

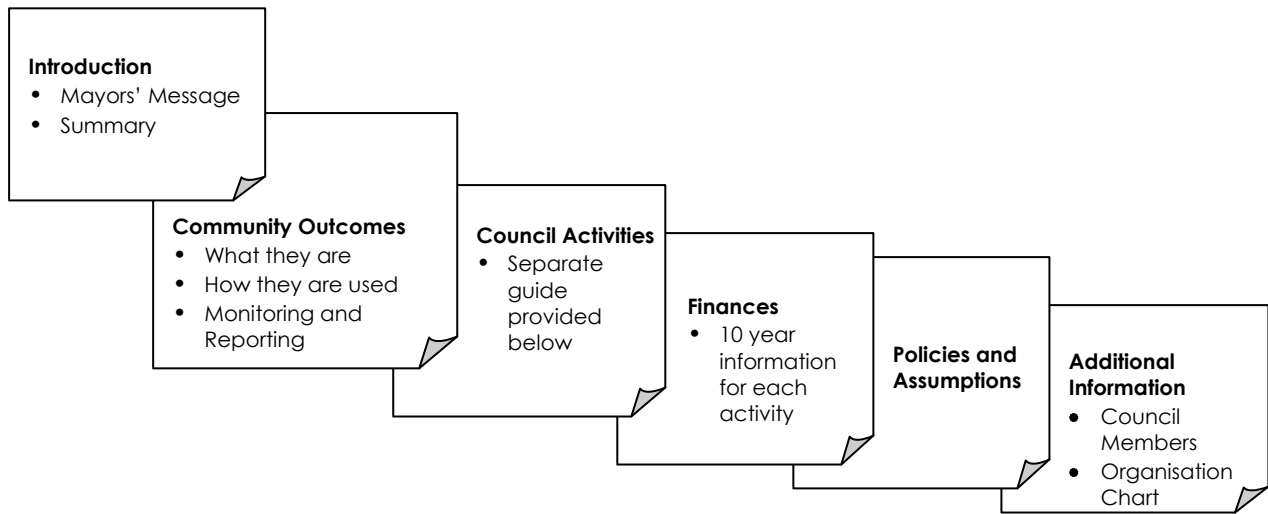
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# Guide to Reading the Activity Statements

The framework below provides a map to guide your journey through the key elements of this document.



# Guide to Reading the Activity Statements

## What is a Council Activity Statement?

Council provides 19 core activities (services, goods and/or facilities) such as Land Transport, City Planning, Parks and Reserves and Water Supply. More detail on each of the 19 activities is provided within the LTCCP under the individual activity statements.

The key Council Activity Statement headings and what is covered under each heading is noted below.

### **What does this activity involve?**

This section provides a summary of what the Activity covers.

### **Why is Council involved?**

This section explains why Council is involved in the Activity.

### **Key Council Contributions to Upper Hutt's Community Outcomes**

This table identifies the Community Outcomes that the Activity contributes towards, and the way in which Council contributes towards furthering the outcomes.

# Guide to Reading the Activity Statements

More information on the Council activities is provided under each of the following headings:

## **Key Issues and Responses by Council**

This section addresses how Council intends to manage each Activity. It discusses demand for the service, the issues arising and the response proposed, and provides the context for the day-to-day operational work and Work Programme for the Activity.

## **Significant Negative Effects**

This section identifies any significant negative effects arising from providing the service.

## **Level of Service Objectives and Performance Measures**

This section presents Council's objectives for delivering the service, together with performance measures and targets.

## **Work Programme and Funding Sources**

This section summarises expenditure on capital works, asset management and renewals, projects and any other changes to the level of service for the Activity. It also shows when the work is to be carried out, and how it will be funded. The first three years are shown in more detail.

## **Cost of Service Statement**

This section identifies the budget and funding requirements for the Activity for the next three years.

The reference to 'Depreciation and Other Unfunded Items' covers depreciation, vested assets and other non-cash items.

## **10 Year Financial Forecast**

The 10 Year Financial Forecast outlines the funding requirements for the Activity over the next ten years. Detailed figures are provided in the Financial Statements.

# Message from the Mayor



I am proud, just like all of you, to live in Upper Hutt. We are still a city that holds the values that many small towns in New Zealand once had. We are close to everything – just 25 minutes from the capital and only minutes away from the river and hills, which surround our area. We are a very strong, family friendly community. We have a developing national defence and bio-security hub and housing still remains the most affordable in the Wellington region. I know the future of Upper Hutt will be positive and vibrant.

While we know a global economic downturn is occurring as we produce this ten year plan, we have continued to focus on projects that will add to the quality of this fine city. Council also remains committed to delivering the basic services such as roads, water and waste, that is our core business. We know this will continue to provide Upper Hutt with an advantage over other cities who fail to see the importance of focusing on the vital infrastructure. When the economic climate turns for the better we need to have this city positioned to take advantage of the changing economic cycles.

During the extensive consultation phase on the LTCCP, you, the public, made it clear what you wanted Council to focus expenditure on. You told us that you are most interested in Council enhancing the city's walking and cycle facilities and developing a hockey turf earlier. You also noted that you wanted to extend and review the solid waste and recycling service and increasingly see our city becoming environmentally conscious. We have also heard you in regards to the new library proposal and the Akatarawa Cemetery chapel/crematorium proposal. Consequently development of the chapel will no longer go ahead and rather than building a new library we propose to renovate the existing building. This will not only increase its size by 35%, but also provide the essential top ranked requirements on the library that were highlighted during the consultation with the community in October 2007.

The future and the way the city develops in the next ten years has been guided by you. I believe we have produced a ten year plan that is what the citizens of Upper Hutt want and deserve - to create a city that we are proud of today and we know that our children will be proud of in the future. And we should all be proud, because as a city we are leading the way in many different areas, from our regionally acclaimed entertainment and leisure centres to our nationally acclaimed community programmes and council services, such as the youth strategy and Activation. It is not just our focal projects which are acclaimed – even our online cemetery database, which allows users to view all headstones and plaques at the Akatarawa Cemetery, has reached an international audience. Your Council is determined to see our city grow sustainably, while at the same time, continuing to protect our semi rural feel, our environment and natural resources.

I am pleased to present this plan, which includes some very exciting projects, yet at the same time, continues to remain financially prudent.

A handwritten signature in black ink that reads "Wayne Guppy". The signature is written in a cursive, flowing style with a long, sweeping underline that extends to the left.

Wayne Guppy

# Executive Summary

## What is the Long Term Council Community Plan?

The Long Term Council Community Plan (LTCCP) lets you know what the Upper Hutt City Council plans to do over the next ten years and why. The LTCCP 2009-2019 was adopted on 26 June 2009.

The decisions and activities included are intended to continue to create a community that the people of Upper Hutt want, now and in the future – as identified via the Community Outcomes process.

The LTCCP, prepared in accordance with the Local Government Act 2002, contains comprehensive sections on the projects and services under each Council activity. As well as full financial information, Council policies and additional information such as Councillor contact details.

## Rates increases

The increase in rates for 2009/10 is 3.97%. This includes allowing for an estimated increase in the rating base of 1.2% due to growth of the city. This figure is less than the rates percentage increase that the majority of the public considered to be a fair amount to pay, as noted by the pre-consultation undertaken on the LTCCP in late 2008.

The projected rate increases for the years 2009-2019, are provided below. Please note - figures include inflation, forecast at around 3% each year.

<b>Year</b>	<b>Proposed Rates Increase</b>	<b>Rates Income Required</b>
2009/10	3.97%	\$26.2 million
2010/11	4.3%	\$27.2 million
2011/12	4.4%	\$28.5 million
2012/13	0.3%	\$28.9 million
2013/14	1.5%	\$29.6 million
2014/15	2.9%	\$30.7 million
2015/16	0.7%	\$31.3 million
2016/17	2.7%	\$32.5 million
2017/18	3.5%	\$33.9 million
2018/19	1.6%	\$34.8 million

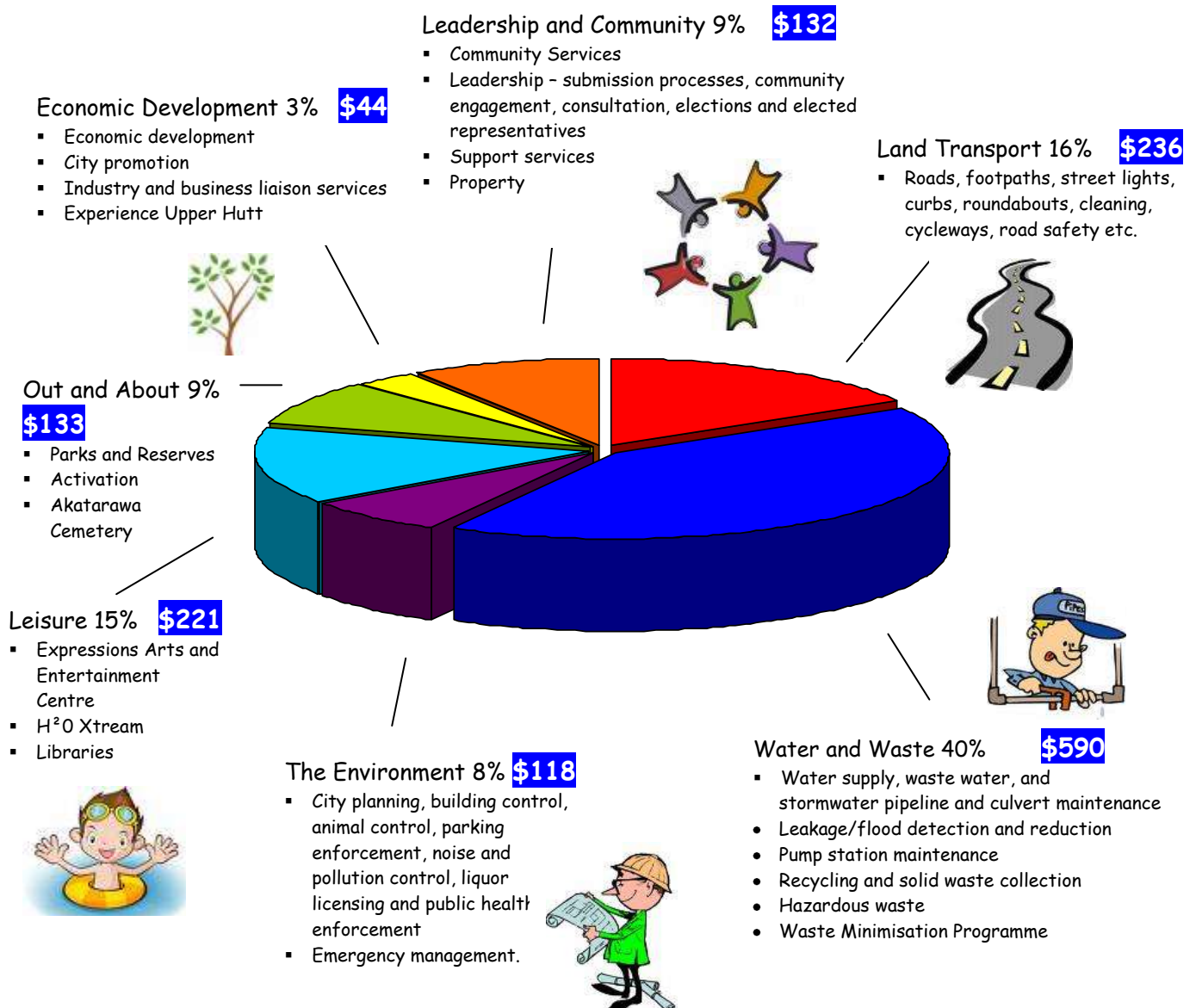
## Expenditure

The total Council expenditure for 2009/10 is \$42.122 million (this excludes depreciation). Of this, capital expenditure items are estimated to cost \$11.153 million. There are a number of funding sources that contribute to the payment of the forecast expenditure, including rates, subsidies from government (e.g. New Zealand Transport Agency), fees and charges, reserve fund contributions, interest and dividends and penalties. Rates account for 61.6% of the total funding required for 2009/10.

# Executive Summary

Where does your rates money go?

The average total residential rates for 2009/10 is \$1,474 - this is broken down in more detail below



# Executive Summary

## Some facts about your rates

On average rates will contribute a total of 67% towards Council's projected income for 2009/10. Of that amount, your rates bill is made up of two components:

1. general rates accounts for approximately 58% of total rates. This is dependant on Council expenditure and subsequently dependant on your property value and type i.e. residential, rural, business and utility; and
2. targeted rates, which contributes approximately 42% to Council's expenditure. These are made up of rates for water supply, wastewater and stormwater. Note – these rates are not charged to rural properties that do not use the services.

Upper Hutt City Council also collects rates on behalf of the Greater Wellington Regional Council for items such as servicing the region's public transport system and managing the regional parks and reserves.

### Rural Rates

About 7.9% of general rates are collected from rural properties. These are properties that are physically in the rural area and not just those covered by the rural rating differential<sup>1</sup>. The rural rating differential (which covers properties greater than 30 hectares) contributes 1.2% of general rates.

## Keeping your rates low

Upper Hutt's rates increase for 2008/09 was 3.3%. The average rates increase across New Zealand was 8%.

Upper Hutt's rates increase for 2010/11 is 4.3%. A Department of Internal Affairs' review of draft LTCCP's New Zealand wide, indicates that the national average rates increase will be 7.3% for 2010/11.

## Average Rates in 2009/10

The total rates funding requirement for 2009/10 is \$26.175 million, it includes \$0.212 million of projects carried over from the previous year. Examples of how this is likely to affect specific properties are shown in the table below. These properties illustrate the rating requirement for a property of average or median value for that rating category. These estimates exclude rates collected on behalf of the Greater Wellington Regional Council.

	<b>Residential</b> CV \$339,000	<b>Rural</b> (Greater than 30 hectares) CV \$779,000	<b>Business</b> CV \$1,113,000
<b>General Rates</b>	\$730	\$1,225	\$5,751
<b>Targeted Rates</b> (water, wastewater, stormwater)	\$744	No charge	\$2,012*
<b>Total Rates</b> (incl. GST)	<b>\$1,474</b>	<b>\$1,225</b>	<b>\$7,763</b>
* Business example is based on 1 water charge and 3 pan charges.			

<sup>1</sup> The rural rating differential relates to properties that are greater than 30 hectares and rated at 73% of the standard differential (for General Rates).

## Key Proposals

Council's overall approach to how it meets the needs of the Upper Hutt community is presented under seven key themes: Leadership and Community, Land Transport, Water and Waste, the Environment, Leisure, Out and About and Economic Development.

## Leadership and Community

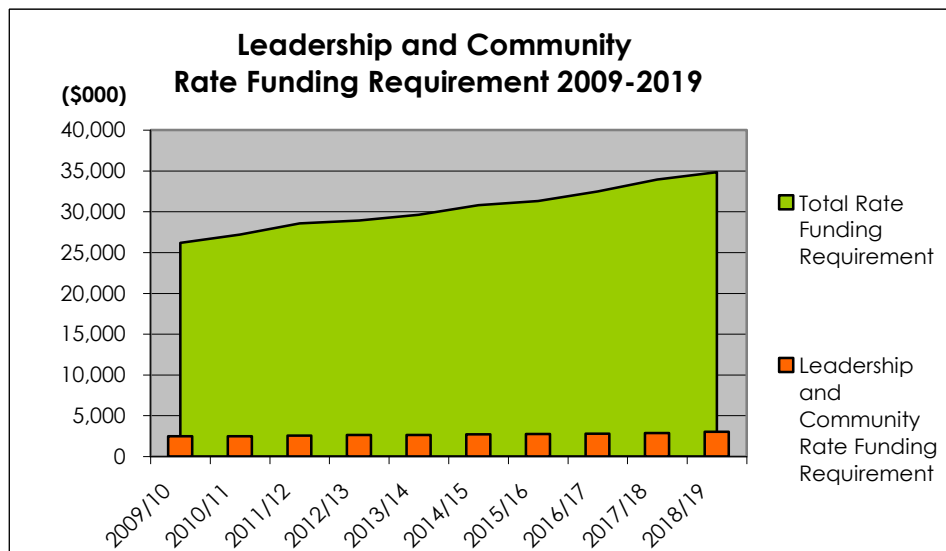
Leadership activities include long and short term planning, monitoring and reporting on progress, community engagement and the democratic process. This theme also includes management of Council properties and Support Services such as human resources and information services. Community Services also covered in this section, identifies community and social needs and develops and supports initiatives to meet those needs.

Community Services key focus areas include:

- Youth - via a youth strategy, youth awards scheme, youth network and a regular youth hui.
- Safety, Health and Wellbeing (SHAW) - the SHAW model involves facilitating regular community forums on focus topics to identify and address areas of need within the community. The following areas of focus have been selected: older adults, youth, migrants and refugees, families/whanau, crime prevention and the disability sector.

### Total Expenditure

About 7% (\$2.816 million) of Council's expenditure for 2009/10 is allocated to this section, of which \$2.465 million is funded from rates. The following graph shows the amount of rates that is required for this theme in comparison to the total rates required for Council.



# Executive Summary

## Land Transport

This activity covers all land transport matters, such as road improvements, roundabouts, street cleaning, cycleways, footpaths, street lights, mowing (road safety) and future planning.

Projects for this area include:

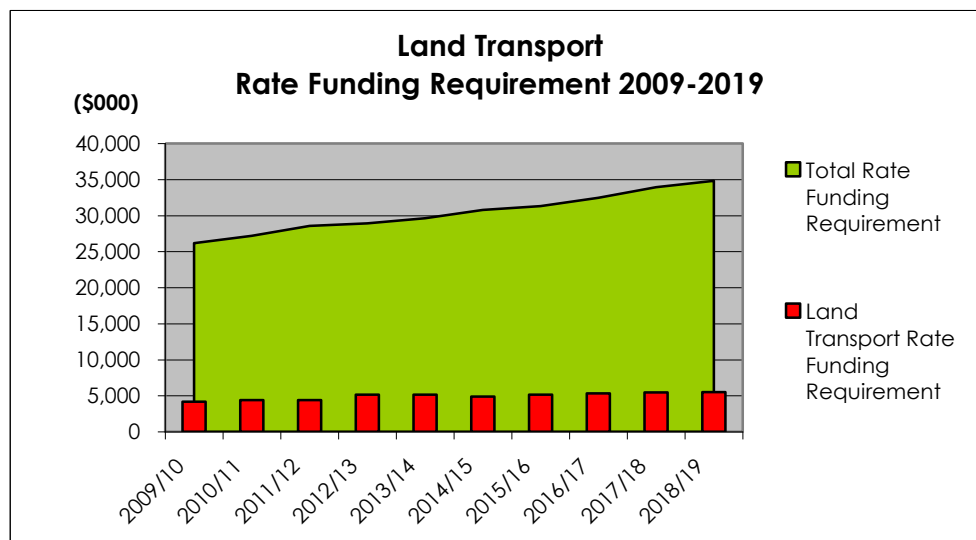
- Enhancement of the Gibbons Street entrance off State Highway 2 and the route into the CBD. This project will improve internal access routes into the city and provide directional signage, landscaping and an entry feature. Years 2010/11 to 2016/17.
- General road maintenance and improvements, with an additional focus on the following roads: Fergusson Drive, Blue Mountains Road and Akatarawa Road.
- Replacement of Akatarawa Road bridges and seismic strengthening of Totara Park Bridge.
- The ongoing program of street cleaning and the replacement of litter bins will continue and upgrades to street lights, footpaths and car parks will occur.

Key walkway/cycleway projects include:

- Enhancement of our cycle and walking linkages - years 2013/14 to 2016/17. Including:
  - formation of a sealed cycle and walking path along the stopbank from Moonshine Park through to the CBD and beyond;
  - provision of signage within the CBD showing the location of cycling and walking tracks within Upper Hutt; and
  - a cycle and walking path within the railway corridor from Field Street in Silverstream through to Blenheim Street, Upper Hutt.
- Development of a cycleway and pedestrian walkway from Silverstream Railway Station through to the Hutt River Trail at Silverstream Bridge. This project involves development of walkway segments alongside Fergusson Drive in collaboration with an external funding partner. Year 2014/15.
- Construction of an accessway between the Totara Park bridge footpath and the Hutt River Trail. Year 2012/13.

### Total Expenditure

About 21% (\$8.922 million) of Council's expenditure for 2009/10 is allocated to this section, of which \$4.179 million is funded from rates. The following graph shows the amount of rates that is required for this theme in comparison to the total rates required for Council.



# Executive Summary

## Water and Waste

Water and waste includes all the basic infrastructural services that keep our city running smoothly such as water supply, wastewater, stormwater and solid waste management.

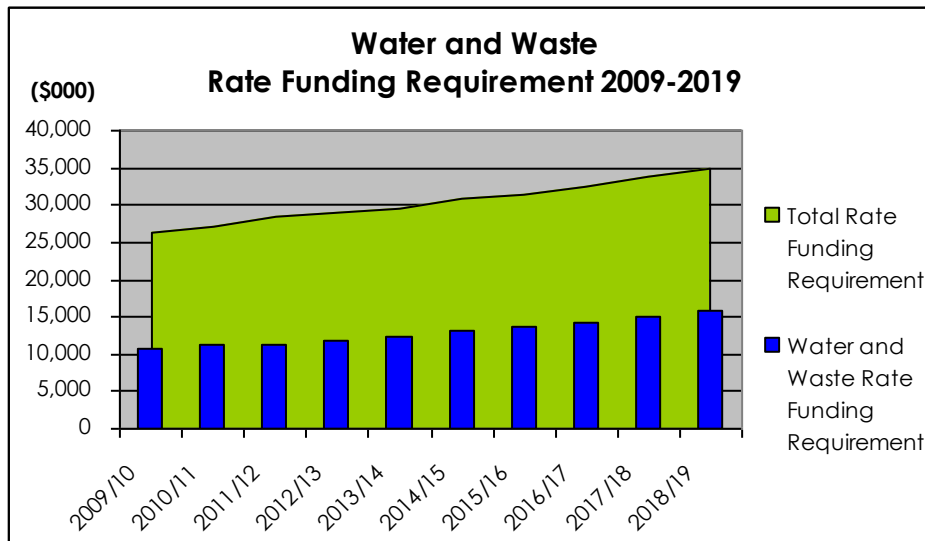
Projects include:

- Water, wastewater and stormwater pipelines will continue to be upgraded at a cost of \$2.441 million per annum;
- Reservoirs and pump stations will be maintained and replaced as necessary;
- The Pinehaven Stream Study will be completed in 2010/11;
- The capacity of the Sunbrae Drive stormwater culvert will be increased in 2011/12;
- The refuse and recycling service will be extended to cover the rural areas in 2009/10;
- In 2012/13 a review of the solid waste service (including recycling) will occur. This project will focus on service enhancement options, waste reduction, reuse and recycling.

In addition, our normal operations (e.g. our leak detection programme) which all have service performance expectations of 90% or above will continue.

### Total Expenditure

About 33% (\$13.922 million) of Council's expenditure for 2009/10 is allocated to this section, of which \$10.510 million will be funded from rates. This is the largest component of Council expenditure, which confirms Council's commitment to the basic infrastructural services that keep our city running smoothly. The following graph shows the amount of rates required for this theme in comparison to the total rates required for Council.



# Executive Summary

## The Environment

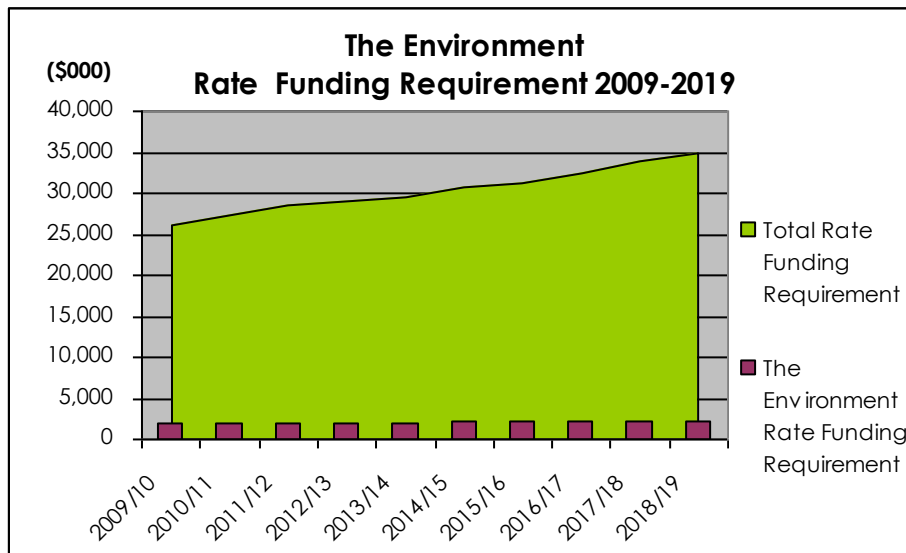
The environment section includes all the activities that manage a range of regulatory responsibilities that benefit the community as a whole. It includes city planning, building control, animal control, parking enforcement, noise and pollution control, liquor licensing, public health enforcement and emergency management.

Projects include:

- Development and implementation of an integrated Sustainability Strategy: This project will see the appointment of a Sustainability Officer and development of a Sustainability Policy, leading to a programme of related initiatives and incentives. These could include subdivision design standards and consent fee concessions. Year 2010/11 onwards.
- Habitat Improvement: This project involves a study to identify significant natural areas within Upper Hutt to enable ongoing protection and management. Year 2010/11.
- Continued implementation of the Urban Growth Strategy with initiatives such as:
  - the Southern Hills Review, which looks to refine the management and development of the Southern Hills; and
  - structure planning (i.e. plan for the future services, facilities and infrastructure required) for two key potential growth sites at Maymorn and Wallaceville. These projects aim to secure additional housing and industrial land supply to keep Upper Hutt affordable. Years 2009/10 to 2011/12.

### Total Expenditure

About 10% (\$4.174 million) of Council's expenditure for 2009/10 is allocated to this section, of which \$2.023 million is funded from rates. The following graph shows the amount of rates that is required for this theme in comparison to the total rates required for Council.



# Executive Summary

## Leisure

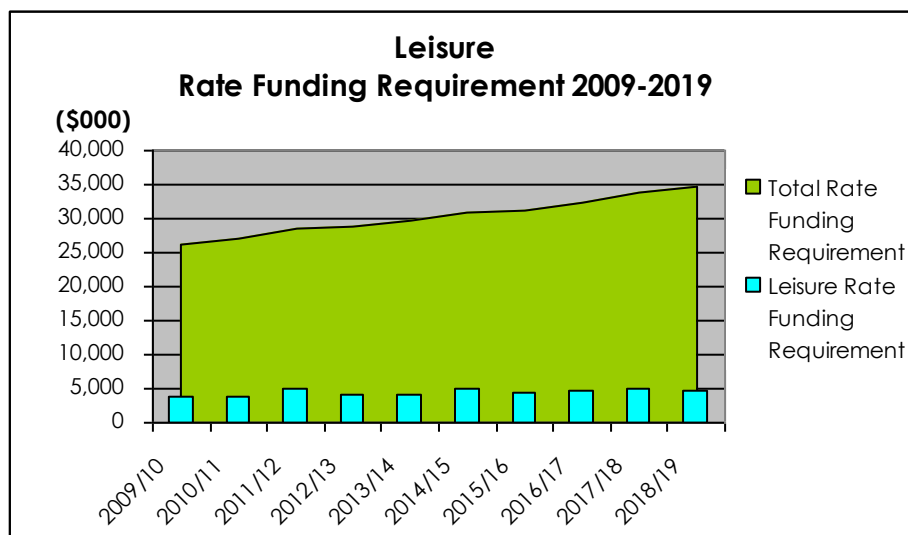
This section refers to all the activities, services and infrastructure required to enable residents and visitors to participate in leisure activities. This could be anything from aqua aerobics or water slides at H<sup>2</sup>O Xstream, watching a play or viewing an art show at Expressions Arts and Entertainment Centre, or reading a book or joining the creative crafting programme at the Library.

Projects include:

- Renovation of the Upper Hutt Central Library: This project will see Upper Hutt's Central Library renovated at an estimated cost of \$3 million. This will include increasing the library size by almost 35%. These renovations will enable the library to increase its capacity. It would also facilitate improved library services, through an enlargement of the children's area, creation of a teen's space, improved accessibility to library collections and a separation of study and activity spaces. Year 2009/10.
- Enhancement of Expressions Arts and Entertainment Centre: This project will see the development of additional toilet facilities adjacent to Riverstone Recreation Hall. This will enable the hall to operate independently from the galleries and theatre space. Year 2009/10.

### Total Expenditure

About 19% (\$8 million) (this includes \$3 million for the library renovation) of Council's expenditure for 2009/10 is allocated to this section, of which \$3.775 million is funded from rates. The following graph shows the amount of rates that is required for this theme in comparison to the total rates required for Council.



## Out and About

Out and About refers to all the facilities, services and infrastructure provided to enable you to undertake an outdoor activity, within our unique natural environment. It includes Parks and Reserves, the Activation programme and the Akatarawa Cemetery.

Listed below are some projects to further enhance our offerings:

- Upgrading the Harcourt Park paddling pool: This includes provision of additional water features such as timed water jets. As well as an upgrade to the filtration and pumping system and surrounding fence. Year 2009/10.
- Upgrades to the downhill mountain bike track in Maidstone Park: This includes upgrading and extending the existing track with works such as rebuilding the jumps and erecting additional barriers and signage. Year 2009/10.
- Development of netball and tennis courts: This multi-court facility will provide up to ten courts with a minimum area of 5,950 meters<sup>2</sup>. Council is exploring the possibility of providing the courts in partnership with an external provider and has earmarked future funding to enable this to occur. Year 2010/11.
- Development of an artificial hockey turf: This project will see the development of a full-size hockey turf for use by schools, clubs and the wider community. Year 2011/12 (subject to confirmation of external funding).
- Development of a public walkway to link the Hutt River Trail along the rear boundary of Harcourt Holiday Park. Year 2009/10.
- New pathways and walkways: Development of new pathways and walkways in 14 parks around Upper Hutt. Years 2013/14 to 2016/17.
- Revegetation of Maidstone Park: This project will see the continuation of work to eradicate unwanted pine trees and encourage the regeneration of native trees and shrubs. Years 2009/10 to 2011/12.
- Maidstone Park design and implementation plan: This project will look at developing the park with signage, lighting and a possible duck pond. It will also review issues such as parking, pathways and entrances. Year 2009/10.

Continuation of Council's regular parks and reserves works programme, which has a community satisfaction performance expectation of 95%. This includes:

- maintenance of street trees, reserves and public gardens;
- planting and mowing reserves, weed control, bush regeneration and graffiti removal;
- increased planting of large specimen trees around the city;
- sports ground and public toilet maintenance; and
- development of new, and maintenance of existing, playgrounds and play equipment.

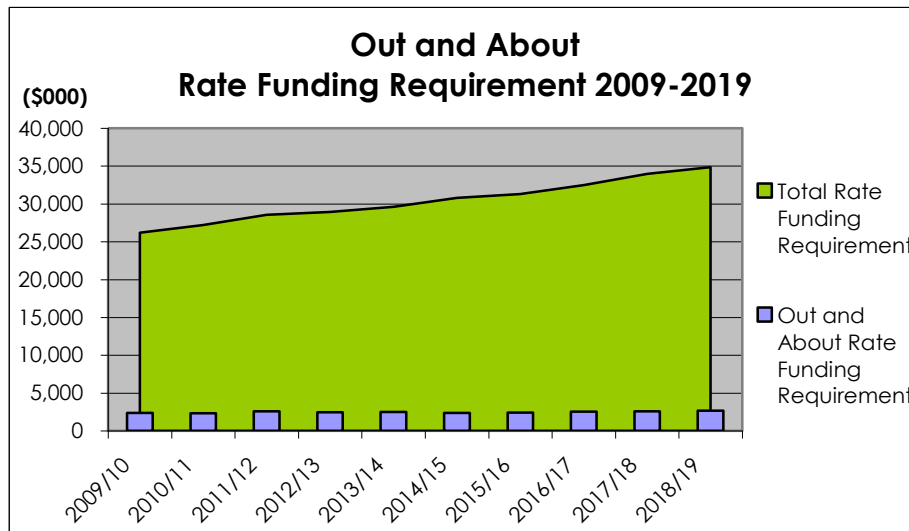
### Activation

- Continued funding for Activation for a minimum of five years. This activity aims to get more people, more active, more often. It will also continue to enhance the health and wellbeing of the Upper Hutt community by increasing participation in sport and recreational events, clubs, and activities. A significant portion of this activity is funded by external stakeholders.

### Total Expenditure

About 8% (\$3.455 million) of Council's expenditure for 2009/10 is allocated to this section, of which \$2.269 million is funded from rates. The following graph shows the amount of rates that is required for this theme in comparison to the total rates required for Council.

# Executive Summary



## Economic Development

Council is strongly committed to doing its part to provide a more vibrant and economically viable city centre. When we asked the community what its most important issues were for Upper Hutt City over the next 20 years, the community noted that business and economic development was one of the key priorities. Specifically, the community wants Upper Hutt's Main Street filled with a greater range of shops. As shown by recent CBD shop openings, retailers are trying hard to do this. Council is also supporting this aspiration by strategically managing city zoning, implementing business friendly policies, funding the operation of Experience Upper Hutt and continually striving to create a vibrant and sustainable CBD. The community could also support by buying local; approaching shops in other areas and asking them to open in Upper Hutt, choosing to invest in the CBD, and by being positive when talking about the CBD to people from outside of Upper Hutt. Together we need to be proactive in various ways to attract and retain businesses within our CBD.

Projects include:

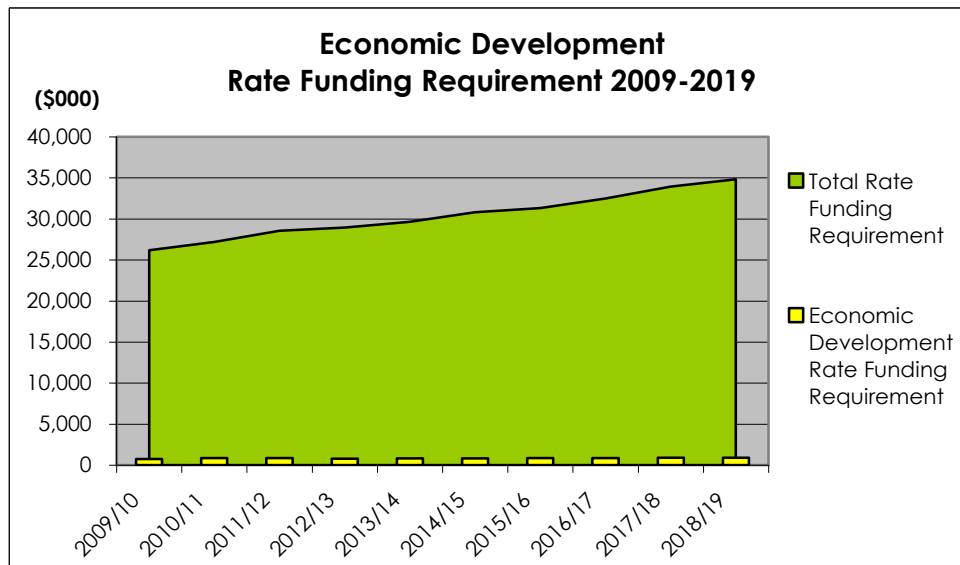
- Major promotional campaign: Focussed on niche markets such as retailers, developers and key growth sectors such as the bio-security sector. The aim of this project is to increase business growth and localised jobs. Year 2010/11 onwards.
- Revitalisation of Upper Hutt's CBD: This project will look to expand the (soon to be implemented) provision of new lighting, seating, litter bins, cycle racks and sculptures to further areas of the CBD. Years 2012/13 to 2014/15.
- Upgrades to the area surrounding the Upper Hutt Train Station: This includes modern informative signage, significant landscaping improvements and potentially a covered walkway. In addition Council will continue to work with GWRC to encourage them to upgrade their Train Station building.
- Continued funding for Experience Upper Hutt to increase vibrancy within our CBD. Previous work includes facilitating the installation of the CBD Christmas lights and banners, as well as event organisation and promotions, such as the Christmas Passport and the Upper Hutt Xcard. Years 2009/10 to 2011/2012.

# Executive Summary

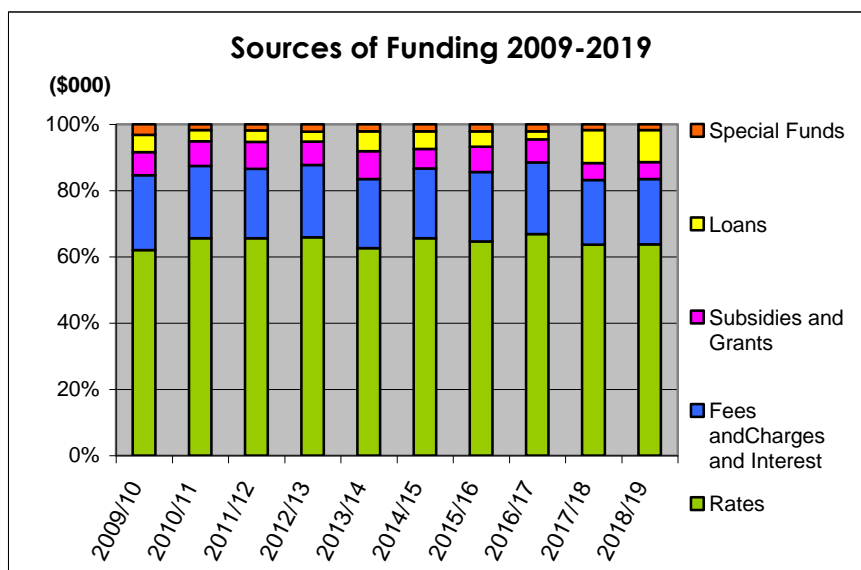
- A significant land transport project, that will support the CBD and surrounding areas, is the enhancement of the Gibbons Street entrance off State Highway 2 and improvements to the access route into the city.

## Total Expenditure

About 2% (\$0.772 million) of Council's expenditure for 2009/10 is allocated to this section, of which \$0.741 million is funded from rates. The following graph shows the amount of rates that is required for this theme in comparison to the total rates required for Council.

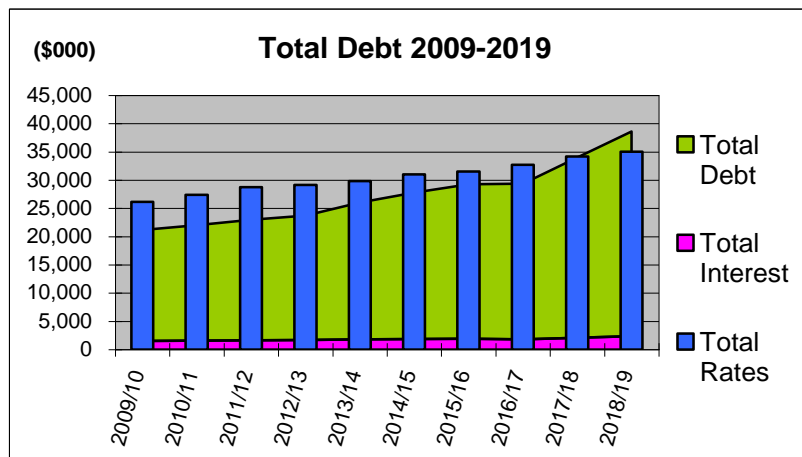
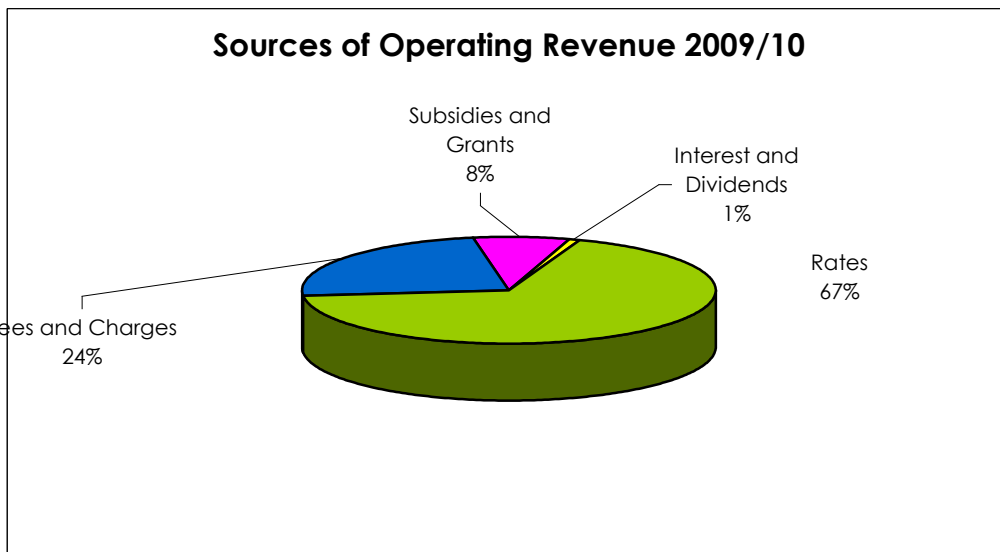


## Financials Summarised



The interest Upper Hutt City Council is currently paying on our debt is \$1.532 million per annum.

# Executive Summary



## Amendment of Council Policies

### Policy on Development Contributions

Development contributions are fees that can be collected by Council (under the Local Government Act 2002) from developments to fund the cost of providing for the additional capacity required by the development. Additional city network items required may include roads, water, wastewater, and stormwater infrastructure. They are not taken to upgrade existing substandard infrastructure.

The Council's Development Contributions Policy specifies when, where, how much and for what activities (currently only rural roading and Maymorn wastewater/water infrastructure) a development contribution will be required. It also covers items such as exemptions, remissions and refunds, as well as the rationale for the policy, how the development contributions are calculated and a map of the contribution catchment areas.

Council first adopted a Developments Contribution Policy in 2004. It was updated in 2006 and has now been updated for the 2009-19 LTCCP. The impacts of growth on network infrastructure have been reassessed, allowance made for contributions collected, work completed and the contributions updated for current construction rates. The current Policy applies to rural roading, footpath and lighting requirements in Alexander Rd, and the Maymorn water and wastewater infrastructure. The policy also signals Council's intention to review the impact of growth on the existing water services and urban roading. That review is currently underway.

# Executive Summary

Following Council's decision to place a cap on the maximum Development Contribution levy payable in the Moonshine Hill Road and Akatarawa Road catchments the project income and expenditure has been revised.

## Revenue and Financing Policy

Significant changes were made to this policy concurrent with the 2008/09 Annual Plan process. Some additional minor changes were considered appropriate:

- Funding Ranges: changes in the funding ranges for the Leadership, H<sup>2</sup>O Xstream, Environmental Health, Parking and City Planning activities. The changes have been identified as necessary so as to recognise either cost structure changes or to accommodate the overall funding position.
- Explicitly include special funds as a funding source for most activities. This is to recognise established practice.
- The funding source 'Fees and Charges' is replaced by the more generic term 'Other Sources' in most activities. This is to recognise that the term Fees and Charges does not accurately encompass all funding sources in a number of cases.
- Include a general provision to cover the ability of Council to obtain funding from an extended range of sources in an emergency situation.
- A number of typographical and grammar errors were identified and some minor style improvements have been made in the policy.

## City Vision and Community Outcomes

The vision for Upper Hutt is 'Upper Hutt City – A Great Place to Live'. The Community Outcomes (identified below) describe the vision in more detail and inform and guide Council in setting future work programme priorities.

- 1 Upper Hutt is the city of choice for people from all walks of life
- 2 Upper Hutt has a vibrant city heart
- 3 The economy is robust, innovative and growing
- 4 Upper Hutt offers a green and attractive living environment
- 5 The community is safe, healthy and strong
- 6 Leisure opportunities are outstanding
- 7 Upper Hutt is connected with the world

The Community Outcomes section within the LTCCP details the high level and sub-outcomes, how they were developed, what they are used for, when they will next be reviewed, and how they are monitored and reported against. It also identifies which Council activities contribute to each outcome and provides examples of how Council works with external organisations to further the Community Outcomes.

## Consultation on the LTCCP

Preliminary public consultation on the LTCCP was undertaken in September and October 2008. The findings of this pre-consultation and Upper Hutt's Community Outcomes (noted above) played a strong role in guiding the future design of the LTCCP. In summary, 203 submissions were received and the public supported 78% of the 32 possible projects identified. (Note - a project is deemed to be supported if over 50% of respondents agreed to it). Six projects received very strong support. Of these, four related to new walkway/cycleway facilities. The remaining top two projects were the solid waste review/extension of the recycling service and the proposal to upgrade the area surrounding the Upper Hutt Train Station.

The second round of public consultation on the LTCCP 2009-2019 took place from 1 April 2009 - 13 May 2009. The summary of the draft LTCCP, including a submission form was distributed to 18,000 households and interested parties. The full draft LTCCP was also made publically available. Three public meetings were held from 27 - 30 April 2009 and 35 people attended these meetings. 107 submissions were received and two hearing meetings were held on 24 and 28 May 2009 for the 44 people who wished to have their submission heard in person. On 4 June 2009 Council considered

all submissions and the LTCCP was subsequently amended to increasingly incorporate the needs of the community.

## Balancing the Budget

Section 100 of the Local Government Act 2002 (the Act) requires Council to budget each year for operating revenues at a level sufficient to meet the years operating expenses. This is referred to as the balanced budget requirement.

Section 100(2) of the Act states that Council may budget for a deficit (shortfall) if it decides that it is financially prudent to do so when having regard to the following:

- the estimated expenses of achieving and maintaining the predicted levels of service provision set out in the LTCCP;
- the proposed revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their working life;
- the fair allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their working life; and
- the funding and financial policies adopted under section 102 of the Act.

As allowed under section 100(2) of the Act 2002, Council sets projected operating revenues at a different level to operating expenses. It is the view of Council that it is financially prudent to do so and a resolution was made on 26 June 2009 to that effect. This position has been arrived at for the following reasons:

- Council does not consider that depreciation reflects the annual cost of maintaining the service potential of assets but is merely the reduction in economic benefits embodied in the asset;
- for the above reason the renewal, replacement and establishment of assets is funded through a combination of rates, grants, subsidies and loans in order to equitably allocate the funding responsibility for provision and maintenance of assets and facilities throughout their useful life;
- Council's budgeting and asset management regimes ensure that the estimated cost of achieving and maintaining the predicted levels of service provision, set out in the Long Term Council Community Plan, including the estimated cost of maintaining the service capacity and integrity of assets, can be accurately determined; and
- Council's budgeting regime ensures that the projected revenue is available to fund the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life.

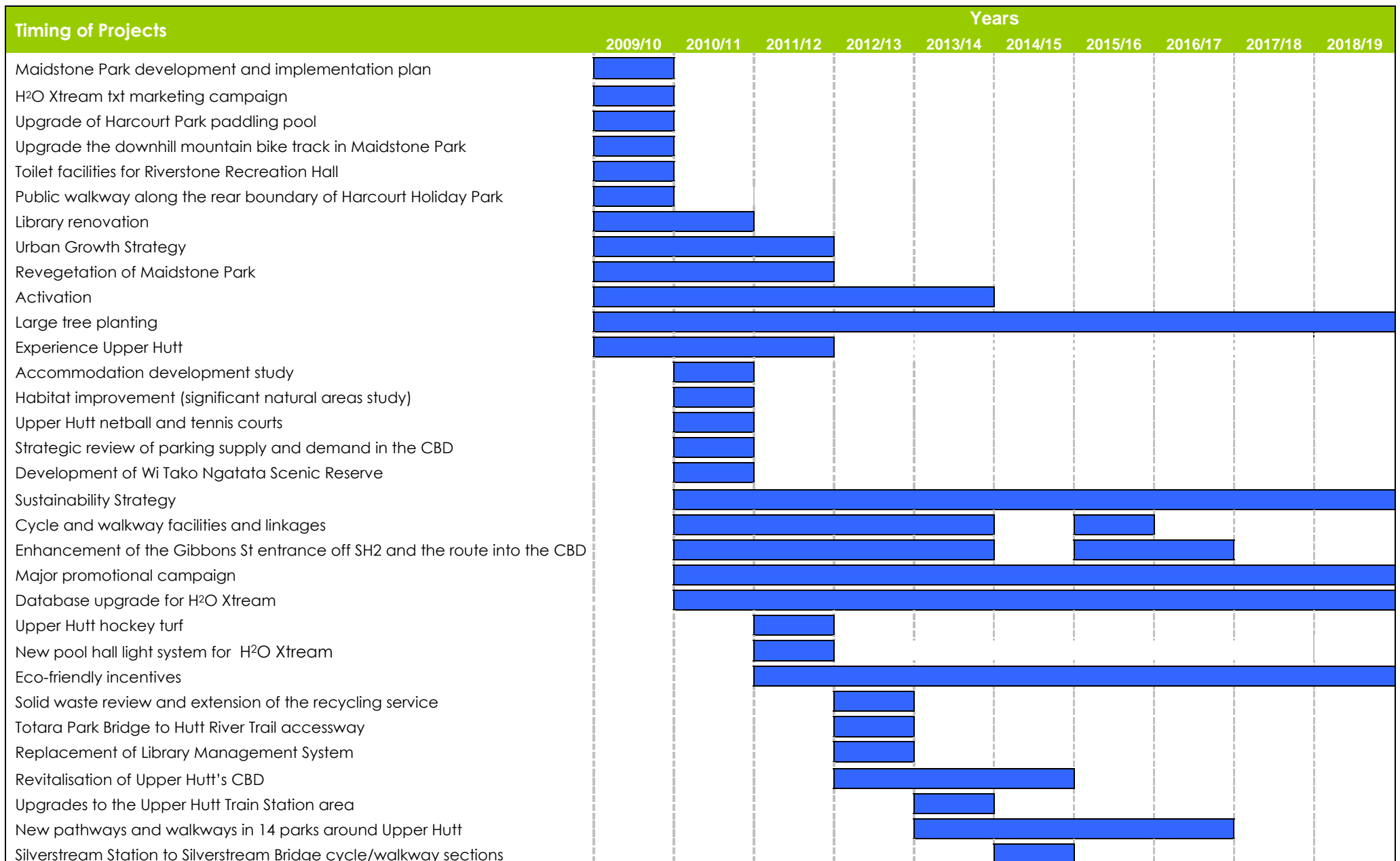
## Impacts of Climate Change

Key climate change impacts include:

- a rise in global average temperatures;
- heavier and/or more frequent extreme rainfalls;
- rises in global mean sea levels and increased coastal erosion; and
- increases in annual westerly winds and possible severe wind risks across New Zealand.

As a consequence, Council endeavours to consider potential climate change impacts within a range of decision-making processes, such as the Land Transport and Water Supply Asset Management Plans. Council also considers the effects of climate change as part of its obligations under the Resource Management Act 1991 through the outcomes sought by Council's District Plan and the Urban Growth Strategy. For example, the District Plan restricts new development in areas already, or potentially, vulnerable to the effects of natural hazards, such as the Hutt River 1:100 year flood extent. While a new Council project - the Sustainability Strategy, will look to promote sustainable subdivision design standards such as roof-water collection/use. In addition, Council raises awareness of issues such as global warming through involvement with initiatives such as Earth Hour.

At this stage no finances have been set aside specifically for climate change impacts.



# Audit New Zealand Statement



## REPORT TO THE READERS OF UPPER HUTT CITY COUNCIL'S LONG TERM COUNCIL COMMUNITY PLAN FOR THE TEN YEARS COMMENCING 1 JULY 2009

The Auditor-General is the auditor of Upper Hutt City Council (the City Council). The Auditor-General has appointed me, Phil Kennerley, using the staff and resources of Audit New Zealand, to report on the Long-Term Council Community Plan (LTCCP), on his behalf.

The Auditor-General is required by section 94(1) of the Local Government Act 2002 (the Act) to report on:

- the extent to which the LTCCP complies with the requirements of the Act;
- the quality of information and assumptions underlying the forecast information provided in the LTCCP; and
- the extent to which the forecast information and performance measures will provide an appropriate framework for the meaningful assessment of the actual levels of service provision.

It is not our responsibility to express an opinion on the merits of any policy content within the LTCCP.

### OPINION

#### Overall Opinion

**In our opinion the LTCCP of the City Council incorporating pages 1 to 309 dated 26 June 2009 provides a reasonable basis for long-term integrated decision-making by the City Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the City Council.**

In forming our overall opinion, we considered the specific matters outlined in section 94(1) of the Act which we report on as follows.

#### Opinion on Specific Matters Required by the Act

##### In our view:

- **the City Council has complied with the requirements of the Act in all material respects demonstrating good practice for a council of its size and scale within the context of its environment;**
- **the underlying information and assumptions used to prepare the LTCCP provide a reasonable and supportable basis for the preparation of the forecast information; and**
- **the extent to which the forecast information and performance measures within the LTCCP provide an appropriate framework for the meaningful assessment of the actual levels of**

# Audit New Zealand Statement

**service provision, reflects good practice for a council of its size and scale within the context of its environment.**

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Accordingly, we express no opinion as to whether the forecasts will be achieved.

Our report was completed on 26 June 2009, and is the date at which our opinion is expressed.

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

## **Basis of Opinion**

We carried out the audit in accordance with the International Standard on Assurance Engagements 3000: *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards. We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information*.

We planned and performed our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the LTCCP does not contain material misstatements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

Our audit procedures included assessing whether:

- the LTCCP provides the community with sufficient and balanced information about the strategic and other key issues, choices and implications it faces to provide an opportunity for participation by the public in decision-making processes;
- the City Council's financial strategy, supported by financial policies as included in the LTCCP is financially prudent, and has been clearly communicated to the community in the LTCCP;
- the presentation of the LTCCP complies with the legislative requirements of the Act;
- the decision-making and consultation processes underlying the development of the LTCCP are compliant with the decision-making and consultation requirements of the Act;
- the information in the LTCCP is based on materially complete and reliable asset or activity management information;
- the agreed levels of service are fairly reflected throughout the LTCCP;
- the key plans and policies adopted by the City Council have been consistently applied in the development of the forecast information;
- the assumptions set out within the LTCCP are based on best information currently available to the City Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast information has been properly prepared on the basis of the underlying information and the assumptions adopted and the financial information complies with generally accepted accounting practice in New Zealand;

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- the rationale for the activities is clearly presented;
- the levels of service and performance measures are reasonable estimates and reflect the key aspects of the City Council's service delivery and performance; and
- the relationship of the levels of service, performance measures and forecast financial information has been adequately explained within the LTCCP.

We do not guarantee complete accuracy of the information in the LTCCP. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTCCP and determining compliance with the requirements of the Act. We evaluated the overall adequacy of the presentation of information. We obtained all the information and explanations we required to support our opinion above.

## **Responsibilities of the Council and the Auditor**

The City Council is responsible for preparing an LTCCP under the Act, by applying the City Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The City Council's responsibilities arise from Section 93 of the Act.

We are responsible for expressing an independent opinion on the LTCCP and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 94(1) of the Act.

## **Independence**

When reporting on the LTCCP we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than this report and in conducting the audit of the Statement of Proposal for adoption of the LTCCP and the annual audit, we have no relationship with or interests in the City Council.



Phil Kennerley  
Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand

## **Matters Relating to the Electronic Presentation of the Audited Long Term Council Community Plan**

This audit report relates to the Long Term Council Community Plan of Upper Hutt City Council for the ten years commencing 1 July 2009 included on the City Council's website. Upper Hutt City Council is responsible for the maintenance and integrity of the City Council's website. We have not been engaged to report on the integrity of Upper Hutt City Council's website. We accept no responsibility for any changes that may have occurred to the Long Term Council Community Plan since they were initially presented on the website.

The audit report refers only to the Long Term Council Community Plan named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the Long Term Council Community Plan. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited Long Term Council Community Plan as well as the related audit report dated 26 June 2009 to confirm the information included in the audited Long Term Council Community Plan presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.