SUMMARY OF 2004 WASTE MANAGEMENT PLAN

The Hutt Valley Waste Management Plan (WMP) outlines the high level strategy for the future by which the Hutt City Council and the Upper Hutt City Council will jointly manage waste. The WMP breaks new ground for both Councils for the following reasons:

- It is the first time both councils have worked together to produce a WMP for the Hutt Valley.
- It addresses both solid and liquid waste.
- The WMP has been prepared using the policy framework established by the New Zealand Waste Strategy (NZWS) – Towards zero waste and a sustainable New Zealand. Prior to this Strategy there were no national standards or targets concerning the management of waste.

The NZWS outlines a series of national targets for waste management and waste reduction. At this stage the NZWS is not legally binding on territorial local authorities – provided positive progress is made to meet targets. If not, government may consider this as an option.

The WMP comes in three sections. The first section outlines what each Council currently has in place, with respect to the management of solid and liquid waste in the Hutt Valley. The second section outlines the proposed Hutt Valley waste targets (which are the same as the NZWS targets) and reports on progress to date in meeting each target. The third section projects into the future and explores issues and opportunities to further reduce waste in the Hutt Valley.

Positive progress has been made on several fronts to manage and reduce waste in the Hutt Valley. This work is set to continue. However, it is possible that the NZWS targets for organic wastes and construction and demolition wastes will not be met within the set timeframes. While there are no available solutions at this point, both Councils are aware of the issues involved and are keen to investigate options that are economically, socially and environmentally feasible.

A copy of the full 2004 Waste Management Plan can be obtained by contacting Council on ph: (04) 570 6666 or going to: www.huttcity.govt.nz/council-services/rubbish-and-recycling. Hutt City and Upper Hutt City Councils are currently in the process of reviewing the WMP incorporating the requirements of the Waste Minimisation Act. The revised document called the Waste Minimisation and Management Plan will be made available on the Council website when this work has been completed.

DOCUMENT PURPOSE

The vision for managing waste in the Hutt Valley is to move towards zero waste and a sustainable New Zealand. The objectives for the WMP are as follows:

- To promote and encourage cost-effective, efficient and sustainable waste management practices within the Hutt Valley.
- To minimise the quantity of waste being generated and disposed of within the Hutt Valley by providing strategies and tactics to encourage waste reduction, reuse, recycling, and recovery before residual disposal.

The Local Government Act 2002 continues the original requirements of the 1996 Local Government Amendment Act No 4. This legislation requires that Councils effectively and efficiently manage waste from the point of generation through to disposal. The legislation also requires that the WMP take into consideration the waste management hierarchy that involves a combination of methods including reduction, reuse, recycling, recovery, treatment and disposal.

The Plan focuses on the management of solid and liquid waste in the Hutt Valley. The Plan does not specifically address gaseous waste, as this is outside the role of both Councils.

Both Councils will also include details in their respective Annual Reports about the progress achieved during the reporting period.

The WMP is consistent with New Zealand's international obligations under the Kyoto Protocol, national policies, regional policies, and existing Council waste management policies.

Under the Kyoto Protocol New Zealand's commitment is to limit its total emissions of greenhouse gases to 1990 levels, on average, over the period 2008-2012.

Within New Zealand emissions of methane from landfills are projected to decrease, given the trend towards building larger, better designed landfills and a continuing increase in the collection of landfill gas for energy.

With respect to wastewater, total gas emissions were projected to increase after 2000, but are projected to remain below 1990 levels in 2020.

LINKAGE TO THE COMMUNITY PLAN

Each city's Community Plan is put together by the respective community and Council, and sets the city's strategic direction for the next 10 years. The Community Plan is reviewed once every three years, and the Community Outcomes contained within the document must be reviewed and evaluated once every six years to ensure that Council is on track.

Hutt City Council's Community Plan notes that:

1. Council's Solid Waste Division contributes to strategic goals and Community Outcomes by:
   - → Encouraging waste minimisation and environmentally friendly practices.
   - → Ensuring refuse is managed and disposed of in a safe, efficient and sustainable manner that maintains the city's natural and aesthetic values.

2. Council's Wastewater Division contributes to strategic goals and Community Outcomes by:
   - → Contributing to the health of the community through the efficient collection, treatment and disposal of wastewater in an environmentally sustainable manner.
   - → Providing a high quality, cost-effective wastewater system, which supports development in Hutt City.

NEW ZEALAND WASTE STRATEGY (NZWS)

The WMP has been prepared in accordance with the requirements of the NZWS.

The NZWS is the result of a process involving Local Government New Zealand and the Ministry for the Environment. Together they developed a new national vision for minimising and better managing waste. The NZWS covers solid, liquid and gaseous waste, and recognises that moving towards zero waste and a sustainable New Zealand is a long term challenge. It has three core goals:

- → Lowering the social costs and risks of waste.
- → Reducing the damage to the environment from waste generation and disposal.
- → Increasing economic benefit by more efficient use of materials.

New Zealand's waste problem is large, and growing. Waste reduction cannot succeed without a system that manages waste from the point of generation through to disposal. A more effective, integrated approach to material and resource efficiency is needed at every stage of production and consumption.

Up to now waste policies have focused on end of pipe solutions by dealing with disposal rather than prevention. Yet there is a direct link between New Zealand's rate of economic growth and the amount of waste we produce. The long term challenge is to break this link and achieve sustainable growth by learning how to use resources more efficiently – to produce more with less.

The NZWS sets challenging national targets, which are addressed in Section 3.0 of the full Plan available on www.huttcity.govt.nz. While the NZWS was reviewed in 2003 and 2006, no targets were revised as a result of those reviews.

WATER AND SANITARY SERVICES ASSESSMENTS

All territorial authorities are required to carry out assessments of Water and Sanitary Services under Part 7 of the Local Government Act 2002. The primary purpose of an assessment of sanitary services is to ensure that public health is adequately protected. The legislative requirement reflects concerns expressed by government agencies in recent years that in some parts of New Zealand little thought has been given to the ability to provide water and sanitary services of an acceptable standard sustainably into the future.

Although much of the information required to be included in assessments is already contained in asset management plans and other documents and systems, the Local Government Act 2002 requires that this information is brought together in a form suitable for consideration by elected members of Councils and by their communities. The assessments were prepared in 2005 and published in the Council's Long Term Council Community Plan 2005-2015, and the information has been updated for inclusion in each subsequent LTCCP.

The Hutt City Council assessments of Water and Sanitary Services are summarised below, with a full assessment for each service available from Council on ph: (04) 570 6666.

Assessments have been prepared for the following water services:

- Water Supply.
- Wastewater.
- Stormwater.

The following sanitary services assessments are also included:

- Cemeteries and Crematoria.
- Solid Waste.
- Public Toilets.

Water Supply Assessment

Urban areas of Hutt City are serviced by a reticulated water supply system comprising approximately 690 km of pipes, 24 water storage reservoirs and 13 pumping stations. This system distributes water purchased from Greater Wellington Regional Council to homes and businesses across the city.

The table below shows the source of water supply to urban areas of Hutt City.

AREA OF SUPPLY	SOURCE OF WATER	IS CHLORINE USUALLY ADDED?	IS FLUORIDE ADDED?
Hutt Valley and Eastbourne (excluding Petone, Korokoro, Stokes Valley, Manor Park and Haywards)	Hutt Valley Artesian System	No	Yes
Petone, Korokoro	Hutt Valley Artesian System	No	No
Stokes Valley, Manor Park, Haywards	Te Marua (Headwaters of Hutt River)	Yes	Yes
Wainuiomata	Wainuiomata (Headwaters of Wainuiomata and Orongorongo Rivers)	Yes	Yes

The reticulated water supply in Hutt City is graded Bb (B for the bulk supply and b for the water distribution) by the Ministry of Health. This grading indicates that the Ministry of Health assesses the Hutt City Council water supply as being "satisfactory, low level of risk". It is probable that an Aa grading ("completely satisfactory, very low level of risk") or an A1a grading ("completely satisfactory, negligible level of risk, demonstrably high quality") would be achieved if chlorine was added to the artesian water supply.

In addition to the reticulated water supply, Hutt City Council provides a supply of untreated artesian water extracted directly from the aquifer, which is available to the community from "Te Puna Wai Ora", an artesian water facility and sculpture situated in the business area of Petone.

The majority of properties in rural areas obtain their water supplies from roof water run-off or from streams on their properties, although there is a small number of rural/residential areas that have a limited (not meeting normal urban standards for pressure and flow) water supply from the reticulated water supply system as an alternative to roof water or stream supplies.

Year round inflows can be expected into private water supplies on account of the temperate climate in Hutt City, although shortages can still occur over summer months depending on weather patterns and the amount of water storage built into each system. Most rural parts of Hutt City are within 15 minutes driving time of the reticulated Hutt City water supply system and tanker services are available which can provide water into private systems if shortages occur.

The quality of water in private water supplies depends on the quality of the source water, the design of the water supply system, including treatment systems, and the way the water supply system is maintained and operated. These factors vary between individual systems. Risks can be managed to acceptable levels in well designed, maintained and operated private water supplies. There is no known history of significant health problems associated with private water supplies in Hutt City.

Public Health Risk Management Plan

The Public Health Risk Management Plan which was developed in 2008 addresses specific risks in relation to the delivery of drinking water to the residents of Hutt City. The plan has been approved by the Regional Health Board drinking water assessors as per the Health (Drinking Water) Amendment Act 2007.

The Amendment Act sets out criteria for water suppliers to follow in order to minimise or mitigate any risks to the water supply. This covers a wide range of scenarios and uses risk management processes as set out in the New Zealand Standard on Risk Management (AS/NZS 4360:2004).

Within the plan are the steps involved in delivering high quality water from the bulk supply to the end user. It is believed that almost all conceivable risks to the water supply have been identified within the plan. However, in order to provide the resilience that is needed in the water supply activity, triggers and reviews have been built into the plan to deal with any new scenarios.

Future Demand

There is not expected to be a significant change in water consumption in Hutt City over the next 20 years unless measures such as water metering are introduced.

Key Issues and Hutt City Council Proposals

Issues associated with the water supply to the different communities in Hutt City have been identified in terms of their potential to compromise the achievement of health and environmental aspects of Hutt City community outcomes.

ISSUE	HUTT CITY COUNCIL PROPOSAL
NON-CHLORINATION OF ARTESIAN WATER SUPPLY The artesian water supply in Hutt City is not chlorinated. This means that there is no disinfecting agent in the water to counteract contaminants that may enter the water system. It also means that the water is free from the odour and taste of chlorine and from chlorine by-products. The Hutt City artesian water supply system is managed to high standards which recognise that, although the likelihood of contamination of the Hutt City water supply system is lower than for most other public water supplies, the potential consequences of contamination are greater than for chlorinated water supplies. Despite a history of satisfactory performance there remains a higher risk associated with the Hutt Valley artesian water supply (with respect to the consequences of contamination of the water) than for chlorinated water supplies. This is reflected in the Bb grading by the Ministry of Health for the Hutt Valley artesian water supply. It is likely that an Aa or A1a grading could be achieved if the supply was chlorinated. The level of community awareness of the low level of the risk associated with the current non-chlorinated water supply is uncertain and community acceptance or otherwise of this risk has not been determined.	That Hutt City Council carries out a process of consultation to inform the community of the risks associated with the non-chlorination of the public water supply and to obtain community views on: → Acceptance of a higher level of risk and retention of an un-chlorinated artesian water supply. → Rejection of a higher level of risk and acceptance of chlorination of the artesian water supply.
NON-FLUORIDATION OF PETONE WATER SUPPLY Fluoride is added to most public water supplies in New Zealand as a dental health measure. It is not necessary to add fluoride in order to produce water suitable for consumption. The water supply system is simply used as a means of distributing fluoride efficiently and cost-effectively to communities. Fluoridation of water supplies is therefore not a water supply issue but a public health issue.	The possible fluoridation of the Petone water supply was the subject of an extensive public consultation process with the Petone community. This process showed that there was a strong preference for the retention of the un-fluoridated water supply that Petone has received (with some temporary short-term interruptions) since a reticulated water supply was first provided. No further action is proposed.

ISSUE	HUTT CITY COUNCIL PROPOSAL
LEVEL OF SECURITY OF BULK WATER SUPPLY AGAINST WATER SHORTAGES The current level of security (1 in 50 year drought) against bulk water shortages could be eroded by growth in the demand for water. Although significant population growth in Hutt City is not expected over the next 20 years, recent growth over the wider Wellington region has exceeded projections. This is likely to necessitate either: ➔ The construction of additional bulk water supply infrastructure (with a possible increase in bulk water costs to Hutt City), or ➔ A reduction in the average per capita water consumption from the public water supply if the current level of security of supply is to be maintained.	That a co-operative approach between the Councils in the Wellington area to reducing average water consumption as an alternative to expansion of the bulk water system be supported.
HEAVY METALS LEACHING OUT OF PLUMBING Some plumbing fittings contain heavy metals such as lead, which can leach into the water supply.	This issue is not confined to Hutt City. It is proposed that Hutt City Council request the Ministry of Health to produce material to inform communities in New Zealand of this risk, of the advantages of not using the “first flush” of water for consumption, and to consider limits on some metal levels in fittings for potable (drinking water) plumbing.
EASTBOURNE – SECURITY OF SUPPLY The water supply to Eastbourne flows in a southwards direction from Point Howard through two pipelines in Marine Drive (one of which will need to be decommissioned in the future). In the event of a failure of these pipelines the water supply to Eastbourne south of the point of any failure will be immediately disrupted owing to an inability for Eastbourne to be supplied from an alternative source.	Hutt City will investigate the need for a reservoir at the southern end of Eastbourne to improve the security of the water supply to Eastbourne.
SILVERSTREAM BULK WATER SUPPLY PIPELINE The main bulk water supply pipeline from Te Marua Treatment Plant passes over the Silverstream Road Bridge and may be vulnerable in a major earthquake or major flood in the Hutt River. This would shut off the bulk water supply to Manor Park and Haywards (and the primary supply to Porirua City and much of Wellington City).	Greater Wellington Regional Council has carried out investigations into the security of this pipeline and into alternatives. Security of this pipeline has been improved as a result of the strengthening of the Silverstream Bridge although it would be unlikely to survive a major movement of the Wellington faultline.

ISSUE	HUTT CITY COUNCIL PROPOSAL
PRIVATE WATER SUPPLIES Most private water supplies are sourced from roof water run-off or from streams. A degree of contamination of water from these sources is inevitable. Contaminants may also be able to enter on-site water storage tank(s). Private water supply systems may not incorporate treatment capable of removing or mitigating the effects of contaminants that are likely to enter the water supply and may not have water quality testing programmes, planned maintenance programmes or keep system records.	Hutt City Council will provide information on the risks associated with on-site water supplies and how these can be managed. This information may be developed in association with health authorities. Hutt City Council will develop guidelines for new on-site water supply installations. Hutt City Council will establish a database of private water supply systems in Hutt City. It will carry out inspections of a proportion of on-site water supplies as part of maintaining this database, also Hutt City Council will establish a system to track new on-site water supply systems.

Roles of Hutt City Council – Public Water Supply

Hutt City Council is responsible for ensuring the public water supply in Hutt City is managed in a way that contributes towards the achievement of community outcomes for the city. This involves:

- Setting standards to be achieved in the provision of the water supply.
- Setting water supply policy.
- Managing the interface with consumers.
- Monitoring the performance of the water supply activity.
- Advocating to and working with Greater Wellington Regional Council to ensure that the bulk water supply to Hutt City meets the requirements of the community.
- Managing the interface with Capacity – the Hutt City Council and Wellington City Council jointly-owned water management entity.
- Approving budgets for the water supply activity including the setting of water supply charges through the Community Plan process.
- Carrying out an assessment of water supply in Hutt City as required by the Local Government Act 2002.

Capacity is responsible to Hutt City Council for:

- Making recommendations on standards and policy.
- Managing the water supply system through the asset management plan process to achieve required outcomes.
- Ensuring risks are identified and managed within acceptable limits.
- Managing the maintenance and operation of the water supply system.
- Developing and implementing programmes for the progressive replacement of the water supply system.
- Developing and implementing programmes to upgrade and extend the water supply system to meet future demand.
- Ensuring new water supply infrastructure is designed and constructed to required standards.
- Monitoring the performance of the water supply activity including the quality of water supplied.

Roles of Hutt City Council – Private Water Supplies

The roles of Hutt City Council with respect to private water supplies reflect that both private and public water supplies contribute towards the achievement of community outcomes.

- Advisory – Providing advice to property owners on risks associated with on-site water supplies and on the management of on-site water supply systems. (Note that this role is not mandatory but is recommended reflecting the customer focus of Hutt City Council.)
- Regulatory – Setting requirements for servicing of new developments including requirements for on-site water supplies and managing compliance with New Zealand Building Code Requirements for Water Supply.
- Assessments – Carrying out an assessment of groupings of private water supplies as part of a wider assessment of water supply in Hutt City as required by the Local Government Act 2002.
- Partial Service Provider – Providing water supply for tankers to enable on-site water supplies to be replenished.

Wastewater Assessment

Urban areas of Hutt City are serviced by a reticulated wastewater system that is intended to provide for the effective and reliable disposal of domestic and industrial wastewater from residential properties and the business community.

The local wastewater reticulation to which each serviced property is connected comprises a network of approximately 568 km of relatively small diameter pipes (typically 150 mm to 225 mm in diameter). The local wastewater reticulation discharges into a system of 104 km of trunk sewers (ranging up to 1,350 mm in diameter) which convey wastewater to the treatment plant at Seaview.

Most wastewater pipelines operate by gravity drainage (they run downhill) although there are 43 pumping stations which pump wastewater to higher levels when gravity drainage is not practical.

The trunk wastewater system services both Hutt City and Upper Hutt City. Wastewater from reticulated areas of Hutt City and Upper Hutt City is treated at the Seaview Wastewater Treatment Plant. An 18 km long 1,350 mm diameter pressurised pipeline conveys disinfected effluent from the Seaview Treatment Plant to an outfall at Pencarrow Head a short distance beyond the eastern entrance to Wellington Harbour.

A by-product of the treatment process is bio-solids, which are the stabilised material extracted from the wastewater during the treatment process. The bio-solids produced by the Seaview Treatment Plant are dried before being disposed of by landfill.

The flow through the treatment plant in 2008 was approximately 55,600 cubic metres per day averaged over the entire year and approximately 41,000 cubic metres per day during dry weather.

The following table summarises the characteristics of the untreated wastewater and of the effluent from the Seaview Treatment Plant.

	UNTREATED WASTEWATER*	TREATED EFFLUENT FROM TREATMENT PLANT*	RESOURCE CONSENT LIMIT FOR TREATED EFFLUENT
cBOD5 (g/m^3) (Carbonaceous Biochemical Oxygen Demand over 5 days – a measure of the potential for carbonaceous material in the wastewater to deplete levels of dissolved oxygen)	194	8	50
Suspended solids (g/m^3) (A measure of the level of finely suspended material)	244	13	50
Faecal coliforms (cfu/100ml) (A measure of levels of bacteria originating from the gut of animals including humans)	5,000,000	284	1,000

*Average Values over the period December 2007 – November 2008

Wastewater from properties in rural areas of Hutt City is generally disposed of by means of conventional septic tanks and on-site effluent disposal fields. Solids that accumulate in septic tanks must be removed periodically and disposed of. A septic tank cleaning service is provided by several companies and usually involves pumping the contents of the septic tank into a tanker for subsequent controlled disposal into the Hutt City wastewater system.

The adequacy of on-site disposal systems depends on their initial design and construction, the ability of effluent disposal fields to accommodate the volumes of effluent discharged, and the ongoing maintenance and operation of the systems. These factors vary between individual systems. Environmental and health risks can be managed to acceptable levels in on-site wastewater systems that are designed, constructed, operated and maintained to appropriate standards.

There is no known history of significant health or environmental problems associated with the remaining private on-site wastewater systems in Hutt City although further environmental monitoring is recommended.

Future Demand

The population is projected to increase slightly across the Hutt Valley over the period 2006 to 2031, with a medium average annual increase of 0.1%. Demand forecasts estimate a slight increase in total wastewater flows over the next 20 years, in accordance with growth projections.

Key Issues and Hutt City Council Proposals

Issues associated with wastewater disposal from the different communities in Hutt City have been identified in terms of their potential to compromise the achievement of health and environmental aspects of community outcomes for Hutt City.

ISSUE	HUTT CITY COUNCIL PROPOSAL
FUTURE EFFLUENT DISPOSAL FROM THE SEAVIEW TREATMENT PLANT The Main Outfall Sewer that conveys effluent from the Seaview Treatment Plant to the outfall to the ocean at Pencarrow Head has an estimated remaining life of 20 years. Either rehabilitation of the pipeline or an alternative means of effluent disposal (which could be a replacement pipeline) will be necessary. Treated and disinfected effluent is discharged at Pencarrow Head from an outfall located near the shoreline. The effects of the effluent discharge are being monitored. Any adverse effects may influence a decision on future effluent disposal.	A 25 year Resource Consent was granted by Greater Wellington Regional Council in August 2006 for the ongoing disposal of effluent from the Seaview Treatment Plant at the Pencarrow outfall. A Management Plan for the Main Outfall Pipeline has been prepared and ongoing monitoring of the condition of the pipeline is being undertaken.
WASTEWATER OVERFLOWS TO THE WAIWHETU STREAM There are wastewater discharges to the Waiwhetu Stream during heavy rainfall owing to excessive stormwater entry to the wastewater system in the Leighton Avenue area.	To continue implementation of a comprehensive strategy of integrated measures to reduce the wet weather loading on the wastewater system to acceptable levels. This strategy includes: → Reducing direct discharges of stormwater to the wastewater system through inflow reduction programmes. → Programmes for the replacement of defective public drains. → Development of a policy on the replacement of private drains identified as not meeting required standards. → Provision of storage for peak wet weather flows. → Provision of additional system capacity to reduce localised constrictions in the wastewater system (taking account of effects of the additional flows on the wastewater system downstream).

ISSUE	HUTT CITY COUNCIL PROPOSAL
WET WEATHER OVERLOADING OF THE WASTEWATER SYSTEM Problems are also experienced with overloading of the wastewater system in other areas of the city owing to excessive stormwater entry to the wastewater system during heavy or prolonged rainfall. At other times the wastewater system generally operates very well. Areas where high wet weather flows are a particular problem include Wainuiomata, Stokes Valley, Naenae and to a lesser extent parts of Eastbourne, Hutt Central and the Western Hills.	To continue implementation of a comprehensive strategy of integrated measures to reduce the wet weather loading on the wastewater system to acceptable levels. This strategy includes: → Reducing direct discharges of stormwater to the wastewater system through inflow reduction programmes. → Programmes for the replacement of defective public drains. → The adoption and implementation of a policy on the replacement of private drains identified as not meeting required standards. → Provision of storage for peak wet weather flows. → Provision of additional system capacity to reduce localised constrictions in the wastewater system (taking account of effects of the additional flows on the wastewater system downstream).
COLIFORM LEVELS – SOUTH END OF EASTBOURNE Relatively high coliform levels have been recorded in the sea in the vicinity of a property at the end of Eastbourne that retains a septic tank for wastewater disposal.	Investigations into possible links between the septic tank and coliform levels have been carried out and no link has been established. Hutt City Council will investigate the possibility of providing a reticulated wastewater connection to this property in conjunction with any alterations to the wastewater infrastructure as part of the proposed redevelopment of the Korohiwa area.
ON-SITE WASTEWATER DISPOSAL SYSTEMS The inadequate design, operation and/or maintenance of on-site wastewater disposal systems can lead to health and environmental problems.	Hutt City Council has commenced the preparation of a database of on-site wastewater disposal systems in the city. It is proposed that this be aligned with a similar regional database being prepared by Greater Wellington Regional Council. It is further proposed that a programme to monitor health and environmental effects of on-site wastewater disposal in Hutt City be developed in conjunction with Greater Wellington Regional Council. This programme would include site inspections of a proportion of on-site wastewater systems. Hutt City Council will establish a system to track new on-site wastewater disposal systems.
WET WEATHER DISCHARGES FROM THE WESTERN HILLS TRUNK SEWER High wet weather flows from Upper Hutt and to a lesser extent from Stokes Valley can cause overloading of the Western Hills trunk sewer and downstream infrastructure leading to overflows to the Hutt River south of Manor Park.	A wet weather peak flow storage facility has been constructed at Silverstream to reduce these overflows and provide them with partial treatment during these extreme events. This $8.3 million facility has been operational since August 2006.

Roles of Hutt City Council – Public Wastewater System

Hutt City Council is responsible for ensuring the public wastewater system is managed in a way that contributes towards the achievement of community outcomes for the city. This involves:

- Setting standards to be achieved in the management of wastewater disposal.
- Setting wastewater policy.
- Public education on wastewater management issues.
- Managing the interface with the community.
- Monitoring the environmental effects of wastewater (and effluent) discharges.
- Managing the interface with Upper Hutt City Council through the Hutt Valley Services Committee.
- Managing the interface with Capacity – the Hutt City Council and Wellington City Council jointly-owned water management entity.
- Approving budgets for the wastewater activity through the Community Plan process.
- Monitoring the performance of the wastewater activity.
- Carrying out an assessment of wastewater management in Hutt City as required by the Local Government Act 2002.

Capacity is responsible to Hutt City Council for:

- Making recommendations on standards and policy.
- Managing the wastewater system through the asset management plan process to achieve required outcomes.
- Ensuring risks are identified and managed within acceptable limits.
- Managing the maintenance and operation of the wastewater system.
- Developing and implementing programmes for the progressive replacement of parts of the wastewater system as they reach the end of their useful life.
- Developing and implementing programmes to upgrade and extend the wastewater system as required to meet future demand.
- Ensuring new wastewater infrastructure is designed and constructed to required standards.
- Monitoring performance as an input to the monitoring of the wastewater activity by Hutt City Council.

Roles of Hutt City Council – Private Wastewater Systems

The roles of Hutt City Council with respect to private wastewater systems reflect that both private and public wastewater systems contribute towards the achievement of community outcomes.

- Advisory – Providing advice to property owners on risks associated with septic tank systems and on the operation and management of septic tank systems.
- Regulatory – Setting requirements for servicing of new developments including verifying compliance of new installations with required standards (normally AS/NZS 1547:2000).
- Monitoring – Maintaining records of septic tank systems and monitoring health and environmental issues associated with groupings of these systems.
- Assessments – Carrying out an assessment of groupings of private wastewater systems as part of a wider assessment of wastewater management in Hutt City as required by the Local Government Act 2002.
- Possible Future Service Provider – Monitoring development in areas serviced by septic tanks and the performance of groupings of on-site wastewater systems to determine if and when reticulated wastewater systems may be appropriate.

Stormwater Assessment

Residential properties and the business community in developed areas of Hutt City are serviced by a reticulated stormwater system comprising approximately 528 km of stormwater pipes, over 11,200 manholes, five retention dams and 13 pumping stations which convey stormwater to receiving watercourses. The stormwater pipelines in the Hutt City system range in size from 100 mm to 1,800 mm in diameter with 65% of the pipes being between 225 mm and 450 mm in diameter.

Most of the Hutt City stormwater reticulation operates by gravity drainage. This means that the pipes run downhill and are not intended to operate under pressure. The 13 stormwater pumping stations provide drainage from localised low-lying areas when gravity drainage is not effective.

Greater Wellington Regional Council is responsible for managing the major watercourses throughout the Wellington region including the Hutt River, the Wainuiomata River, the Waiwhetu Stream (from below Naenae) and the lower section of the Stokes Valley Stream. The majority of stormwater from Hutt City discharges into these watercourses.

Every stormwater pipe and channel has a finite capacity. Most of the stormwater pipelines in Hutt City were designed to accommodate rainfall with a 20% chance of occurring annually (a 5-year average return period). It is not practical to provide stormwater drains that can accommodate all foreseeable rainfall and the risk of blockages in stormwater systems cannot be eliminated. Stormwater systems in “greenfields” developments are now required to comprise both a primary system consisting of pipes and open channels intended to cater for more frequent rainfall events and a secondary system to cater for higher intensity rainfall events. The secondary system consists of overland floodpaths, which convey floodwaters safely when the primary system is unable to cope. New stormwater pipelines are now designed to accommodate rainfall with an average return period between 10 years (10% chance of occurring annually) and 50 years (2% chance of occurring annually) depending on the risk in specific situations.

It is expected that changing rainfall patterns will continue to be reflected in an increase in the frequency of severe rainstorms that exceed the original design capacity of the stormwater system. Stormwater systems in Hutt City are now designed to accommodate more intense rainfall to reflect climate change.

In rural areas of Hutt City stormwater run-off from roof areas is often diverted to storage tanks as a source of water for on-site water supply systems. Stormwater not used for water supply purposes is generally disposed of to land or to watercourses.

The quality of stormwater is highly variable. Stormwater run-off, and in particular the “first flush” of stormwater run-off following a dry period, often contains many contaminants. These can include sediments, oils, greases, metals and organic material washed from roads and other impervious areas together with rubbish and contaminants illegally discharged into the stormwater system. Contamination of stormwater can also arise from overflows from the wastewater system (generally owing to wet weather overloading of the wastewater system – see wastewater assessment).

Many contaminants entering the stormwater system are subsequently discharged to watercourses. There is expected to be a greater focus on the effects of stormwater discharges on watercourses and on ways that these effects can practically be reduced.

The quality of water at popular swimming beaches in the city is monitored. This monitoring indicates that beach water is usually of a good standard that is suitable for swimming although water quality usually falls for a period following heavy rainfall.

Future Demand

Development in the city is not expected to be of a scale which will substantially increase stormwater run-off overall, although it may be significant in localised areas. The focus of stormwater management in the future is likely to shift away from simply providing pipes to convey stormwater, towards the development of an integrated range of measures to manage the potentially adverse effects of stormwater run-off including flooding, environmental degradation and pollution.

Key Issues and Hutt City Council Proposals

Issues associated with stormwater management in the different communities in Hutt City have been identified in terms of their potential to compromise the achievement of health and environmental aspects of Hutt City community outcomes.

ISSUE	HUTT CITY COUNCIL PROPOSAL
MANAGING ADVERSE EFFECTS OF STORMWATER RUN-OFF Flooding owing to overloading of the stormwater system. Climate change eroding the level of protection against flooding provided by the stormwater system. Degradation of watercourses owing to contaminated stormwater run-off.	Hutt City has adopted a range of measures in response to these issues. With the flooding that has occurred in recent years the point has now been reached where it is proposed that these measures and additional measures that may be appropriate are formalised in a comprehensive stormwater strategy for Hutt City. This will be developed with input from, and as a basis for consultation with, the community and will enable the approach to stormwater management adopted by Hutt City Council to be more clearly communicated to the community. The strategy will include environmental as well as flood-related aspects of stormwater management.
ADEQUACY OF BLACK CREEK CHANNEL – WAINUIOMATA Overtopping of the Black Creek Channel during severe rainfall.	Stage 1 of a programme of major upgrading of the Black Creek channel was completed in 2005/06. Stage 2 was carried out in 2006/07, with the replacement of the Best Street Bridge works completed in 2007/08. Further works to continue the upgrading are proposed from 2010/11.
SECONDARY FLOODPATHS Lack of secondary floodpaths to convey floodwater safely when the primary stormwater system is blocked or overloaded.	It is proposed to continue to require the provision of secondary stormwater floodpaths in new (greenfields) developments to safely convey floodwater when the stormwater pipes are overloaded. Providing secondary stormwater floodpaths is often not possible in well-developed areas although they are provided where they are reasonably practical. The capacity provided in new pipes will reflect the adequacy of secondary floodpaths. Information on the provision of stormwater floodpaths will be incorporated in a stormwater strategy for the city.
OBSTRUCTION OF STORMWATER OUTLETS ON BEACHES A build-up in beach levels may restrict the ability of stormwater outlets to discharge.	It is proposed to continue to improve stormwater outlets on beaches where practical. This is determined on a case-by-case basis. The approach taken to stormwater outlets will be set out in a stormwater strategy for the city.

ISSUE	HUTT CITY COUNCIL PROPOSAL
OVERTOPPING AND MAINTENANCE OF PRIVATE STREAMS Overflows from private streams and accumulation of debris following severe storms.	Hutt City Council will continue to investigate measures such as the provision of secondary stormwater floodpaths and the provision of peak flow bypasses to reduce the flood risk associated with private streams. The practicality of these measures must be determined on a case-by-case basis. The management of private watercourses including responsibilities of the various parties will be formalised in a stormwater strategy for the city.
STORMWATER CAPACITY IN AREAS OF STOKES VALLEY The capacity of some of the main stormwater pipelines which convey stormwater from areas of Stokes Valley to the Stokes Valley Stream is less than desirable leading to backing up and overflowing of stormwater drains during severe rainfall. The issue is compounded by a lack sof secondary floodpaths.	It is proposed that the provision of new main stormwater pipelines in areas where repeated problems have been experienced will be investigated as an option in a stormwater strategy for Hutt City.
STATE HIGHWAY 2 OBSTRUCTING OVERLAND FLOW OF FLOODWATER There are several low lying areas between State Highway 2 (SH2) and the base of the Western Hills where floodwater may be trapped behind the State Highway.	A detailed assessment of the level of risk in low lying areas between SH2 and the Western Hills is being carried out and options to mitigate any significant risks are being identified. It is proposed that the assessment be incorporated into a comprehensive stormwater strategy for Hutt City.
HIGH FLOODWATER LEVELS IN THE AWAMUTU STREAM Flooding has been experienced owing to high water levels in the Awamutu Stream.	Water levels in the Awamutu Stream depend significantly on levels in the Waiwhetu Stream. Options for upgrading of the Awamutu Stream channel and lowering downstream water levels are being investigated as part of the modelling of the Awamutu and Waiwhetu Streams. Upgrading of the Awamutu Stream will be carried out from 2009/10.
HIGH FLOODWATER LEVELS IN THE WAIWHETU STREAM Flooding has been experienced owing to high water levels in the Waiwhetu Stream.	Greater Wellington Regional Council, which is responsible for the majority of the Waiwhetu Stream, is preparing a floodplain management plan for the Waiwhetu Stream. This will define options for reducing the flood risk associated with the stream as a basis for a programme of upgrading works. Hutt City Council is continuing investigations into options beyond the Waiwhetu Stream corridor for mitigating the effects of high levels in the Waiwhetu Stream. A stormwater pumping station and a delivery main have been constructed in 2007/08 to improve stormwater drainage in the Gracefield industrial area adjacent to the Waiwhetu Stream.

ISSUE	HUTT CITY COUNCIL PROPOSAL
FLOODING FROM THE HUTT RIVER The Hutt River represents the major flood risk to the Hutt Valley. Failure of the Hutt River flood defences would lead to major flooding in the Hutt Valley.	The flood risk associated with the possible failure of the Hutt River flood defences is being addressed through an $80 million programme of works being implemented by Greater Wellington Regional Council.
BACKFLOWS FROM THE HUTT RIVER A backflow from the Hutt River up the stormwater system could cause significant flooding.	Additional backflow protection has been provided on several critical stormwater outlets to the Hutt River. It is proposed that an assessment of risks associated with the possibility of backflows through stormwater drains be carried out as a basis for establishment of defined criteria/policy on backflow protection and that the outcome is incorporated into a comprehensive stormwater strategy for Hutt City.
FLOODING IN THE HUTT RIVER COINCIDING WITH HEAVY RAINFALL IN THE HUTT VALLEY Floodgates on stormwater outlets to the Hutt River will be closed when the Hutt River is in flood. Stormwater is unable to discharge at these times (except for some localised areas provided with pumping stations). The backup of stormwater may be significant and lead to flooding if there is heavy rainfall in the Hutt Valley when the outlets are closed.	An assessment of risks associated with the closure of floodgates preventing stormwater outflow will be carried out as a basis for the establishment of defined criteria/policies on backflow protection. The outcome will be incorporated into a comprehensive stormwater strategy for Hutt City.
HIGH FLOOD LEVELS IN THE OPAHU STREAM High flood levels in the Opahu Stream can lead to flooding in adjacent areas.	Major works have substantially increased the capacity of the lower sections of the Opahu Stream channel. A major pumping station on the outlet from the stream to the Hutt River has been constructed. This will enable the stream to discharge into the Hutt River when the river is in flood. The remaining flood risk associated with the Opahu Stream channel was assessed in 2008/09 and the results of the assessment will be included in a stormwater strategy for Hutt City.
OVERLAND FLOWS IN RURAL AREAS Problems have been experienced with overland flows of floodwater resulting from the overtopping of the Wainuiomata Stream.	Investigations into measures to alleviate this problem have identified a combination of remedial measures that are being implemented. During heavy rainfall stormwater run-off in rural areas will follow natural flowpaths which may include overland flows. It is proposed that flowpaths in rural areas during severe rainfall be required to be identified and documented on plans as part of development proposals. This will assist the determination of measures necessary to ensure that acceptable levels of protection against the flooding of buildings are achieved.

Roles of Hutt City Council – Stormwater Management

Hutt City Council is responsible for ensuring that the effects of stormwater run-off are managed in a way that contributes towards the achievement of community outcomes for the city. This involves:

- Setting standards to be achieved in the management of stormwater runoff.
- Setting the stormwater policy.
- Public education on stormwater management issues.
- Managing the interface with the community.
- Monitoring the environmental effects (such as stream health) of stormwater run-off.
- Regulating surface water drainage from new buildings in terms of the New Zealand Building Code.
- Providing advice on stormwater management.
- Managing the interface with Capacity – the Hutt City Council and Wellington City Council jointly-owned water management entity.
- Approving budgets for the stormwater activity through the Community Plan process.
- Monitoring the performance of the stormwater activity.
- Carrying out an assessment of stormwater management in Hutt City as required by the Local Government Act 2002.

Capacity is responsible to Hutt City Council for:

- Making recommendations on standards and policy.
- Managing the stormwater run-off through the asset management plan process to achieve required outcomes.
- Ensuring risks are identified and managed within acceptable limits.
- Managing the maintenance and operation of the stormwater system.
- Developing and implementing programmes for the progressive replacement of the stormwater system.
- Developing and implementing programmes to upgrade and extend the stormwater system as required to meet required standards.
- Ensuring new stormwater infrastructure is designed and constructed to required standard.
- Monitoring performance as an input to the monitoring of the stormwater activity by Hutt City Council.

Cemetery Services Assessment

Local authorities are not legally required to provide public cemeteries and crematoria; however, they are required to ensure that provision is made. Hutt City Council (along with most other Councils) does provide cemeteries for the community. The only other organisations providing cemeteries are churches, the Rununga and Nga Tekau o Poneke – the Wellington Tenths Trust. There is no crematorium provided in the territory managed by the Hutt City Council.

Hutt City Council owns and operates one working cemetery, Taita Lawn Cemetery (including ashes interment) and one ashes interment facility, Wainuiomata Garden of Remembrance. The Hutt City Council is responsible for the maintenance of three historic cemeteries: St James Churchyard, the Wesleyan Cemetery in Bridge Street and Korokoro Cemetery. This assessment primarily concentrates on the provision of services and plots at Taita Lawn Cemetery.

Council manages its cemeteries to match the policies outlined in Council's Bylaw and Cemetery Business Review 1997. A contract is in place for the maintenance, administration and interment services at Council's cemeteries.

This assessment considers issues relating to public health and provision of cemeteries by analysing population, customer satisfaction survey results, and requests for service from members of the public, as well as comments from contractors and local funeral directors.

Population is projected to remain fairly stable over the period 2006 to 2031, with a medium projected average annual increase of 0.1%. The forecast for interments indicates that the number of interments will generally rise between 2005 and 2015. Statistics also predict a change in the balance of ashes interments and burials (body interments) taking place at Taita Lawn Cemetery. It is likely that the number of interments taking place in the form of ashes will increase, while burials will decrease.

The assessment of future demand indicates that Taita Lawn Cemetery will cater for first interments (burial) until approximately 2012. The Wainuiomata Garden of Remembrance facility has recently been expanded and is projected to cater for interments up until 2018 with further expansion possibilities. There is no practical opportunity for further expansion to provide for additional first interments at Taita Lawn Cemetery. Given this situation Council has entered into an agreement to provide a joint service with the Upper Hutt City Council at its site on Akatarawa Road, with Hutt City Council to provide additional land adjacent to the current cemetery for future development.

The Sanitary Services Assessment has not identified any health issues related to the Hutt City Council's provision of cemeteries.

Solid Waste Services Assessment

Hutt City Council provides waste and recycling collection, and waste disposal services, to the community.

The Hutt City Council Bylaw 2008, Refuse Collection and Disposal, sets out the services provided by Council. Private organisations also provide waste disposal and recycling services to the community.

Hutt City Council owns two landfills, which are open to the public – one in Wainuiomata and the other in Silverstream. Council manages the landfill assets, including lifecycle management and renewal of facilities as demand requires. The landfills are operated under contract, as are waste and recycling collection services. Additional private recycling and waste collection services are provided for the Hutt City community. All of these facilities are considered when assessing the level of provision of waste disposal services in the city.

This assessment considers issues relating to public health and the provision of waste management services, by analysing population and business projections, customer satisfaction survey results, requests for service from members of the public, as well as staff and contractor interviews, health and safety requirements, contract management and quality assurance processes and asset management plan information.

Hutt City population is projected, by Statistics New Zealand, to remain fairly stable over the period 2006 to 2031, with a medium projected average annual increase of 0.1%. Business numbers are expected to rise. Council initiatives to reduce, reuse and recycle refuse are in place. It is assumed that any increase in waste produced by residents and businesses in the short term will be offset by the updated various waste minimisation programmes.

Council has systems in place to attend to any issues that pose a risk to public health as a priority. No public health or future demand issues have been identified for Hutt City solid waste services.

Additional landfill capacity is being developed at the Silverstream landfill to accept waste for the next 50 years. A new private recycling facility has been constructed to meet additional demand. These new facilities, along with current waste management services and Council initiatives to reuse, reduce and recycle waste, are expected to be adequate for current and future demand.

Proposals

This assessment of solid waste services proposes that Council undertake ongoing improvements to services. These proposals are listed below:

- Continuing improvement of performance levels with regard to landfill operation, health and safety and asset condition.
- Improvement of service levels by monitoring customer satisfaction, and advice from contractors and consultants.

Public Toilet Services Assessment

Hutt City Council owns/operates 27 toilet facilities that are available to the public on a daily basis (three of these are open during summer only). Additional toilets are provided for users of public facilities, such as sportsgrounds, swimming pools, libraries and museums. Private and other government organisations also provide toilets to the public and to customers.

There is also one private wastewater disposal site for caravans/campervans in Hutt City. All of these facilities are considered when assessing the level of provision of public toilet services in the city.

Council manages its public toilet assets, considering upgrade, renewal and additional facilities, as demand requires. Contracts are in place for regular maintenance, security and cleaning.

This assessment considers issues relating to public health and provision of toilets by analysing population, business and visitor projections, customer satisfaction survey results, requests for service from members of the public, as well as staff and contractor interviews.

Population is projected to remain fairly stable while business and visitor projections are expected to rise. There are currently no signs of overuse of Council-owned toilets, and Council has systems in place to attend to any issues that pose a risk to public health as a priority.

The assessment of future demand indicates that the current location and capacity of facilities is adequate for current and future demand over the next five years.

Further to the assessment, Council is investigating a programme for the replacement of older style toilets in high visitor areas to raise standards in presentation in line with visitor expectations.

Proposals

This assessment of public toilets proposes that Council undertake ongoing monitoring, upgrade and construction of new public toilet facilities. These proposals are listed below:

MONITORING OF TOILET CONDITION AND PERFORMANCE

Council will continue to monitor the condition of public toilets through Council officers and contractor reports. Service performance is monitored through feedback from the public directly to Council, through community boards, community committees and Communitrak surveys.

ONGOING UPGRADE PROGRAMME TO ADDRESS DEFICIENCIES

Council will continue to upgrade public toilets as they are required, in consultation with the community through the Community Plan process or as required.

RAISING PUBLIC AWARENESS

Council will assess and improve the signage of public toilets from main through routes and shopping areas if required.

More information will be provided on Council public toilet locations on the Council website and through the Visitor Information Centre.

ONGOING CONSULTATION WITH COMMUNITY

Council will continue conducting Communitrak surveys to ascertain customer satisfaction with service. Consultation with the community will continue when new toilet facilities are proposed.

PROVISION OF NEW TOILET FACILITIES

Where a shortage of toilets is identified in the future, Council will consider seeking agreement with local businesses to provide facilities, where Council would contribute to the maintenance and upkeep of the toilet, and the business could provide additional security.

FORECAST FINANCIAL STATEMENTS

SUMMARY

Overall Council is in a strong financial position. It has presented a 10 year plan that keeps the rates increase below forecast annual CPI plus 0.5% as well as reporting significant reductions in debt. The debt reduction is largely achieved through small operating surpluses per annum as well as anticipated proceeds from assets sales. Existing and forecast debt levels are well within Council's own Liability Management Policy and are considered to be commercially very reasonable.

FORECAST FINANCIAL STATEMENTS 2009/10 TO 2018/19

These are the Forecast Financial Statements which Council has adopted to meet the requirements of Clause 8 of Schedule 10 of the Local Government Act 2002.

Every three years it is a requirement of the Local Government Act 2002 to present Forecast Financial Statements that span 10 years. This provides an opportunity for ratepayers and residents to assess the appropriateness of the financial actions planned by Council. The Forecast Financial Statements outline how Council will be funded for the next 10 years and how that money will be spent. It is intended to ensure proper and prudent financial and asset management in the long term. The information contained in the Forecast Financial Statements may not be appropriate for other purposes.

Council has Asset Management Plans for its assets. These plans have provided the basis for the development of the Forecast Financial Statements.

The Forecast Financial Statements are based on New Zealand generally accepted accounting practice and comply with New Zealand equivalents of International Financial Reporting Standards.

The Forecast Financial Statements are based on estimates of costs and revenues into the future. The degree of uncertainty surrounding these estimates increases as the Forecast Financial Statements look out further into the future. Key assumptions and risks are outlined below.

The Forecast Financial Statements include:

- An "Estimate" of the results of the current financial year (2008/09) based on the budget adjusted for expected variances.
- The "Budget" Council proposes adopting for the coming financial year.
- "Forecast" results for the following nine years.

A Long Term Council Community Plan may include forecast financial statements for any Council-Controlled Trading Organisation or other entity under the Council's control. We have not included these due to timing issues associated with the availability of the information, and in the interests of not making the document any longer than necessary.

SIGNIFICANT ASSUMPTIONS

The following assumptions have been adopted by Council in preparing the Forecast Financial Statements:

- Service levels are generally assumed to remain the same for the period covered by the Forecast Financial Statements. Minor service level improvements are planned in relation to certain areas of Council activity as a result of capital projects.
- Population is assumed to remain static, or change only marginally (0.1% per annum). Residential and commercial development is assumed to occur at the equivalent of 200 additional household units each year. Capital expenditure plans in some areas include an allowance for modest future capacity increases to help ensure that service standards remain sustainable.
- Provision has been made for inflation based on the projections below that were provided by Business and Economic Research Limited (BERL) for the input cost indices used by Council and the Treasury in relation to the Consumers Price Index. The annual inflation projections beyond 2010 average 2.52%.

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Staff	2.63%	2.47%	2.41%	2.71%	2.64%	2.58%	2.59%	3.10%	3.16%
Road & Transport	3.33%	2.67%	2.78%	2.45%	2.39%	2.33%	2.44%	2.46%	2.48%
Property, Reserves & Parks	2.74%	2.76%	3.33%	2.69%	2.44%	2.98%	3.06%	2.57%	2.43%
Water	2.10%	2.00%	2.00%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%
Other costs	3.30%	3.38%	2.39%	2.42%	2.36%	2.30%	2.41%	2.44%	2.45%

- The average interest rate on debt is assumed to be 5.5% in 2009/10. The assumptions that lie beneath the fluctuating interest rate swaps are based on an average rate on the total debt portfolio including taking into account swaps.
- Asset sale proceeds will be used to repay debt or fund asset purchases.
- Depreciation and interest costs will be fully funded from rates and other operating revenue.
- Adjustments have been made for revised Asset Revaluations. Council major asset categories have been revalued as at 1 July 2008.
- The Government will continue to pay NZ Transport Agency subsidies at the current level of 47%, with a 10% premium on Capital Development projects, and not alter between 2009/10 and 2011/12. The amount is determined by Council's expenditure that attracts subsidies.
- We have assumed no significant changes in societal make up, and climate change assumptions have been addressed throughout our Asset Management Plans and Environmental Sustainability Strategy.

None of these assumptions are considered high risk.

ASSET REVALUATIONS

Council has completed full asset revaluations for its major asset categories. This was last completed in 2006. Overall asset values have increased by 11%. The depreciation forecasts have also been adjusted accordingly resulting in a significant increase.

Under the Local Government Act depreciation should be fully funded by rates. Whilst the increase in the depreciation forecast is significant, given the forecast surpluses per annum across the 10 years this has had no immediate impact on rates, i.e. the forecast surpluses have exceeded the increase in depreciation expense.

Some forecasts for various capital projects (replacements) were also reviewed when the asset revaluations were completed. The new asset values have had no significant impact on forecast capital replacement costs.

SIGNIFICANT RISKS

Actual results achieved for each reporting period are likely to vary from the information presented, and the variations may be material. In particular, there are several significant risks that could have a material impact on whether Council is able to achieve the financial results indicated in the Forecast Financial Statements, although these risks are not considered to be high.

- Council has estimated the likely proceeds from the sale of assets. The estimates are based on notional values of Council's total reserve estate. There is a risk that the values indicated in the Prospective Statement of Comprehensive Income will not be realised. This is considered to be a low

to medium risk. Council has a much more robust forecast for assets sales now based on a full review of Council owned land throughout the city. The forecast is extremely conservative. Given the current economic conditions asset sales in the short-term are more difficult to predict and this may impact on debt in the short-term only.

- Expenditure items relating to major projects have been estimated. These include timing and amounts for capital expenditure and operating costs. The outcome of tender evaluation and negotiation processes on these projects may have a material impact on the Forecast Financial Statements.
- In particular, provisions for capital expenditure on certain major projects that are being considered by Council have been included in these Forecast Financial Statements. It is not possible to reliably estimate the timing and the amount of Council's share of the related costs. Projects in this category are the proposed earthquake strengthening of Council's main Administration Building, the Cross Valley Link, roading improvements in the CBD and certain additional flood prevention works.
- The rate of inflation and interest rates may differ significantly from the assumptions used in preparing these Forecast Financial Statements. These differences could materially alter the actual results achieved in future years.
- Arguably the most significant risk facing Council at present in relation to its Financial Forecasts is the current national and global economic situation. This has been considered in preparing the Financial Forecasts but a more severe tightening of consumer spending and unemployment may have an adverse impact on Council user charges revenues and also give rise to increasing aged debtors, including rates.
- Should a significant unforeseen event require substantial additional expenditure, Council is in a strong financial position to respond. Council's current and forecast Statement of Financial Position is relatively strong and supported by a Standard and Poors credit rating of AA. This essentially means that if additional funding (debt) was required then Council has significant ability to access funding through various financial arrangements. Council also has an extremely robust insurance programme in place providing considerable cover to fund losses.

FUTURE UNCERTAINTY

There are a number of possible areas of future uncertainty related to legislative or government policy changes, depreciation on planned asset acquisitions, resource consents, currency movements and related asset values, and external funding. Our response to these uncertainties is outlined below:

- Changes to Council's business dictated by as yet unknown or unconfirmed legislation or central government policy change – we have assumed no significant unknown changes in legislation. There is obviously some uncertainty around this as unanticipated legislation changes may be introduced in future.
- Depreciation rates on planned asset acquisitions – we have assumed the same depreciation rates as per our current rates applied to existing asset categories. There is minimal uncertainty around this assumption.
- Resource consents – we have assumed existing volumes of resource consents will continue. There is some degree of uncertainty around this given current economic conditions.
- Currency movements and related asset values – currency movements generally have only an indirect impact on asset values in terms of possibly impacting on capital expenditure. The majority of our assets are able to be valued on the NZ market so currency movements will have very little, if any, impact on asset values.
- Renewability or otherwise of external funding – we have generally assumed that various external funding arrangements will continue unless there is already a fixed date of expiry. There is some degree of uncertainty around this given current economic conditions, but the financial impact of funding not being renewed is insignificant – rather it is the funded service that would likely discontinue.

COMMITMENTS AND CONTINGENCIES

The Forecast Financial Statements provide for all the material capital and operating commitments known to Council. Prudent provisions have also been made in these Forecast Financial Statements for probable future obligations of Council.

COUNCIL NET DEBT

The graph shows the forecast level of net debt in the Forecast Financial Statements. Council plans to achieve a significant reduction in net debt.

COUNCIL RATES INCOME

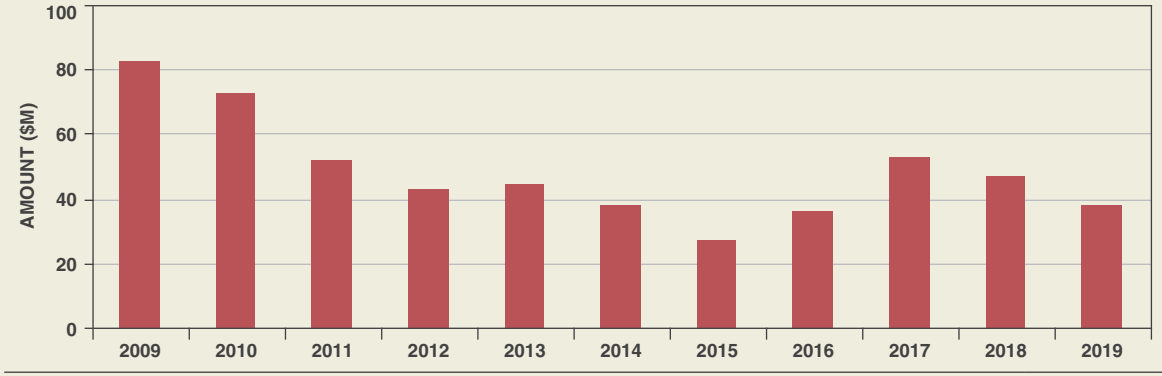
The graph shows the forecast level of rates income in the Forecast Financial Statements. Council plans to increase rates income by no more than 0.5% above the rate of inflation each year. Rates per capita increase in a similar manner. However, after allowing for the additional rates contributed as a result of growth in the rating base when new or existing properties are developed, this is expected to equate to a real reduction (excluding inflation) in rates paid by the average ratepayer of at least 0.4% per year.

AUTHORISATION

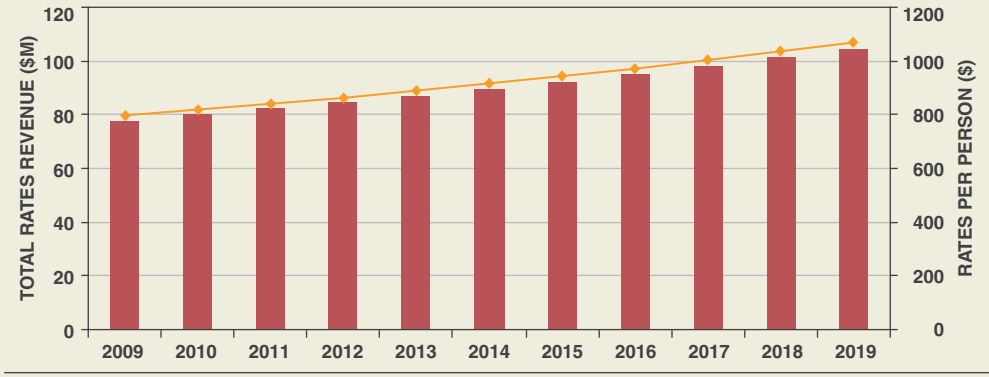
These Forecast Financial Statements were authorised for issue by Hutt City Council on 30 June 2009.

Hutt City Council is responsible for these Forecast Financial Statements, including the appropriateness of the assumptions underlying the Forecast Financial Statements and all other disclosures.

NET DEBT AT END OF THE YEAR



RATES PER CAPITA



KEY

RATES REVENUE ($M)

RATES PER CAPITA