

Message from the Mayor



The city is doing well economically and we are fast becoming a major player in the Wellington region. We know our strengths – the city's family orientation, the superb environment and the great lifestyle – and we know where we are going.

It is time for our city to capture the next steps and invest further in our city's development over the next ten years. I believe it is particularly important that we commit to investment in order for further development to take place.

The community expects Council to provide good quality basic services, such as roads, water supply and parks and reserves; regulatory services such as planning and dog control; and to provide other traditional local government services such as libraries. Council is committed to continuing to provide these services.

We will continue to work towards a new library and library services which we will be proud of, capable of meeting the needs of the 21st century. Council has resolved to provide \$200,000 for design fees, in year 2 of the plan. Council is also very determined to look at all funding options which will include private/public partnerships and other possibilities. A report will come to Council by the end of the first year of the plan so that we can move this proposal forward.

You will have noticed that the mobile service will be retained as will the Pinehaven Library. Council decided that the mobile library offered a service to the community that we would not be able to accommodate with the outreach service. These are unique Upper Hutt services that add to the quality of life in the city.

You will also see that \$7 million is committed to wastewater infrastructure upgrades to be funded by way of a loan. This commitment relates to the possible replacement of the Pencarrow outfall in year 8 of the Plan. It is by no means certain that such replacement will be required so that this loan may not be required.

In our discussions with the community, people also made it clear that they want Council to invest further in the community, subject to the anticipated benefits at least matching the additional cost. That is why you will see new initiatives being introduced to facilitate further economic development, enhance the environment and make a stronger community.

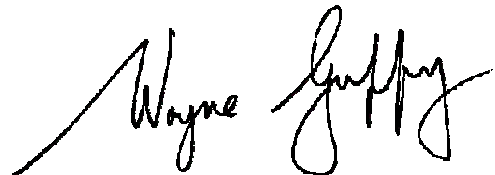
Our goal, as a community, is to make Upper Hutt a leading city, the best place in which to live not only within the region, but within New Zealand. As a collective group, we can and are facing the exciting challenges of the future.

Message from the Mayor

The Wellington region has enjoyed considerable growth and Upper Hutt has been leading the way. We can expect to see continued growth in the next 10 years.

The city is well placed to play a major role in the region's growth. Our infrastructure assets are well maintained and in very good condition to accommodate growth. The Central Business District is in good heart and will become more attractive throughout the next 10 years.

At Council we must continue to create an environment that attracts people to want to choose Upper Hutt to live and for private investors to become involved in the city. This Long Term Council Community Plan will help to create this environment.

A handwritten signature in black ink, reading "Wayne Guppy". The signature is fluid and cursive, with the first name "Wayne" written in a slightly larger, more prominent script than the last name "Guppy".

Wayne Guppy
MAYOR

Summary

Introduction

The Long Term Council Community Plan (LTCCP) for Upper Hutt, **upperhuttcity@2016**, sets out the long term focus for the decisions and activities of the Upper Hutt City Council.

The document describes the sort of community the people of Upper Hutt want, now and for the future and then sets out how the Council proposes to contribute over the next ten years through the activities it undertakes.

The LTCCP also contains comprehensive sections on financial matters, funding and Council policies.

The LTCCP has been prepared in accordance with the requirements of the Local Government Act 2002.

Council has presented the LTCCP in three books:

- Book One contains a Message from the Mayor and a Summary of significant matters dealt with in the LTCCP. It also reports on Council's Activities and Finances, the Community Outcomes and provides some general information about the City and the Council.
- Book Two contains Council Policies.
- Book Three contains Council Fees and Charges for 2006/07

City Vision and Community Outcomes

The vision for Upper Hutt is 'Upper Hutt City – A Great Place to Live'.

The Community Outcomes describe this vision in more detail:

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.

These outcomes belong to the Upper Hutt community as a whole. The Council has a part to play in achieving these outcomes, through leadership and the decisions it takes for and on behalf of the community, and through the services it provides. Council also encourages others to work together to make the city an even better place to live.

Key Proposals

Over the next ten years, Council will make the following innovations and improvements to its services:

1. **Substantial Upgrade of Library Services**

As a result of submissions received in respect of the Draft LTCCP, Council has revised its proposals to upgrade library services. Council now proposes to take the following actions with the intention of improving library services in Upper Hutt:

- The Pinehaven Branch Library and the Mobile Library Service are to be retained.
- The Outreach Service will not be implemented. It is not required given that the Mobile Library Service is to be retained.

- Weekend opening hours at the Central Library will be increased as soon as possible. The new opening hours will be 10am to 4pm on Saturdays and Sundays.

The Council has reasserted its commitment to upgrade the Central Library as recommended in the independent review of library services carried out in 2005. This will involve the development of a new library building required to house a substantially expanded range of books, digital technology, and other library services to fully meet current LIANZA standards.

To that end, the Council has resolved to:

- (a) Set up a special fund for the library upgrade. It is intended that surplus funds and other available monies will be paid into the fund and held for expenditure on implementing the proposed upgrade.
- (b) Undertake a feasibility study on funding options, including the sale of Council assets and potential public/private partnerships for the library upgrade. This study is to be completed by 1 July 2007; and
- (c) Commission a design of the library upgrade. This project is to be completed by 1 July 2008.

The proposed upgrade cannot proceed until after the feasibility study and design work have been completed. At that time, Council will make its decisions as to whether to proceed with the upgrade. Any decision to proceed will require full consultation as part of an LTCCP review.

Until such decisions are made, the Library upgrade cannot proceed so the funding totalling \$6.35 million that was included in the Draft LTCCP for the upgrade and new books has been deleted.

2. Revitalising the City Centre

Over the next four years, Council will continue its focus on the central city, with a number of exciting projects planned to **create a more vibrant city heart**. These will include:

- New lighting, sculpture, planting and furniture in **Main Street** together with some additional parking
- New lighting, landscaping, and planting in the Fergusson Drive **Civic Quarter** together with some additional parking
- A modern **public toilet facility** adjoining the Hazelwoods carpark to replace the unpopular exelooos.
- Clearly defining Gibbons Street as the **main entrance to the city** from State Highway 2.

The total cost of these projects is \$1.9 million.

3. Promoting Upper Hutt

A major new **city marketing campaign** is proposed to commence from the 2008/09 year. At a total cost of some \$900,000 over the life of this plan, the campaign will improve Upper Hutt's regional and national profile with a view to attracting new investment and people to the city.

In addition, Council will continue to support **Experience Upper Hutt**, Council's new 'Main Street' organisation, to a total value of \$221,000 over the next 6 years. Council will also work with partners in the community to improve **central city safety**, in line with the recently completed 'Crime Prevention through Environmental Design' assessment.

4. Improving Existing Attractions

Council has plans for a number of minor improvements to **H²O Xtream** and **Expressions Arts and Entertainment Centre** to ensure that these continue to grow in quality and visitor experience. The most significant of these are:

- The separation of the **Toddlers Pool** from the other bodies of water at H²O Xtream to protect other swimmers from those “little accidents” that toddlers sometimes have.
- The construction of **additional toilet facilities** at Expressions for users of **Riverstone Recreation**.

5. Creating a More Active City

Council has undertaken a comprehensive assessment of active recreational needs. The result, which the Council has adopted, is the **Upper Hutt Active Recreation Plan** (UHARP). In the first three years of this LTCCP, Council will work to implement the UHARP plan in partnership with other organisations, including Sport & Recreation New Zealand (SPARC), Sport Wellington, and Regional Public Health.

In conjunction with the UHARP project, Council will give priority to the completion of a **blueprint for the development of Maidstone Park** as an active community hub for sports and recreation.

6. Our Outdoor Attractions

The focus is on walkways with the following planned:

- Extensions to the Hutt River Trail
- A programme to seal sections of the Hutt River Trail
- A lookout built on a Maidstone Park walkway
- A new route between Maidstone Park and Wallaceville Hill
- New tracks in Gentian Reserve and Keith George Memorial Park

For the kids, there will be **new playgrounds at Riverstone Terraces and Pinehill**.

Of benefit to all will be **new toilets at Awakairangi Park**.

7. Transport

Major improvements are planned for **Akatarawa Road** with a programme to improve sightlines and improve road width in some sections of this windy road. The results of a joint Land Transport New Zealand, Kapiti Coast District Council, Upper Hutt City Council funded investigation into this route could lead to much more extensive improvement to this road.

The improvements to **Blue Mountains Road** will continue and there will be upgrading of capacity on some rural roads in response to development pressure.

8. The City's Infrastructure

Council is committed to ensuring that the city's basic infrastructural services continue to work well and meet the demands of businesses and residents. The Council has an ongoing programme for the resealing of roads and the replacement of bridges, pipelines, reservoirs and other infrastructure to ensure that these systems are operationally reliable and are managed in a cost efficient manner

9. Improving Services to the Community

Council will continue to **facilitate development** of community groups and organisations, and to advocate for the social needs of Upper Hutt. Particular focuses are community safety, youth, the aged and promoting healthy and active lifestyles.

Planning continues on the city's preparedness to respond to a major emergency including the current threat of an avian flu pandemic. **A new alternative emergency headquarters** will be built with current proposals to refit an existing Council owned building in Park Street for this purpose.

10. Improving the City's Environment

The people of Upper Hutt treasure their environment and have supported initiatives to protect and enhance the environment. Council is also responsible for the sustainable management of the natural and physical resources within the city. To these ends, the following key proposals are identified:

City Planning

- Release of the Draft Upper Hutt Urban Growth Strategy in 2006/07.
- Release of the Draft Wellington Regional Strategy in 2006/07.
- Subsequent plan changes to implement both Upper Hutt's Urban Growth Strategy and the Wellington Regional Strategy will be introduced from 2006/07.

Natural Environment

A number of projects are planned to enhance Council owned native bush and other natural areas particularly in **Trentham Memorial Park**.

Amendment of Council Policies

Council has amended the following policies (found in the LTCCP, Book 2):

1. Liability Management Policy and Investment Policy

The Council has deleted a number of the target financial ratios from the Liability Management Policy. The ratios deleted were seen as being either a duplication of other ratios or had limited usefulness. The effect of these deletions is neutral in terms of the Council approach to liability management. A number of minor changes of a process nature have also been made to these policies.

2. Development Contributions

The amendments made to this policy are:

- (a) Contributions all increase to reflect increases in road construction costs that have occurred since the policy was adopted two years ago.
- (b) The contributions payable for development in the Katherine Mansfield extension area increase to \$17,445 per new allotment created to meet the true cost of new road works that will be needed to service imminent development at that location.

Summary

Summary of Changes Made After Considering Submissions

On 12 April 2006 the Council gave public notification that a Statement of Proposal, including a draft of this LTCCP, was available for inspection and invited submissions on it.

A total of 534 submissions were received. All submitters were sent written acknowledgement and advised that they had the right to speak to Council about their submission if desired. All submitters who elected to speak to the Council were accommodated at a meeting held on 30 May 2006 and 1 June 2006 - a total of 48 submitters in all.

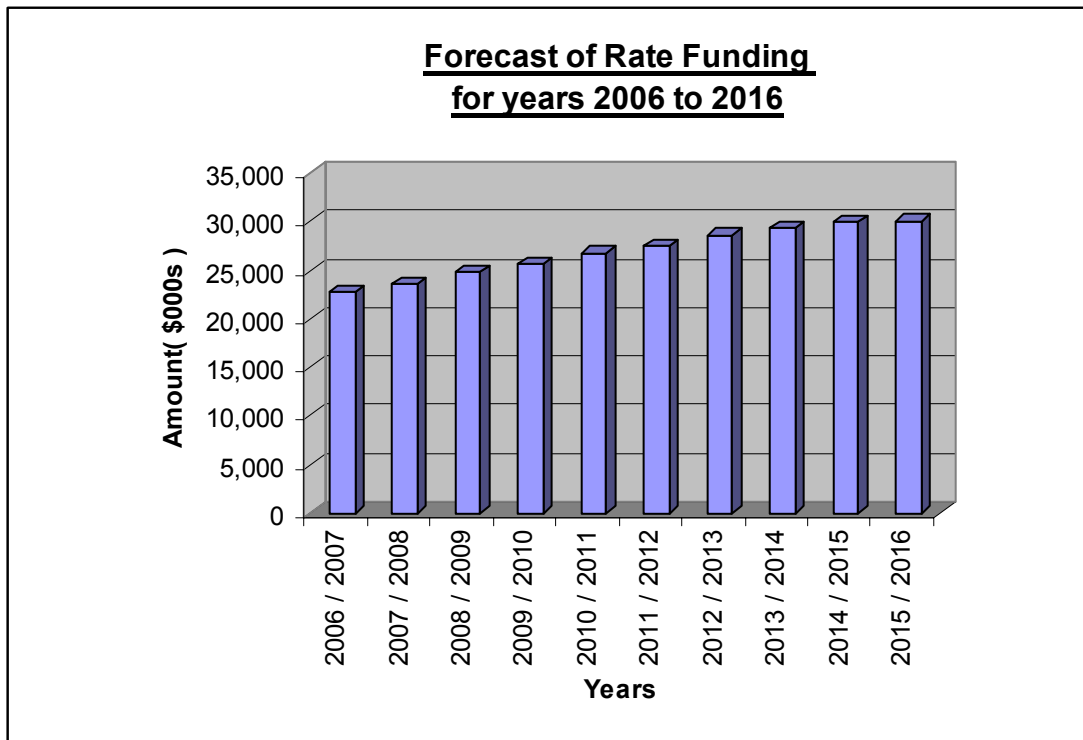
After considering all submissions, including the additional matters raised by submitters who exercised their right to address the Council in respect of their submissions, the Council decided to make the changes to the LTCCP that are summarised in this section.

ACTIVITY	DETAIL
COMMUNITY SERVICES	UHARP Project approved funding of \$57,000 per year to be added to LTCCP for 3 years, namely 2006/07, 2007/08 and 2008/09. Source of funding: Rates
LIBRARY	<ol style="list-style-type: none">Mobile Library Service to continue. Funding of \$88,000 per year net to be added to LTCCP for 2006/07 and subsequent years. Source of funding: Rates and Charges.Pinehaven Branch Service to continue. Funding of \$37,000 per year to be added to LTCCP for 2010/2011 and subsequent years. Source of funding: Rates and Charges.Library Upgrade<ol style="list-style-type: none">Funding of \$200,000 to be added to LTCCP for feasibility studies in year 2007/08. Source of funding: Loan.Funding of \$6,033,000 to be deleted from LTCCP in year 2008/09.Outreach Library Service proposed cancelled. Funding of \$29,000 for year 2006/07 and \$22,000 in subsequent years to be deleted.Collection. Proposed funding of \$317,000 to be deleted from LTCCP in years 4-10.
EXPRESSIONS	Additional Funding of \$61,000 per year for 10 years. Source of funding: Rates
LAND TRANSPORT	CDB Development <ol style="list-style-type: none">Proposed funding of \$700,000 for a feature at the entrance from River Road and trees on Gibbons Street cancelled. Funding deleted from LTCCP year 2009/10.Funding of \$200,000 approved to investigate options for beautification of the entrance to CBD in year 2009/10. Source of funding: loan
PARKS & RESERVES	Funding of \$25,000 for development of a Blueprint for Maidstone Park approved for 2006/07. Source of funding: Special Fund - Reserve Fund.

Financial Impact

The funding requirement for 2006/2007 is set at \$21.9 million. This represents a 5% increase over 2005/06, but with the expected increase in the rating base, the net increase for the average property owner is likely to be 3.6%.

By the 2015/2016 year, the rate funding requirement is expected to increase to \$30.0 million.



Public debt as at 30 June 2007 is forecast to be \$17.7 million, and will fluctuate over the next ten years to a forecast level of \$28.9 million in 2015/2016. Debt levels are monitored in accordance with Council's Liability Management Policy as detailed in the long term plan. These figures have been adjusted to account for inflation in future years. The summary of Loan Interest Rates is shown on the following page.

Operating Deficit in Years 1 and 2

In accordance with Section 100(2) of the Local Government Act 2002, the Council has budgeted for operating deficit in year 2 (2007/08) of \$216,000 as shown in the Prospective Income Statement in the Financial Statements.

The deficit arises after provision is made for depreciation in the Operating Expenses for each Council activity. Council has accepted the deficit in year 2 having formally resolved to fund the actual cost of asset renewals and replacements each year from rates and other income rather than by funding depreciation expenses as a Reserve Fund. In year 2 the income it has budgeted or will cover the prospective cost of asset renewals and replacements as well as all other prospective expenditure for those years.

In the circumstances, the operating deficit in year 2 is not significant and has no implications on Council operations over the term of this plan. This matter is also addressed in the Introduction to the Council's Revenue and Financing Policy in Book 2.

Summary

Loans Interest Rates Summary

Public Debt Summary	BUDGET 2006/2007 (\$000)	BUDGET 2007/2008 \$(000)	BUDGET 2008/2009 \$(000)	BUDGET 2009/2010 \$(000)	BUDGET 2010/2011 \$(000)	BUDGET 2011/2012 \$(000)	BUDGET 2012/2013 \$(000)	BUDGET 2013/2014 \$(000)	BUDGET 2014/2015 \$(000)	BUDGET 2015/2016 \$(000)
Opening Balance	16,105	17,762	18,680	19,883	20,410	20,814	21,628	28,404	28,171	28,897
Revitalisation CBD	1,114	723	746	110						
Karapoti Bridge	200									
Silverstream Bridge	254									
Bridge Refurbishments Akatarawa Rd B1/4	39									
Akatarawa Road Upgrade			346	356	366	374				
Bridge Refurbishments Akatarawa Rd B1/5						182				
Gibbons / Main Street						285				
Bridge Refurbishments Akatarawa Rd B1/6										268
Reservoir Upgrading	45	0	0	182	0	0	448	0	463	0
Sunbrae Drive					123					
H V Wastewater Treatment Plant	480	470	640	466	534	575	7,029	481	687	560
Toilet Replacement	100									
Library Review		200								
Security Tags Issuing		0							325	
Loans raised during the year	2,232	1,393	1,732	1,114	1,023	1,416	7,477	481	1,475	828
Less repayments during the year	-575	-475	-529	-587	-619	-602	-701	-714	-749	-780
Balance as at 30 June	17,762	18,680	19,883	20,410	20,814	21,628	28,404	28,171	28,897	28,945
Total Interest Payments for the Year	1,378	1,464	1,555	1,614	1,664	1,732	2,294	2,279	2,328	2,339
Total Rates Funding	22,798	23,570	24,775	25,637	26,749	27,553	28,641	29,336	30,026	30,059

N.B. Includes Inflation figures from 2007/2008

REPORT TO THE READERS OF UPPER HUTT CITY COUNCIL LONG-TERM COUNCIL COMMUNITY PLAN FOR THE TEN YEARS COMMENCING 1 JULY 2006

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

The purpose of an LTCCP, as set out in section 93(6) of the Local Government Act 2002 (the Act), is to:

- describe the activities of the local authority;
- describe the community outcomes of the local authority's district or region;
- provide integrated decision making and co-ordination of the resources of the local authority;
- provide a long term focus for the decisions and activities of the local authority;
- provide a basis for accountability of the local authority to the community; and
- provide an opportunity for participation by the public in decision making processes on activities to be undertaken by the local authority.

Opinion

Overall opinion

In our opinion the LTCCP of the City Council incorporating volumes 1 to 3 dated 29 June 2006 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.

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

In forming our overall opinion, we considered our opinion on specific matters required by the Act, which is set out below.

Opinion on specific matters required by the Act

The Auditor-General is required by section 94(1) of 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.

In terms of our obligation to report on the matters outlined in section 94(1) of the Act, in our opinion:

- 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 used to prepare the LTCCP provides a reasonable basis for the preparation 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 is presented in accordance with generally accepted accounting practice in New Zealand;
- the extent to which the forecast information and performance measures provide an appropriate framework for the meaningful assessment of the actual levels of 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 29 June 2006, 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 (revised): 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, and provides a reasonable basis for long term integrated decision-making by the public and the City Council about the activities of the City Council, and for subsequent accountability to the community about the activities of the City Council.

Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTCCP, determining compliance with the requirements of the Act, and evaluating the overall adequacy of the presentation of information.

We obtained all the information and explanations we required to support the opinion above.

Responsibilities of the Council and the Auditor

The City Council is responsible for preparing a 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 annual audit, we have no relationship with or interests in the City Council.

John O'Connell
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand