabling Tamariki to access the important life skill of learning to swim. Public swimming at Fulton pool has enabled Council to continue to provide hydro classes and lane swimming for the community.

Work on the H₂O Xtream redevelopment has been progressing well and much of the building structural envelope has been completed. The Junior Leisure pool foundations are complete and the plant room mechanical installation is completed. The installation of the precast stairs in the hydroslide tower has been completed and the Front of House (Main Entrance) steel work including floor slab is in place.

Whilst exposing the ceiling to complete structural seismic work the contractor (Maycroft) uncovered serious issues and damage to the roof over the main pool hall. After a thorough investigation it was determined that the roof required replacement. Work is underway scheduled to be complete in August 2024. The roof replacement and poor weather have extended the reopening date, tentatively scheduled for February 2025.

U-play holiday programme

Activation, Whirinaki Whare Taonga, and Upper Hutt Libraries partnered to create U-Play. U-Play is an Upper Hutt City Council children's event series offered each school holidays. A wide range of activities are offered spanning from active recreation, sports, play, games, arts and crafts, education, and entertainment. Upper Hutt City Councils Activation team provided or collaborated with local clubs and sporting organisations to provide U-Play events with an emphasis on play, active recreation, and sports. This comprised of a total of 50 events over the year and over 5000 Participants.

To enhance accessibility, most of our events did not require registration and were either free or low-cost, reducing financial barriers.



Ngā Taonga Tākaro: School Play Activations 2023 - 2024

Ngā Taonga Tākaro Schools provides 40 weeks of accessible play activations to primary schools in Upper Hutt. This is facilitated by Upper Hutt City Council through the Recreation Services, Activation team.

Tākaro activations take place within our local primary schools for Tamariki aged 5 – 11 years, they are inclusive of all abilities. Prioritisation is given to schools where play might be less accessible for our Tamariki, and which require additional support and encouragement in providing play opportunities outside of the classroom. Activation enhanced access to play and active recreation for children by bringing the Play Pod to schools, utilising their open playgrounds, school fields, and halls. Activation successfully conducted 35 play activation sessions, engaging 4,117 Tamariki in Ngā Taonga Tākaro activities within school premises.

In addition to sessions led by Activation staff, teachers were trained to independently deliver their own sessions during the 2 – 4 weeks that the Play Pod was stationed at their school. This initiative empowered schools to continue delivering active play even after the initial sessions concluded.



Bike Recycle Project

This initiative provides refurbished bikes to children, youth, and adults who may not otherwise have access to safe, quality bikes. The project Is a sustainable initiative, maximising the lifespan of bicycles. It removes barriers for inclusion to bike- related activities for people with limited financial resources. This year Activation gave away 42 bikes to 25 families in Upper Hutt. Activation donated four refurbished bikes to the Upper Hutt Multicultural Council (UHMCC). This is the start of what we hope to be a successful relationship with UHMCC to provide bikes to more people in the community. Activation worked closely with Greater Wellington Regional Councils initiative of Pedal Ready to identify different schools that may benefit most from donated bikes. Pedal Ready is a programme that teaches the Tamariki in schools how to ride a bike safety. The initiative is a true community partnership with several organisations working together either directly or indirectly supporting the promotion of cycling in the community.



Library services—physical and digital

We welcomed over 168,900 visitors to our libraries this year and issued 426,000 items from our lending collections. 84% of items were borrowed from our physical collections, 16% from our digital collections of eBooks, eAudiobooks, eMagazines, or streaming video. This is the equivalent of 9.3 items issued to every resident in Upper Hutt. There is also strong demand for our public internet service. Over 45,000 people used our Chromebooks or our public Wi-Fi service this year – that's 865 people every week!



Library programs and events

Libraries are key community, social, and cultural venues in Upper Hutt. Over 12,000 people attended 700 programs and events at libraries this year, while community partners delivered over 600 hours of 'Hot Seat' clinics or public dropin sessions. Library programs cater to a diverse range of ages and interests, and this year we had a strong focus on diversity and inclusion.

We honoured *Mahuru Māori* | *Māori Language Month* in September, we brought Indonesian culture into the Central Library in November where 180 people enjoyed an evening of traditional Javanese *Wayang Kulit* shadow puppet theatre with the ensemble Gamelan Padhang Moncar orchestra, we hosted a 5-day cultural showcase in partnership with the Upper Hutt Multicultural Council to celebrate *Race Relations Day* in March, and we celebrated *Wellington Pride Festival* and *Out on the Shelves* in June as a way of connecting the Rainbow community with books that represent them.

Children and youth

We were thrilled to welcome *UHub* to the Central Library in March. UHub offers a drop-in service for community twice a week, where local tamariki, their whānau, and families can connect with relevant child-centred services and resources in one place.

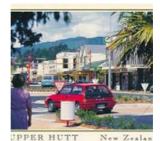
900 tamariki and rangatahi attended *U-Play* school holiday events at the library throughout the year, and we had a fantastic response to our summer holiday reading challenges where 190 tamariki and rangatahi completed at least one level in the *The Big Read, Little Read,* or *Even Bigger Read.* This was our second collaboration with Hutt City Libraries to deliver a valley-wide summer reading challenge.



Outreach services

Our Outreach Team engaged with over 10,000 people during more than 600 visits to schools, early childhood education centres, rest homes, retirement villages, and homebound customers in Pūrehurehu and Mangaroa, our two mobile library vehicles.

Additionally, we promoted library services to around 300 people during a series of 'Libraries in the Park' visits in December and January, as part of our strategy to reach people in the community whom we might not otherwise see in a library.



Heritage services

Our Heritage Team has been focused on community engagement as a tool to fill content gaps in our archives. Our monthly Local History Group meetings allow members to reminisce while also allowing the Heritage Team to gather and record their stories. Our meeting in June 2024 on "butchers" was a popular event that attracted numerous new faces to the group.

With the introduction of the new Aotearoa New Zealand national histories curriculum, we saw a golden opportunity to widen the demographics of our outreach engagement. The programs we have hosted have both involved teaching directly to Upper Hutt school children and providing heritage resources for teachers. Through the sharing of stories, a thread of history is weaved between the established members of our community, through to our tamariki.

Also of note was Upper Hutt's record contribution of fourteen events to the Wellington Heritage Festival program. Upper Hutt Libraries hosted three of these events, looking at the life and times of Angus McCurdy, Upper Hutt's first Mayor, including two tours to the site of McCurdy's Castle.

Community engagement

The Community Development Team have worked with the community to support participation, connectedness, resilience, health and community safety. This has included:

- Continuing to support community-based organisations who respond to individuals and whānau in the Upper Hutt community who are facing challenges in areas such as food security, housing and health. This has included working in partnership with local social service providers and Community Police to support rough sleepers in the city centre and surrounds
- Active support of the diverse groups who work in the kai space including community gardens, crisis food providers, fruit & vege co-op and other community groups to support their common visions of increasing food security for all Upper Hutt residents
- Working to increase the inclusivity of our diverse community. The Community Development Team has actively supported Rainbow events both within the Upper Hutt and the wider Wellington region.
- The Welcoming Communities Coordinator has continued to explore ways to make Upper Hutt a more welcoming place for migrants and build relationships with local migrant groups with support from the Upper Hutt Multicultural Council and Ōrongomai Marae
- Providing support for the wide range of community groups through community workshops focused on sourcing external funding

- Working with local youth and youth organisations to enhance youth-led initiatives
- Celebrating the breadth and successes of community groups through the Youth Awards and Wellington Regional Airport Community Awards

Emergency preparedness

Throughout this year we have worked on improving our Emergency Operations Centre (EOC) staff training, working with WREMO to provide community emergency preparedness workshops and promoting emergency preparedness and resilience to our communities.

- This year we have had 247 instances of Council staff attending Emergency Management Training. This includes training courses, Council exercises, and virtual forums. Some of the exciting opportunities staff got to attend including, learning how to set up an emergency water distribution point, Seminars on Leadership in extreme contexts, and attending the setup of the New Zealand Emergency Management Assistance Team's (EMAT) deployable coordination center, that was used in the Hawkes Bay during Cyclone Gabrielle.
- In May we held an exercise in our Emergency Operations Centre, focusing
 on dealing with a Severe Weather event occurring in the Wellington Region.
 We had 62 attendees attend the exercise, which included Council staff
 and liaisons from FENZ, Te Whatu Ora, Greater Wellington Regional
 Council, Department of Corrections and Upper Hutt Community Rescue.

How we performed

Our performance measures for the **Community and recreation** activity group are established in our Long Term Plan 2021 – 2031 on pages 43 – 45. We are reporting against the Year 3 targets.

Level of service: Our city is connected to its open spaces.

Resident satisfaction with quality of parks, reserves, and gardens (includes Trentham Memorial Park, Maidstone Park, and Harcourt Park)⁴

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Satisfaction,	84%	≥ 90%	86% 🗢 (+2%)	Community
quality				Survey

Commentary: There are no comments from the survey to help us understand why numbers have trended downwards over the past 4 years.

7 User satisfaction with the Upper Hutt pathways network 4

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Satisfaction,	70%	> 86	76% 🗢 (+6%)	Community
quality				Survey

Commentary: There are no comments from the survey to help us understand the cause of the result.

Level of service: Our services and facilities are accessible and valued by our residents and visitors.

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

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Quality,	162,296	≥ 115,000	180,336 🕏	Internal audit of
accessibility			(+18 K)	attendance rates

9 Whirinaki Whare Taonga: Community satisfaction with the range and quality of events and exhibitions provided at Whirinaki Whare Taonga 4

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Satisfaction,	84%	≥ 90%	88% 🗢 (+4%)	Community
quality				Survey

Commentary: There are no comments from the survey to help us understand the cause of the result.

4. Respondents are satisfied or very satisfied.

10 H₂O Xtream: Annual attendance figures (represented by paying users)

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Quality,	135,308	≥ 210,000	21,682 🗢	Internal point of
accessibility			(-114 K)	sale (POS) system

Commentary: Attendance at the H₂O Xtream facility prior to closing on 7 February 2023 was 122,565. H₂O Xtream working remotely then saw another 12,743 swim to finish 22/23 attendance at 135,308. H₂O Xtream working remotely in 2023/24 has attendance figures of 13,320 Learn to Swim at Trentham School Pool, 2271 tamariki on the holiday programme, and 6,091 public swims at Fulton pool.

11 H₂O Xtream: User satisfaction with the facility ⁵

2022 - 2023			2023 - 2024	23 - 2024		
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE		
Satisfaction,	65%	≥ 80%	NA	Community		
quality				Survey		

Commentary: The H_2O Xtream facility closed on 7 February 2023, so has not been available for customers to use and determine any level of satisfaction.

12 H₂O Xtream: User satisfaction with service provided ⁵

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Satisfaction,	80%	≥ 90%	NA	Community
quality				Survev

Commentary: The H_2O Xtream facility closed on 7 February 2023, so has not been available for customers to use and determine any level of satisfaction.

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

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Quality,	168,521	≥ 190,000	168,915 🗢	Internal point of
accessibility			(+394)	sale (POS) system

Commentary: COVID recovery is gradual. Physical visits have increased slightly this year, but have not met target since 2020.

14 Libraries: Number of digital visits in 12 months to June 6

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Quality, accessibility	711,612	≥ 250,000	1,163,152 ♡ (+452 K)	Internal data analytics tool

- 5. Respondents are satisfied or very satisfied.
- 6. Sites included in this result are: upperhuttlibrary.co.nz (site visits), upperhutt.kotui.org.nz (site visits), and the Library app (how many times it is accessed).

15 Libraries: Community satisfaction with service provided by the library 7

2022 - 2023			2023 - 2024		
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE	
Satisfaction,	93%	≥ 95%	88% 🗢 (-5%)	Community	
quality				Survey	

Commentary: There are no comments from the survey to help us understand the cause of the result. The Library did experience some negative publicity during the time this survey was open for response.

16 Libraries: Community actively uses the libraries 8

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Quality, accessibility	29.5%	≥ 35%	30% • (+0.5%)	Internal membership
				records

Commentary: COVID recovery is gradual. Active library users have increased slightly this year, but have not met target since 2019.

17 Activation: Community satisfaction with service provided 7

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Satisfaction,	84%	≥ 90%	92% 🗸 (+8%)	Community
quality				Survey

18 Community Development: Community group satisfaction with service provided 7

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Satisfaction, quality	86%	≥ 90%	96% 🤡 (+10%)	Annual community groups survey

19 Community Development: Community satisfaction with the quality of event attended 7

KEY CRITERIA	2022 - 2023 RESULT	TARGET	2023 - 2024 RESULT	DATA SOURCE
Satisfaction, quality	99%	≥90%	98% 🤡 (-1%)	Feedback forms from small events, emoji rating counter for large events

^{7.} Respondents are satisfied or very satisfied.

^{8.} Percentage who are active users.

Level of service: Our city is safe and prepared.

20 Council emergency preparedness: Number of staff at Advanced training level

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Satisfaction,	5	10	7 🗢 (+2)	EOC training Audit
quality				

Commentary: Due to staff turnover, we have been working to build back our training levels. This takes time as staff are required to achieve a number of courses and activities to reach advanced level. We are seeing an improvement in staff training and working to get staff who are currently at foundation to Intermediate and Advanced levels.

21 Percentage of respondents who know that households need to store 20 litres of water per person, per day, for seven days

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Quality	3%	≥ 25%	4% 🗢 (+1%)	Community
				Survev

Commentary: This measure increased by 1% however, there is still a lack of knowledge or awareness.

22 Resident satisfaction with safety in their neighbourhood 9

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Satisfaction,	54%	≥ 85%	53% 🗢 (-1%)	Community
quality				Survey

Commentary: There are no comments from the survey to help us understand the cause of the result.

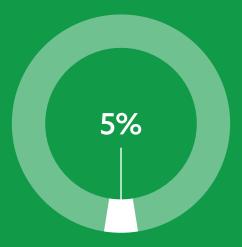
Funding impact statement (\$000)

For 30 June 2024 for the **Community and recreation** group of activities.

LTP Y2 2022 - 2023	SOURCES OF OPERATING FUNDING	LTP Y3 2023 - 2024	ACTUAL 2023 - 2024
15,115	General rates, uniform annual general charges, rates penalties	16,295	17,707
0	Targeted rates	0	0
18	Subsidies and grants for operating purposes	18	635
2,085	Fees, charges	2,348	1,810
8	Internal charges and overheads recovered	8	141
204	Interest and dividends from investments	201	2,762
1,062	Local authority fuel tax, fines, infringement fees, and other receipts	1,112	0
18,492	Total operating funding (A)	19,982	23,055
	APPLICATIONS OF OPERATING FUNDING		
11,407	Payments to staff and suppliers	12,096	32,359
1,534	Finance costs	2,549	3,858
4,732	Internal charges and overheads applied	5,028	4,077
48	Other operating funding applications	48	0
17,721	Total applications of operating funding (B)	19,721	40,294
771	Surplus (deficit) of operating funding (A – B)	261	(1,729)
	SOURCES OF CAPITAL FUNDING		
5,664	Subsidies and grants for capital expenditure	0	3,000
0	Development and financial contributions	0	0
33,500	Increase (decrease) in debt	16,288	52,940
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	1,488
39,164	Total sources of capital funding (C)	16,288	57,428
	APPLICATIONS OF CAPITAL FUNDING		
	Capital expenditure		
78	- to meet additional demand	80	0
38,002	- to improve the level of service	16,678	38,495
3,528	- to replace existing assets	1,828	2,010
(1,673)	Increase (decrease) in reserves	(2,037)	5,163
0	Increase (decrease) of investments	0	10,031
39,935	Total applications of capital funding (D)	16,549	55,699
(771)	Surplus (deficit) of capital funding (C – D)	(261)	1,729
0	FUNDING BALANCE ((A - B) + (C - D))	0	0

Whakawhanake ōhanga **Economic development**

Rate funding



5% of the funding we received through rates went towards the **Economic development** group of activities. This \$2.9 M made up 100% of the group's total funding. The remaining funding came from fees and charges, and debt.

Community outcomes

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





Social and cultural



Economy



What we do

Deliver initiatives, incentives and interventions to foster economic growth and promotion of the city, its events, and attractions.

This activity group focuses on targeting and attracting new businesses and employers, providing business support and liaison services to encourage future development. We offer programmes and promotional support to bring customers from around the region to Upper Hutt to support our businesses and enhance the commercial vibrancy of our city.

The direction for the **Economic development** activity group is set out in our Long Term Plan 2021 – 2031 on page 48.



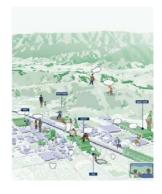
What we achieved this year

Supporting businesses



Business Capability Workshop Programme

Due to demand from our business community we have continued to offer an annual workshop programme in conjunction with the Hutt Valley Chamber of Commerce. The workshop topics are aimed at small and growing businesses and the workshop programme is developed directly from feedback we receive from business owners around their knowledge gaps or development needs. These workshops are heavily subsidised by providers and partners, keeping them accessible to start-up and fledgling businesses.



Developing an Integrated City Centre Strategy

In response to community concerns about the city centre lagging behind other commercial growth activity in Upper Hutt, this year we commenced development of an integrated city centre strategy. The purpose of this work was to work with stakeholders, businesses and residents to establish a shared vision of what we want Upper Hutt's city centre to be in the next 30 – 50 years, and to create a roadmap for how we might get there.

Engagement through online feedback, stakeholder group visits, public drop-in clinics and the development of a community advisory group brought in over 400 individual or group responses in late 2023. In early 2024, Council direction through development of the new Long Term Plan resulted in the project being discontinued.

Christmas Arcade

Following positive feedback and engagement last year, we worked with retailers to enhance our Christmas Arcade, designed to help activate the city centre through the lead up to the holiday season and complement the Santa Parade experience. Public feedback for our Christmas Arcade was again overwhelmingly positive. A point of difference we have in Upper Hutt's city centre is our wide range of bespoke and unique retail and service businesses. Activities and installations that provide positive experiences for visitors create links between the diverse range of shops we have on offer, encourage exploration, and help them discover our city's hidden gems.

Partnership activity



Hutt Valley Chamber of Commerce and Industry

In addition to our annual programme of small business workshops, the Chamber of Commerce continues to provide a wide range of business networking support to Council. The Chamber has also supported Upper Hutt businesses and jobseekers through an Industry and Employment Pathway events showcasing Upper Hutt businesses.



Wellington NZ

Screen Wellington have supported local companies through their work to ensure the region is presented as a prime location for new screen productions. Early 2024 saw a major production based in Upper Hutt's Lane Street Studios and using many pockets of the city for location filming. The supernatural thriller, Wolf Man is currently in post-production and set for worldwide theatrical release in early 2025.

Insights and incentives

Economic data

Upper Hutt has maintained a growth trajectory on the back of large-scale development across the city. Our retail and in particular the hospitality sector has felt the effects of economic downturn, but overall Upper Hutt business performance has proved resilient in the face of economic pressure. We are seeing a rise in unemployment growth, however we still sit below the national average.



Incentives

At a combined total of \$248 K, we've made 20 grants over the past financial year through the Economic Development Stimulus Policy. This investment has led to the creation of 73 new full-time equivalent jobs and has supported projects which have attracted private investment of over \$3.2 M.

Rates remission support has been provided to three large-scale developments:

- NZCIS has signed up NZ Football as a partner and is working with other national sports bodies.
- Lane Street Studios has provided the base for a major international screen production this year which will screen in 2025.
- Willis Bond's Blue Mountains Campus has refocused tenancy development on the commercial sector given the recent budget cuts in the public sector.
 IT systems provider Silicon Systems is the most recent new tenant in the precinct.

Marketing and promotion



Catch-up Cuppas

Following the success of our 2022 campaign to get our cafes pumping and our community connecting with one another through the dreary winter months, we repeated Catch-up Cuppas for 2023. \$10 hot beverage vouchers were distributed throughout Upper Hutt to give our community a much needed social and economic boost. The vouchers were redeemable at 10 participating local hospitality businesses. To encourage further visitation around the city centre 'after coffee activities' were also promoted. Table talkers and posters were designed to inspire our community to explore more of Upper Hutt. Feedback regarding this campaign was very positive from customers, community organisations, and businesses.



Highlight: Carnival of Lights

Highlight: Carnival of Lights transformed Upper Hutt for four fun-fuelled bright nights over Easter 2024. It was brought to the community by Late Night Lights with Council as a major sponsor, enabled by our Event Fund Disbursement Policy and guided by our Upper Hutt Event Strategy 2021 – 2026.



Always-On

In addition to our core quarterly campaigns where we specifically promote experiences or events to achieve promotion goals for Upper Hutt, Always-On advertising commenced in 2023 and features outdoor, radio, and digital advertising channels to encourage visitation to Upper Hutt, increase foot traffic in the city centre and showcase what Upper Hutt has to offer. We created video, collated great-news local community and business stories and developed a wide range of collateral to bring Upper Hutt to our target visitor markets across four distinct categories which Upper Hutt attractions and businesses are promoted under: *Taste, Shop, Explore, and Do.*



Profiles on My Upper Hutt

We're continuing to profile businesses, events, and activities in the city to showcase Upper Hutt as a great place to live, work, and play. Social media platforms My Upper Hutt Facebook and Instagram and the My Upper Hutt website are the three channels being used. Currently 37 businesses are featured on the website and in the last year there was a total of 311 posts featuring Upper Hutt businesses, events or activities on My Upper Hutt Facebook page and Instagram combined, an average of over 25 posts per month.



How we performed

Our performance measures for the **Economic development** activity group are established in our Long Term Plan 2021 – 2031 on pages 51 – 52. We are reporting against the Year 3 targets.

Level of service: People feel welcomed and connected to our city centre.

23 City centre on-street parking occupancy levels

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Quality, accessibility	Not Available ¹⁰	≤ 85%	84.8% 🕏	Annual targeted survey

24 Resident satisfaction with appearance of the city centre 11

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Satisfaction,	35%	≥ 75%	34% 🗢 (-1%)	Community
quality				Survey

Commentary: Community survey comments referenced the number of empty shops, the absence of new initiatives in the city centre (compared to elsewhere in the city) and a lack of vision for the city centre. Over the 2023 – 2024 year council engaged with the community to discuss their concerns about the city centre. Common themes are the degraded appearance of long-term empty buildings, the run-down nature of the streetscape and the need for more green/open space in the city centre. While there has been a delay in planned streetscape improvements, Council has introduced a higher rating differential to discourage long-term vacancy of commercial buildings and incentivise refurbishment and activation of the spaces.



^{10.} Information was not available for the 2022 – 2023 year due to the relocation of parking officers to temporary offices, which made it impractical to carry out the survey. However, the target was met in 2023 – 2024.

^{11.} Respondents are satisfied or very satisfied.

25 Resident satisfaction with safety in the city centre 12

2022 - 2023			2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Satisfaction,	46%	≥ 85%	45% 🗢 (-1%)	Community
quality				Survey

Commentary: Community survey results highlight that this is an important issue for the community, consistent with responses received to our community engagement on the city centre late in 2023. Respondents cited poor connectivity to nearby amenities, emptiness outside retail hours, a perceived rise in 'rough sleepers' and a lack of people living in the immediate area. The planned refurbishment of the Main Street city centre streetscape will eventually include paving, street lighting, revised plantings and public furniture all designed to make the area safer, more appealing, and accessible.

Level of service: The city centre is a great place for businesses.

26 Ground floor occupancy rate in the city centre

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Quality	92.8%	≥ 90%	90.7% 🗢 (-2.1%)	Six-monthly
				physical audit

Level of service: Our city is a great place to live in and do business.

27 Community satisfaction with the level of Council support in relation to economic development 12

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Satisfaction,	95%	≥ 75%	80% 🗸 (-15%)	Business and
quality				retailers survey

28 Community satisfaction with the level of Council support provided to retailers 12

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Satisfaction, quality	89%	≥ 85%	86% 🕏 (-3%)	Business and retailers survey

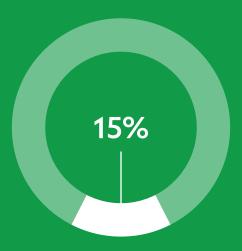
Funding impact statement (\$000)

For 30 June 2024 for the **Economic development** group of activities.

LTP Y2 2022 - 2023	SOURCES OF OPERATING FUNDING	LTP Y3 2023 - 2024	ACTUAL 2023 - 2024
2,569	General rates, uniform annual general charges, rates penalties	2,816	2,997
0	Targeted rates	0	0
0	Subsidies and grants for operating purposes	0	0
0	Fees, charges	0	0
0	Internal charges and overheads recovered	0	0
0	Local authority fuel tax, fines, infringement fees, and other receipts	0	0
2,569	Total operating funding (A)	2,816	2,997
	APPLICATIONS OF OPERATING FUNDING		
2,084	Payments to staff and suppliers	2,099	2,257
92	Finance costs	95	103
584	Internal charges and overheads applied	660	575
0	Other operating funding applications	0	0
2,760	Total applications of operating funding (B)	2,854	2,935
(191)	Surplus (deficit) of operating funding (A – B)	(38)	62
	SOURCES OF CAPITAL FUNDING		
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	0	0
102	Increase (decrease) in debt	(49)	(62)
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
102	Total sources of capital funding (C)	(49)	(62)
	APPLICATIONS OF CAPITAL FUNDING		
	Capital expenditure		
0	- to meet additional demand	0	0
41	- to improve the level of service	43	0
0	- to replace existing assets	0	0
(130)	Increase (decrease) in reserves	(130)	0
0	Increase (decrease) of investments	0	0
(89)	Total applications of capital funding (D)	(87)	0
191	Surplus (deficit) of capital funding (C – D)	38	(62)
0	FUNDING BALANCE ((A - B) + (C - D))	0	0

Ngā puna wai Water supply

Rate funding



15% of the funding we received through rates went towards the Water supply group of activities. This \$7.8 M made up 64% of the group's total funding. The remaining funding came from fees and charges, and debt.

Community outcomes

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





PAPŌRI ME TE AHUREA Social and cultural





What we do

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

Upper Hutt's water supply ensures the health and safety of the community, and supports economic growth and development. Provision of our water supply and management of the network is contracted to Wellington Water. Bulk water is purchased from Greater Wellington Regional Council (GWRC) and stored in Council's reservoirs prior to distribution to households and businesses in the supply area.

Upper Hutt's water supply network includes 9 pump stations, 16 reservoirs, 280 km of water mains, and approximately 17,000 service connections, 1,600 fire hydrants, and 16,000 valves.

The direction for the **Water supply** activity group is set out in our Long Term Plan 2021 – 2031 on page 55.



What we achieved this year

Monitor network and make repairs as necessary

Council's investment in the drinking water network has enabled the repair of 1075 leaks, and reduced the backlog down to around 140 at the end of 2023 – 2024. Network maintenance and component renewals (i.e. valves and hydrants) have continued, and approximately 60 service connections have been upgraded.



Pipeline renewals

The Main Street Watermain Upgrade project was completed ahead of time and under budget and included a Government *Better Off Funding* allocation. This project originated as enabling works for the future planned city centre streetscape upgrade project. During construction, opportunities were identified to further improve resilience by replacing the three 'rider' mains, servicing Princes, Geange, and Russell Streets. This work was completed with minimal disruption to Main Street and city centre retailers.

To reduce disruption and water loss, work to address the aging drinking water pipes on Chatsworth Road has begun. 2.1 km of pipes will be renewed throughout the project.

Bridges seismic strengthening (Totara Park) Planning has continued on this important project to seismically upgrade around 600 metres of wastewater and drinking water pipes across the Totara Park Road Bridge.

Reservoir seismic and security improvements

Four aging reservoirs (Cruickshank No. 1, Lower Riverstone Reservoir, Mt Mārua Reservoir, and Sylvan Heights Reservoir) have been successfully upgraded to protect the region's drinking water from contamination.



Our performance measures for the **Water supply** activity group are established in our Long Term Plan 2021 – 2031 on page 58. We are reporting against the Year 3 targets.

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

29 Safety of drinking water: The extent to which Council's drinking water supply complies with Part 4 (bacteria compliance criteria) and Part 5 (protozoal compliance criteria) of the Drinking-water Standards. ¹³

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT 14	TARGET	RESULT	DATA SOURCE
Legislation, safety	Non-compliant	Part 4: 100%	100% 🕏	WWL data
	Non-compliant	Part 5: 100%	100% 📀	

30 Maintenance of the reticulation network: The percentage of real water loss from Council's networked reticulation system (calculated as a regional mean value)

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Legislation, quality	44%	< 20%	41% 🗢 (-3%)	WWL data

Commentary: The methodology used is the same as the previous year so we have confidence that there has been a genuine reduction in water loss, although there remains significant uncertainty with the true extent of water loss due to the lack of universal metering.

¹⁴ The drinking water supply was non-compliant in 2022 – 2023 due to a technical non-compliance with the old rules: WWL could not demonstrate that they had replaced or recalibrated sensors at the Te Marua plant within required timeframes. This meant the plant was non-compliant with the rules, despite the calibration confirming the sensors were reading correctly and the water was compliant. For more information, refer to page 57 of the Annual Report 2022 – 2023. This has been resolved in 2023 – 2024.



^{13.} Water Services (Drinking Water Standards for New Zealand) Regulations 2022 https://www.legislation.govt.nz/regulation/public/2022/0168/latest/whole.html

- **31** Fault response times: Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured:
 - A. attendance to urgent call-outs (in minutes): from the time that Council receives notification to the time that service personnel reach site; and
 - B. resolution of urgent call-outs (in hours): from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption;
- C. attendance (in hours): for non-urgent callouts from the time that Council receives notification to the time that service personnel reach the site; and
- D. resolution (in days): of non-urgent call-outs from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption.

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Legislation,	A: 77	A: 60	A: 76 🗢 (-1)	WWL data
responsiveness	B: 4.3	B:4	B: 2.2 🔮 (-2.1)	
	C: 316	C: 36	C: 238 🗢 (-78)	
	D: 21	D: 15	D: 27 🗢 (+6)	

Commentary: While response times continue to exceed target this year due to increasing work volume and resource constraints, there has been a positive trend of improvement throughout the year as we address the backlog of open jobs. Non-urgent response and resolution times were high during the first quarter of the year due to deferred works in Q4 of the previous financial year. Since then, response and resolution times have improved markedly as a result of increased investment, although they remain outside target for the year.

- 32 Customer satisfaction: The total number of complaints (per 1,000 connections) received about any of the following:
 - Drinking water clarity
- Drinking water odour
- Continuity of supply

- Drinking water taste
- Drinking water pressure or flow

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Legislation,	9.2 15	< 20	12.3 ¹⁵ • (+3.1)	WWL data
satisfaction				

33 Demand management: The average consumption of drinking water in litres per day, per resident

	2022 - 2023	2023 - 2024		
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Satisfaction, quality	443	≤ 415 ¹⁶	450 🗢 (+7)	WWL data

Commentary: A large increase in leaks at the end of 2022 – 2023 carried over to the beginning of 2023 – 2024. This has resulted in the overall per capita demand increasing 1.5% year-on-year, even though the 12-month rolling average has fallen consistently every month in 2023 – 2024 (down 2.9% from a peak in July 2023).

- 15. Council has not reported on multiple complaints for the same issue. We will look to address this through process improvements in the coming year to ensure that all complaints are accurately categorised and reported.
- 16. Recorded as '415' in the Long Term Plan but is a maximum, so the target is less than or equal to 415.

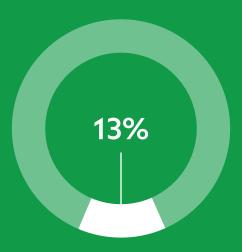
Funding impact statement (\$000)

For 30 June 2024 for the Water supply group of activities.

LTP Y2 2022 - 2023	SOURCES OF OPERATING FUNDING	LTP Y3 2023 - 2024	ACTUAL 2023 – 2024
0	General rates, uniform annual general charges, rates penalties	0	0
7,495	Targeted rates	8,075	7,814
0	Subsidies and grants for operating purposes	0	0
1,756	Fees, charges	1,805	1,519
0	Internal charges and overheads recovered	0	0
0	Local authority fuel tax, fines, infringement fees, and other receipts	0	0
9,251	Total operating funding (A)	9,880	9,333
	APPLICATIONS OF OPERATING FUNDING		
7,631	Payments to staff and suppliers	8,047	9,505
186	Finance costs	230	596
1,118	Internal charges and overheads applied	1,197	845
0	Other operating funding applications	0	0
8,935	Total applications of operating funding (B)	9,474	10,946
316	Surplus (deficit) of operating funding (A – B)	406	(1,613)
	SOURCES OF CAPITAL FUNDING		
0	Subsidies and grants for capital expenditure	0	589
0	Development and financial contributions	0	0
1,466	Increase (decrease) in debt	2,061	2,243
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
1,466	Total sources of capital funding (C)	2,061	2,832
	APPLICATIONS OF CAPITAL FUNDING		
	Capital expenditure		
56	- to meet additional demand	58	0
589	- to improve the level of service	738	1,288
1,137	- to replace existing assets	1,671	1,687
0	Increase (decrease) in reserves	0	(1,756)
0	Increase (decrease) of investments	0	0
1,782	Total applications of capital funding (D)	2,467	1,219
(316)	Surplus (deficit) of capital funding (C – D)	(406)	1,613
0	FUNDING BALANCE ((A - B) + (C - D))	0	0

Waiparu Wastewater

Rate funding



13% of the funding we received through rates went towards the Wastewater group of activities. This \$6.9 M made up 51% of the group's total funding. The remaining funding came from fees and charges, and debt.

Community outcomes

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



TAIAO









Provide a secure, efficient, and resilient wastewater service. Upper Hutt's wastewater network and service protects the health of the community and our waterways from the harmful effects of wastewater and supports economic growth and development. Wastewater treatment and management of the network is contracted to Wellington Water.

Upper Hutt's wastewater network includes 226 km of sewer mains, 4,880 wastewater manholes, 17 pump stations, one overflow chamber, and one pipe bridge.

The direction for the **Wastewater** activity group is set out in our Long Term Plan 2021 – 2031 on page 61.



What we achieved this year

Monitor network and make repairs as necessary

Wastewater network monitoring has continued throughout Upper Hutt. Four wastewater pump stations have been upgraded, and one significant repair completed on a collapsed pipe in the Queen Street carpark.

Pipeline renewal upgrades

Martin Street has seen 1.1 km of wastewater pipes renewed, and safety improvements on wastewater manholes have been completed across Upper Hutt, reducing risk to pedestrians and vehicles.

Completion of Barber Grove Wastewater project This jointly funded project (with Hutt City Council) duplicated a section of the current wastewater pipe, improving water quality and reducing the risk of wastewater entering Te Awa Kairangi and the Waiwhetū Stream. It was Wellington Water's first use of trenchless technology, delivering state-of-the-art infrastructure to the region.

Improvements to Seaview Wastewater Treatment Plant (consent compliance priorities) Work has progressed to improve odour treatment, with the replacement of the biofilter media completed in December 2023. Planning has been completed on the biofilter air distribution system upgrade and maintenance on the primary sedimentation tanks.

Consent applications for wastewater wet weather emergency discharges Wellington Water applied to the Greater Wellington Regional Council for a global resource consent for overflows that occur during wet weather from the wastewater networks, advancing a network-wide approach to reducing contamination from the wastewater network. This has been done as part of our work towards Te Mana o te Wai, in partnership with mana whenua and with ongoing input from communities.



Our performance measures for the **Wastewater** activity group are established in our Long Term Plan 2021 – 2031 on page 64. We are reporting against the Year 3 targets.

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

34 System and adequacy: The number of dry weather sewerage overflows from Council's sewerage system expressed per 1000 sewerage connections to the sewerage system.

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Legislation, sustainability	2	≤ 20 ¹⁷	0.1 🕏 (-1.9)	WWL data

35 Discharge compliance: Compliance with the Council's resource consents for discharge from its sewerage system, measured by the number of:

A Abatement notices	B Infringement notices		C Enforcement orders	D Convictions
	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Legislation,	A: 1	A: 0	A: 0 ♥ (-1)	WWL data
responsiveness	B: 4	B: 0	B: 15 🗭 (+11)	
	C: 0	C: 0	C: 0 🗢 (+0)	
	D: 0	D: 0	D: 0 🔮 (+0)	

- 36 Fault response times: Where the Council contractor attends to sewerage overflows, resulting from blocked or other faults in the sewerage system, the following median response times will be measured:
 - A. attendance time (in minutes): from the time that notification is received to the time that service personnel reach the site; and
- B. resolution time (in hours): from the time that notification is received to the time that service personnel confirm resolution of the blockage or other fault.

2022 - 2023 2023 - 2024				
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Legislation,	A: 263	A: ≤ 60	A: 80 🗢 (-183)	WWL data
satisfaction	B: 5	B: ≤ 6	B: 3.4 🔮 (-1.6)	

Commentary: Our region faces significant challenges with aging infrastructure. Many assets are near, or at the end of their operational lives, and the cost and effort to maintain and replace them is growing. These challenges mean that we exceeded targets again this year as we work to address these issues.

- 37 Customer satisfaction: The total number of complaints (per 1,000 connections to Council's sewerage system) received about any of the following:
 - Sewerage odour

• Sewerage system blockages

• Sewerage system faults

• Council's response to the sewerage system issues

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Satisfaction, quality	8.2 18	≤ 30	10 ¹8 ♡ (-6.3)	WWL data

^{18.} Council has not reported on multiple complaints for the same issue. We will look to address this through process improvements in the coming year to ensure that all complaints are accurately categorised and reported.

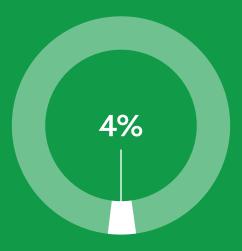
Funding impact statement (\$000)

For 30 June 2024 for the **Wastewater** group of activities.

LTP Y2 2022 - 2023	SOURCES OF OPERATING FUNDING	LTP Y3 2023 - 2024	ACTUAL 2023 - 2024
0	General rates, uniform annual general charges, rates penalties	0	0
6,508	Targeted rates	6,948	6,959
0	Subsidies and grants for operating purposes	0	0
218	Fees, charges	224	281
0	Internal charges and overheads recovered	0	0
0	Local authority fuel tax, fines, infringement fees, and other receipts	0	0
6,726	Total operating funding (A)	7,172	7,240
	APPLICATIONS OF OPERATING FUNDING		
4,677	Payments to staff and suppliers	4,980	5,520
919	Finance costs	1,164	1,873
1,047	Internal charges and overheads applied	1,132	844
0	Other operating funding applications	0	0
6,643	Total applications of operating funding (B)	7,276	8,237
83	Surplus (deficit) of operating funding (A – B)	(104)	(997)
	SOURCES OF CAPITAL FUNDING		
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	0	0
8,395	Increase (decrease) in debt	6,740	6,273
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
8,395	Total sources of capital funding (C)	6,740	6.273
	APPLICATIONS OF CAPITAL FUNDING		
	Capital expenditure		
84	- to meet additional demand	86	27
47	- to improve the level of service	18	141
8,847	- to replace existing assets	7,032	6,858
(500)	Increase (decrease) in reserves	(500)	(1,750)
0	Increase (decrease) of investments	0	0
8,478	Total applications of capital funding (D)	6,636	5,276
(83)	Surplus (deficit) of capital funding (C – D)	104	997
0	FUNDING BALANCE ((A - B) + (C - D))	0	0

Waiāwhā **Stormwater**

Rate funding



4% of the funding we received through rates went towards the **Stormwater** group of activities. This \$1.9 M made up 27% of the group's total funding. The remaining funding came from subsidies and grants.

Community outcomes

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





PAPŌRI ME TE AHUREA Social and cultural







Efficiently manage and control stormwater flows.

The goal of this group of activities is to protect the public and property from the effects of flooding and to minimise the impact of runoff on the environment. Management of the stormwater network is contracted to Wellington Water.

Upper Hutt's stormwater network includes 11.4 km of open drains, 181 km of stormwater mains, 3,843 stormwater manholes, 7 pump stations, and two detention dams.

The direction for the **Stormwater** activity group is set out in our Long Term Plan 2021 – 2031 on page 67.



What we achieved this year

Monitor network and make repairs as necessary

Stormwater network monitoring has continued throughout Upper Hutt. Two stormwater pump stations have been upgraded.

System improvements

Safety improvements on stormwater manholes have been completed across Upper Hutt, reducing risk to pedestrians and vehicles.

Consent applications for stormwater discharges

Wellington Water applied to the Greater Wellington Regional Council for a global resource consent for the discharge of stormwater (including stormwater occasionally contaminated with wastewater, from the existing and future local authority stormwater networks), advancing a network-wide approach to reducing contamination from the stormwater network. This has been done as part of our work towards Te Mana o te Wai, in partnership with mana whenua and with ongoing input from communities.

Telemetry upgrade

Minor system maintenance was undertaken as scheduled.

Pinehaven Stream Flood Protection Upgrade

Upgrades continue to be made to manage the flood risk to the Pinehaven community as part of the Pinehaven Stream Flood Management Plan. Phase 2 (Willow Park area) construction is due to be completed in late 2024. Construction of 109 m of vertical channel redi-rock walls in the stream, installation of the pedestrian bridge and bulk earthworks in Willow Park have been complete and landscaping is underway. A property at 28 Blue Mountains Road was also urgently removed ahead of schedule due to fire damage.

Pipeline renewal upgrades

No significant stormwater pipe renewals were programmed for delivery within the financial year. Minor renewal works were undertaken as needed.



Our performance measures for the **Stormwater** activity group are established in our Long Term Plan 2021 – 2031 on page 70. We are reporting against the Year 3 targets.

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

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

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET 19	RESULT	DATA SOURCE
Legislation,	A: 0	A: ≤ 2	A: 0 📀 (+0)	WWL data
quality, safety	B: 0	B: ≤ 0.64	B: 0 🗢 (+0)	

39 Discharge compliance: Compliance with the Council's resource consents for discharge from its stormwater system, measured by the number of:

A Abatement notices	B Infringemen	nt notices	C Enforcement orders	D Convictions
	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Legislation,	A: 0	A: 0	A: O ♥ (+0)	WWL data
sustainability	B: 0	B: 0	B: 0 🔮 (+0)	
	C: 0	C: 0	C: 0 🗢 (+0)	
	D: 0	D: 0	D: 0 🔮 (+0)	

40 Response times: The median response time to attend a flooding event (in minutes): from the time that Council receives notification to the time that service personnel reach the site.

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Legislation,	0 20	≤ 60	0 20 🗸 (+0)	WWL data
responsiveness				

41 Customer satisfaction: The total number of complaints (per 1,000 connections to Council's stormwater system) received by Council about the performance of its stormwater system.

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Satisfaction, quality	5.6 ²¹	≤ 20	2.1 ²¹ • (-5.3)	WWL data

- 19. Recorded as '2' and '0.64' in the Long Term Plan but are maximums, so the targets are less than or equal to 2 and 0.64.
- 20. Due to no call-outs
- 21. Council has not reported on multiple complaints for the same issue. We will look to address this through process improvements in the coming year to ensure that all complaints are accurately categorised and reported.



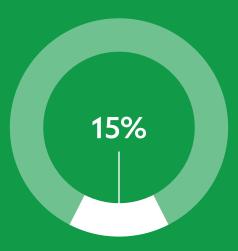
Funding impact statement (\$000)

For 30 June 2024 for the **Stormwater** group of activities.

LTP Y2 2022 - 2023	SOURCES OF OPERATING FUNDING	LTP Y3 2023 - 2024	ACTUAL 2023 - 2024
0	General rates, uniform annual general charges, rates penalties	0	0
2,799	Targeted rates	3,206	1,927
0	Subsidies and grants for operating purposes	0	0
0	Fees, charges	0	0
0	Internal charges and overheads recovered	0	0
0	Local authority fuel tax, fines, infringement fees, and other receipts	0	0
2,799	Total operating funding (A)	3,206	1,927
	APPLICATIONS OF OPERATING FUNDING		
1,540	Payments to staff and suppliers	1,783	1,911
464	Finance costs	527	467
503	Internal charges and overheads applied	542	456
0	Other operating funding applications	0	0
2,507	Total applications of operating funding (B)	2,852	2,834
292	Surplus (deficit) of operating funding (A – B)	354	(907)
	SOURCES OF CAPITAL FUNDING		
0	Subsidies and grants for capital expenditure	0	2,069
0	Development and financial contributions	0	0
2,099	Increase (decrease) in debt	(2,313)	462
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	2,089	2,625
0	Other dedicated capital funding	0	0
2,099	Total sources of capital funding (C)	(224)	5,156
	APPLICATIONS OF CAPITAL FUNDING		
	Capital expenditure		
56	- to meet additional demand	58	0
2,373	- to improve the level of service	108	4,547
62	- to replace existing assets	4	110
(100)	Increase (decrease) in reserves	(100)	(408)
0	Increase (decrease) of investments	0	0
2,391	Total applications of capital funding (D)	130	4,249
(292)	Surplus (deficit) of capital funding (C – D)	(354)	907
0	FUNDING BALANCE ((A - B) + (C - D))	0	0

Ngā waka tūmatanui Land transport

Rate funding



15% of the funding we received through rates went towards the Land transport group of activities. This \$7.9 M made up 44% of the group's total funding. The remaining funding came from subsidies and grants, fees and charges, debt, and other sources.

Community outcomes

The Land transport group of activities contributes to two of our community outcomes.





PAPŌRI ME TE AHUREA Social and cultural







Maintain Upper Hutt's roading network

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

The network consists of 252 km of roads; 276km of footpaths, pedestrian accessways, and cycleways; 58 bridges; and public car parks. Responsibility also includes all the road markings, streetlights, signs, and street furniture on the network.

Besides road establishment, maintenance, renewals and improvements, this activity group also includes road safety promotion.

The direction for the **Land transport** activity group is set out in our Long Term Plan 2021 – 2031 on page 73.



What we achieved this year

Fergusson Drive repair work

This work is part of our ongoing five-year project. Once all the areas along Fergusson Drive have been repaired, a new seal coat will be added to further prolong the pavement's life. This will mean with less maintenance required and therefore less disruption for our road users.

Work continued in 2023 – 2024, with additional sections of Fergusson Drive being milled out and reconstructed.



Palmer Crescent traffic calming

To support the aim to improve safety around schools traffic calming measures including speed humps and improved road crossings were installed in Palmer Crescent.



Cycleway links

New connections were constructed between the riverbank cycleway and the city including one at McLeod Park (pictured) and another between Holdsworth Avenue and Fergusson Intermediate.



Road Safety

Our Road Safety Promotion programme supports the New Zealand Road Safety Strategy ('Road to Zero') by encouraging road users to adopt safer behaviours. It contributes to the R2Z target of a 40% reduction in road/traffic related deaths and serious injuries by 2030.

The Motorcycle Collective ran several seminars during September to bring a greater awareness of motorcycle safety to riders around the Wellington Region. The Council and ACC assisted by promoting the workshops and co-ordinating the guest presenters. Six events were held and up to 100 riders attended each.

During the year the Council again worked with Plunket and a local child restraint technician to promote and run regular car seat clinics. These clinics assisted 126 families had correctly fitted carseats.

Developing an Integrated Transport Strategy

This year we completed early work on development of an integrated transport strategy. This considered how Upper Hutt's transport network could continue developing, so that people can stay connected, moving between places and activities, and goods and services. Engagement through online feedback, and stakeholder groups provided useful high-level inputs for future planning. In early 2024, Council direction through development of the new Long Term Plan resulted in the project being discontinued. Some aspects of this work will continue through our business-as-usual transport and planning activities.



Beechwood lane Bridge Refurbishment

The Beechwood Lane bridge upgrade work was completed at the end of June needing only the engineer's certificate to close the project off completely. The bridge was open to the public during the construction works with only two short closures needed to complete critical items. The project has been a remarkable success coming in on budget and to a very high standard of finish. The council has already received high praise from members of the public.

Road maintenance

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During 2023 – 2024 year we resurfaced 114,000 m² across the city.

Footpath maintenance

Works were carried out at a number of sites with 1,366 m² of footpath being replaced this financial year.

Carpark upgrade

The Bradley Lane carpark next to the HAPAI Building was reconstructed. The work involved reshaping and replacing the existing worn surface and drain running through the middle of the lane.



Our performance measures for the **Land transport** activity group are established in our Long Term Plan 2021 – 2031 on page 77. We are reporting against the Year 3 targets.

Level of service: We will provide a safe roading network.

Road Safety: The change from the previous financial year in the number of fatalities and serious injury crashes on the local road ²² network, expressed as a number.

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Legislation,	9	≤ previous year	5 🗸 (-4)	Waka Kotahi data

Commentary: The performance target was achieved, but the result included a fatal accident—the first on a local road since November 2019. The number of crashes this year is lower than last year, but both years are within the range of normal variation observed over the past 20 years.

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

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

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Legislation,	78%	80%	76% ²³ • (-2)	Annual roughness
quality				survey

Commentary: 43% of this result is based on the condition of Fergusson Drive. Additional funding was allocated from 2022 – 2027 to carry out pavement rehabilitation on this road. We expect the result to improve as the work progresses.

Road conditions: The percentage of the sealed local road network that is resurfaced (as programmed in the Asset Management Plan)

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Legislation,	37.2%	95%	125.5% 🗸	Internal register
quality			(+88.2%)	and database

^{22. &#}x27;Local road' refers to any road within Upper Hutt City Council's maintenance jurisdiction. State highways (such as SH2 River Road) are not included in our reporting.

^{23.} A significant amount of seal smoothing work was carried out on Fergusson Drive after the roughness survey was completed in March 2024 which will not be reflected in the result until the next survey is carried out in February 2025.

Traffic estimates used in the calculation were last updated in June 2022 and traffic counts in 2023. For most roads on the Upper Hutt network annual growth is between -1.0% and +1.5% so this will not materially affect the result.

44A Road conditions: The percentage of the (total) sealed local road network that is resurfaced ²⁴

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Legislation,	1.8%	4.4%	5.8% 🗸 (+4%)	Internal register
quality				and database

Footpaths: The percentage of footpaths within Upper Hutt that fall within the level of service as set out in the Long Term Plan, and Asset Management Plan

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Legislation,	99.88%	95%	97.35% 🗸	Internal database
quality			(-2.53%)	

Response to service requests: The percentage of customer service requests relating to roads and footpaths to which Council responds within the timeframe specified in the Long Term Plan ²⁵

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Legislation,	96.5%	90%	90.4% 🗸 (-6.1%)	Internal database
responsiveness				

47 Resident satisfaction with street lighting 26

	2022 - 2023		2023 - 2024	24	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE	
Satisfaction,	59%	85%	70% 🗢 (+11%)	Community	
quality				survey	

Commentary: Streetlighting in the urban area complies with the relevant New Zealand standards. The public survey is subjective, as illustrated by the fact that here has been a significant increase in satisfaction this year without any changes to the network.

48 Resident satisfaction with street cleanliness ²⁶

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Legislation,	58%	85%	66% 🗢 (+8%)	Community
quality				survey

Commentary: Work is carried out under contract to the same standard that have been in place for over 25 years. Auditing is carried out monthly and the contractor has continually met the required objective performance standards.

^{24.} The total area of sealed road network is 1,970,000 m². Target is 4.4% of total road network area or 90,851 m² per year to ensure pavement across the network is replaced at the end of its usable life. Area is used, rather than length, for this measure as road widths vary across the network. The 5.8% was achieved because of work deferred from the previous year.

^{25.} Percentage of requests are responded to within three days (refer to page 77 of the Long Term Plan 2021 - 2031).

^{26.} Respondents are satisfied or very satisfied.

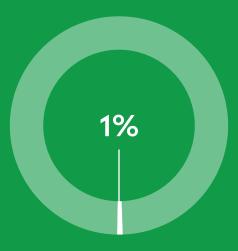
Funding impact statement (\$000)

For 30 June 2024 for the **Land transport** group of activities.

LTP Y2 2022 - 2023	SOURCES OF OPERATING FUNDING	LTP Y3 2023 - 2024	ACTUAL 2023 - 2024
6,474	General rates, uniform annual general charges, rates penalties	6,883	7,924
0	Targeted rates	0	0
765	Subsidies and grants for operating purposes	148	965
117	Fees, charges	119	213
0	Internal charges and overheads recovered	0	0
189	Local authority fuel tax, fines, infringement fees, and other receipts	192	138
7,545	Total operating funding (A)	7,342	9,240
	APPLICATIONS OF OPERATING FUNDING		
4,739	Payments to staff and suppliers	5,040	5,291
621	Finance costs	786	920
1,403	Internal charges and overheads applied	1,484	2,448
0	Other operating funding applications	0	0
6,763	Total applications of operating funding (B)	7,310	8,659
782	Surplus (deficit) of operating funding (A – B)	32	581
	SOURCES OF CAPITAL FUNDING		
4,345	Subsidies and grants for capital expenditure	7,086	4,174
213	Development and financial contributions	208	45
5,797	Increase (decrease) in debt	8,379	4,571
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
10,355	Total sources of capital funding (C)	15,673	8,790
	APPLICATIONS OF CAPITAL FUNDING		
	Capital expenditure		
279	- to meet additional demand	4,410	551
4,385	- to improve the level of service	4,585	1,153
6,260	- to replace existing assets	6,502	8,022
213	Increase (decrease) in reserves	208	(355)
0	Increase (decrease) of investments	0	0
11,137	Total applications of capital funding (D)	15,705	9,371
(782)	Surplus (deficit) of capital funding (C – D)	(32)	(581)
0	FUNDING BALANCE ((A - B) + (C - D))	0	0

Whakauka Sustainability

Rate funding



1% of the funding we received through rates went towards the Sustainability group of activities. This \$470 K made up 22% of the group's total funding. The remaining funding came from fees and charges, and debt.

Community outcomes

The Sustainability group of activities contributes to three of our community outcomes.



TAIAO **Environment**



PAPŌRI ME TE AHUREA Social and cultural





What we do

Work to protect Upper Hutt's livability and environment.

We provide sustainability initiatives that are guided by the goals and actions outlined in our Sustainability Strategy, including one-off projects, ongoing programmes, community education, support, liaison, and the Sustainability Stimulus Grant. Part of this work is also ensuring provision of waste services in Upper Hutt—influenced by the Wellington region's Waste Management and Minimisation Plan.

The direction for the **Sustainability** activity group is set out in our Long Term Plan 2021 – 2031 on page 80.



What we achieved this year

Sustainability Strategy outcomes

We completed the third round of Sustainability Stimulus Grants, a scheme co-funded by the Department of Internal Affairs. In the third round, we supported seven projects in Upper Hutt with \$168,883.55 of funding. All projects align with the themes of our Sustainability Strategy.

We completed 15 in-home assessments as part of our *Eco Home Advisor Programme*. This programme sees a trained specialist give tailored, independent advice to help make homes warmer, drier, and more energy efficient.

We worked with our neighbouring councils on several regional projects, including:

- Wellington Region Climate Change Risk Assessment
- Wellington Region Emissions Reduction Plan
- Wellington Region Food Resilience Strategy

With funding from the Department of Internal Affairs, we released several sustainability campaigns to keep the community informed on sustainability issues.

We partnered with the waste team to deliver the *Environment and Waste Minimisation Fund*. We granted \$2,222.75 of funding towards projects that will have positive outcomes on community resilience and the environment.

We completed supported environmental and waste reductions in schools through the *Enviroschools programme*.

Waste projects



Earth Starch organic waste processing

The pilot was completed in May 2024, with the overall aim was to explore the challenges with collection and processing of commercial food waste using in vessel high treatment processing, using a decentralised model that also supported communities composting outcomes. This included exploring different collection methodologies and processing of general commercial food waste from the likes of the Cossie Club and Elderslie Rest Home to more difficult organic waste streams like wool with skin from abattoir waste and orchard waste. The pilot over the 12-month period processed 32.649 T of food waste and 3 T of garden waste. Soil tests by Hills Laboratory were done to determine the suitability of end application.

Battery collection

Battery collection project continues to collect batteries from big box retailers like Mitre 10 MEGA and the Warehouse. This year 600 kg was collected.

Reuseable Cup project

In April, Council helped distribute 1,000 reusable ideal cups to participating cafés.

Hazardous waste

Hazardous waste drop-off at the Silverstream Landfill continues to be free for up to 20 L for residents.

Event Waste Management

Event Waste Management was supported by Council at the Matariki festival which had a 70.2% diversion rate and *Highlight* festival which had an 80.3% diversion rate.

Enviroschools

The *Enviroschools* programme, continued with the delivery jointly funded by Sustainability and Waste Minimisation.

Regional Waste Management and Minimisation plan (WMMP)

The 8 councils of the Wellington region developed a draft WMMP to be consulted on in August 2023. Following the consultation period, submissions were heard by the Regional Waste Management and Minimisation Joint Committee and recommended changes were made to the WMMP before formal adoption of the 2023 – 2029 WMMP by Council in December.

Recycling services



Recycling drop-off station operation and maintenance

The drop-off facility collected 755.17 T of recyclable material. Changes to the slots on the glass container were modified to prevent unwanted material entering the glass container. This was due to the contamination limit on glass been reduced from 10% to 2%.



How we performed

Our performance measures for the **Sustainability** activity group are established in our Long Term Plan 2021 – 2031 on page 84. We are reporting against the Year 3 targets.

Level of service: We are sustainably managing the impact of our activities on the natural environment.

49 Increasing total tonnage of recycling materials being collected through Council-provided recycling services (measured in tonnes)

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Sustainability	809.75	≥ previous year	771.79 • (-37.96)	Quarterly provider data

Commentary: This year we had a change in the contamination limit of glass from 10% to 2%, this resulted in a 40 T reduction over the months of October, November, and December on the previous year. We have also noticed a reduction the tonnage of recycling collected from kerbisde recycling at a similar rate which is in line with the current national trend.

50 Percentage of households that use Council-provided recycling services

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Quality, accessibility	60%	≥ previous year	68% 🗢 (+8)	Community survey

51 Reduce the level of carbon generated by Council operations

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Sustainability, safety	9,051 tCO ₂ e ²⁷	≤ 6,269 tCO ₂ e ²⁸	NA ²⁹	3-yearly greenhouse gas inventory (LTP Y2, Y5, Y8) ²⁹

^{27.} The result for this measure refers to the period from July 2021 – June 2022. For more information, please refer to pages 86 – 89.

^{28.} The original baseline, as per the Long Term Plan, was 3,879 tCO2e. Calculations have since changed and a more accurate figure (using new calculation methods) for the baseline year would now be 6,269 tCO2e.

^{29.} There is no quantified result for this year as the greenhouse gas inventory is only calculated every three years. The results are then applied to years 2 (2022 – 2023), 5 (2025 – 2026), and 8 (2028 – 2029) of the Long Term Plan 2021 – 2031. However, we have included narrative on reduction activities undertaken by council in the current year on Page 86.

52 Mean number of indigenous forest bird species counted

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Sustainability,	7.7	≥ previous year	6.7 🗢 (-1)	Annual bird
quality				count report

Commentary: The decline we have recorded in Upper Hutt is consistent within environmental changes that are occurring at larger spatial scales.

53 Local residents' awareness of sustainability projects in the community

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Quality, accessibility	31%	≥ 30%	30% 🖸 (-1%)	Community survey

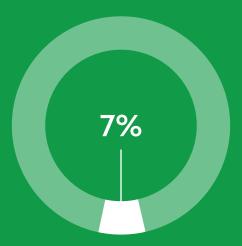
Funding impact statement (\$000)

For 30 June 2024 for the **Sustainability** group of activities.

LTP Y2 2022 - 2023	SOURCES OF OPERATING FUNDING	LTP Y3 2023 - 2024	ACTUAL 2023 - 2024
449	General rates, uniform annual general charges, rates penalties	475	470
0	Targeted rates	0	0
0	Subsidies and grants for operating purposes	0	1,249
650	Fees, charges	668	392
0	Internal charges and overheads recovered	0	0
0	Local authority fuel tax, fines, infringement fees, and other receipts	0	0
1,099	Total operating funding (A)	1,143	2,111
	APPLICATIONS OF OPERATING FUNDING		
959	Payments to staff and suppliers	986	1,298
5	Finance costs	8	5
126	Internal charges and overheads applied	135	136
0	Other operating funding applications	0	0
1,090	Total applications of operating funding (B)	1,129	1,439
9	Surplus (deficit) of operating funding (A – B)	14	672
	SOURCES OF CAPITAL FUNDING		
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	0	0
107	Increase (decrease) in debt	105	71
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
	Other dedicated capital funding		0
107	Total sources of capital funding (C)	105	71
	APPLICATIONS OF CAPITAL FUNDING		
	Capital expenditure		
0	- to meet additional demand	0	0
116	- to improve the level of service	119	82
0	- to replace existing assets	0	0
0	Increase (decrease) in reserves	0	661
0	Increase (decrease) of investments	0	0
116	Total applications of capital funding (D)	119	743
(9)	Surplus (deficit) of capital funding (C – D)	(14)	(672)
0	FUNDING BALANCE ((A - B) + (C - D))	0	0

Te whakamahere me te whakariterite Planning and regulatory

Rate funding



7% of the funding we received through rates went towards the Planning and regulatory group of activities. This \$4.0 M made up 41% of the group's total funding. The remaining funding came from fees and charges, development and financial contributions, and other sources.

Community outcomes

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



TAIAO



PAPŌRI ME TE AHUREA Social and cultural





What we do

Sustainably manage natural and physical resources through development of and compliance with the District Plan and relevant central and local government statutes, bylaws, and policies.

Planning policy activities focus on sustainable management of natural and physical resources. We develop the District Plan and other policies in response to a range of external drivers, and to facilitate decision-making on urban planning and growth management.

Regulatory services include planning and building control, environmental health, animal management, alcohol licensing, parking enforcement, and bylaw compliance to ensure public safety, health, and wellbeing.

Consent and compliance services also provide information and advice to the public on the legislation we administer and enforce.

The direction for the **Planning and regulatory** activity group is set out in our Long Term Plan 2021 – 2031 on page 87.



What we achieved this year

Plan Changes

Our rolling review of the District Plan this year included:

- Decision on the Intensification Planning Instrument notified in December 2023 with the Intensification Planning Instrument becoming operative on 13 December 2023
- Summary of submissions notification of the Natural Hazards Plan Change [47] (excluding flood hazards) in February 2023 and hearings held in April 2024.
- Hearings for the Open Spaces Plan Change 49 and Variation 1 to the Open Spaces Plan Change [49] were held in November 2023 and April 2024.
 This variation dealt specifically with Silverstream Spur.
- Notification of Rural Plan Change [50] on 4 October 2023 with summary of submissions notified on 29 May 2024.

Housing and Business Assessment (HBA)

The regional Housing and Business Assessment (HBA) was updated between 2022 and 2023, and we completed the Upper Hutt chapter just after year-end n July 2023. Council adopted the HBA at an ordinary Council meeting on 2 August 2023. The HBA (including the Upper Hutt chapter) was published in September 2023.

A HBA is required under the National Policy Statement on Urban Development. The updated population projections which have informed the required housing delivery numbers for Upper Hutt show that from 2021 to 2051, Upper Hutt's population is forecast to increase by 18,200 people, requiring an additional 7,931 dwellings by 2051. This is higher than the 2019 HBA predicted population growth.

How we performed

Our performance measures for the **Planning and regulatory** activity group are established in our Long Term Plan 2021 – 2031 on page 90. We are reporting against the Year 3 targets.

Level of service: Service provision meets all regulatory requirements.

54 Process LIMs within statutory timeframe (10 working days)

	2022 - 2023			
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Legislation,	100%	100%	100% 🗸 (-0)	Internal database
responsiveness				

55 Process resource consents within statutory timeframes (20 working days)

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Legislation,	78%	100%	77% 🗢 (-1%)	Internal database
responsiveness				

Commentary: Not all consents were able to be processed within statutory timeframes with processing delays attributed to periods of high workload, complexity of some applications and also delays in getting expert feedback from Wellington Water (as a result of their own high workloads).

56 Process building consents within statutory timeframes (20 working days)

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Legislation,	93%	100%	83% 🗢 (-10%)	Internal database
responsiveness				

Commentary: 1FTE staff vacancy, high workloads, and staff leave where we have not had capacity to take leave before.

57 User satisfaction with building consenting service 30

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Satisfaction, quality	83%	92%	95% 🕏 (+12%)	Annual building consents survey
quanty				consents survey

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

	2022 - 2023		2023 - 2024	23 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE	
Legislation,	100%	100%	100% 🔮 (-0)	Internal database	
responsiveness					

30. Respondents are satisfied or very satisfied.

59 Timeliness of officer attendance to complaints of excessive noise 31

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Responsiveness	81%	90%	84% 🗢 (+3%)	Internal database

Commentary: This is slowly improving and we have engaged new contractors with performance targets around the timeliness of attending excessive noise complaints also.

60 Timeliness of initial officer response to reported dog attacks 32

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Responsiveness	90%	100%	98% 🗢 (+8%)	Internal database

Commentary: We have not reached the 100% target for timeliness, however all dog attacks were responded to and investigated.

61 Licensed alcohol premises (excluding special licences or new licences) have one compliance inspection every 3 years (in addition to licensing inspections)

2022 - 2023		2023 - 2024		
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Legislation,	100%	100%	100% 🔮 (-0)	Internal database
responsiveness				

62 New food businesses are verified within 6 weeks of the date of registration under the Food Act 2014

2022 - 2023			2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Legislation,	40%	100%	90% 🗢 (+50%)	Internal database
responsiveness				

Commentary: We get back to new businesses within six weeks however we are bound by the owners' schedule and availability, which does not always fit into having an inspection within six weeks.

63 Existing food businesses are verified in accordance with the Food Act 2014 (ranging from 3 to 18 months and dependent upon previous performance)

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Legislation, responsiveness	54%	100%	100% 🔮 (+46%)	Internal database

^{31.} Percentage of responses to excessive noise reports within one hour.

^{32.} Percentage of reported dog attacks that will receive an initial response within two hours of the complaint being received.

64 Inspection of residential pools within statutory timeframes

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Legislation,	95%	100%	97% 🗢 (+2%)	Internal database
resnonsiveness				

Commentary: Identification of 15 pools at latter end of financial year which are being scheduled for inspection in the coming weeks.

65 Process code compliance certificates within statutory timeframes

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Legislation,	94%	100%	96% 🗢 (+2%)	Internal database
responsiveness				

Commentary: improving result however overall result impacted by high workloads, requirements for compulsory staff qualifications and a couple of older consents which had already over run CCC processing days from previous year.

66 Land use consents are monitored within 12 months of being granted consent

	2022 - 2023		2023 - 2024	
KEY CRITERIA	RESULT	TARGET	RESULT	DATA SOURCE
Legislation, responsiveness	100%	100%	100% 📀 (-0)	Internal database

Funding impact statement (\$000)

For 30 June 2024 for the **Planning and regulatory** group of activities.

LTP Y2 2022 - 2023	SOURCES OF OPERATING FUNDING	LTP Y3 2023 - 2024	ACTUAL 2023 - 2024
3,890	General rates, uniform annual general charges, rates penalties	4,095	4,041
0	Targeted rates	0	0
0	Subsidies and grants for operating purposes	0	0
2,660	Fees, charges	2,746	3,089
0	Internal charges and overheads recovered	0	55
267	Local authority fuel tax, fines, infringement fees, and other receipts	274	222
6,817	Total operating funding (A)	7,115	7,407
	APPLICATIONS OF OPERATING FUNDING		
5,405	Payments to staff and suppliers	4,881	5,247
0	Finance costs	30	14
2,409	Internal charges and overheads applied	2,501	2,558
0	Other operating funding applications	0	0
7,814	Total applications of operating funding (B)	7,412	7,819
(997)	Surplus (deficit) of operating funding (A – B)	(297)	(412)
	SOURCES OF CAPITAL FUNDING		
0	Subsidies and grants for capital expenditure	0	0
1,659	Development and financial contributions	1,492	2,052
997	Increase (decrease) in debt	297	502
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
2,656	Total sources of capital funding (C)	1,789	2,554
	APPLICATIONS OF CAPITAL FUNDING		
	Capital expenditure		
0	- to meet additional demand	0	26
0	- to improve the level of service	0	0
0	- to replace existing assets	0	0
1,659	Increase (decrease) in reserves	1,492	2,116
0	Increase (decrease) of investments	0	0
1,659	Total applications of capital funding (D)	1,492	2,142
997	Surplus (deficit) of capital funding (C – D)	297	412
0	FUNDING BALANCE ((A - B) + (C - D))	0	0

Whākinga **Disclosures**

This section covers additional disclosures of non-financial performance measures for three waters performance, and greenhouse gas emissions performance. It also contains a rating information disclosure under the Local Government Act 2002, which includes total land valuations and capital valuation of properties for the city, total number of rateable properties, details on our rates remission, non-rateable land. We also disclose a summary of our employee levels, and details of our insurance.

Greenhouse gas emissions performance

Background

A review of Council's emissions has resulted in a recalculation of our baseline year (2018 – 2019), due to changes in methodologies, and to bring parity between the baseline and most recent year.

Now that Council has two sets of data, Council began work on an emissions reduction plan which is intended to be completed in the 2024 – 2025 year alongside the review of the Sustainability Strategy.

Emissions reductions activities for this year included the development of the Wellington Regional Emissions Reduction Strategy, increased insulation in the refit of the Council offices and Council Chambers, removal of gas as the primary energy source for H_2O Xtream as part of the upgrade project (currently under construction), continued use of electric vehicles in Council fleet, continued planting of permanent carbon sinks in parks. Provided grants to support biochar production from forestry waste and a 32% emissions reduction in concrete production.

The carbon emissions reported as the comparative year's emissions in this year's Annual Report are for the year ending 30 June 2022. This is aligned to the planned timeframes for measuring and reporting our emissions as set out in the Long Term Plan.

A full greenhouse gas inventory for Council's complete value chain is available on our website.

upperhutt.govt.nz/files/assets/public/v/1/community/sustainability/upper-hutt-city-emissions-inventory-2021-22.pdf

The following disclosures relate to our greenhouse gas emissions (GHG) measure, reported in the sustainability section of the Annual Report.

Council emissions

- The goal of being a carbon neutral organisation by 2035 was adopted with the Sustainability Strategy in June 2020. This goal is for gross emissions but is likely to require a level of offsetting of emission to meet the target. As the emissions reduction plan has not yet been completed the details of targets and measures are not yet available
- 2. To manage our emissions, we need to understand them. To determine a baseline of our emissions, we commissioned an independent greenhouse gas (GHG) inventory. This showed that in the 2018-19 financial year, council generated 3,879 tCO²e of emissions. For the purposes of this project, this is considered our baseline of emissions. Of those emissions:
 - 755 tCO²e (19.4%) were scope one emissions these are emissions that occur at the source and are directly within Council's control. For example, switching on a combustion engine. In our case, gas, petrol, diesel, and refrigerants (largely from HVAC) make up our scope one emissions profile.

- 260 tCO²e (6.7%) of emissions are scope 2 emissions these are indirect emissions they occur offsite but are part of our energy use. In our case, they're emissions generated from Council's purchased electricity. Emissions from electricity are largely generated through the transmission of electricity, and through generation via non-renewable sources (eg coal).
- 2,864 tCO²e (73.9%) are scope 3 emissions these are emissions
 that are a consequence of the organisation's activity, from sources
 not controlled by the organisation. In our case, they are predominantly
 emissions generated through procurement, which isn't unusual. This
 includes purchased goods and services, capital goods, employee
 commuting, and corporate waste generated within Council. They are
 considered to be the most difficult to reduce as they are outside of
 the organisations control.

Organisational and operating boundaries

Council's organisational boundary is determined by using an operational control approach. A council using an operational control approach takes responsibility for 100% of emissions from operations or its subsidiaries that is has control over. As such, our greenhouse gas inventory includes all sources and sinks associated with activities where Council has control and full authority to introduce and implement its operating policies.

References for data and methodological choices

The key sources of emissions factors are:

- MfE (2022)—Ministry for the Environment. 2022. Measuring Emissions: A Guide for Organisations. 2022 Detailed Guide. Wellington: Ministry for the Environment.
- DEFRA (2021)—Department for Environment, Food and Rural Affairs. 2019.
 Greenhouse gas reporting: conversion factors 2019. United Kingdom.
- Motu (2014)—Greenhouse Gas Emissions in New Zealand: A Preliminary Consumption-Based Analysis, Motu Working Paper 14-05, Motu Economic and Public Policy Research, Wellington New Zealand.
- David A. Turner, Ian D. Williams, Simon Kemp (2015)—Greenhouse gas emission factors for recycling of source-segregated waste materials.
 Resources, Conservation and Recycling, Volume 105, Part A,
 December 2015, Pages 206 – 197.
- RBNZ (2020)—Reserve Bank of New Zealand. Inflation calculator.
- Flight Distances—airport.globefeed.com/New_Zealand_Distance_
 Between_Airports.asp
- World Bank (2018)—The World Bank. 2018. What A Waste Global Database. datacatalog.worldbank.org/dataset/what-waste-globaldatabase

Uncertainty

There is a level of inherent uncertainty in reporting greenhouse gasses, due to the inherent scientific uncertainty in measuring emissions factors, as well as estimation uncertainty in the measurement of activity quantity data. We have described significant sources of uncertainty within significant assumptions and judgements disclosed here.

Motu spend-based emission factors

We have needed to rely on modelling and assumptions to measure emissions for some activities. To measure emissions associated with purchased goods and services and capital goods, Motu's spend-based emission factors have been applied, based on the category of spending. This method has some limitations:

- The Motu factors used were from a working paper published in 2014, which measure emissions data and spend from 2007. Although adjusted for inflation, the factors do not reflect any changes in the underlying drivers of emissions, which may have occurred in the production of goods and services.
- The factors do not reflect any subsequent methodological changes that may have occurred in how greenhouse gas emissions or national expenditure data sets are measured since that date.
- Motu's analysis assumes the carbon intensities of imports are the same as their domestic counterparts.
- The model assumes that the output from each industry is homogeneous and hench has the same emissions content per dollar of output. This means any procurement decisions which take emissions into consideration are not reflected in the model.

Reporting boundary

An independent carbon footprint accounts for emissions from Council's value chain. This means emissions from upstream goods and services received as well as downstream use of the goods and services provided are considered. Below we have disclosed the material sources that we are currently including and those that are expected from the reported result.

Emissions included

For full details of the data source, please refer to the Greenhouse Gas Inventory available on our website. Sources included are:

Category 1: Direct emissions

- Mobile combustion—fuel (petrol and diesel) used in Council owned vehicles and equipment.
- Stationary combustion—natural gas consumption (to heat the H₂O Xtream complex)
- Refrigerant emissions—refrigerant leakage/top-ups across Council operations

Category 2: Indirect emission sources

Electricity consumption

Category 3: Indirect emissions from transportation

- Transportation and distribution
- Business travel
- Employee commuting
- Upstream emissions—from fuel production and distribution

Category 4: Indirect emissions from products used by an organisation

- Purchased goods and services and capital goods
- Imported energy transmissions and distribution losses
- Waste generated in operations

Emissions excluded

For full details of the data source, please refer to the Greenhouse Gas Inventory available on our website:

upperhutt.govt.nz/files/assets/public/v/1/community/sustainability/upper-hutt-city-emissions-inventory-2021-22.pdf

Sources excluded are:

Category 1: Direct emissions

Fugitive emissions from vehicles [reason: not applicable]

Category 3: Indirect emissions from transportation

 Transportation and distribution from New Zealand post [reason: unable to obtain after many attempts]

Category 5: Indirect emissions associated with the use of products from an organisation

- Processing of sold products [reason: not applicable]
- Use of sold products [reason: not applicable]
- End of life treatment of sold products [reason: not applicable]
- Downstream leased assets (assets leased to third parties)
 [reason: not applicable]
- Franchises [reason: not applicable]
- Investments [reason: not applicable]

Rating information disclosure under the Local Government Act 2002

	As at 30 June 2024	As at 30 June 2023
Total land valuations of rateable properties for the city	\$9,830,143,650	\$5,978,610,598
Total capital valuation of rateable properties for the city	\$16,674,940,950	\$11,784,079,800
Total number of rateable properties	17,875	17,546

The above values reflect the revaluation by Quotable Value Limited on 1 August 2019. The city's properties are currently being revalued as at 1 July 2022—the results of which will be applicable to the 2023 – 2024 financial year. The next revaluation is due in August 2025.

Rates remissions

Council's rates remission policy allows Council to remit penalties or postpone rates on condition of Ratepayer's extreme hardship, land used for sport, and land protected for historical or cultural purposes and general rate under selected criteria for the Council Economic Development Policy.

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.

In 2024 there were no rates written off under sections 90A or 90B (2023: \$0)

Non-rateable land

Under the Local Government Rating Act 2002 certain properties cannot be rated for general rates. These properties include schools, places of worship, public gardens, and reserves. These non-rateable properties may be subject to targeted rates in respect of sewerage, water, refuse, and sanitation.

Summary of employee levels

2023 - 2024	30 June 2024 employee numbers	30 June 2024 FTE ³³ employee numbers
Total remuneration ≤ \$60,000		
Casual employees	64	5
Part-time employees	48	21
Full-time employees	27	27
	155	71
Total remuneration \$60,001 - \$80,000		
Part-time employees	6	5
Full-time employees	44	44
	50	49

33. FTE: Full-time equivalent employees, based on a 40-hour working week.

30 June 2024 employee numbers	30 June 2024 FTE employee numbers
1	1
34	34
35	35
1	1
18	18
19	19
20	20
9	9
272	184
	1 34 35 1 18 19 20 9

2023 - 2024	30 June 2023 employee numbers	30 June 2024 FTE employee numbers
Total remuneration ≤ \$60,000		
Casual employees	60	5
Part-time employees	54	25
Full-time employees	41	41
	155	71
Total remuneration \$60,001 - \$80,000		
Part-time employees	4	3
Full-time employees	50	50
	54	53
Total remuneration \$80,001 - \$100,000		
Part-time employees	2	1
Full-time employees	37	37
	39	38
Full-time employee total remuneration \$100,001 - \$120,000	17	17
Full-time employee total remuneration \$120,001 - \$160,000	23	23
Full-time employee total remuneration \$160,001 - \$310,000	7	7
Total employee numbers	295	209

Total remuneration includes all financial and non-financial benefits provided to employees.

Where the number of employees in any band is five or fewer, the number for that band is combined with the next highest band.

A full-time employee (FTE) is determined on the basis of a 40-hour working week.

Insurance

Insurance Risk Clause 31A, Schedule 10, Local Government Act 2002

The total value of all above ground assets (excludes land and roads) of the local authority that are covered by insurance contracts is \$260 M. The maximum amount to which they are insured is \$600 M for any one event, including business interruption. (Combined Group limit of five councils).

- B. The total value of all assets of the local authority that are covered by financial risk sharing arrangements is underground/infrastructure assets with a total value of \$748 M. The maximum amount available to the local authority under those arrangements is \$600 M split 60/40 between Central Government and commercial insurance. (Combined group limit of four councils). The maximum available to Upper Hutt City Council is \$260 M split 60/40 between Central Government and commercial insurance.
- C. The total value of all assets of the local authority that are self- insured is nil except for any insurance claims below the excess. Council has no funds maintained by the local authority for that purpose.

Insurance of Council assets

The following information relates to the insurance of Council assets as at 30 June 2024:

	30 JUN 2024 (\$M)	30 JUN 2023 (\$M)
The total value of all Council assets covered by insurance contracts	1,008	985
Above ground assets (excludes land and roads)	260	237
Underground/infrastructure assets	748	748
The maximum collective amount to which insured assets are insured	600	600
The total collective value of all Council assets covered by financial risk sharing arrangements	6,853	6,836
Maximum amount available to Council under financial risk sharing arrangements	860	860
Above ground assets	600	600
Below ground assets	260	260
Total value of assets that are self-insured	Nil	Nil
The value of funds maintained for self-insurance	Nil	Nil

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

Under Section 33.4.2 of the guide to the National Civil Defence Emergency Management Plan 2006, the Government's policy is to reimburse 60% of other eligible response costs, combined with essential infrastructure recovery repair costs, above a threshold of 0.0075% of the city's net capital value.

Council's threshold excess is \$901,214 (2021: \$901,214).

Council-controlled organisations

Te Aka o te Kupenga Maidstone Park Trust

Extent to which
Council's policies and
objectives in regard to
ownership and control
of the organisation
have been implemented

Council's primary objective for the Te Aka o te Kupenga is that it successfully operates Te Kupenga o Ronogomai – 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.

Nature and scope of the activities

Council's primary purpose for Te Aka o te Kupenga 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.

Key performance indicators for 2023 – 2024

There are no performance measures as the CCO is recently established, with the facility opened in April 2024. Baseline performance will be measured in its first year and then targets set accordingly through its Statement of Intent for the Annual Plan 2025 – 2026.

Whirinaki Whare Taonga

Extent to which
Council's policies and
objectives in regard to
ownership and control
of the organisation
have been implemented

Council's primary objective for the Trust is that it is 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 building it occupies, and payment on an annual operating grant.

Nature and scope of the 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 Ferguson Drive.

KEY PERFORMANCE INDICATORS FOR WHIRINAKI WHARE TAONGA

Achieved | Not achieved

	TARGET	2022 - 2023 RESULT	2023 - 2024 RESULT
1	14 exhibitions are presented annually. Ten public programmes across the exhibitions are presented.	16 ♥	14 🤡
2	One significant exhibition (block buster) annually.	•	1 ♥ Hall of Heroes
3	At least two of the 14 exhibitions will have an interactive or alternative engagement elements specifically aimed at children and family audiences.	•	2 CHAIL of Heroes, ABC: 160 years of schools
4	A minimum of two exhibitions to reflect the diverse and distinct communities of Upper Hutt annually.	•	•
5	Actively promote across a range of media and platforms information about local arts, culture and heritage activities in an arts communication strategy. This will include an arts calendar, regular networking events and quarterly newsletters.	©	•
6	One exhibition with a local Upper Hutt social/cultural history focus will be presented annually.	•	1 O Home: One City Many Cultures
7	One touring exhibition every two years.	•	0 O No tour
8	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.	New measure	Matariki Puanga
9	A minimum of three Te Ao Māori exhibitions presented annually.	New measure	0
10	90% of respondents surveyed in Council's community surveys are satisfied or very satisfied with the range and quality of events and exhibitions.	87% 🗖	88% 🗖
11	Visitors will tell us about the positive impact their participation in exhibitions, experiences and programme has had on them.	•	•
12	Five performing arts programmes are presented	Ø	6 🗸
13	Actively promote information about local arts, culture, and heritage activities in an arts communication strategy.	•	•

	TARGET	2022 - 2023 RESULT	2023 - 2024 RESULT
14	Provide opportunities for local and national artists to sell work with at least four (4) exhibitions having works for sale.	•	4 🛇
15	Develop a number of free and accessible hands-on outreach art activities and cultural events.	•	Free creative sessions on school holidays and for Matariki
16	Develop and maintain an Upper Hutt visual and performing arts directory	0	•
17	A regular gallery programme for preschool children 'Little Whirinaki.'	•	Ran for the whole year
18	Education programmes are presented to at least 2,000 students each year.	•	•
19	An annual art award is provided.	0	Upper Hutt City Council Youth Awards
20	One artwork is installed through the city's public spaces per year.	In progress	1 ♥ Mural in Centrewalk
21	Four Friends of Whirinaki Whare Taonga events are held annually and four newsletters presented annually.	•	•
22	110,000 visitors to the Centre annually (by Whirinaki Whare Taonga in-house monitoring)	0 162,296	2 180,366
23	A café licensee is retained on site	•	Reissued September 2023
24	Assist and advise 10,000 customers per year through the isite facility.	9 8,669	9 4,813
25	One exhibition every two years featuring works from the Pumpkin Cottage Collection.	•	Women of Pumpkin Cottage
26	A feasibility study is completed looking into conserving and increasing access to publicly owned and heritage properties of the Golder Cottage and The Blockhouse.	•	•
27	Develop an Upper Hutt open arts studios annual event and/or trail to shine a spotlight on local arts.	0	•
28	10 different public programmes are presented	•	•

	TARGET	2022 - 2023 RESULT	2023 - 2024 RESULT
29	Monitor hours of active recreation use.	1,012 🕏	932 🗸
30	Actively promote the centre to potential hirers both commercial and community	•	•
31	The Whirinaki Whara Taonga website is updates and usage data and online activity is reported. A new website will be developed in the 2024-2025 year (budget reliant)	0	Funding for website not secured
32	Budget revenues are met as per budget	•	②
33	Operate the venue consistent with practices in the ETNZ and National Services Te Paerangi New Zealand Museum Standards	•	©
34	The Board receives regular organisational health measures covering financial, HR, and operational matters.	•	©
35	The Board regularly undertakes a risk management framework review in the context of the centre aims and objectives to protect and enhance the reputation and safety of the centre. This framework review includes the review of all risk identified on the risk register, reassessment of those risks and mitigations in place to remove or reduce identified risks (as per risk register) across the operations of the trust.	•	⊗
36	Retain a Qualmark status	•	Due to imminent closure of isite
37	Reports are received to the satisfaction of the Council's Director Strategy, Partnerships and Growth.	•	0
38	Potential gifts have been accessed.	Not applicable	②
39	A curriculum-based Pumpkin Cottage education programme is offered to local schools.	•	•
40	Support ang grow local multicultural festivals and / or history / cultural events to be regional draw cards.	©	©
41	Advisory trustee from Orongomai Marae is appointed to the board.	•	②
42	Produce a cross media self-guided (and possibly guided walking tours), heritage trail / map for Upper Hutt encompassing a variety of locations of historical, cultural and environmental significance.	•	•
43	Te Reo is visible across the centre.	•	•

Ahumoni Financials

Financials contents

100	Statement of accounting policies				
	NOTE 1	General accounting policies			
102	Significant	accounting policies			
103	Financial s	statements			
	Statement	of comprehensive revenue and expense			
104	Financial p	position			
105	Changes i	n equity			
106	Cash flows	3			
107	NOTE 2	Revenue			
112	NOTE 3	Expenses			
117	NOTE 4	Cash and cash equivalents			
118	NOTE 5	Other financial assets			
121	NOTE 6	Derivative financial instruments			
122	NOTE 7	Trade and other receivables			
125	NOTE 8	Non-current assets held for sale			

125	NOTE 9	Property, plant, and equipment, and intangible assets
140	NOTE 10	Payables and deferred revenue
141	NOTE 11	Employee entitlements
142	NOTE 12	Borrowings and other financial liabilities
144	NOTE 13	Financial instruments
151	NOTE 14	Equity
157	NOTE 15	Reconciliation of surplus/deficit
158	NOTE 16	Contingencies
159	NOTE 17	Related party transactions
162	NOTE 18	Explanations of major variances against budget
163	NOTE 19	Discontinued activities
	NOTE 20	Post balance date events
165	Funding im	npact statement
166	Benchmarl	KS

Statement of accounting policies

YEAR ENDED 30 JUNE 2024

NOTE 1 | General accounting policies

Reporting entity

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

The Upper Hutt City Council **'Group'** consists of Upper Hutt City Council, Whirinaki Whare Taonga trust (Whirinaki) and Te Aka o te Kupenga Maidstone Park Trust (Te Aka o te Kupenga). The **'Parent,'** for the purposes of these financial statements, is Upper Hutt City Council.

Upper Hutt City Council (Council) has an interest in the Hutt Valley Wastewater Scheme (refer to Note 9G on page 139 for details of the accounting treatments followed).

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 (included in Note 5). Council contracts WWL to carry out the services and maintenance and development of the *three waters* (water supply, wastewater, and stormwater) infrastructure on its behalf.

The primary objective of Council and Group is the provision of local infrastructure, local public services, and performing regulatory functions for the community. Council does not operate to make a financial return. Accordingly, Council has designated itself and the Group as public benefit entities in Tier 1 entity for the purposes of New Zealand equivalents to International Public Sector Accounting Standards (IPSAS).

The financial statements of Council are for the year ended 30 June 2024. The Annual Report was adopted for issue by Council on 30 October 2024.

Basis of preparation

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

Basis of consolidation

The consolidated financial statements comprise Council, together with Whirinaki Whare Taonga and Te Aka o te Kupenga (the 'group') and are prepared by adding together like items of assets, liabilities, equity, income, and expenses on a line-by-line basis. All significant intragroup balances, transactions, revenue, and expenses are eliminated on consolidation.

Council consolidates its subsidiary, Whirinaki Whare Taonga and Te Ala o te Kupenga, in the group financial statements as Council has the capacity to control the trust's financing and operating policies so as to obtain benefits from the activities. This power exists where Council controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by Council or where the determination of such policies is unable to materially impact the level of potential ownership benefits that arise from the activities of the subsidiary.

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

Statement of compliance

The financial statements of Council have been prepared in accordance with the requirements of Local Government Act 2002: Part 6, section 98 and Part 3 of Schedule 10, and the requirements of the Local Government (Financial Reporting and Prudence) Regulations 2014.

These financial statements have been prepared in accordance with NZ GAAP. They comply with International Public Sector Accounting Standards (IPSAS), and other applicable financial reporting standards, as appropriate for public benefit entities, in accordance with Tier 1 PBE accounting standards.

Measurement base

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

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand (\$'000) apart from the amounts in Note 3A: Personnel costs and councillor remuneration and certain amounts in Note 17: Related party transactions. The functional currency of Council is New Zealand dollars.

Foreign currency transactions

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

Standards issued and not yet effective and not early adopted

PBE IPSAS 1 Disclosure of Fees for Audit Services

Disclosure of Fees for Audit Firms' Services (the amending Standard) was issued in May 2023. This amending standard updates the required disclosures for fees relating to services provided by the entity's audit or review firm. The fees must be disaggregated into specified categories and there is guidance to assist entities in determining the types of services to include in each category. This amending standard is effective for reporting periods beginning on or after 1 January 2024 with early adoption permitted.

Significant accounting policies

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

Budget figures

The budget figures are those approved by Council at the beginning of the year after a period of consultation with the public as part of the Annual Plan process. The budget figures have been prepared in accordance with NZ GAAP that is consistent with the accounting policies adopted by Council for the preparation of financial statements.

Goods and Services Tax (GST)

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

The net amount for GST recoverable from, or payable to the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

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

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

Critical accounting estimates and assumptions

Critical accounting estimates and assumptions are disclosed within the notes they pertain to. These are:

- Estimating valuations of infrastructure assets
 - -Note 9: Property, plant, and equipment
- Estimating the provision for bad debts
 - -Note 7: Trade and other receivables
- Estimating valuations of financial assets
 - -Note 5: Other financial assets
- Estimating retirement and long-service leave calculations
 - -Note 11: Employee entitlements

Financial statements

The accompanying accounting policies and notes form part of the financial statements. Explanations of major variances against budget are provided in Note 18.

Statement of comprehensive revenue and expense

REVENUE	Note	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Budget Parent 30 Jun 2024 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
Rates	2A	53,506	49,812	53,215	53,506	49,812
Fees and charges	2B	7,306	8,468	4,545	7,642	8,771
Reserve fund and financial contributions		2,097	1,824	2,608	2,097	1,824
Subsidies and grants	2C	12,681	10,831	12,619	13,040	10,876
Interest and dividends	2D	2,762	1,350	400	2,782	1,360
Gain on investments		2	0	0	2	0
Other revenue	2E	9,965	6,309	9,208	9,946	6,317
Total revenue		88,318	78,593	82,595	89,015	78,960
EXPENSES						
Personnel and elected representatives costs	ЗА	17,914	16,665	19,340	18,836	17,466
Depreciation and amortisation	3B	23,574	19,649	21,242	23,592	19,694
Finance costs		7,836	4,087	6,775	7,836	4,087
Bulk water Levy		6,114	4,901	5,727	6,114	4,901
Bulk drainage Levy		3,661	3,130	3,296	3,661	3,130
Other expenses	3C	39,913	35,282	30,889	39,657	34,772
Total expenses		99,012	83,713	87,269	99,696	84,050
Surplus/(Deficit) after tax		(10,694)	(5,120)	(4,674)	(10,681)	(5,090)
OTHER COMPREHENSIVE REV	ENUE A	AND EXPENSE				
Gains/(losses) on infrastructural property assets revaluation	9F	476,899	(513)	0	476,899	(513)
Gains/(losses) on operational and restricted assets revaluation	9A, 9B, 9C, 9E	(954)	51,761	0	(954)	51,761
Total other comprehensive revenue and expense		475,944	51,248	0	475,944	51,248
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		465,257	46,128	(4,674)	465,263	46,159

The accompanying accounting policies and notes form part of these financial statements. Explanations of major variances against budget are provided in Note 18.

Statement of financial position

EQUITY	Note	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Budget Parent 30 Jun 2024 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
Accumulated funds	14A	230,273	235,002	226,738	230,638	235,353
Restricted reserves	14B	29,547	33,636	23,708	29,589	33,677
Asset revaluation reserves	14C	1,177,906	701,961	720,220	1,177,936	701,991
TOTAL EQUITY		1,437,726	970,599	970,666	1,438,162	971,021
CURRENT ASSETS						
Cash and cash equivalents	4	18,360	18,973	7,521	18,605	19,240
Other financial assets	5	23,189	13,203	16,573	23,327	13,341
Derivative financial instruments	6	170	97	0	170	97
Receivables	7	9,280	7,293	7,828	9,345	7,408
Inventory		3	6	206	43	37
Non-current assets held for sale	8	590	590	0	590	590
Total current assets		51,592	40,162	32,128	52,079	40,713
NON-CURRENT ASSETS						
Other financial assets	5	4,232	2,469	2,929	4,232	2,469
Derivative financial instruments	6	3,910	5,089	0	3,910	5,089
Receivables	7	15	19	22	15	19
Permanent art collection	9D	0	0	0	59	59
Property, plant, and equipment	9A, 9B, 9C	237,432	228,704	194,775	237,516	228,785
Aquatic assets	9E	41,047	18,594	42,540	41,047	18,594
Infrastructure assets	9F	1,296,638	806,620	885,931	1,296,638	806,620
Intangible assets		0	0	2	0	0
Total non-current assets		1,583,275	1,061,495	1,126,199	1,583,417	1,061,635
TOTAL ASSETS		1,634,866	1,101,657	1,158,327	1,635,496	1,102,347

CURRENT LIABILITIES	Note	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Budget Parent 30 Jun 2024 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
Payables and deferred revenue	10	15,744	16,873	9,900	15,870	17,093
Derivative financial instruments	6	0	0	217	0	0
Employee entitlements	11	2,027	1,944	684	2,096	1,991
Borrowing and other liabilities	12	9,000	11,000	12,816	9,000	11,000
Total current liabilities		26,771	29,817	23,617	26,965	30,084
NON-CURRENT LIABILITIES						
Derivative financial instruments	6	128	0	2,457	128	0
Employee entitlements	11	241	241	314	241	241
Borrowing and other liabilities	12	170,000	101,000	161,273	170,000	101,000
Total non-current liabilities		170,369	101,241	164,044	170,369	101,241
TOTAL LIABILITIES		197,140	131,058	187,661	197,334	131,326
NET ASSETS		1,437,726	970,599	970,666	1,438,162	971,022

The accompanying accounting policies and notes form part of these financial statements. Explanations of major variances against budget are provided in Note 18.

Statement of changes in equity

OPERATING ACTIVITIES	Note	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Budget Parent 30 Jun 2024 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
Balance at 1 July		970,599	918,511	975,340	971,022	918,899
Transfer of revaluation reserve from asset revaluation reserve on disposal of property		1,877	5,958	(4,674)	1,878	5,963
Total comprehensive revenue and expense for the year		465,250	46,128	0	465,262	46,159
Balance at 30 June		1,437,726	970,599	970,666	1,438,162	971,022

The accompanying accounting policies and notes form part of these financial statements. Explanations of major variances against budget are provided in Note 18.

Statement of cash flows

OPERATING ACTIVITIES	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Budget Parent 30 Jun 2024 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
Cash was provided from:					
Rates	52,974	49,618	71,994	52,974	49,618
Other receipts	23,901	25,587	0	25,873	27,000
Interest received	1,395	1,350	400	1,419	1,358
Dividends received	0	0	0	0	0
Regional Council rates	15,674	14,081	0	15,674	14,081
	93,944	90,636	72,394	97,308	92,057
Cash was applied to:					
Payments to suppliers	(48,416)	(38,276)	(56,645)	(49,593)	(38,929)
Payments to employees	(17,831)	(16,422)	0	(18,639)	(17,217)
Interest paid	(7,148)	(3,296)	(6,775)	(7,148)	(3,296)
Goods and Services Tax (net)	(5)	(575)	0	(5)	(575)
Regional Council rates	(16,249)	(13,138)	0	(16,249)	(13,138)
	(89,649)	(71,707)	(63,420)	(91,634)	(73,155)
Net cash inflow/(outflow) from operating activities	4,295	18,929	8,974	4,307	18,902
INVESTING ACTIVITIES					
Cash was provided from:					
Proceeds from sale of plant, property, and equipment	0	(1)	0	0	(1)
Interest on term deposits	1,367	0	0	1,368	1
Special funds	0	0	0	0	70
Maturity of investments	41,000	13,444	0	41,000	13,344
	42,367	13,443	0	42,368	13,414
Cash was applied to:	·	· · · · · · · · · · · · · · · · · · ·		,	•
Purchase of investments	(49,752	0	(12,307)	(49,777)	0
Purchase of property, plant, and equipment	(64,523)	(44,415)	(43,108)	(65,249)	(44,423)
	(114,275)	(44,415)	(55,415)	(114,458)	(44,423)
Net cash inflow/(outflow) from investing activities	(71,908)	(30,972)	(55,415)	(72,090)	(31,009)
FINANCING ACTIVITIES					
Cash was provided from:					
Loans raised	78,000	25,985	51,792	78,000	25,985
Cash was applied to:					
Loan repayments	(11,000)	(4,985)	(5,703)	(11,000)	(4,985)
Net cash inflow/(outflow) from financing activities	67,000	21,000	46,089	67,000	21,000

	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Budget Parent 30 Jun 2024 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
Net increase/(decrease) in cash, cash equivalents and bank overdrafts	(613)	8,957	(352)	(635)	8,894
Cash and cash equivalents as at 1 July	18,973	10,016	7,874	19,240	10,346
Cash and cash equivalents as at 30 June	18,360	18,973	7,522	18,605	19,240

The forecast opening balance of budget year 2023 – 2024 may not agree to the closing balance of year 2022 – 2023 due to the budget being finalised before year end.

The accompanying accounting policies and notes form part of these financial statements. Explanations of major variances against budget are provided in Note 18.

Wayne Guppy | Mayor

Wayne Goff

Geoff Swainson | Chief Executive

NOTE 2 | Revenue

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

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 accounting policies for major categories of revenue

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 each instalment is invoiced.

Rates collected on behalf of the 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.

Waka Kotahi roading subsidies

Council receives government grants from Waka Kotahi—New Zealand Transport Agency (NZTA), which subsidise part of our 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.

Metered water charges

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-lived 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.

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.

Donations

Permanent collection—Whirinaki Ware Taonga

Donations of works of art are recognised at estimated fair value pending a valuation carried out by an independent registered valuer.

Reserve fund and financial 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.

2A | Non-exchange revenue rates

	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
General rates	36,999	33,485	36,999	33,485
Targeted water fire protection rates	1,928	1,845	1,928	1,845
Targeted water supply rates	5,885	5,580	5,885	5,580
Targeted stormwater disposal rates	1,928	2,772	1,928	2,772
Targeted wastewater pan charges	6,959	6,203	6,959	6,203
Rates penalties	375	237	375	237
Total non-exchange gross rates revenue	54,073	50,121	54,073	50,121
LESS REMISSION				
Land used for sport (general rates)	240	89	240	89
Rates penalties remissions	97	50	97	50
Remission Economic Development Stimulus Policy	230	170	230	170
Total remission	567	309	567	309
TOTAL NON-EXCHANGE REVENUE NET OF REMISSION	53,506	49,812	53,506	49,812

The total amount of rates charged on Council-owned properties that have not been eliminated from revenue and expenditure is \$2.569 M (2023: \$2.445 M). For the group, rates of \$2.569 M (2023: \$2.445 M) have not been eliminated.

2B | Fees and charges revenue

	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
Permit and licence fees	2,413	2,974	2,413	2,974
Metered water charges 34	1,467	2,002	1,467	2,002
Property rentals	167	197	167	197
H ₂ O Xtream and Whirinaki Whare Taonga charges	279	798	616	1,102
Library, parks, and community charges	64	85	64	85
Other charges 35	1,414	714	1,414	714
Total non-exchange fees and charges revenue	5,803	6,770	6,140	7,073
Solid waste	392	731	392	731
Dog charges	666	526	666	526
Cemetery charges	443	442	443	442
Total exchange fees and charges revenue	1,502	1,698	1,502	1,698
TOTAL FEES AND CHARGES REVENUE	7,306	8,468	7,642	8,771

^{34.} Metered water charges are user charges imposed under Council's Water Supply Bylaw (2008) and thus treated as fees and charges. Under *Metered water charges*, Council has \$40 K of water charges charged to Council properties from income and other operating expenses (2023: \$24 K).

^{35.} Under Other charges, Council has \$0 of other internal charges and other operating expenses (2023: \$0).

2C | Non-exchange revenue subsidies and grants

	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
Roading subsidies (Waka Kotahi)	5,138	3,325	5,138	3,325
Three Waters stimulus funding (DIA)	3,255	999	3,255	999
Social community project grants	239	246	239	246
Crown Infrastructure	3,000	6,261	3,000	6,261
Donations from Whirinaki Whare Taonga for extension	0	0	0	0
Other grants and subsidies	1,048	0	1,408	45
Total non-exchange revenue subsidies and grants	12,681	10,831	13,040	10,876

There are no unfilled conditions and other contingencies attached to subsidies and grants recognised.

2D | Exchange revenue interest

	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
Other financial assets	2,762	1,350	2,762	1,350
Trade receivables—community loans	0	1	0	1
Dividends	0	0	20	10
Total interest	2,762	1,350	2,782	1,360

2E | Non-exchange other revenue

	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
Cost reimbursement from other agencies	4,126	763	4,126	763
Insurance recoveries	0	0	0	0
Petrol tax subsidies	138	128	138	128
Vested assets	5,405	3,885	5,405	3,885
Parking and vehicle infringements	222	310	222	310
Profit on disposal of assets	0	0	0	0
Gain on remeasurement of derivatives	73	1,223	54	1,231
Total other revenue	9 965	6.309	9 946	6.317

2F | Non-cancellable operating lease commitment as a lessor

Council has no investment property, however it does hold some property for strategic purposes in the development of the city. These properties, while being held for development, are leased under operating leases. The majority of these leases have a non-cancellable term of up to five years.

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

	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
Not later than one year	227	374	227	374
Later than one year and not later than five years	510	1,025	510	1,025
Later than five years	1,063	1,678	1,063	1,678
Total non-cancellable operating leases	1,800	3,078	1,800	3,078

No contingent rents have been recognised in the Statement of comprehensive revenue and expense during the period (2023: \$0).

Note 3 | Expenses

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 application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received. Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Council's decision.

Allocation of overheads to significant activities

The gross costs of Support Services have been allocated to individual significant activities. These overheads have been allocated at the most appropriate predetermined basis such as 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

Salaries and wages are recognised as an expense as employees provide services.

Superannuation schemes

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.

3A | Costs and remuneration for personnel and elected representatives

BREAKDOWN OF COSTS AND REMUNERATION	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
Salaries and wages	17,383	15,998	18,182	16,695
Defined contributions plan employee contributions	447	425	468	442
Increase/(decrease) employee entitlements	84	242	100	246
Other	0	0	87	83
Total costs and remuneration for personnel and elected representatives	17,914	16,665	18,836	17,466

Chief Executive remuneration

Council's Chief Executive is appointed under section 42(1) of the Local Government Act 2002. The total remuneration (including any non-financial benefits) paid or payable for the year to the Chief Executive was \$399,192 (2023 \$321,694).

The Chief Executive Officers' remuneration	30 Jun 2024 (\$)	30 Jun 2023 (\$)
Salary	393,472	310,320
Private use of a car	5,719	11,374
Total actual remuneration, including fringe benefit tax	399,192	321,694

During the 2023 – 2024 financial year were three members acting in the position of Chief Executive:

The previous Chief Executive resigned on 1 September 2023. There was an acting Chief Executive from the 2 September to 10 December 2023. On the 6 December 2023, the new Chief Executive was appointed.

Remuneration of elected representatives

During the year Upper Hutt City Council paid total costs, including meeting allowances of \$632,168 (2023: 612,887) to elected representatives, as follows:

	30 Jun 2024 (\$)	30 Jun 2023 (\$)
His Worship the Mayor, Wayne Guppy	143,448	143,704
Deputy Mayor Hellen Swales	62,649	59,595
Cr. Dave Wheeler	54,296	51,743
Cr. Heather Newell	54,296	50,606
Cr. Chris Carson	50,120	49,061
Cr. Blair Griffiths	50,120	49,061
Cr. Dylan Bentley	50,120	45,650
Cr. Tracey Ultra	41,766	40,285
Cr Matt Carey (elected October 2022)	41,822	28,969
Cr Bill Hammond (elected October 2022)	41,766	28,915
Cr Emma Holderness (elected October 2022)	41,766	28,915
Cr. Steve Taylor (not re-elected October 2022)	0	13,643
Cr. Paul Lambert (not re-elected October 2022)	0	11,370
Cr. Angela McLeod (not re-elected October 2022)	0	11,370
Total remuneration of elected representatives	632,168	612,887

Included in the payments above are resource consent hearing fees and liquor licensing/hearing fees to the following elected members. These fees are recoverable from applicants. Note these payments are to the nearest dollar.

	30 Jun 2024 (\$)	30 Jun 2023 (\$)
His Worship the Mayor, Wayne Guppy	5,577	8,346
Total remuneration of elected representatives	5,577	8,346

Severance payments

For the year ending 30 June 2024, Council made one severance payment to employees amounting to \$20,000 (2023: \$0).

3B | Depreciation and amortisation expense by activity group

	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
Leadership	0	0	0	0
Community and recreation	5,695	4,774	5,712	4,774
Economic development	7	7	7	7
Water supply	2,556	2,438	2,556	2,438
Wastewater	4,686	4,373	4,686	4,373
Stormwater	2,703	2,584	2,703	2,629
Land transport	7,889	5,444	7,889	5,444
Sustainability	33	27	33	27
Planning and regulatory	5	3	5	3
Total depreciation and amortisation expenses	23,574	19,649	23,592	19,694

3C | Other expenses

	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
Audit NZ fees for audit of financial statements and performance information	207	192	262	209
Audit NZ fees for audit of the Long-term for 2024-34	123	0	123	0
Grants	1,117	1,206	1,117	1,206
Consultants	1,603	1,363	1,693	1,363
Disaster Fund Insurance	757	736	757	736
Electricity and gas energy	165	404	165	404
Fringe benefit tax (FBT)	87	77	87	77
IT maintenance and support	2,525	2,006	2,525	2,006
Insurance	1,610	1,136	1,620	1,146
Land transport general maintenance	4,502	3,666	4,502	3,666
Loss on disposal of assets	2,755	4,078	2,755	4,078
Parks, reserves, and sportsground maintenance	3,854	3,056	3,854	3,056
Rates on Council properties	2,569	2,445	2,569	2,445
Rental charges	621	672	781	838
Stormwater (drain) maintenance	700	670	700	670
Wastewater (sewer) maintenance	835	926	835	926
Water (supply) maintenance	2,642	2,392	2,642	2,392
Wellington Water contract/management fees	1,353	1,270	1,353	1,270
Three Waters Stimulus	123	328	123	328
Waste recycling	346	0	346	0
Other operating expenses	11,420	8,658	10,849	7,955
Total other expenses	39,913	35,282	39,657	34,772

Internal charges

Upper Hutt City Council rates on Council properties and metered water charges are included as part of the revenue and expenses.

	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
Upper Hutt City Council rates on Council properties	2,173	2,068	2,173	2,068
Metered water charges on Council properties	40	24	40	24
Total internal charges	2.213	2.092	2.213	2.092

3D | Operating leases

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

Operating leases as lessee

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$0 (2023: \$0).

Leases are mostly for either a 12, 24 or 36 month term which can be renewed at the end of that term at Council's option with rents set by reference to current market rates for items of equivalent age and condition.

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

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

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

NON-CANCELLABLE OPERATING LEASE COMMITMENT AS A LESSEE FOR PROPERTY, PLANT, AND EQUIPMENT	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
Not later than one year	247	433	247	433
Later than one year and not later than five years	284	624	284	624
Later than five years	3	30	3	30
Total non-cancellable operating leases	534	1.088	534	1.088

Note 4 | Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held on call with bank, and other short-term highly liquid investments with original maturities of three months or less.

Bank overdrafts	Bank overdrafts are shown within borrowing in current liabilities in the

Statement of financial position.

Short term-deposits The carrying value of short term-deposits with maturity dates of three months or

less approximates their fair value.

Unspent funds Council holds unspent funds included in cash at bank, and term deposits (see Note 5: Other financial assets) 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 14: Equity.

CASH AND CASH EQUIVALENTS	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
Cash on hand	1	2	1	2
Bank balances	3,359	1,972	3,603	2,238
Call account	15,000	17,000	15,000	17,000
Total cash and cash equivalents	18,360	18,973	18,605	19,240

Although cash and cash equivalents at 30 June 2024 are subject to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because the estimated allowance is trivial.

Note 5 | Other financial assets

Classifications

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 expense

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

They are included in non-current assets unless management intends to dispose of share 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 expense

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.

Breakdown of other financial assets

OURDENT PORTION	Actual Parent 30 Jun 2024	Actual Parent 30 Jun 2023	Actual Group 30 Jun 2024	Actual Group 30 Jun 2023
CURRENT PORTION	(\$000)	(\$000)	(\$000)	(\$000)
Financial assets at amortised cost Term deposits	23,000	13,000	23,138	13,138
Fair value through surplus or deficit LGFA ³⁶ borrower notes	189	203	189	203
Total current portion	23,189	13,203	23,327	13,341
NON-CURRENT PORTION				
Fair value through surplus or deficit LGFA borrower notes	4,061	2,300	4,061	2,300
Fair value through Equity—unlisted shares: NZLG Insurance Corporation Ltd				
(trading as Civic Assurance)	48	47	48	47
Smartlinx3 Ltd	43	43	43	43
Wellington Water Ltd	80	80	80	80
Total non-current portion	4,232	2,469	2,232	2,469

Fair value

The carrying value of other financial assets approximates their fair value.

Impairment

There were no impairment provisions for other financial assets (2023: \$0).

Note 6 | Derivative financial instruments

Council's derivative financial instruments are interest rate swaps.

Council enters into contracts to swap floating interest rates for fixed interest rates. Council uses derivative financial instruments to manage exposure to interest rate risks arising from financial activities. In accordance with its Treasury Policy, Council does not hold or issue derivative financial instruments for trading purposes. Council has not adopted hedge accounting.

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

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

Interest rate swaps fair value

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

Amounts

The notional principal amounts of the interest rate swap contracts for Council as at 30 June 2024 is $155 \, \text{M}$ (2023: \$94 M).

6A | Financial instruments

INTEREST RATE SWAPS NOT HEDGE ACCOUNTED	Note	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
Current asset portion	13	170	97	170	97
Non-current asset portion	13	3,910	5,089	3,910	5,089
Current liability portion	13	0	0	0	0
Non-current liability portion	13	(128)	0	(128)	0

6B | Timing of nominal principal amounts and average fixed rates of interest rate swaps

COUNCIL (PARENT) 2024	< 1 Year	1 - 2 Years	3 - 5 Years	> 5 Years
Interest rate swaps—not hedge accounted				-
Nominal amount (\$000)	8,000	6,500	84,000	56,500
Average fixed rate	3.68%	3.64%	3.03%	3.88%

GROUP 2024	< 1 Year	1 - 2 Years	3 - 5 Years	> 5 Years
Interest rate swaps—not hedge accounted				
Nominal amount (\$000)	8,000	6,500	84,000	56,500
Average fixed rate	3.68%	3.64%	3.03%	3.88%

Fair value

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

Note 7 | Receivables

Council has applied a simplified ECL calculation model to aged non-rates receivables to recognise actual losses plus possible future defaults and non-recoverability. Previous accounting standards provided for doubtful debts based on actual losses incurred only.

Expected Credit Loss allowance

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.

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.

Community loans

The fair value of community loans is \$15,000 (2023: \$19,000). Fair value has been determined using cash flows discounted at a rate of 1 - 3% (2023: 1 - 3%).

The face value of community loans is \$15,000 (2023: \$19,000).

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

The carrying value of trade and other receivables (excluding community loans) approximates their fair value.

There is no concentration of credit risk with respect to receivables outside the group, as the group has a large number of customers.

As of 30 June 2024 and 2023, all overdue receivables (except for rates receivables) have been assessed for impairment and appropriate provisions applied. Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

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

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

RECEIVABLES	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
Rates receivables	1,535	995	1,535	995
Sundry debtors	1,073	1,083	1,094	1,100
Related party receivables	87	0	0	(69)
Crown Infrastructure funding	0	0	0	0
Community loans	15	19	15	19
GST	1,398	1,393	1,411	1,408
Accrued revenue	3,023	1,509	3,026	1,512
Prepayments	2,305	2,453	2,420	2,602
	9,436	7,452	9,501	7,567
Less provision for impairment of receivables	(140)	(140)	(140)	(140)
TOTAL TRADE AND OTHER RECEIVABLES	9,295	7,312	9,360	7,427
Less non-current portion(s) —community loans	(15)	(19)	(15)	(19)
Total current portion	9,280	7,293	9,345	7,408
Receivables from non-exchange transactions: Includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates	9,055	7,005	9,120	7,120
Receivables from exchange transactions: Includes outstanding dog charges, and cemetery and solid waste transactions	240	307	240	307
	9,295	7,312	9,360	7.427

The allowance for credit losses for Parent is determined as follows:

RECEIVABLE DAYS PAST DUE

30 JUNE 2024	Current	> 30 Days	> 60 Days	> 90 Days	TOTAL
Expected credit loss rate	0.0%	0.0%	0.0%	56.4%	12.1%
Gross carrying amount (\$000)	693	194	26	248	1,160
Lifetime expected credit loss (\$000)	-	-	-	140	140
30 JUNE 2023					
Expected credit loss rate	0.2%	0.5%	10.3%	41.8%	12.9%
Gross carrying amount (\$000)	518	227	11	327	1,083
Lifetime expected credit loss (\$000)	1	1	1	137	140

Movements in the allowance for credit losses are as follows:

	2024 (\$000)	2023 (\$000)
Balance as at 1 July	140	50
Increase/(decrease) in loss allowance made during the year	0	91
Receivables written off during the year	0	(1)
Balance as at 30 June	140	140

The above ECL tables are allowances for credit losses on receivables for Parent only. No credit loss allowances were calculated for the Group as the value of the subsidiary's receivables are not material and the credit loss allowance information was not available.

The age of rates receivable overdue that have not been impaired are as follows:

AGE OF RATES RECEIVABLES	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
Current 90 days over	1,357	832	1,357	832
1 to 2 years old	166	111	166	111
2 to 3 years old	13	43	13	43
Greater than 3 years old	0	9	0	9
Carrying amount as at 30 June	1.535	995	1,535	995

The age of sundry debtors, including related party receivables, are as follows:

AGE OF SUNDRY DEBTORS	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
Past due 1 – 30 days	693	518	627	467
Past due 31 – 60 days	194	227	194	227
Past due 61 - 90 days	26	11	26	11
Past due greater than 90 days	248	327	248	327
Carrying amount as at 30 June	1,160	1,083	1,094	1,032

The expected credit loss rates for receivables at 30 June 2023 and 30 June 2024 are based on the payment profile of revenue on credit over the prior two years at the measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the recoverability of receivables. Given the short period of credit risk exposure, the effect of macroeconomic factors is not considered significant.

There have been no changes during the reporting period in the estimation techniques or significant assumptions used in measuring the loss allowance.

Note 8 | Non-current assets held for sale

Non-current assets held for sale 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 writedown of non-current assets held for sale are recognised in the surplus or deficit.

Increases in fair value

Any increases in fair value (less cost to sell) are recognised up to the level of any impairment losses that have been previously recognised. Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Council has identified a parcel of land at Duncraig Street as being made available for sale. The increase in fair value of land is attributed to revaluation movement.

NON-CURRENT ASSETS HELD FOR SALE	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
Land	590	590	590	590
Total non-current assets held for sale	590	590	590	590

Note 9 | Property, plant, and equipment, and intangible assets

Intangible assets

Software acquisition and development

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

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

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

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

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

Amortisation

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

The useful life and associated amortisation rate of computer software has been estimated as 3 years (33%).

Property, plant, and equipment

This is split into four sections:

- Operational property, plant, and equipment—which includes land, buildings, improvements, street trees, library books, plant and equipment, and motor vehicles.
- Restricted property, plant, and equipment—which is mainly parks and reserves owned by Council which provide a benefit or service to the community and cannot be disposed of because of legal restrictions.
- 3. Aquatic Assets—building, plant, and equipment relating to the H_2O Xtream pool facility.
- Infrastructure assets—assets are the fixed utility network systems owned by Council and include roading, water, stormwater, and wastewater assets. 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.

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 valuation cycle as described below. All other asset classes are carried at depreciated historical costs. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

Operational assets

Land and buildings were revalued as at 30 June 2023 by Martin Veale FNZIV & FPINZ, a Senior Director at Telfer Young.

The land component of the valuation is derived from market-based evidence based on its highest and best correlation with reference to sales of comparably zoned land in surrounding areas.

Adjustments are made to land values where there is a designation against the land or the use of the land is restricted because of reserve status.

The revalued operational building assets are valued either on a depreciated replacement cost or optimised depreciated replacement cost because no reliable market data is available for such buildings.

Depreciated replacement cost is determined using a number of significant assumptions. These include:

- The replacement costs of the specific assets are adjusted where appropriate for optimisation due to over-design or surplus capacity. There have been no optimisation adjustments for the most recent valuations.
- The replacement cost is derived from recent construction contracts of modern equivalent assets and Property Institute of New Zealand cost information. Construction costs range from \$350 to \$5,000 per square metre, depending on the nature of the specific asset valued.
- The remaining useful life of assets is estimated after considering factors such as the condition of the asset, future maintenance and replacement plans, and experience with similar buildings.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Infrastructure assets

Roading assets were independently valued as at 30 June 2024 by WSP New Zealand Ltd. The asset valuation was completed using the *RAMM Asset Valuation Module*. Roading assets were valued using the optimised depreciated replacement cost method.

Water, stormwater, and wastewater assets were valued by WSP New Zealand Ltd as at 30 June 2024. The assets are valued under the depreciated replacement cost method and in accordance with the *New Zealand Infrastructure Asset Valuation and Depreciation Guidelines* 2006.

Infrastructure assets are revalued at least every 3 years.

Hutt Valley Wastewater Scheme

These assets were valued by WSP New Zealand Ltd as at 31 May 2024. The majority of these assets are valued at *optimized depreciated replacement cost* (ODRC), and the remaining at depreciated replacement cost.

Land under roads

Under PBE IPSAS reporting standards Upper Hutt City Council has elected to use the fair value of land under roads as 30 June 2004 as deemed cost. Land under roads is no longer revalued.

Restricted assets

These are operational assets that cannot be disposed of because of legal and other restrictions. These assets have been revalued as at 30 June 2023 by Martin Veale FNZIV & FPINZ, a Senior Director at Telfer Young. These assets are valued under the depreciated replacement cost method.

Parks plant and equipment assets were revalued as at 30 June 2023 by Martin Veale FNZIV & FPINZ, a Senior Director at Telfer Young.

Street trees

Street trees have been valued as at 30 June 2018 by Peter Ollivier Bsc BE (Civil) FIPENZ CPEng, IntPE MICE an independent valuer of Calibre Consulting Ltd. Street trees typically have a long life and increase in size over this period. It is not generally possible to replace a large mature street tree on a like for like basis. Thus, Council has chosen to value all street trees on the typical cost that would be incurred for a young replacement tree. For this reason, street trees will not be depreciated and revaluations will be carried out five-yearly.

Library collection

Council's library collection has been revalued at depreciated replacement cost as at 30 June 2019 in accordance with guidelines released by the New Zealand Library Association and the National Library of NZ using the readily available market prices to determine fair value. Council's library collection and heritage book collection was revalued as at 30 Jun 2019 by the Upper Hutt City Library Content Team Leader. The valuation was independently peer reviewed by Shannon Simpson, Content Manager at Palmerston North City Council. Revaluations are carried out four-yearly. The next revaluation will take place during the 2024 – 2025 year.

Works of art

Works of Art are revalued every five years based on an estimate of current market value by an independent registered valuer. The Pumpkin Cottage collection was independently revalued on 20 July 2022 by Art+Object Limited. Revaluations are conducted more frequently if, at any balance date, the fair value differs materially from the carrying amount.

ADDITIONS

Recognition

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.

DISPOSALS

Gains and losses

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

SUBSEQUENT COSTS

Timing and reliable measurement

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

Assets not subject to amortisation

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.

Assets subject to amortisation

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

Impairment loss

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. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

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

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

Value in use for noncash-generating assets

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

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

Value in use for cashgenerating assets

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

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

Depreciation

All assets, except for land, road formations, and street trees, have been depreciated on either a straight-line or diminishing value (DV) 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 at 20 years and sewerage pipelines at 40 – 80 years.

The specific rates of depreciation applied to major classes of assets are:

OPERATIONAL ASSETS	YEARS
Buildings	10 - 100
Buildings fit-out and services	10 - 40
Furniture and office equipment	5 - 15
Library books	3 - 5
Motor vehicles	5 - 25
Parks and reserves services	10 - 100
Plant and equipment	4 - 50
INFRASTRUCTURE ASSETS	YEARS
Water supply	
Civil works	80 - 100
Mechanical and electrical plant, associated structures	20 - 50
Pipework, appurtenances, and associated structures	50 - 100
Reservoirs, intake structure	100
Wastewater	
Civil works	80 - 100
Electronic equipment	10 - 20
Mechanical and electrical plant, outlets, pumps	15 - 50
Pipework, wastewater mains	50 - 100
Stormwater	
Civil works	80 - 100
Mechanical and electrical plant, outlets, pumps	20 - 50

INFRASTRUCTURE ASSETS	YEARS
Telemetry	
Civil works	80 - 100
Mechanical and electrical plant, outlets, pumps	20 - 50
Pipework, appurtenances, and associated structures	50 - 100
Electronic equipment	10 - 20
Roading	
Bridges	20 - 100
Car parks	50
Culverts	50 - 80
Footpaths/accessways	30 - 60
Roads (except land and formation)	4 - 30
Roundabouts	50
Stormwater channels	15 - 60
Street and traffic lights	5 - 50
Street furniture and other features	12 - 25
Subways	80
Sumps	60

DIMINISHING VALUE DEPRECIATION	YEARS
Furniture and office equipment	5
Plant and equipment	4 - 50
Vehicles and plant	5 - 105

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 are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Infrastructure assets

There are a number of assumptions and estimates used when performing Depreciated Replacement Cost valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset, for example Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example stormwater, wastewater, and water supply pipes those that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets.
- Estimating any obsolescence or surplus capacity of an asset.
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If the useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the surplus or deficit. To minimise this risk Council infrastructural asset useful lives have been determined with reference to the New Zealand Infrastructure Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration, and condition modelling are also carried out regularly as part of Council's asset management planning activities, which gives Council further assurance over its useful life estimates.

Council has no flood protection or control works to disclose as this is covered by Greater Wellington Regional Council. Water has no treatment plants and facilities. Council's wastewater treatment plant and facilities are shared under a joint arrangement with Hutt City called the Hutt Valley Wastewater Scheme.

Council's three waters data is continuously improving as better information is obtained through the maintenance and replacement of assets. As part of completing the valuation, the expert valuer must therefore apply professional judgement to aspects of the data where required. Our water valuation was split into two parts. Below ground assets and above ground assets. The data for the below ground assets has a confidence rating of 'B+' which is regarded as reliable but has minor inaccuracies. The data for the above ground assets has a confidence rating of 'D'. This reflects the large amount of assumptions adopted to carry out the valuation. The asset data provided by Wellington Water for the assets was incomplete. To overcome some of the challenges, site visits were done during the valuation to collect component data and inform assumptions.

The expert valuer also applies professional judgement in determining asset replacement rates, the valuer makes these judgements based on consideration of recent replacement costs, knowledge of the network, and other information available at the time of the valuation.

Water assets revaluation 2024

This year's revaluation of three waters assets shows a significant increase in fair value since the previous valuation in 2022. The fair value of these assets is estimated with reference to recent contract costs, which have been a main reason for the valuation increase. There are risks that contract costs may significantly change for the reasons outlined below. This increases the uncertainty over the estimated fair value of these assets.

In recent years, councils across the Wellington region have requested Wellington Water Ltd (WWL) to significantly step up the capital investment programme to address the backlog in the work needed to address ageing infrastructure, deliver growth related infrastructure, as well as improve responsiveness to issues such as water leaks. The economic context during this period has seen a range of cost pressure impacts, with high inflation, high construction, and resourcing costs.

WWL is responsible for the procurement aspects of the three waters investment programme and has procurement panels in place to support the delivery. The Chief Executive of Wellington Water Ltd has advised us recently that review work is to be undertaken in 2024 – 2025 of the procurement arrangements for their contractor and consultancy panels. This review comes after a period of sustained increased investment, and increased investment certainty going forward from the recent Long Term Plan 2024 – 2034 process. It is uncertain at this stage what the outcome of this work will be and whether it will result in better value for money in the future, such as lower pricing of works.

There is significant work underway in the Wellington region in response to the Government's 'Local Water Done Well' policy to develop a regional approach for a joint Water Services Delivery Plan and delivery model. It is envisaged that a new Water Services Council Controlled Organisation would be established in order to achieve a range of benefits, such as better compliance and network performance through more investment, together with scale to enable efficiency and continuous improvement. Over the medium to longer term there may well be better value for money achieved through a new approach to water services delivery in the Wellington region, with differing costs which may potentially bring down asset values in the future.

9A | Council operational assets, property, plant, and equipment

	め Conding Street trees	(000\$) Buildings	s) Furniture & (0 equipment	% 00 Library books (0	s) (00 Motor vehicles	s) Ooo Plant & O equipment	s) (000 Work in progress	Total (\$000)
Cost or valuation								
Balance 1 July 2022	27,140	39,503	1,203	1,868	1,161	1,203	2,807	74,884
Additions	0	1,870	247	226	0	88	3,942	6,371
Revaluation increase/(decrease)	16,846	2,580	0	0	0	0	0	19,426
Disposals /write-offs	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	(1,055)	(1,055)
Cost or valuation at 30 June 2023	43,986	43,952	1,449	2,093	1,161	1,291	5,694	99,626
Add 2023 - 2024 movements								
Additions	0	29,011	615	287	0	753	99	30,765
Revaluation increase/(decrease)	0	0	0	0	0	0	0	0
Disposals/write-offs	(60)	(918)	0	0	(4)	(21)	0	(1,002)
Transfers	0	0	0	0	0	0	(5,452)	(5,452)
Cost or valuation at 30 June 2024	43,926	72,044	2,065	2,379	1,158	2,024	341	123,937
Accumulated depreciation and	impairme	nt losses						
Balance 1 July 2022	0	(2,493)	(1,039)	(940)	(532)	(243)	0	(5,247)
Depreciation expense	0	(1,365)	(32)	(265)	(41)	(130)	0	(1,833)
Disposals/write-offs	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0
Revaluation increase/(decrease)	0	3,431	0	0	0	0	0	3,431
Accumulated depreciation and impairment losses at 30 June 2023	0	(427)	(1,071)	(1,205)	(573)	(374)	0	(3,649)
Add 2023 - 2024 movements								
Depreciation expense	0	(1,808)	(53)	(280)	(41)	(150)	0	(2,333)
Disposals/write-offs	0	0	0	0	3	14	0	17
Transfers	0	0	0	0	0	0	0	0
Revaluation increase/(decrease)	0	300	0	0	0	0	0	300
Accumulated depreciation and impairment losses at 30 June 2024	0	(1,935)	(1,124)	(1,485)	(612)	(509)	0	(5,665)
CARRYING AMOUNTS PER ASS	ET CLASS							
At 30 June 2023	43,986	43,525	378	888	588	918	5,694	95,977
At 30 June 2024	43,926	70,110	941	894	546	1,515	341	118,272

9B | Council restricted assets, property, plant, and equipment

	Land	Buildings	Parks & reserves services	Work in progress	Total
	ت (\$000)	西 (\$000)	ድይ % (\$000)	> 둽 (\$000)	Total (\$000)
Cost or valuation	(,	()	(, , , ,	(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	(1.2.2)
Balance 1 July 2022	52,599	4,165	26,589	7,156	90,510
Additions	0	71	1,007	11,892	12,969
Revaluation increase/(decrease)	23,988	2,764	2,774	0	29,526
Disposals /write-offs	0	(41)	(38)	0	(79)
Transfers	0	0	0	(132)	(132)
Cost or valuation at 30 June 2023	76,587	6,958	30,332	18,916	132,794
Add 2023 - 2024 movements					
Additions	0	614	7,263	568	8,444
Revaluation increase/(decrease)	0	0	0	0	0
Disposals/write-offs	0	0	(962)	0	(962)
Transfers	0	0	0	(18,314)	(18,314)
Cost or valuation at 30 June 2024	76,587	7,572	36,633	1,170	121,962
Accumulated depreciation and impairment losses					
Balance 1 July 2022	0	(85)	(2,053)	0	(2,138)
Depreciation expense	0	(168)	(2,233)	0	(2,401)
Disposals/write-offs	0	0	0	0	0
Transfers	0	0	0	0	0
Revaluation increase/(decrease)	0	232	4,240	0	4,471
Accumulated depreciation and impairment losses at 30 June 2023	0	(21)	(46)	0	(67)
Add 2023 – 2024 movements					
Depreciation expense	0	(137)	(2,692)	0	(2,829)
Disposals/write-offs	0	0	96	0	96
Transfers	0	0	0	0	0
Revaluation increase/(decrease)	0	0	0	0	0
Accumulated depreciation and impairment losses at 30 June 2024	0	(158)	(2,642)	0	(2,801)
CARRYING AMOUNTS PER ASSET CLASS					
At 30 June 2023	76,587	6,937	30,286	18,916	132,727
At 30 June 2024	76,587	7,414	33,990	1,170	119,161

9C | Summary of assets, property, plant, and equipment

	Total operational (\$000)	Total restricted (\$000)	Subsidiary (\$000)	TOTAL GROUP (\$000)
Cost or valuation				
Balance 1 July 2022	74,884	90,510	264	165,658
Additions	6,371	12,969	2	19,343
Revaluation increase/(decrease)	19,426	29,526	0	48,952
Disposals /write-offs	(0)	(79)	0	(79)
Transfers	(1,055)	(132)	0	(1,187)
Cost or valuation at 30 June 2023	99,626	132,794	266	232,687
Add 2023 - 2024 movements				
Adjustment for prior year additions	0	0	0	0
Additions	30,765	8,444	30	39,239
Revaluation increase/(decrease)	0	0	0	0
Disposals/write-offs	(1,002)	(962)	0	(1,965)
Transfers	(5,452)	(18,314)	0	(23,767)
Cost or valuation at 30 June 2024	123,936	121,962	295	246,195
Accumulated depreciation and impairment losses				
Balance 1 July 2022	(5,247)	(2,138)	(137)	(7,522)
Depreciation expense	(1,833)	(2,401)	(48)	(4,282)
Disposals/write-offs	0	0	0	0
Transfers	0	0	0	0
Revaluation increase/(decrease)	3,431	4,471	0	7,902
Accumulated depreciation and impairment losses at 30 June 2023	(3,649)	(67)	(185)	(3,902)
Add 2023 – 2024 movements				
Adjustment for prior year depreciation	0	0	0	0
Depreciation expense	(2,333)	(2,829)	(27)	(5,190)
Disposals/write-offs	318	96	0	413
Transfers	0	0	0	0
Revaluation increase/(decrease)	0	0	0	0
Accumulated depreciation and impairment losses at 30 June 2024	(5,665)	(2,801)	(212)	(8,658)
CARRYING AMOUNTS PER ASSET CLASS				
At 30 June 2023	95,977	132,727	81	228,784
At 30 June 2024	118,271	119,160	83	237,516

9D | Permanent art collection

	Actual Parent	Actual Parent	Actual Group	Actual Group
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
	(\$000)	(\$000)	(\$000)	(\$000)
Pumpkin Cottage Art Collection	0	0	59	59

9E | Aquatic assets—H₂O Xtream

	Buildings (\$000)	Plant (\$000)	Work in progress (\$000)	TOTAL (\$000)
Cost or valuation				
Balance 1 July 2022	14,139	776	2,779	17,694
Additions	1,002	0	7,171	8,173
Revaluation increase/(decrease)	0	0	0	0
Disposals /write-offs	(4,814)	(510)	0	(5,325)
Transfers	0	0	0	0
Cost or valuation at 30 June 2023	10,327	266	9,949	20,542
Add 2023 – 2024 movements				
Additions	0	0	23134	23134
Revaluation increase/(decrease)	0	0	0	0
Disposals/write-offs	(133)	(38)	0	(171)
Transfers	0	0	0	0
Cost or valuation at 30 June 2024	10,194	228	33,083	43,505
Accumulated depreciation and impairment losses				
Balance 1 July 2022	(3,229)	(339)	0	(3,567)
Depreciation expense	(540)	(36)	0	(576)
Disposals/write-offs	1,977	220	0	2,197
Transfers	0	0	0	0
Revaluation increase/(decrease)	0	0	0	0
Accumulated depreciation and impairment losses at 30 June 2023	(1,792)	(156)	0	(1,947)
Add 2023 – 2024 movements				
Depreciation expense	(537)	(40)	0	(576)
Disposals/write-offs	50	17	0	67
Transfers	0	0	0	0
Revaluation increase/(decrease)	0	0	0	0
Accumulated depreciation and impairment losses at 30 June 2024	(2,280)	(178)	0	(2,457)
CARRYING AMOUNTS PER ASSET CLASS				
At 30 June 2023	8,535	110	9,949	18,595
	7,914	49	33,083	41,047

9F | Council infrastructure assets

	Land under roads at cost	Roads and footpaths	Stormwater	Telemetry	Wastewater	Water supply	Hutt Valley Wastewater (Note 9G)	Work in progress	Total
Ocal construction	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Cost or valuation	100 201	042.046	470 700	646	400 504	445.045	20.674	4.4.20.4	000.070
Balance 1 July 2022 Additions ³⁷	102,364		170,708	616		115,645	38,671	14,324	806,078
	539	8,197	442	1	1,379	3,097	1,005	11,347	26,008
Revaluation increase/(decrease)	0	0	0	0	0	0	0	0	0
Disposals /write-offs	0	(920)	0	0	0	0	0	0	(920)
Transfers	0	0	0	0	0	0	0	(4,063)	(4,063)
Cost or valuation at 30 June 2023	102,903	250,493	171,150	617	121,913	118,742	39,676	21,608	827,102
Add 2023 - 2024 movem	nents								
Additions 38	1,059	11,709	1,358	0	5,012	4,266	10,611	8,654	42,670
Revaluation increase/(decrease)	0	25,930	194,599	(616)	96,487	99,437	23,989	0	439,825
Disposals/write-offs	0	(304)	(26)	0	(476)	(22)	(12)	0	(840)
Transfers	0	0	0	0	0	0	0	(11,544)	(11,544)
Cost or valuation at 30 June 2024	103,962	287,828	367,081	0	222,935	222,424	74,264	18,718	1,297,212
Accumulated depreciation	n and impa	airment los	sses						
Balance 1 July 2022	0	(5,433)	(13)	0	(1)	(101)	(145)	0	(5,694)
Depreciation expense	0	(5,444)	(2,577)	(51)	(2,609)	(2,399)	(1,758)	0	(14,839)
Disposals/write-offs	0	50	0	0	0	0	0	0	50
Transfers	0	0	0	0	0	0	0	0	0
Revaluation increase/(decrease)	0	0	0	0	0	0	0	0	0
Accumulated depreciation and impairment losses at 30 June 2023		(10,827)	(2,590)	(51)	(2,610)	(2,500)	(1,903)	0	(20,483)
Add 2023 - 2024 movem	nents								
Depreciation expense	0	(7,889)	(2,697)	0	(2,637)	(2,518)	(2,043)	0	(17,784)
Disposals/write-offs	0	32	0	0	9	1	0	0	41
Transfers	0	0	0	0	0	0	0	0	0
Revaluation increase/(decrease)	0	18,417	5,257	51	5,233	4,989	3,705	0	37,652
Accumulated depreciation and impairment losses at 30 June 2024	0	(268)	(30)	0	(5)	(28)	(242)	0	(574)
CARRYING AMOUNTS PE	R ASSET C	LASS							
At 30 June 2023	102,903	239,666	168,560	565	119,302	116,242	37,773	21,608	806,620
At 30 June 2024	103,962	287,560	367,052	0	222,930	222,396	74,022	18,718	1,296,638
37. Includes vested assets:	539	1,458	359	0	1,120	409			
38. Includes vested assets:	1,059	3,053	359	0	569	364			

9G | Hutt Valley Wastewater Scheme

The Local Government (Wellington Region) Reorganisation Order 1989 transferred the functions of the Hutt Valley Drainage Board to the Hutt City Council. In so doing, the reorganisation provided for a joint committee to be established between Upper Hutt City Council (UHCC) and Hutt City Council (HCC) to consider the coordination of the two councils in respect of matters affecting the Hutt Valley as a whole, and the disposal of wastewater via the wastewater treatment plant. The joint Hutt Valley Wastewater Scheme has been constructed to improve the operation of the system and the quality of the discharge.

Upper Hutt
City Council's
contribution

UHCC pays an annual levy to the HCC, which manages the wastewater system, based on an apportionment of between 26% and 32% for UHCC. UHCC is funding the Hutt Valley Wastewater Scheme in line with the Strategic Plan Funding model. While UHCC does not have any direct control over the scheme it is entitled to a share of the proceeds from any sale of the scheme's assets.

Scheme value

The Hutt Valley Wastewater Scheme was valued on the depreciated replacement value basis as at 31 May 2024. The valuation of these assets was independently carried out by WSP New Zealand Limited.

Upper Hutt City Council's ownership

UHCC now has an interest of \$74.022 M (2023: \$37.772 M) in the scheme's total assets, recognised as part of our infrastructure assets. This is the assessed net book value of the UHCC share.

HUTT VALLEY WASTEWATER SCHEME TRANSACTIONS	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
Drainage levy	3,661	3,130	3,661	3,130
Capital contributions	3,500	8,505	3,500	8,505
Trade waste income	(281)	(220)	(281)	(220)

9H | Capital commitments

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

	Restated			Restated
Breakdown of capital commitments	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
Roading	10,946	6,455	10,946	6,455
Property	20,535	51,138	20,535	51,138
Waters	5,223	3,970	5,223	3,970
Capital commitments approved and contracted	36,704	61,563	36,704	61,563

In 2024 we have provided additional information on capital commitments for the 3 waters network entered into by Wellington Water Limited on the council's behalf. For consistency we have also restated the 2023 comparatives. This has resulted in an additional \$3.9 million capital commitments for 2023 compared to that previously reported.

Note 10 | Payables and deferred revenue

Payables

Short-term creditors and other payables are measured at the amount payable.

Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Breakdown of capital payables and deferred revenue	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
Trade payables and accruals	8,883	8,790	9,096	9,079
Rates in advance	1,058	1,049	1,058	1,049
Greater Wellington Regional Council Rates	886	1,461	886	1,461
Fees in advance	811	1,982	811	1,982
Amounts due to related parties	0	0	(87)	(69)
Accrued interest payable	1,900	1,212	1,900	1,212
Payroll liability	71	53	71	53
Other liabilities (see included provisions below)	245	299	245	299
Three Waters Stimulus funding	0	91	0	91
Deposits and trust accounts	1,891	1,935	1,891	1,935
Payables and deferred revenue	15,744	16,873	15,870	17,093
Payables and deferred revenue from non-exchange transactions	6,861	8,083	6,774	8,014
Payables and deferred revenue from exchange transactions	8,883	8,790	9,096	9,079
Payables and deferred revenue	15,744	16,873	15,870	17,093

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payables approximates their fair value.

Provisions included as part of Other liabilities above	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
Provision for internal process	(62)	(62)	(62)	(62)
Provision for District Plan	0	0	0	0
Weathertightness claims	0	0	0	0

Weathertightness claims

There are no longer any claims lodged with the Weathertight Homes Resolution Service (WHRS) under the Financial Assistance Package (FAP) scheme as at 30 June 2024 (2023: 0).

The WHRS is a Central Government service established under the Weathertightness Homes Resolution Services Act 2006. The FAP is only available to eligible homeowners. Council has opted into the FAP scheme.

Note 11 | Employee entitlements

Short-term employee entitlements

Wages and salaries, annual leave, and other entitlements that are expected to be settled within twelve months of reporting date are measured at nominal values on an actual entitlement basis at current rates of pay. 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 employee entitlements

Entitlements that are payable beyond twelve months, such as long service leave and retirement gratuity, have been calculated on an actuarial basis.

The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years
 to entitlement, the likelihood that staff will reach the point of entitlement,
 and contractual entitlements information; and
- the present value of the estimated future cash flows.

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

Estimating retirement and long service leave obligations

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. A weighted average discount rate of 0.25% (2023: 0.25%) and an inflation factor of 3.3% (2023: 3.3%) were used.

Superannuation schemes

Kiwisaver

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

Breakdown of employee benefit liabilities	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
Accrued pay	366	375	435	423
Annual leave	1,630	1,537	1,630	1,537
Sick leave	31	31	31	31
Retirement and long service leave	241	241	241	241
Total employee benefit liabilities	2,268	2,185	2,337	2,233
Current	2,027	1,944	2,096	1,991
Non-current	241	241	241	241
Total employee benefit entitlements	2,268	2,185	2,337	2,233

Note 12 | Borrowings and other financial liabilities

Borrowings

Borrowings are initially recognised at their fair value net of transaction costs incurred. After initial recognition, all borrowings are measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless 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.

Fixed-rate debt

Council's secured debt of \$27 M (2023: \$11 M) is issued at fixed rates of interest.

Floating-rate debt

Council's secured debt of $152 \, \text{M}$ (2023: $101 \, \text{M}$) is issued at floating rates of interest.

Interest-free loan

Council has no interest free loans.

Security

The overdraft is unsecured. The maximum amount that can be drawn down against the overdraft facility is \$600,000 (2023: \$600,000). There are no restrictions on the use of this facility.

Council has one Westpac multi-option credit line facility and one Local Government Funding Agency (LGFA) credit line facility available; current use is \$0 (2023: \$0). Westpac facility available is \$5.2 M limit expiry on 31 July 2026. LGFA facility available is \$5.0 M limit with an evergreen maturity, with next maturity on 30 November 2025 on a 15-month rolling term notice to terminate by LGFA.

Council also has with Westpac a business Mastercard facility limit of \$250,000 (2023: \$250,000).

From 27 June 2001, all current fixed-term loan facilities are secured by Council's Debenture Trust Deed with security over rates income.

Council has issued security stock to the value of \$222.2 M (2023: \$155.2 M), under its Debenture Trust Deed. This security stock has been issued to the five main banking institutions and the Local Government Funding Agency (LGFA) as security for existing facilities totaling committed funds of \$179 M (2023: \$112 M) and uncommitted facilities available to the value of \$13.37 M (2023: \$0).

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

These polices have been adopted as part of Council's Long Term Plan.

Breakdown of borrowings	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
Current				
Secured loans	9,000	11,000	9,000	11,000
Total current borrowings	9,000	11,000	9,000	11,000
Non-current				
Secured loans	170,000	101,000	170,000	101,000
Total non-current borrowings	170,000	101,000	170,000	101,000
TOTAL BORROWINGS	179,000	112,000	179,000	112,000

Interest rates

The weighted average effective interest rate on loans outstanding (current and non-current) at 30 June 2024 was 6.04% (30 June 2023: 5.78%). The loans are secured by a rate made pursuant to Section 115 of the Local Government Act 2002 upon the rateable property in the City of Upper Hutt.

Internal borrowings

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

Note 13 | Financial instruments

13A | Financial instrument categories

FINANCIAL ASSETS AT FAIR VALUE THROUGH SURPLUS OR DEFICIT	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
Derivative financial instrument assets not hedge accounted	4,081	5,186	4,081	5,186
LGFA 39 borrower notes	4,250	2,503	4,250	2,503
Total financial assets at Fair value through surplus or deficit	8,331	7,689	8,331	7,689
FINANCIAL ASSETS AT AMORTISED COST	Т			
Cash at bank and cash equivalents	18,360	18,973	18,605	19,239
Debtors and other receivables	9,280	7,293	9,345	7,408
Other financial assets				
Term deposits	23,000	13,000	23,138	13,138
Community loans	15	19	15	19
Total financial assets at amortised cost	50,655	39,285	51,102	39,804
FINANCIAL ASSETS AT FAIR VALUE THRO	OUGH OTHER COMPR	REHENSIVE REVEN	UE AND EXPENSE	
Other financial assets				
Unlisted shares	171	169	171	169
Total financial assets at fair value through other comprehensive revenue and expense	171	169	171	169
FINANCIAL LIABILITIES AT FAIR VALUE T	HROUGH SURPLUS (OR DEFICIT		
Financial liabilities at fair value through surplus and deficit	0	0	0	0
Derivative financial instrument liabilities not hedge accounted	128	0	128	0
FINANCIAL LIABILITIES AT AMORTISED (COST			
Creditors and other payables	15,744	16,873	15,870	17,093
Borrowings				
Secured loans	179,000	112,000	179,000	112,000
Total financial liabilities at amortised cost	194,744	128,873	194,870	129,093

^{39.} LGFA: Local Government Funding Agency

13B | Fair value hierarchy disclosures

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

- A **Quoted market price [level one]:** Financial instruments with quoted prices for identical instruments in active markets.
 - **Valuation technique using observable inputs [level two]:** Financial instruments with quoted price for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
 - **Valuation techniques with significant non-observable inputs [level three]:** Financial instruments valued using models where one or more significant inputs are not observable.

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

		VALUATION TECHNIQUE			
COUNCIL (PARENT) 30 JUNE 2024	Total (\$000)	Quoted (\$000)	Observable (\$000)	Non-observable (\$000)	
Financial assets					
Derivatives	4,081	4,081	0	0	
Shares	171	0	171	0	
Financial liabilities					
Derivatives	128	128	0	0	
GROUP 30 JUNE 2024					
Financial assets					
Derivatives	4,081	4,081	0	0	
Shares	171	0	171	0	
Financial liabilities					
Derivatives	128	128	0	0	
COUNCIL (PARENT) 30 JUNE 2023					
Financial assets					
Derivatives	5,186	5,186	0	0	
Shares	169	0	169	0	
Financial liabilities					
Derivatives	0	0	0	0	
GROUP 30 JUNE 2023					
Financial assets					
Derivatives	5,186	5,186	0	0	
Shares	171	169	0	169	
Financial liabilities					
Derivatives	0	0	0	0	

13C | Financial instrument risks

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

Market risks

Price risk

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

Currency risk

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

Fair value interest rate risk

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

Council's maximum credit exposure for each class of financial instrument is as follows.

MAXIMUM EXPOSURE TO CREDIT RISK	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
Cash at bank and term deposits	41,360	31,973	41,605	32,377
Debtors and other receivables	9,280	7,293	9,345	7,475
Community and related party loans	15	19	15	19
Derivative financial instrument assets	4,081	5,186	4,081	5,186
Total credit risk	54,735	44,471	55,045	45,057

13D | Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to S&P Global credit ratings (if available) or to historical information about counterparty default rates.

COUNTERPARTIES WITH CREDIT RATINGS	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
Cash at bank and term deposits				
AA+ (S&P Global)	4,250	2,503	4,250	2,503
AA (S&P Global)	8,000	2,000	8,000	2,000
AA- (S&P Global)	33,359	29,971	33,742	30,377
A (S&P Global)	0	0	0	0
TOTAL BORROWINGS	45,609	34,474	45,992	34,880

DERIVATIVE FINANCIAL INSTRUMENT ASSETS	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
A+ (S&P Global)	4,081	5,186	4,081	5,186
Total derivative financial instrument assets	4,081	5,186	4,081	5,186

COUNTERPARTIES WITHOUT CREDIT RATINGS	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
Community and related party loans				
Existing counterparty with defaults in past	0	0	0	0
Existing counterparty with no defaults in past	15	19	15	19
Total community and related party loans	15	19	15	19

Debtors and other receivables

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

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

13E | Liquidity risk

Management of liquidity risk

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

In meeting its liquidity requirements, Council maintains a target level of investments that must mature within the next twelve months. Council manages its borrowings in accordance with its funding and financial policies, which include a Liability Management policy. These policies have been adopted as part of Council's Long Term Plan.

Council has a maximum amount that can be drawn against its overdraft facility of \$600,000 (2023: \$600,000). There are no restrictions on the use of this facility.

13F | Contractual maturity analysis of financial liabilities

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

COUNCIL (PARENT) 2024	Carrying amount (\$000)	Contractual cash flows (\$000)	< 1 Year (\$000)	1 - 2 Years (\$000)	2 - 5 Years (\$000)	> 5 Years (\$000)
Creditors and other payables	15,744	15,744	15,744	0	0	0
Secured loans	179,000	216,958	19,703	56,759	112,325	28,171
Total	194,744	232,702	35,447	56,759	112,325	28,171
GROUP 2024						
Creditors and other payables	15,870	15,870	15,870	0	0	0
Secured loans	179,000	216,958	19,703	56,759	112,325	28,171
Total	194,870	232,828	35,573	56,759	112,325	28,171
COUNCIL (PARENT) 2023						
Creditors and other payables	16,873	16,873	16,873	0	0	0
Secured loans	112,000	140,812	17,368	17,478	64,438	41,529
Total	128,873	157,685	34,241	17,478	64,438	41,529
GROUP 2023						
Creditors and other payables	17,093	17,093	17,093	0	0	0
Secured loans	112,000	140,812	17,368	17,478	64,438	41,529
Total	129,093	157,905	34,461	17,478	64,438	41,529

13G | Contractual maturity analysis of financial assets

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

COUNCIL (PARENT) 2024	Carrying amount (\$000)	Contractual cash flows (\$000)	< 1 Year (\$000)	1 - 2 Years (\$000)	2 - 5 Years (\$000)	> 5 Years (\$000)
Cash and cash equivalents	18,360	18,360	18,360	0	0	0
Debtors and other receivables	9,280	9,280	9,280	0	0	0
Other financial assets						
Term deposits	23,000	23,798	23,798	0	0	0
Community and related party loans	15	16	4	4	7	0
Derivative financial instruments	4,081	4,278	1,744	1,125	1,322	87
Total	50,655	55,732	53,186	1,129	1,329	87

GROUP 2024	Carrying amount (\$000)	Contractual cash flows (\$000)	< 1 Year (\$000)	1 - 2 Years (\$000)	2 - 5 Years (\$000)	> 5 Years (\$000)
Cash and cash equivalents	18,605	18,605	18,605	0	0	0
Debtors and other receivables	9,345	9,345	9,345	0	0	0
Other financial assets						
Term deposits	23,138	23,837	23,837	0	0	0
Community and related party loans	15	16	4	4	10	0
Derivative financial instruments	4,081	4,278	1,744	1,125	1,322	87
Total	51,103	56,081	53,535	1,130	1,332	87
COUNCIL (PARENT) 2023						
Cash and cash equivalents	18,973	18,973	18,973	0	0	0
Debtors and other receivables	7,293	7,293	7,293	0	0	0
Other financial assets						
Term deposits	13,000	13,303	13,303	0	0	0
Community and related party loans	19	19	5	4	10	0
Derivative financial instruments	5,186	5,780	1,820	1,490	2,720	200
Total	44,471	45,368	41,393	1,494	2,280	200
GROUP 2023						
Cash and cash equivalents	19,239	19,239	19,239	0	0	0
Debtors and other receivables	7,408	7,408	7,408	0	0	0
Other financial assets						
Term deposits	13,138	13,341	13,341	0	0	0
Community and related party loans	19	19	5	4	10	0
Derivative financial instruments	5,186	5,780	1,820	1,490	2,270	200
Total	44,990	45,787	41,813	1,494	2,280	200

13H | Sensitivity analysis

The table below illustrates the potential surplus or deficit and equity (excluding accumulated funds) impact for reasonably possible market movements, with all other variables held constant, based on Council's financial instrument exposures at the balance date. There is no equivalent table for the Group, as all of the financial instrument exposure is held with the parent (Council).

		2024 (\$000)		2023 (\$000)
COUNCIL INTEREST RATE RISK		+100 BPS	-100 BPS	+100 BPS	-100 BPS
Financial assets					
Cash and cash equivalents	Α	150	(150)	170	(170)
Financial liabilities					
Term loans (floating rates)	В	1,520	(1,520)	1,010	(1,010)
Derivative financial instruments	С	(179)	7,881	2,426	(2,552)
Total sensitivity to interest rate risk	[1,491	6,211	3,606	(3,732)

Explanation of sensitivity A analysis—Council

- A **Cash and cash equivalents** include deposits at call totaling \$15.0M (2023: \$17.0 M) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$150,000 (2023: \$170,000).
- B **Secured loans**—Council has floating rate debt with a principal amount of \$152M (2023: \$101 M). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$1,520,000 (2023: \$1,010,000).
- C Derivatives—The sensitivity for derivatives (interest rate swaps) has been calculated using a derivative valuation model based on parallel shift in interest rates and -100 bps/+100 bps.

Note 14 | Equity

Council's capital is its equity (or ratepayers' funds), which comprise retained earnings and reserves. Equity is represented by net assets.

Managing our finances

The Local Government Act 2002 (the Act) requires the Council to manage its revenues, expenses, assets, liabilities, investment, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayer's funds are largely managed as a byproduct of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets today and not expecting them to meet the full costs of long term assets that will benefit ratepayers in future generations.

Provision of finances in Long Term Plans and Annual Plans

The Act requires the Council to make adequate and effective provision in its Long Term Plan (LTP) and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act also sets outs 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 LTP.

The components of equity are:

- Accumulated funds
- Restricted reserves (Special funds and other accounts restricted by law)
- Asset revaluation reserve

14A | Breakdown of accumulated funds

Note	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
Opening balance 1 July	235,002	234,933	235,353	235,252
Net surplus/(deficit)	(10,694)	(5,120)	(10,681)	(5,087)
	224,308	229,813	224,672	230,165
TRANSFER TO				
Restricted reserves	(5,681)	(6,181)	(5,681)	(6,181)
Accounts restricted by law	(102)	(48)	(102)	(48)
Accumulated reserve transfer	0	0	0	0
Net revaluation gains and losses	0	0	0	0
Asset revaluation reserve on disposal of property, plant, and equipment	0	0	0	0
	(5,783)	(6,229)	(5,783)	(6,229)
TRANSFER FROM				
Restricted reserves	4,454	4,105	4,454	4,105
Accounts restricted by law	5,418	1,351	5,418	1,351
Accumulated reserve transfer	0	0	0	0
Asset revaluation reserve on disposal of property, plant, and equipment	1,877	5,960	1,877	5,960
	11,749	11,417	11,749	11,417
CLOSING BALANCE 30 JUNE	230,273	235,002	230,638	235,353

14B | 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. We have the following restricted reserves:

Special funds

Special 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.

Other accounts restricted by law

Other accounts restricted by law 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.

RESTRICTED RESERVES	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
Special funds	21,633	20,406	21,675	20,447
Other accounts restricted by law	7,914	13,230	7,914	13,230
Closing balance 30 June	29,547	33,636	29,589	33,677

Special funds

SPECIAL FUNDS FOR 2023 – 2024	Purpose (Page 154)	Balance 1 July 2023 (\$000)	Transfers into fund (\$000)	Transfers out of fund (\$000)	Balance 30 June 2024 (\$000)
General reserve fund	1	8,233	392	(2,371)	6,254
Amenities fund	2	604	42	0	646
Civic amenities fund	2	1	0	0	1
Plant renewal	3	431	70	(102)	399
Reserve fund contribution	4	7,276	2,499	(1,913)	7,862
Cash in lieu parking fund account	5	3	0	0	3
Council property sales	6	54	2	0	56
Akatārawa roading levy	7	278	43	0	321
Alexander Road levy	7	29	2	0	31
Blue Mountains roading levy	7	69	4	0	73
Kaitoke roading levy	7	31	2	0	33
Katherine Mansfield roading levy	7	158	10	0	168
Mangaroa roading levy	7	314	40	0	354
Moonshine Hill Road levy	7	26	2	0	28
Sierra Way subdivision	7	152	9	0	161
Swamp Road levy	7	411	26	0	437
Harcourt Park maintenance fund	8	9	5	(13)	1
Cemetery development fund	9	0	1,321	0	1,321
Library redevelopment fund	9	0	0	0	0
Trench resealing levy	10	13	1	0	13
Kurth Crescent stormwater levy	11	53	2	(55)	0
H ₂ O Xtream plant renewal reserve	12	860	53	0	913
Maidstone turf renewal	13	1,401	242	0	1,643
Library Vehicles/Plant renewal	14	0	127	0	127
District Wide Transport DC Fund	15	0	11	0	11
Community Facilities DC Fund	16	0	19	0	19
Waste Levy Reserve Fund	17	0	757	0	757

SPECIAL FUNDS FOR 2023 - 2024	Purpose (Page 154)	Balance 1 July 2023 (\$000)	Transfers into fund (\$000)	Transfers out of fund (\$000)	Balance 30 June 2024 (\$000)
Total special funds for 30 June—Parent		20,406	5,681	(4,454)	21,633
Arts scholarship fund	18	41	1	0	42
Total special funds for 30 June—Group		20,447	5,682	(4,454)	21,675
SPECIAL FUNDS FOR 2022 - 2023	Purpose (Page 154)	Balance 1 July 2022 (\$000)	Transfers into fund (\$000)	Transfers out of fund (\$000)	Balance 30 June 2023 (\$000)
General reserve fund	1	6,751	3,434	(1,952)	8,233
Amenities fund	2	576	28	0	604
Civic amenities fund	2	1	0	0	1
Plant renewal	3	355	76	0	431
Reserve fund contribution	4	7,297	2,132	(2,153)	7,276
Cash in lieu parking fund account	5	3	0	0	3
Council property sales	6	52	2	0	54
Akatārawa roading levy	7	267	11	0	278
Alexander Road levy	7	26	3	0	29
Blue Mountains roading levy	7	66	3	0	69
Kaitoke roading levy	7	30	1	0	31
Katherine Mansfield roading levy	7	152	6	0	158
Mangaroa roading levy	7	296	18	0	314
Moonshine Hill Road levy	7	25	1	0	26
Sierra Way subdivision	7	146	6	0	152
Swamp Road levy	7	395	16	0	411
Harcourt Park maintenance fund	8	5	4	0	9
Cemetery development fund	9	0	0	0	0
Library redevelopment fund	9	0	0	0	0
Trench resealing levy	10	12	1	0	13
Kurth Crescent stormwater levy	11	51	2	0	53
H ₂ O Xtream plant renewal reserve	12	628	232	0	860
Maidstone turf renewal	13	1,197	204	0	1,401
Total special funds for 30 June—Parent		18,331	6,180	(4,105)	20,406
Arts scholarship fund	18	39	2	0	41
Total special funds for 30 June—Group		18,370	6,182	(4,105)	20,447

SPECIAL FUND PURPOSES

The Council and Group special funds in the above tables cover the following situations:

- **General reserve**—available for any appropriate purpose.
- 2 Amenity fund(s)—available for lending at concessional rates to community groups for the development/construction of assets that will generate a benefit for the overall community.
- 3 **Plant renewal**—funds allocated from rates to replace/upgrade plant assets in the activity charged with the original allocation.

- 4 Reserve fund contributions—contributions levied on the developers of sub-divisions which are used to maintain and increase Council-provided community assets or fund interest costs and loan repayments in relation to providing such assets.
- Cash in lieu of parking—funds collected instead of requiring the provision of parking by developers and used for parking purposes.
- 6 Property sales—profits generated by the sale of property and available to assist in the funding of Council's work programme.
- 7 Roading levies—funds raised from subdivisions in specific catchments and available for roading projects only in the catchment that provide the funds.
- 8 **Harcourt Park maintenance**—funds collected from this activity and only available for approved maintenance purposes in that park.
- 9 Library and cemetery development—funds collected for or generated by the specific activity and only available for projects in that activity.
- Trench resealing levy—funds collected to ensure the correct re-instatement of trenching work by third parties.
- 11 Kurth Crescent development levy—funds to be collected from developers to provide stormwater upgrade in Kurth Crescent.

- **H₂O Xtream plant renewal reserve** funds allocated from rates to replace/upgrade H₂O Xtream plant and equipment.
- 13 Maidstone Park artificial turf renewal funds allocated from rates and fees and charges to replace/upgrade the artificial turf.
- 14 Library Vehicles/Plant renewal funds allocated from rates to replace/upgrade library plant and vehicles.
- 15 District Wide Transport DC Fund –
 contributions levied on developers and
 new home builders which are used to
 contribute towards paying for growthrelated infrastructure
- 16 Community Facilities DC Fund contributions levied on developers and
 new home builders which are used to
 contribute towards paying for growthrelated infrastructure
- Waste Levy Reserve Fund
- **Arts scholarship**—funds collected to provide an annual scholarship.

Other accounts restricted by law

OTHER ACCOUNTS RESTRICTED BY LAW FOR 2023 – 2024	Balance 1 July 2023 (\$000)	Transfers into fund (\$000)	Transfers out of fund (\$000)	Balance 30 June 2024 (\$000)
Dog control account	114	102	0	216
Water rate account	1,944	0	(2,077)	(134)
Water Rate Wellington Water Contingency Reserve	0	0	0	0
Stormwater rate account	4,454	0	(1,499)	2,955
Stormwater Rate Wellington Water Contingency Reserve	0	0	0	0
Wastewater rate account	6,719	0	(1,842)	4,876
Wastewater Rate Wellington Water Contingency Reserve	0	0	0	0
Total special funds for 30 June	13,230	102	(5,418)	7,914
OTHER ACCOUNTS RESTRICTED	Balance 1 July 2022	Transfers into fund	Transfers out of fund	Balance 30 June 2023
BY LAW FOR 2022 - 2023	(\$000)	(\$000)	(\$000)	(\$000)
Dog control account	(\$000) 66	(\$000) 48	(\$000)	(\$000) 114
	. ,			
Dog control account	66	48	0	114
Dog control account Water rate account Water Rate Wellington Water	66 1,975	48	0 (31)	114
Dog control account Water rate account Water Rate Wellington Water Contingency Reserve	66 1,975 95	48 0	0 (31) (95)	114 1,944 0
Dog control account Water rate account Water Rate Wellington Water Contingency Reserve Stormwater rate account Stormwater Rate Wellington Water	66 1,975 95 4,574	48 0 0	0 (31) (95) (120)	114 1,944 0 4,454
Dog control account Water rate account Water Rate Wellington Water Contingency Reserve Stormwater rate account Stormwater Rate Wellington Water Contingency Reserve	66 1,975 95 4,574	48 0 0 0	0 (31) (95) (120) 0	114 1,944 0 4,454

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.

14C | Asset revaluation reserves

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

BREAKDOWN OF ASSET REVALUATION RESERVES	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
Opening balance 01 July	701,961	650,713	701,991	650,743
Revaluation gains (losses)	477,821	57,206	477,821	57,206
Transfer of revaluation reserve to/from accumulated reserve on disposal of property, plant, and equipment	(1,877)	(5,958)	(1,877)	(5,958)
Closing balance 30 June	1,177,906	701,961	1,177,936	701,991
CONSISTS OF				
General asset revaluation reserve	60,118	61,016	60,148	61,046
Land and street trees asset revaluation reserve	104,475	104,532	104,475	104,532
Roading asset revaluation reserve	197,163	152,913	197,163	152,913
Stormwater asset revaluation reserve	351,003	151,216	351,003	151,216
Hutt Valley Wastewater Scheme	59,383	31,694	59,383	31,694
Wastewater asset revaluation reserve	210,806	109,637	210,806	109,637
Water asset revaluation reserve	194,957	90,954	194,957	90,954
	1,177,906	701,961	1,177,906	701,991

Note 15 | Reconciliation

15A | Reconciliation of surplus/(deficit) after tax to net cashflow from operating activities

	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
Surplus/(deficit) after tax	(10,694)	(5,120)	(10,681)	(5,090)
Add/(less) non-cash items				
Depreciation	23,574	19,649	23,592	19,685
Vested assets	(5,406)	(3,885)	(5,406)	(3,885)
Impairment of receivables	0	90	0	90
Loss (profit) on derivative	1,234	(1,223)	1,234	(1,223)
Rates remission	567	309	567	309
	19,969	14,940	19,987	14,976
Add/(less) items classified as investing	or financing activities	;		
Loss on disposal of property, plant, and equipment	(2,755)	4,078	(2,755)	4,078
	(2,755)	4,078	(2,755)	4,078

	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
Movements in working capital items				
(Increase)/decrease in trade receivable	(1,182)	612	(1,132)	547
(Increase)/decrease in inventories	3	5	22	(2)
Increase/(decrease) in trade and other payables	(1,129)	4,171	(1,229)	4,146
Increase/(decrease) in employee benefits	83	243	96	247
	(2,225)	5,031	(2,243)	4,938
Net cash inflow/(outflow) from operating activities	4,295	18,929	4,308	18,902

15B | Reconciliation of liabilities arising from financing activities

BORROWINGS	CASH MOVEMENTS (\$000)	NON-CASH MOVEMENTS (\$000)	Total (\$000)
Opening Balance			112,000
Proceeds from borrowings	72,703	0	72,703
Repayment of borrowings	(5,703)	0	(5,703)
Balance as at 30 June 2024	67,000	0	179,000
BORROWINGS			
Opening Balance			91,000
Proceeds from borrowings	25,985	0	25,985
Repayment of borrowings	(4,985)	0	(4,985)
Balance as at 30 June 2023	21,000	0	112,000

Note 16 | Contingencies

Guarantees

The value of guarantees disclosed as contingent liabilities reflects Council's assessment of any loans guaranteed by Council to local sporting groups.

Local Government Funding Agency

Council is a guarantor of the New Zealand Government Funding Agency (LGFA). The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current S&P Global credit rating of AAA. There are 30 local authority shareholders (80%), New Zealand Government (20%), and 72 local authority guarantors of the LGFA.

The uncalled capital of shareholders is \$20 M (2023: \$20 M) and that is available in the event that an imminent default is identified. Also, together with the shareholder's uncalled capital and guarantors, the Council is a guarantor of all of the LGFA's borrowings.

At 30 June 2024, the LGFA had borrowings totalling \$23.03 B (2023: \$17.68 B).

Financial reporting standards require the Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of

the LGFA defaulting on repayment of interest or capital to be very low on the basis that:

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

Unquantified claims

Council has two proceedings issued (2023: Council has one claim outstanding and two proceedings issued).

Contingent assets

Council operates a scheme whereby sports clubs are able to construct facilities (e.g. club rooms on reserve land).

The clubs control the use of these facilities and Council will only gain control of the asset if the club vacates the facility.

Until this event occurs these assets are not recognised as assets in the Statement of financial position.

As at 30 June 2024, there are 32 facilities, having an approximate value of \$6.778 M (2023: 32 facilities—\$5.919 M). This estimate has been based on government valuations for the area.

Note 17 | Related party transactions

Key management personnel

Key management personnel includes the Mayor, councillors, Chief Executive, and department directors.

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

No provision has been required, nor expense recognised for impairment of receivables for any loans or other receivables to related parties (2023: \$0).

Close family members

Close family members of key management personnel are employed by Council. The terms and conditions of those arrangements are no more favourable than Council would have adopted if there was no relationship to key management personnel.

17A | Council controlled organisations

Whirinaki Whare Taonga

1. During the year Council had the following transactions with Whirinaki Whare Taonga trust.

	Actual 30 Jun 2024 (\$000)	Actual 30 Jun 2023 (\$000)
Grants	1,003	977
Maintenance Management Fee	22	22
Other	107	101
Total with Whirinaki Whare Taonga	1,132	1,100

- 2. At year-end, \$87,234 was owed by Whirinaki Whare Taonga to Council (2023: \$69,167). Also, Council owed \$69 to Whirinaki Whare Taonga (2023: \$3,058).
- 3. Council received discounted or free venue hire and related service from Whirinaki Whare Taonga.
- 4. Whirinaki Whare Taonga has entered into a 3-year operating lease with Council for the building that they operate from. The lease agreement expires on 30 June 2024. The lease payments incurred by Whirinaki Whare Taonga for the building are \$1 per annum, which is well below market related rate.

Te Aka o te Kupenga

- Te Aka o te Kupenga was appointed as manager of Te Kupenga o Rongomai Maidstone Sports Hub, the artifical turfs and pavilion on 28 June 2023. The purpose of the trust is to manage and operate the council facilities at Maidstone Park.
- 2. During the year Council had the following transactions with Te Aka o te Kupenga Maidstone Park trust.

	Actual 30 Jun 2024 (\$000)	Actual 30 Jun 2023 (\$000)	
Grants	9	0	
Maintenance Management Fee	250	129	
Other	1	1	
Total with Te Aka o te Kupenga	251	130	

- 3. At year-end, \$18,189 was owed by Te Aka o te Kupenga to Council (2023: \$69,167).
- 4. Council received discounted or free venue hire and related service from Te Aka o te Kupenga.

17B | Related parties

	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
Upper Hutt Concert Grand Piano Trust (Net)	0	0	3	0
Total	0	0	3	0

Whirinaki Whare Taonga

There were no related party transactions by senior staff for this year for Whirinaki Whare Taonga (2023: \$0).

Council subsidiary Whirinaki Whare Taonga paid piano rental of \$3,680 (2023: \$3,200) to the Upper Hutt Concert Grand Piano Trust, well below normal market rates, and provided the Upper Hutt Concert Piano Trust with free event hire. The Upper Hutt Concert Piano Trust is a related party to Whirinaki Whare Taonga due to Trustees in common.

Te Aka o te Kupenga

There were no related party transactions by senior staff for this year for Te Aka o te Kupenga.

Upper Hutt Rams RFC

Council paid \$425 to the Upper Hutt Rams RFC for sporting chance expenses. The transactions are classed as a related party due to the Mayor being a life member of the club. Upper Hutt City Council does not have any influence over the operations of the club.

17C | Key management personnel compensation

	Actual Parent 30 Jun 2024 (\$000)	Actual Parent 30 Jun 2023 (\$000)	Actual Group 30 Jun 2024 (\$000)	Actual Group 30 Jun 2023 (\$000)
The Mayor and Councillors	0	0	3	0
Remuneration	632,168	612,887	632,168	612,887
Full-time equivalent members	11	11	11	11
Senior Management Team, including the	Chief Executive			
Remuneration	1,700,570	1,533,805	1,844,455	1,677,403
Full-time equivalent members	7	7	8	8
Total key management personnel compensation	2,332,738	2,146,692	2,476,623	2,290,290
Total full-time equivalent personnel	18	18	19	19

17D | Hutt Valley Youth Health Trust

Upper Hutt City Council and Hutt City Council appoint all seven Hutt Valley Youth Health Trust trustees and thus under section 6 of the Local Government Act 2002. The trust is classified as a Council Controlled Organisation. Other than its role in the appointment of trustees Upper Hutt City Council does not have

influence over the operations of the trust nor does it provide funding. Upper Hutt City Council does not require any form of accountability from the trust.

Note 18 | Explanations of major variances against budget

The following are explanations for major variations from Council's budget figures in its Annual Plan 2023 – 2024.

Statement of comprehensive revenue and expense

There was a deficit for the financial year of \$10.69 M. This is in comparison to a budgeted deficit of \$4.67 M.

Revenue

Total operating revenue was \$9.73 M above 2022 – 2023, and \$5.73 M above the 2023 – 2024 budget. The following are the main variances.

- Fees and charges revenue was greater than budget by \$2.76 M. This is due to many smaller income areas. The biggest variance being \$978 K for other charges.
- Other revenue was more than budget by \$757 K. This is mostly due to cost reimbursement from other agencies being \$1.19 M above budget and vested asset revenue being \$384 K below what was budgeted for.
- Interest and dividends were above budget by \$2.36 M. This is due to a higher return collected on term deposits than budgeted.

Operating expenditure

Total operating expenditure was \$15.30 M higher than 2022 – 2023, and \$11.74 M higher than the 2023 – 2024 budget. The following are the main variances.

- The Bulk Water levy was \$387 K above budget. This levy is split between Upper Hutt, Porirua, Wellington, and Hutt City councils based on a forecast water consumption share. Upper Hutt's water consumption was higher than budgeted and therefore incurred a higher cost.
- Other expenses were \$9.02 M above budget. This is due to many different expense areas. The biggest variances being \$1.9 M of asset disposal losses in relation to the demolition of the Cobb and Co building that had not been budgeted, and \$2.55 M for infrastructure maintenance that was spent above budget.
- Finance costs for interest expenses were higher than budget by \$1.06 M due to higher interest rate costs on loans than budgeted.
- Personnel costs were under budget by \$1.43 M due to staff vacancies.
- Depreciation costs are above budget by \$2.33 M. This is due to new assets being capitalised that hadn't been budgeted for in annual plan 23-24.

Statement of financial position

Council has a strong financial position with net assets up \$467. 13 M from last year. It is above budget by \$467.06 M.

Current assets

Current assets are \$19.46 M above budget. \$17.46 M is due to higher amounts of cash and term deposits being held than anticipated. Our cash deposits provide us with security, should a natural disaster occur, and we need to access liquid funds quickly. They also help us to maintain our liquidity ratio for borrowing purposes.

Non-current assets

Non-current assets are \$457.08 M above budget. This is largely due to the roading and three waters revaluation gains that had not been budgeted for this year.

Current liabilities

Current liabilities are \$3.15 M above budget. \$5.87 M is due to an increase in payables because of the increase in general business needs, and the timing of invoices received. Borrowing is \$3.82 M lower than budgeted due to the mix of current versus non-current borrowings.

Non-current liabilities

Non-current liabilities are \$6.33 M below budget. This is largely due to the mix of current versus non-current borrowings of \$8.73 M and lower than budget derivatives of \$2.33 M.

Statement of changes in equity

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

Note 19 | Discontinued activities

There are no discontinued activities for 2024 (2023: nil).

Note 20 | Post balance date events

The following events that took place subsequent to balance date have had no impact on the financial statements.

Water services reform programme

Local Water Done Well

Local Water Done Well is a new system of government oversight, regulation, and requirements for water services.

The core expectations and legislative requirements of the Local Water Done Well Policy are that:

- Within a year (by August 2025), councils will be required to develop a 'water services delivery plan' to transition to a new water services delivery model that can meet regulatory requirements.
- There will be increased regulation in relation to water quality and infrastructure investment
- Financial sustainability of a water service delivery model is required, based on sufficient revenue, ringfencing to fund investment and funding for growth.

Local Water Done Well is being implemented in three stages, each with its own piece of legislation.

- The Water Services Acts Repeal Act became law in February 2024. It repealed the previous Government's water services entities legislation and restored continued council ownership and control of water services.
- The Local Government (Water Services Preliminary Arrangements) came into force on 2 September 2024. It establishes the Local Water Done Well framework and the preliminary arrangements for transition to the new water services system.
- The third bill, expected to be introduced in December 2024, will be the proposed Local Government Water Services Bill. This bill will establish the enduring settings for the new water services system. It will set out a comprehensive range of options, tools and models (and associated statutory obligations and powers) that will enable councils to exercise choices around optimal water service delivery structure, method, and funding arrangements.

Accounting policy—judgement

Council continues to recognise its three waters assets at 30 June 2024 in accordance with the accounting policies set out on pages 100 – 102. There has been no adjustment in these financial statements to reflect the expected future transfer of assets to the new water entity. It is expected Central Government will develop details around the mechanism for the transfer of the water assets and this will be completed prior to 1 October 2024. As further details are established this may require adjustments to Council's three water assets either in respect of disclosure or measurement.

Funding impact statement

Funding impact statement for 30 June 2024 for **all of Council** (See pages 31 – 84 for individual activity group statements).

SOURCES OF OPERATING FUNDING	Annual Plan 2022 - 2023 (\$000)	Actual 2022 - 2023 (\$000)	Annual Plan 2023 – 2024 (\$000)	Actual 2023 - 2024 (\$000)
General rates, uniform annual general charges, rates penalties	33,242	33,412	36,468	36,806
Targeted rates	16,127	16,400	16,507	16,700
Subsidies and grants for operating purposes	1,798	1,209	180	2,849
Fees, charges	7,576	8,705	7,685	7,306
Interest and dividends from investments	309	1,350	400	2,762
Local authority fuel tax, fines, infringement fees, and other receipts	622	535	0	373
Total operating funding (A)	59,674	61,611	61,931	66,796
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	57,490	39,461	59,428	63,503
Finance costs	2,646	4,090	6,773	7,836
Other operating funding applications	48	16,193	54	0
Total applications of operating funding (B)	60,184	59,744	66,255	71,339
Surplus (deficit) of operating funding (A - B)	(510)	1,867	(4,324)	(4,543)
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	9,766	9,621	12,212	9,832
Development and financial contributions	1,813	1,824	2,608	2,097
Increase(decrease) in debt	56,691 40	21,000	46,102	67,000
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	392	0	2,625
Other dedicated capital funding	0	274	0	1,488
Total sources of capital funding (C)	68,270 ⁴⁰	33,111	60,922	83,042
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
to meet additional demand	567	692	4,612	604
to improve the level of service	49,607 40	26,750	41,225	45,706
to replace existing assets	19,793 40	16,424	18,569	18,687
Increase (decrease) in reserves	(2,207)	(2,002)	(7,808)	3,471
Increase (decrease) of investments	0	(6,886)	0	10,031
Total applications of capital funding (D)	67,760 ⁴⁰	34,978	56,598	78,499
Surplus (deficit) of capital funding (C - D)	510	(1,867)	4,324	4,543
FUNDING BALANCE ((A - B) + (C - D))	0	0	0	0

^{40.} The numbers published in the Annual Plan 2022 – 2023 for these items were incorrect due to typographical errors. The numbers presented above are correct.

Benchmarks

The following benchmarks serve as Council's Annual Report disclosure statement for year ending 30 June 2024. Council is required to include this statement in the Annual Report in accordance with the Local Government (Financial Reporting and Prudence) Regulations Act 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in the statement.

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

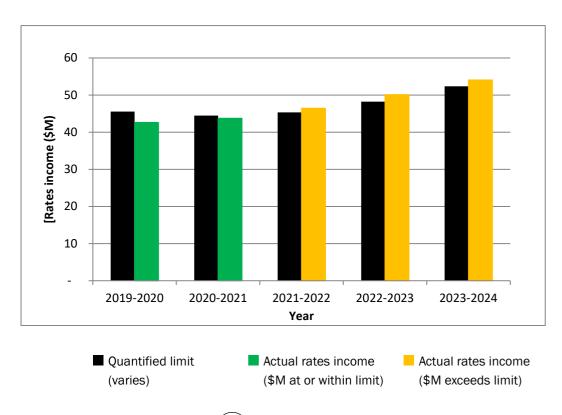
Rates affordability benchmark

Council meets the rates affordability benchmark if:

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

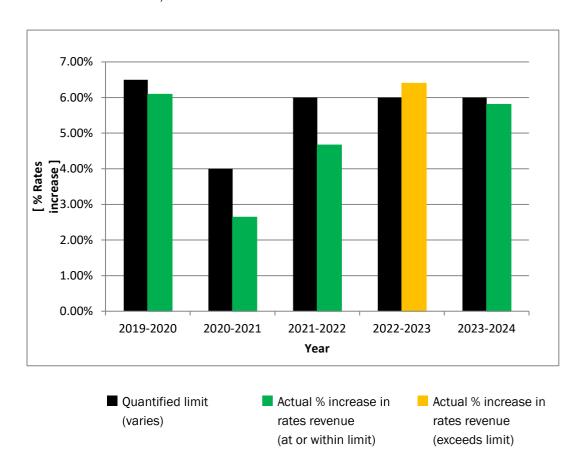
Rates (income) affordability

The following graph compares Council's actual rates with a quantified limit on rates contained in the financial strategy included in our Long Term Plans. Up until 2020 – 2021, the quantified limit was the previous year's planned rates, plus the Local Government Cost Index (LGCI) annual average percentage change (as provided by Business and Economic Research (BERL) plus 2% growth to the actual rates increases in dollar terms, plus the annual allowance of growth in the rates database. From 2021 – 2022 the limit is the previous year's planned rates plus 6% (net of the estimated growth in the rates database).



Rates (increases) affordability

The following graph compares Council's actual rates increases with a quantified limit on previous year planned rates increases contained in the financial strategy included in our Long Term Plans. As above, from 2021 – 2022 the limit is the previous year's planned rates plus 6% (net of the estimated growth in the rates database). 41



^{41.} The rates increase for 2021 – 2022 was previously disclosed incorrectly at 6.16%. We have restated this figure at 4.66%.

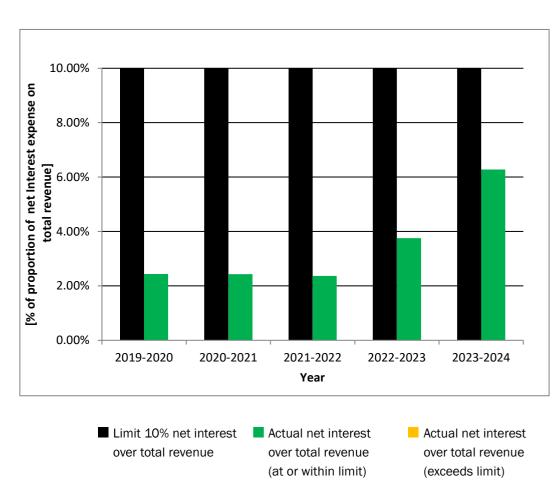
Debt affordability benchmark

Council meets the debt affordability benchmark if its actual borrowing is within these limits:

- Net interest over total revenue will not exceed 10%
- Net debt over total revenue will not exceed 280% of total revenue (previously 140% and 175%)
- Net interest over rates income will not exceed 15%
- Liquidity (external, term debt + committed loan facilities + available liquid investment to existing external debt) will exceed 110%

Net interest and total revenue

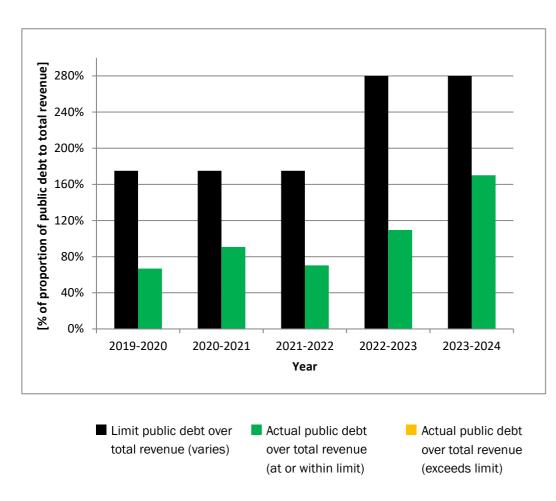
The following graph compares Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the LTP. The quantified limit is interest expense over total revenue and will not exceed 10% of the total revenue.



Net public debt and total revenue

The following graph compares Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the LTP. The quantified limit is net external public debt over total revenue will not exceed 280%.

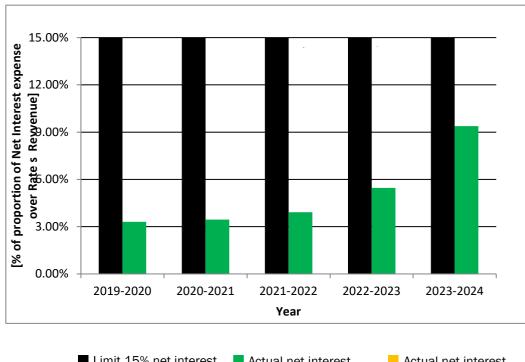
A credit rating was obtained in October 2021 to support an increase of quantified limit on borrowing from 175% to 280% with effect from Year 2 of the Long Term Plan 2021 – 2031 (financial year 2022 – 2023). The previous Council approved limit of 175% was applied to the four financial years 2018 – 2022. 42



^{42.} The proportion for 2021 – 2022 was previously disclosed incorrectly at 76.8%. We have restated this figure at 70.3%.

Net interest and rates revenue

The following graph compares Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the LTP. The quantified limit is interest expense on public debt will not exceed 15% of the annual rates revenue.

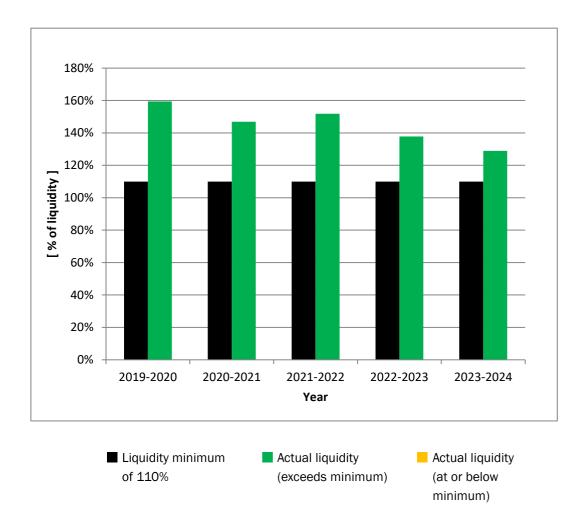


 Actual net interest over rates revenue (at or within limit)

Actual net interest over rates revenue (exceeds limit)

Liquidity minimum

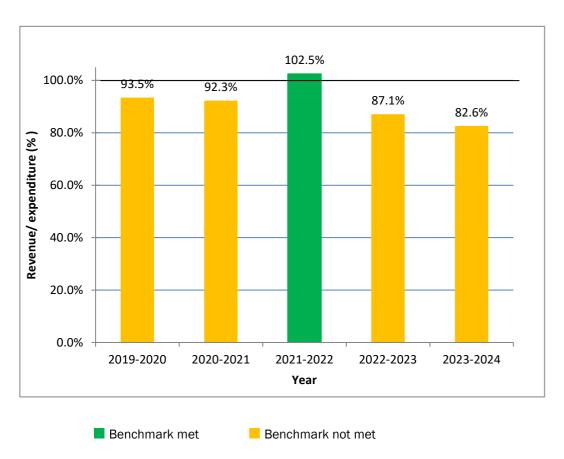
The following graph compares Council's actual borrowing with a quantified minimum stated in the financial strategy included in the LTP. The quantified minimum is liquidity (external term debt + committed loan facilities + available liquid investments) over existing external debt will exceed 110%.



Balanced budget benchmark

Revenue and operating expenses

The following graph displays Council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of actual operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, and equipment). Council meets this balanced budget benchmark if its revenue equals or is greater than its operating expenses. ⁴³

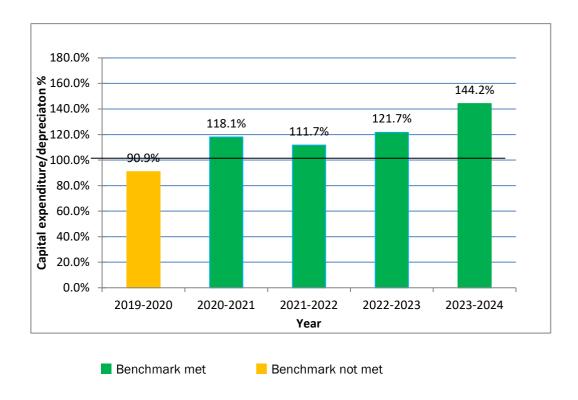


^{43.} We have restated the prudence result for 2021 – 2022 as a result of a prior year adjustment identified in 2022 – 2023. As a result, we have reported the updated figure to faithfully represent the correct graph metric in 2023 – 2024.

Essential services benchmark

depreciation on network services

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

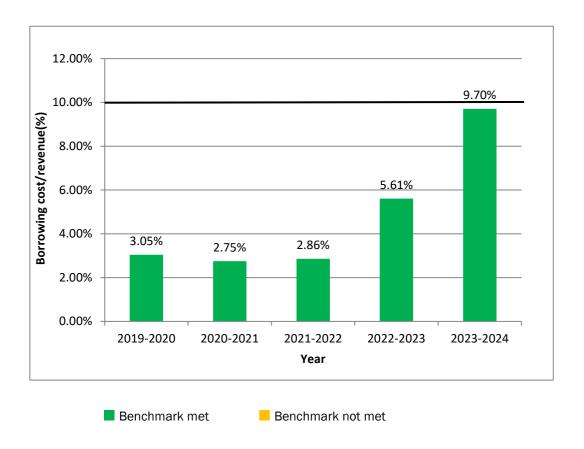


Debt servicing benchmark

Borrowing costs and revenue

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

Because Statistics New Zealand projects Council's population will grow as fast as the national population is projected to grow, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue. 44

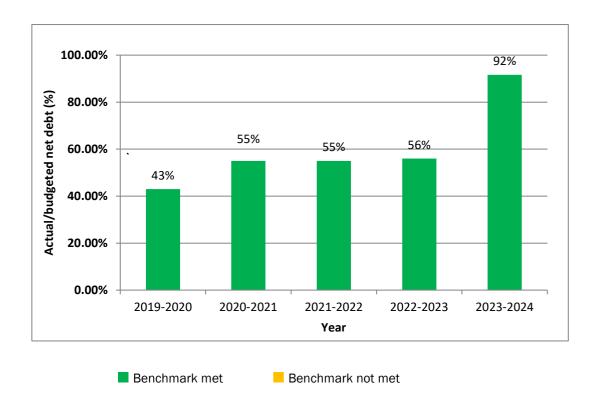


^{44.} We have restated the prudence result for 2021 – 2022 as a result of a prior year adjustment identified in 2022 – 2023. As a result, we have reported the updated figure to faithfully represent the correct graph metric in 2023 – 2024.

Debt control benchmark

Actual versus planned net debt

The following graph displays Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables). Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt. 45

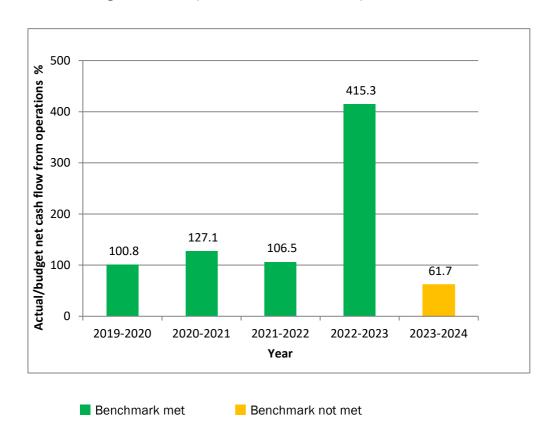


^{45.} We have restated the prudence result for 2021 – 2022 as a result of a prior year adjustment identified in 2022 – 2023. As a result, we have reported the updated figure to faithfully represent the correct graph metric in 2023 – 2024.

Operations control benchmark

Actual versus planned cash flow

This graph displays Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations. Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



Ngā tūtohunga me ngā takohanga Statement of compliance and responsibility

Compliance

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

Responsibility

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

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

In the opinion of the Council and management of Upper Hutt City Council, the annual financial statements for the year ended 30 June 2024 fairly reflect the financial position and operations of Upper Hutt City Council (as at 30 October 2024).

W N Guppy

MAYOR

Ğ Swainson

CHIEF EXECUTIVE

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



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Our Mayor and councillors



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Independent Auditor's Report

To the readers of Upper Hutt City Council's annual report for the year ended 30 June 2024

The Auditor-General is the auditor of Upper Hutt City Council (the City Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, John Whittal, using the staff and resources of Audit New Zealand, to report on the information in the City Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the City Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the City Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 30 October 2024. This is the date on which we give our report.

Opinion on the audited information

Unmodified opinion on the audited information, excluding the statement of service provision

In our opinion:

- the financial statements on pages 90 and 91, and 100 to 164:
 - o present fairly, in all material respects:
 - the City Council and Group's financial position as at 30 June 2024;
 - the results of the operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;

- the funding impact statement on page 165, presents fairly, in all material respects, the
 amount of funds produced from each source of funding and how the funds were applied as
 compared to the information included in the City Council's annual plan;
- the statement about capital expenditure for each group of activities on pages 31 to 84
 presents fairly, in all material respects, actual capital expenditure as compared to the
 budgeted capital expenditure included in the City Council's Long-term plan; and
- the funding impact statement for each group of activities on pages 31 to 84, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's Longterm plan.

Qualified opinion on the statement of service provision

In our opinion, except for the possible effects of the matters described in the "Basis for our opinion on the audited information" section of our report, the statement of service provision on pages 13 to 20 and 24 to 89:

- presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2024, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand.

Report on the disclosure requirements

We report that the City Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report;
 and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 166 to 176, which represent a complete list of required disclosures and accurately reflects the information drawn from the City Council's audited information and, where applicable, the City Council's Long-term plan and annual plans.

The basis for our opinion is explained below and we draw attention to uncertainty over the fair value of three waters assets. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

Basis for our opinion on the audited information

Statement of service provision: Our work was limited in respect of the total number of complaints received about water supply, wastewater, and stormwater

The City Council is required to report against the performance measures set out in the Non-Financial Performance Measure Rules 2013 (the Rules) made by the Secretary for Local Government. These include mandatory performance measures relating to the number of complaints received for water supply, wastewater, and stormwater.

The Department of Internal Affairs has issued guidance to assist local authorities in applying the Rules, including how to count complaints. The City Council and its afterhours call centre provider have not been classifying complaints in accordance with this guidance and the method of recording was likely to have understated the actual number of complaints received for these performance measures.

As a result, our audit work was limited and there were no practicable audit procedures we could apply to obtain assurance over the reported results for these performance measures.

Our opinion on these performance measures was also qualified for the 2023 performance year.

Statement of service provision: Our work was limited in respect of the measurement of greenhouse gas emissions reported in the comparative year

The City Council has chosen to include a measure of the quantity of greenhouse gas (GHG) emissions in its performance information as follows:

Reduce the level of carbon generated by Council activities.

We consider this material performance information because of the public interest in climate change related information.

In the prior year, the City Council was unable to accurately report the quantity of greenhouse gas (GHG) emissions, as the City Council had relied on spend-based emissions factors which were based on 2007 data. There was insufficient evidence to show that these factors were relevant for use in measuring the City Council's current GHG emissions and we were unable to obtain sufficient alternative evidence to conclude that the reported performance was materially correct. Our audit opinion on this performance measure for the year ended 30 June 2023 was modified accordingly.

The City Council does not measure its emissions annually and therefore has not reported its GHG emissions for the year ended 30 June 2024. As the limitation on our work has not been resolved for the year ended 30 June 2023, our audit opinion remains modified in respect of the reported greenhouse gas emissions for the 2023 performance year, presented as comparative information.

Without further modifying our opinion, we also draw attention to the inherent uncertainty disclosure on page 88 of the annual report, which outlines the inherent uncertainty in the reported GHG emissions. Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards.

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Emphasis of matter – Uncertainty over the fair value of three waters assets

Without further modifying our opinion, we draw attention to note 9 on page 133 of the financial statements, which outlines the significant uncertainties over the fair value of three waters assets as at 30 June 2024. The fair value of these assets has been affected by increased costs of construction over the last few years. The future review of procurement arrangements and changes to the region's water services delivery model could lead to changes in construction costs, which increases the uncertainty over the estimated fair value of these assets.

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the City Council and the Group or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they

could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the City Council's Long-term plan and annual plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit
 procedures that are appropriate in the circumstances, but not for the purpose of expressing
 an opinion on the effectiveness of the City Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service provision, as a reasonable basis for assessing the levels of service achieved and reported by the City Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the City Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the audited information of the entities or business activities within the Group to express an opinion on the consolidated

audited information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 12, 21 to 23, and 177 to 179 but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information, and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the City Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have performed an audit of the City Council's Long-term plan 2024-34 and a limited assurance engagement related to the City Council's debenture trust deed, which are compatible with those independence requirements. Other than these engagements, we have no relationship with, or interests in, the City Council or its subsidiaries and controlled entities.

John Whittal

Audit New Zealand

On behalf of the Auditor-General

Wellington, New Zealand