MAHERE Ā-TAU 2025/26
ANNUAL PLAN 2025/26

LET'S KŌRERO

Te Kaunihera o
Te Awa Kairangi ki Uta
Upper Hutt City Council

CONSULTATION DOCUMENT FOR THE ANNUAL PLAN 2025/26

The topics for consultation include:

Annual Plan

Kerbside Recycling: A proposal on the future of kerbside recycling.

Concurrent Consultations

Alcohol Fees Bylaw

A new bylaw to set prescribed alcohol licensing fees.

Revenue & Financing Policy

The revenue and financing policy sets out how Council activities are funded from a range of revenue streams including rates, grants, fees and charges and other sources.

Gambling Venues Policy

The policy specifies how many Class 4 venues may be established in the city, and where they may be located.

Schedule of Fees & Charges

A review of our fees and charges to ensure they accurately reflect the costs of the services they help fund.

Local Water Done Well (LWDW) Model

Options for delivering water services, as well as related consultation content and information.

Cover photo credit: Keith Bennett

Tēnā koutou, Upper Hutt whānau

It's time to share your thoughts on our Annual Plan and other important issues that will affect our city.

You may notice that this consultation document looks a bit different from what you're used to and has several parts to it.

This year, we are informing you of our Annual Plan 2025/26 forecast rates increase changes and consulting on options for future kerbside recycling.

Other concurrent consultation topics cover Fees and Charges, an Alcohol Fees Bylaw, Revenue and Financing Policy changes and the Gambling Venues Policy review.

Alongside this we are seeking feedback on our preferred option for implementing Local Water Done Well, a Government-mandated reform programme to change how we manage three water services and infrastructure.

All councils in New Zealand are required, under new Government legislation, to consider options and determine a preferred water service delivery model. Since early 2024, we've been working jointly with our neighbouring councils to navigate this complex and evolving reform process.

While it's not easy, change is needed to improve our water services for the future. We want to hear from you about our preferred option to establish a new joint multi-council owned water organisation.

A year has passed since we consulted on our Long Term Plan, and we know cost-of-living pressures such as high interest rates, inflation, insurance costs and fuel prices, continue to impact many in our communities.

As a Council, we're committed to reducing costs where possible, spending where necessary and finding financial solutions that balance our expenses with future needs.

Ko taua wā anō, e whai wāhi mai ai tātou katoa ki te tuku whakaaro mō tō mātou Mahere ā-Tau me ērā atu o ngā take hirahira e pā ana ki tō tātou taone.

Kua kite rānei koe ko tēnei tuhinga whiriwhiringa he āhua rerekē ki tērā e waia nei koe, he maha tonu ngā wāhanga o tēnei tuhinga.

I tēnei tau tonu, e whiriwhiri ana mātou i ngā pāpātanga matapaenga e piki ake ngā panonitanga, me te āhua o te hangarau ki te taha o ngā rori mō ngā rā ki tua. Ko ētahi atu o ngā take ka whiriwhirihia ko ngā Utu me ngā Utu Mahi, ko ngā Alcohol Fees Bylaw, ngā panonitanga kaupapa here Revenue and Financing Policy me te arotake i te Gambling Venues Policy.

I te taha o tēnei, e rapu urupare ana mātou mō tōu ake kōwhiringa mō te whakatinana i te Local Water Done Well mō te rohe, he hōtaka whakahou kua whakamanatia e te kāwanatanga ki te panoni i ngā whakahaerenga o ngā ratonga three water me te anga ā-roto hoki.

Ko tā ngā kaunihera katoa o Aotearoa, i raro i te ture hou a te Kāwanatanga, me whai aro ki ngā kōwhiringa me te tohu i tērā e tino hiahiatia ana hei tauira ratonga tuku wai. Mai i ngā rā tōmua o te tau 2024, kua kaha tā mātou mahi tahi me ngā hoa kaunihera hoki ki te whakatere i tēnei tukanga whakahou uaua rawa atu.

Ahakoa ehara i te mahi māmā, e tika ana kia whakapai ake i ō tātou nā ratonga wai mō ngā rā ki tua. E hiahia ana mātou ki te rongo kōrero mai i a koe e pā ana ki te kōwhiringa makau rawa ki te whakatū i tētahi rōpū whakahaere hou he kōtuinga o ngā kaunihera katoa o te rohe mō te wai.

Kua hipa tonu te tau i to mātou tukutanga atu i to mātou Mahere Tironga Whānui, me tā mātou aro ki ngā pēhitanga o te ao tonu, pērā ki ngā pāpātanga huamoni teitei, me te pikiutu tukipū, ngā utu inihua me ngā utu pēnehīni, e pēhi tonu nei i ō tātou hapori katoa.

In line with our financial strategy, we're focused on ensuring that today's income covers today's expenses. We believe in maintaining fiscal responsibility so that we do not push costs onto future generations.

Everything we do costs more money, so balancing the books is not an easy task.

We're determined to ensure Upper Hutt stays a great place to live, work, and raise a family, and we're working hard to deliver our core activities, maintain stewardship of our infrastructure, and build financial resilience. We've also made changes to our operating model to reduce costs.

This approach, among other things, has contributed to us being able to review the current rating levels and reduce them to an average increase of 15.78%. You can read more about this on page 6.

We take great pride in providing transparent engagement, and it is essential that you have your say on the issues that impact your community.

I encourage you to take the time to read this consultation booklet and consider the options. Then, come and have a conversation with me and your elected members at the community engagement events listed at the back of this document.

We look forward to hearing from you.

Ngā mihi nui,

Wayne Guppy
KOROMATUA | MAYOR

A Kaunihera nei, ko tā mātou he manawanui ki te whakaiti i ngā utu ahakoa ki hea, te paku waiho i ngā mahi hokohoko, me te rapu i ngā ara whai hua mō ngā ahumoni, hei whakataurite i ngā utu me ngā hiahia mō ngā ki tua.

E whai ana i tō mātou rautaki ahumoni, e aro ana mātou kia whai utu ngā moni o ēnei rā, mō ngā mahi o ēnei rā. Ko tā e whakapono ana, me whai mātou i te kawatau āheinga o ngā moni tūmatanui, kia kaua e neke ngā utu nei ki ngā reanga o ngā rā ki tua.

Ko ngā mahi ka mahia me whai moni, nā tērā, ehara tēnei mea o te whakataurite i ngā pukapuka i te mahi māmā.

E ngākau nui ana mātou kia tūturu noho a Whakatiki hei wāhi rawe ki te noho, ki te mahi, me te whakatipu whānau, e kaha ana mātou ki te whakaoti i a mātou mahi tūturu nei, te whakahaere i anga ā-roto, te hanga hoki i te aumangea ā-ahumoni nei. Kua panonitia e mātou tō mātou tauira whakahaere hoki hei whakaheke i te utu.

Nā tēnei ara tonu, i tua atu i ērā atu o ngā mahi, i taea ai e mātou te āta arotake i ngā taumata pāpātanga nei me te whakaiti kia piki ake ai te toharite ki te 15.78%. Ka taea te pānui i te roanga o ngā kōrero ki konei page 6.

E whakahīhī ana mātou nā runga i ngā mahi whiriwhiri kua oti, ā, e tika ana kia tuku whakaaro mai koe mō ngā take e pā ana ki tō tātou hapori.

Ko taku whakahau, me whai wāhi mai koe ki te pānui i te puka whiriwhiringa nei me te whakaaro ake mō ngā kōwhiringa. Kātahi, ka haere mai ki te kōrero mai ki ahau, ki o mema rānei i ngā hui hapori e rārangi ana i muri i te tuhinga nei.

Taria te wā, e rongo ai i a koe.

Your feedback helps us when we're making decisions, so we're keen to know what you think about the things we're looking to change.

Key dates

24 March — **Consultation opens**
Come and speak with us at one of our engagement events.

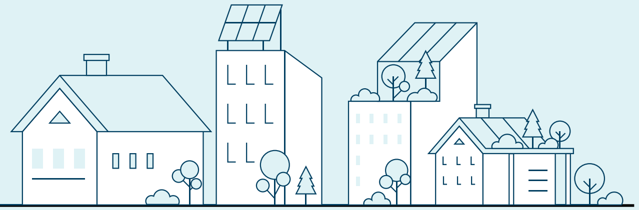
27 April — **Consultation closes**

19 & 20 May — **Annual Plan hearings**
for those presenting in person

11 June — **Elected members deliberate**
and consider feedback

30 June — **Elected members adopt the Annual Plan 2025/26**

Our Vision and Community Outcomes



Our vision is the desired future state of our city—what we, as a Council, are aspiring to achieve.

WE HAVE

an outstanding natural environment, leisure, and recreational opportunities.

WE ARE

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

This vision is supported by four community outcomes.

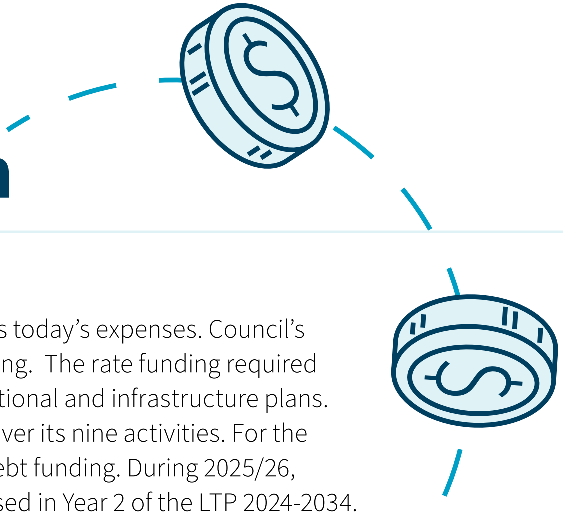
PAPŌRI ME TE AHUREA
Social and Cultural

TAIAO
Environment

ŌHANGA
Economy

TŪĀPAPA
Infrastructure

Key priorities from our Long Term Plan



Balancing the books

In essence, balancing the books means today's income covers today's expenses. Council's two main sources of funding are rates revenue and debt funding. The rate funding required is based on the investment needed to deliver Council's operational and infrastructure plans. Funding operations and infrastructure enables Council to deliver its nine activities. For the delivery of the capital works programme, Council accesses debt funding. During 2025/26, Council expects finance costs to be lower than those levels used in Year 2 of the LTP 2024-2034. The savings and the rephasing of the capital programme have contributed significantly to our ability to reduce the level of rates in Year 2.

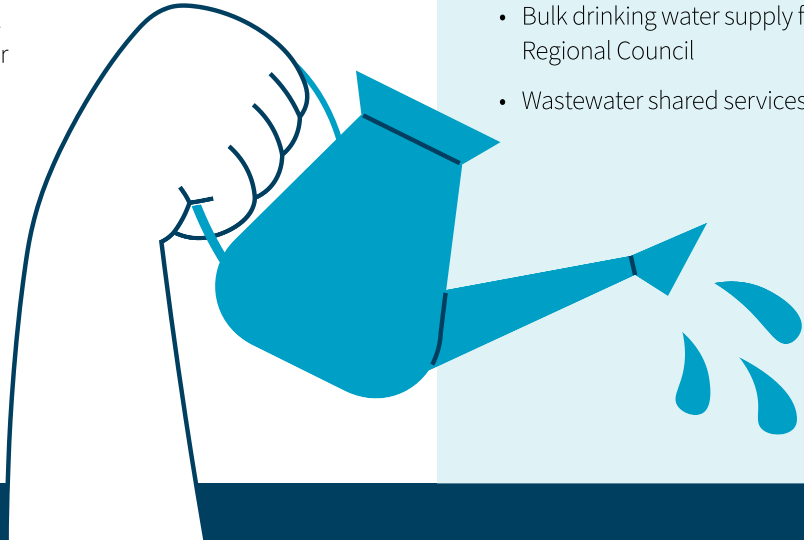
The financial strategy for 2024-34 is that the budget will be balanced within 10 years of the LTP. The revaluation of water assets in June 2024 lifted the carrying value of our water assets by significant amounts. This added approximately $9M of depreciation per annum. This creates a risk that the goal of a balanced budget within 10 years will not be achieved. Additionally, it should be noted there is doubt over the long-term accuracy of the revaluation, and further to this, water assets are likely to no longer be assets of core Council by 2030.

Maintaining our infrastructure

We're a growing city, and essential infrastructure is key to its success. As outlined in our Long Term Plan 2024 - 2034, we will continue to maintain our infrastructure within a tight budget, prioritising key work programmes including renewals. Our focus is on balancing growth and good infrastructure stewardship with financial sustainability. The Long Term Plan's forecast capital investment is below what is recommended or needed due to ratepayer affordability constraints. There will be a level of deferred infrastructure expenditure in future years which, under the current funding model, is difficult to afford in the short term.

Back to basics

We will continue to contain costs in core activities. We've changed the funding or timing of many smaller operational projects and have reprioritised some of our capital projects. We remain focused on activities like infrastructure, water management, transport, planning, and regulatory services.



Our investment in water infrastructure

We have consistently and significantly invested in our water services, and this trend will continue, with an increase in 2025/26 and beyond. For the next year, over 40% of our total spending will be dedicated to water services infrastructure.

In the past decade, we have increased our investment in water services by nearly 130%, outpacing both Consumer Price Index inflation (28.3%) and the Capital Goods Price Index for water services (59.7%).

There are two instances where our Council can't determine the price we're charged for water services, as we do not have treatment plants for our water supply, or wastewater treatment assets.

This means Council does not control expenditure on these items – which are a significant part of our water services funding allocation under the current model.

This makes us a 'price-taker' for the following services:

- Bulk drinking water supply from Greater Wellington Regional Council
- Wastewater shared services with Hutt City Council

What’s changed?

Last year, we shared that the financial environment we operate in had changed significantly, prompting the need to reassess and reprioritise our plans for the future.

Our primary focus has remained on completing critical community investments and maintaining infrastructure. These projects are vital to providing excellent facilities for our community, supporting growth, and strengthening the resilience of our city.

We are also working hard to ensure our financial resilience by repaying the debt and interest that funded these significant investments over the past decade.

To adapt to the current situation, we’ve streamlined operations, reduced costs in non-core areas, paused or delayed certain activities, and reprioritised some capital projects. These decisions have been tough, but they have always been made with a clear focus on what truly matters to our community.

Thanks to these efforts, we are now able to propose a change to the average annual rate increase originally set in the Long Term Plan.

We also face significant challenges in delivering water services—drinking water, wastewater, and stormwater—in the Wellington region, a challenge that extends across the country.

In December 2023, the Government introduced a new approach to water services called Local Water Done Well. This new framework imposes stricter standards and regulations that we must meet.

For Upper Hutt and the other councils we work with in our region, we must determine a delivery model and submit our water services plan to the Government by September 2025. More details about this are provided in the second section of this consultation document.

Our Annual Plan for 2025/26

An Annual Plan is developed for each of the two years between a Long Term Plan (LTP), which in turn is prepared every three years. If there are any significant changes in the coming year compared to what we said we would do in the LTP, we seek your feedback on these changes.

This ‘Consultation Document’ outlines the changes we’re having to consider in light of the current economic circumstances. In the following pages, you can read our proposed adjustments.

Please let us know what you think, so we can consider your thoughts as we make our decisions in finalising and adopting the Annual Plan.

This document should tell you everything you need to know to provide informed feedback but if you’d like more detail, please refer to our list of supporting information at: ***letskorero.upperhutt.govt.nz/2025-2026-ap***

Instead of the planned 19.94%, we are now forecasting an average rates increase of **15.78%**. While we realise this is still high, it is what’s needed to maintain our current levels of service. This reduction has been achieved by careful financial management and an emphasis on core activities and priority projects.

The impact of rising costs

The current economic environment continues to put pressure on homes and businesses as the cost of living tracks above the level of inflation. The cost of living remains high, while the benefits of lower inflation and lower finance costs are yet to flow through at an individual household level. Finance costs and inflation are trending downwards, however, in the sectors where Council operates inflationary measures continue to track at levels between 3.5- 4.4% per annum. Council, like households, continues to face cost pressures and new challenges. One of these challenges is the impact of reduced government spending in the upcoming year.

Rates

Rates are Council's main source of income to meet financial commitments.

We have reduced the 2025/26 forecast rates increase to an average of

15.78%

from 19.94%.

We have done this by delivering targeted operational savings, focusing on core activities, and reprioritising our capital programme spending throughout the LTP. Reduced government funding has been a consideration in the reprogramming of some works.

Managing for today and continuing to invest at appropriate levels for the future requires a delicate balance. We are mindful that we must continue to invest in the future while being financially responsible in the current financial environment.

How we're responding

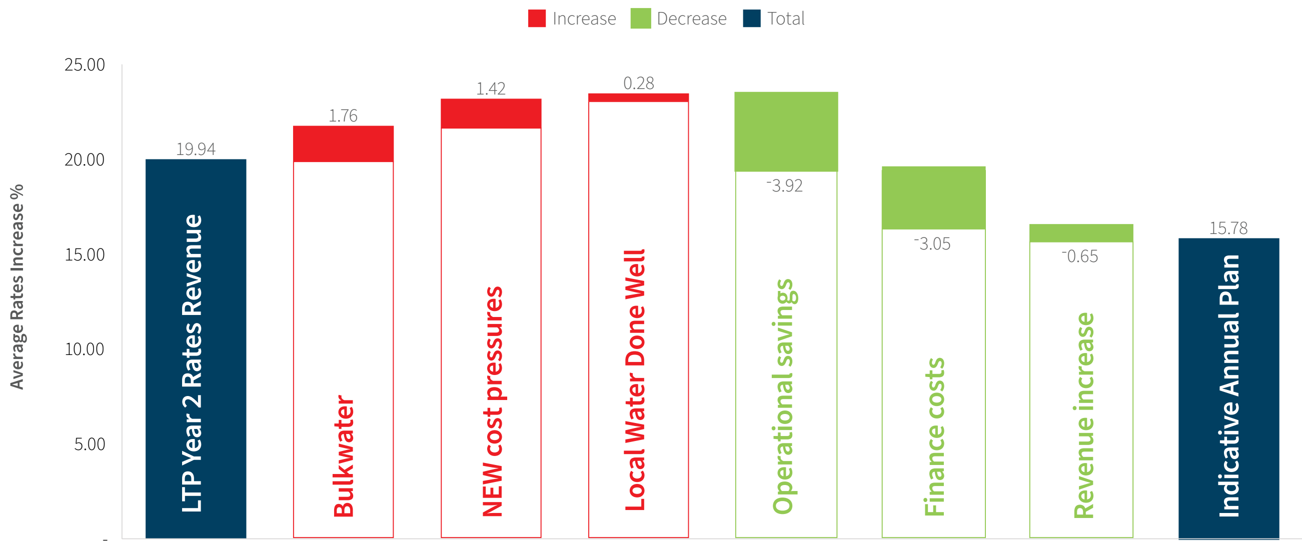
We have reduced the average rates cost from what was planned in Year 2 of the LTP 2024-2034 to 15.78%. During the LTP consultation, you told us that we should concentrate on core activities. We have done that. During 2024/25, significant changes to the organisation were implemented. In the LTP, capital expenditure was set to concentrate on core infrastructure with more than 40% of Council's spend allocated to water infrastructure investment.

This will continue to be our focus for 2025/26. In response to your feedback, expenditure on non-core activities was reduced in late 2024, this approach will be maintained throughout 2025/26. Expenditure on three waters reform has increased in the last year and while reform is underway, this will continue. The reform is Government-driven and the expenditure is unavoidable.

What will it cost?

In comparison to the forecasts in the LTP for 2024 – 2034, there have been some cost increases this year outlined in the table below.

2025/26 indicative rating impact 15.78%



Where the money is going

Our Capital Investment Programme

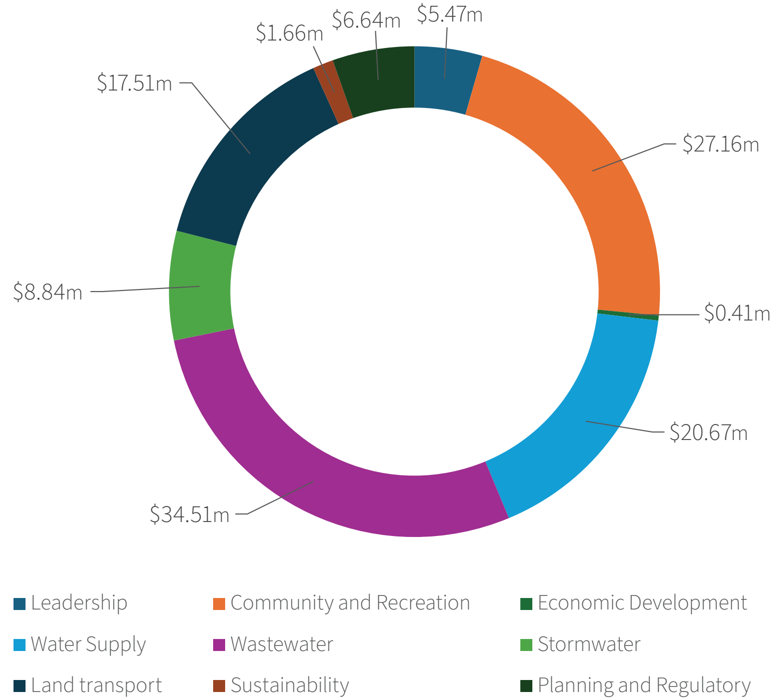
Specific work planned for 2025/26

The following table indicates where we'll be making significant investments with capital expenditure (capex) over the duration of this Long Term Plan and specifically the forecast costs for Year 2 (2025/26) of the Long Term Plan. Some of these projects stretch beyond the next 10 years and will not be complete by 30 June 2034.

Several of these projects have already commenced (Year 1) and will be continued throughout and extending beyond Year 2.

PROJECT	TIMING	TOTAL COST	LTP Y2 2025/26 FORECAST COST	HOW IT IS FUNDED
Active mode transport programme	Y1 – Y10	$17M	$0	No longer funded by NZTA
Akatārawa Cemetery redevelopment	Y1 – Y4	$3M	$314K	Loans / Rates
Rural road high-priority safety projects	Y1 – Y10	$9M	$0	Loans / Rates / NZTA Subsidies
Tōtara Park Bridge widening	Y2	$3M	$0	Loans / Rates / NZTA Subsidies
Maidstone artificial turf replacements	Y1 – Y10	$4M	$251K	Rates
Wastewater treatment renewals programme	Y1 – Y10	$172M	$18M	Loans / Rates
City Centre paving revitalisation	Y2 – Y3	$6M	$2.8M	Loans / Rates
Renewals programme	Y1 – Y10	$173M	Ongoing	Loans / Rates

Total operating and capital expenditure by activity for 2025/26



Changes to scheduled work for 2025/26

Tōtara Park Bridge widening: This project has been postponed pending further information on the timeline of private developments, comprehensive traffic modelling, and confirmation of adequate funding.

How rates are applied to properties

The following tables show rates for 2025/26 for residential properties based on their Capital Value. For residential and businesses these figures include water services based on an assumed one pan (toilet pan) charge. Figures are also inclusive of GST. Please note that Upper Hutt City Council also collects rates on behalf of Greater Wellington Regional Council which are not included in the figures below. These are shown separately on your rates invoices.

Residential Rates

Indicative residential rates – by capital value	**$550K**	**$750K**	**$950K**	**$1.15K**	**$1.3K**
General rates	$1,063	$1,449	$1,835	$2,222	$2,511
Targeted water rates	$1,693	$1,802	$1,911	$2,021	$2,102
Targeted land transport rates	$267	$364	$460	$557	$630
Targeted compliance rates	$40	$54	$69	$83	$94
Total Indicative rates (UHCC only)	**$3,062**	**$3,669**	**$4,276**	**$4,883**	**$5,338**
Total indicative rates from current year (Long Term Plan /AP Year 1)	$2,640	$3,177	$3,713	$4,250	$4,653
$ increase per week	$8.12	$9.47	$10.82	$12.17	$13.18

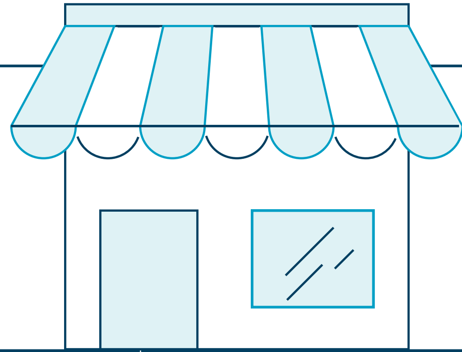
Rates Rebates

Rates rebates are available to assist ratepayers on a low income meet their rates responsibilities. You can apply once per rating year and have the entire year during which to apply. You will need to reapply each year. The deadline for the current rating year is 30 June 2025. You can apply at: **www.upperhutt.govt.nz/Home/Top-Tasks/Your-rates/Rates-Rebate-Scheme** or scan the QR code to the left.

Rates Finder

To check how much you will pay on your property for rates, scan the QR code to the left.

How rates are applied to properties



The following tables show rates for 2025/26 for business properties based on their Capital Value. For residential and businesses these figures include water services based on an assumed one pan (toilet pan) charge. Figures are also inclusive of GST. Please note that Upper Hutt City Council also collects rates on behalf of Greater Wellington Regional Council which are not included in the figures below. These are shown separately on your rates invoices.

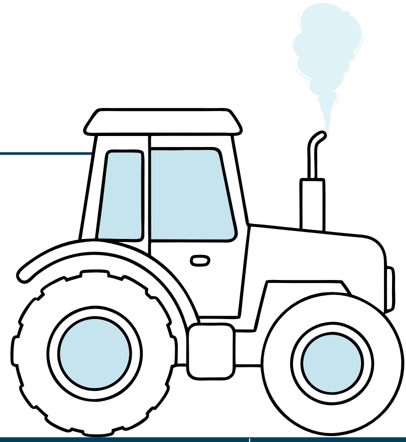
Business Rates

Indicative business rates – by capital value	$550K	$750K	$950K	$1.15K	$1.3K
General rates	$3,307	$4,509	$5,712	$6,078	$7,876
Targeted water rates	$1,763	$1,898	$2,032	$2,073	$2,274
Targeted land transport rates	$773	$1,054	$1,335	$1,421	$1,841
Targeted compliance rates	$115	$157	$199	$212	$275
Total Indicative rates (UHCC only)	**$5,958**	**$7,618**	**$9,278**	**$9,784**	**$12,266**
Total indicative rates from current year (Long Term Plan /AP Year 1)	$4,991	$6,383	$7,775	$8,199	$10,280
$ increase per week	$18.60	$23.75	$28.91	$30.48	$38.19

Rates Finder

To check how much you will pay on your property for rates, scan the QR code to the left.

How rates are applied to properties



The following tables show rates for 2025/26 for rural properties on their Capital Value. Figures are also inclusive of GST. Please note that Upper Hutt City Council also collects rates on behalf of Greater Wellington Regional Council which are not included in the figures below. These are shown separately on your rates invoices.

Rural Land Rates

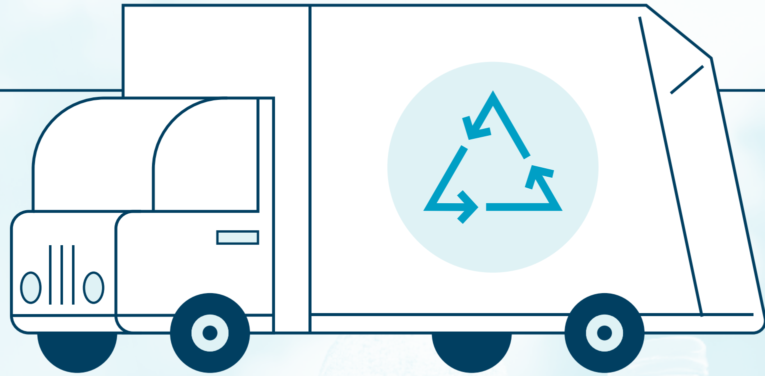
Indicative rural rates – by capital value	**$550K**	**$750K**	**$950K**	**$1.15K**	**$1.3K**
General rates	$797	$1,072	$1,376	$1,608	$1,898
Targeted land transport rates	$200	$269	$345	$403	$476
Targeted compliance rates	$30	$40	$52	$60	$71
Total Indicative rates (UHCC only)	**$1,027**	**$1,381**	**$1,773**	**$2,072**	**$2,445**
Total indicative rates from current year (Long Term Plan /AP Year 1)	$904	$1,217	$1,562	$1,825	$2,154
$ increase per week	$2.35	$3.16	$4.06	$4.74	$5.60

For further information on how rates are calculated, please refer to page 5 of the Funding Impact Statement in the financial supporting information.

Rates Finder

To check how much you will pay on your property for rates, scan the QR code to the left.

Kerbside Recycling



Current situation

Council currently provides a recycling drop-off station at Park Street, while kerbside recycling is privately arranged between residents and waste collection service providers. The station has capacity issues and Council is exploring additional kerbside recycling services. The current site also has space constraints, limiting capacity for further growth or expansion.

We last consulted on introducing kerbside recycling in 2021. In the Long Term Plan 2024-2034, we included and funded a plan to implement kerbside recycling services, in accordance with a Government mandate to do so by 2027. **As this mandate has been removed by the Government, we are now seeking your feedback on whether we should continue.**

Therefore, the following options are being considered:

Option **1**

Implement a Council kerbside recycling service

Every urban household would receive a recycling bin to dispose of cardboard, paper, cans, plastic (types 1, 2 and 5), and a crate for glass. This would replace the current Recycling Station, which would be closed.

- It has already been funded in the Long Term Plan 2024-2034.
- **Capital costs** for implementation are covered by a grant from the Ministry for the Environment ($1.75M) and a portion of Council's Waste Levy income ($525,000). There will be future rate funding required to pay for asset renewals.
- **Ongoing operating expenditure** for kerbside recycling services would be funded by targeted rates on serviced properties, costing an estimated $3 per week* per household from 2026/27.

Option **2**

Continued Recycling Station operation and work with the private sector to improve current kerbside recycling services

This option would continue the current operation of the Recycling Station and work with the private market to ensure our community has access to waste diversion options.

- The funding required to operate the recycling station in 2026/2027 would increase to at least $500,000 (per annum) to ensure continuity of service. This would cost approximately $0.50 per week* per household from 2026/27.
- Implementation of a waste collection license for private collection providers. This would ensure private suppliers provide our community access to a range of kerbside recycling services.
- The Waste Levy currently allocated to kerbside recycling would be reallocated to other waste minimisation efforts throughout the community, including further support for the Recycling Station.

*Estimated costs are provisional and dependent on the procurement process.

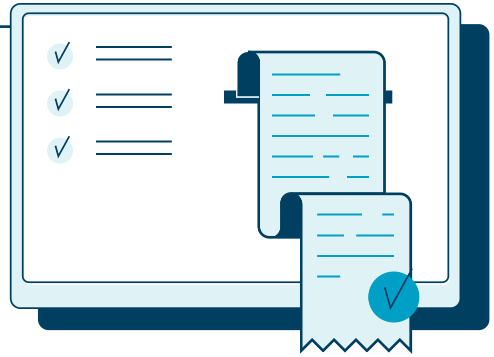
We are seeking feedback on these options to ensure we make an informed decision.

Concurrent Consultations

Supporting Information

For information on the following consultations please go to: ***letskorero.upperhutt.govt.nz/2025-2026-ap*** or scan the QR code to the right.

Schedule of Fees and Charges



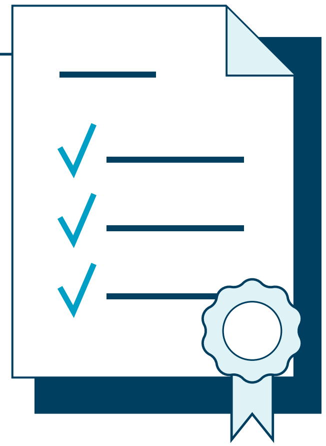
Each year, we review our fees and charges to ensure they accurately reflect the costs of the services they help fund.

Some fees will increase, some will decrease, and new fees may be introduced. Many fees will remain unchanged, while others may be removed. It's important to note that some fees are set by legislation or regulatory authorities.

More than 150 different fees cover a wide range of services, including Akatārawa Cemetery, our libraries, and various regulatory services such as dog registrations, building consents, parking, food safety, litter control, and other infringement fees.

We'd love to hear your thoughts on the proposed changes to these fees and charges. You can find the full schedule of fees and charges at: ***letskorero.upperhutt.govt.nz/2025-2026-ap***

Revenue and Financing Policy Amendments



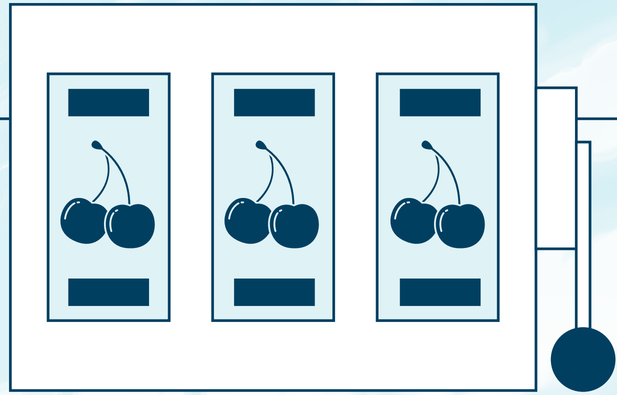
The revenue and financing policy sets out how council activities are funded from a range of revenue streams including rates, grants, fees and charges and other sources.

This year, we are proposing to:

- Adjust the amount of alcohol costs that can be recovered from fees and charges from 60% - 70% to 60% - 90%
- Resetting the rating differentials for forestry from 290% to 75% of the standard rate.

For more information including the options, please see our statement of proposal in the supporting documents.

Gambling Venues Policy review



We are required to have and review the Gambling Venues Policy every three years.

The policy specifies how many Class 4 gambling venues (venues with pokies) can be established in the city, and where they can be located.

Key elements of the existing policy include a cap of 174 machines, which are limited to the Upper Hutt City Business Commercial Zones under the District Plan.

Venues can be relocated and there are restrictions on new venues near schools, childcare centres, Kōhanga Reo, community facilities, and existing gambling venues.

The proposed change is to remove community facilities as a limit on where new gambling venues can be located.

This means there will be fewer restrictions on where new venues can open.

For more information including the options, please see our statement of proposal in the supporting documents.

Option 1

Status quo with administrative changes. The existing policy includes a cap of 174 machines, the ability to relocate licenses, and restrictions on new venues near schools, childcare centres, Kōhanga Reo, community facilities, and existing gambling venues. The administrative changes will align the zone names with the District Plan. This would remove the words 'Upper Hutt City Business Commercial Zone' and replace them with City Centre Zone, Local Centre Zone, Neighbourhood Centre Zone, and Town Zone.

Option 2

Council is proposing to remove the words 'or other community facility' from the existing policy. The same administrative changes would be made as Option One.

Option 3

Sinking Lid to allow no new machines or venues. This means venues or machines that are closed or removed cannot be replaced. Like Option One, administrative changes would be made.

Option 4

Reduce the cap from 174 to 156 pokie machines. Like Option One, administrative changes would be made.

We are seeking feedback on these options to ensure we make an informed decision.

Alcohol Fees Bylaw

Council is consulting on whether to introduce an Alcohol Fees Bylaw.

An Alcohol Fees Bylaw sets fees for alcohol licensing activities. It allows councils to recover costs associated with alcohol licensing. The bylaw would set fees for applications, annual fees, and special licenses. Fees vary depending on the risk profile of the venue.

Option **1**

Status Quo:
Continue using the fees set by the Sale and Supply of Alcohol (Fees) Regulations 2013, with no Alcohol Fees Bylaw.

Option **2**

Introduce an Alcohol Fees Bylaw:
A bylaw would enable the Council to increase cost recovery from alcohol licensing fees. Concurrent consultation on this will take place.

We are seeking feedback on these options to ensure we make an informed decision.

LWDW

LOCAL WATER DONE WELL

Have your say on

THE FUTURE OF WATER SERVICES IN UPPER HUTT

Consultation closes 27 April 2025

About this consultation

The new legislation states that all councils must consult and decide on a delivery model and submit their water services delivery plan to Government by 3 September 2025.

Council is consulting with the community on this in accordance with the alternative requirements of the Local Government (Water Services Preliminary Arrangements) Act 2024 (sections 60-64).

This means it is a little different to how other consultations may look, the information available and what we can do.

There are only two options that we are asking for feedback on. You can read more about these options in the pages ahead, and then provide feedback.

Joint consultation

We are teaming up with the councils that would be part of the proposed new water services organisation to gather feedback on that delivery approach. Although some aspects of the consultation may differ slightly between the councils, the intent is the same – where appropriate to provide shared, consistent information on the options and hear the community's views before a final decision is made.

What happens after this consultation

Following consultation, councillors will consider all the feedback and make their final decision on a new delivery model. Although each council will make its own decision, themes from feedback will be shared across all councils, to ensure alignment in the councils' decision-making. A water services delivery plan will then be finalised based on that delivery model.

Councils are required to submit their plans to the Department of Internal Affairs no later than 3 September 2025 for review and approval.

Key dates

24 March	Consultation opens: come and speak with us at one of our engagement events.
27 April	Consultation closes.
30 June	Councillors make a decision on the new delivery model.
20 August	Councillors adopt Water Services Delivery Plan before its submission.
3 September	Water Services Delivery Plan submitted to Department of Internal Affairs September 2025.
1 July 2026	New model takes effect (if approved).

Legal Disclaimer

This consultation is being undertaken at a time when further legislation to complete the Local Water Done Well reforms is still being finalised. Some key aspects of the options and details contained in this consultation may change as a result of the final legislation which is expected to be enacted in mid 2025.

Greater Wellington Regional Council also wants to hear directly from the region's residents. Visit GW.govt.nz to give them your feedback.

What's in this document

The contents of this document are set out in two parts as shown below.

The case for change (pages 18-25)

- Delivering better water services for the future.
- What's the problem with water services?
- How it works now.
- Wellington Water value for money reports.
- Why is water reform needed?
- What is the best way to deliver our water services in the future?
- Choosing the best service delivery model.
- Why we prefer a new multi-Council-owned organisation.
- The plan for future water services and managing costs.

Specific information about the two options (pages 26-35)

- Comparison and overview of the two options.
- What are the financial impacts and costs of each option?
- How would the new organisation be monitored and kept accountable by the Council?
- What are the implications for communities throughout the proposed new organisation's service area?

More information

- View our Frequently Asked Questions (FAQs) online at **letskorero.upperhutt.govt.nz/LWDW**
- To see how we got to this point, there is a summary of the process so far on our website at **upperhutt.govt.nz/Home/Tabs/Council/Your-Council/Plans-policies-bylaws-and-reports/Local-Water-Done-Well-Reform**
- You can visit the Department of Internal Affairs website at **dia.govt.nz/Water-Services-Policy-and-Legislation** to learn more about Local Water Done Well.

Scan the QR code for more information

The case for change

Delivering better water services for the future

The future of water services in the Wellington region is at a crossroads. To ensure clean, safe, and sustainable water for generations to come, we are seeking community feedback on two options for reform.

Our preferred option is a multi-council-owned water organisation, which would take ownership of public water services. This model allows for better long-term planning, investment, and environmental protection while keeping costs to consumers lower.

The alternative is a modified version of the current Wellington Water model, where councils retain asset ownership while Wellington Water manages services. While this maintains the status quo, it may limit future investment, sustainability and lead to higher costs to consumers.

> Regardless of the chosen approach, water infrastructure will remain publicly owned and managed on behalf of ratepayers. We have outlined the challenges facing our water network, the need for reform, and the details of both options.

What's the problem with water services?

Like many parts of the country, our water networks face significant challenges. We experience water leaks, ageing infrastructure, and water shortages during the summer months. Our wastewater plants sometimes fail to meet quality standards and many waterways remain in poor condition.

It's challenging to meet the long-term needs of our growing population for drinking water, wastewater and stormwater systems. Adding to these challenges, climate change means we have storm events that are more frequent and more devastating, putting pressure on water networks.

The Government's Local Water Done Well reform introduces new regulatory standards for water services that all councils must meet, as well as mandatory planning and accountability mechanisms for new water organisations.

The amount of money councils were able to set aside in their Long Term Plans (LTP) is not enough to keep our water networks up to scratch to meet these new compliance requirements. This puts all of us at risk if services were to fail.

While we've put more funding into water services, especially for leak repairs, our efforts are limited by what ratepayers can afford, and our ability to borrow enough for necessary upgrades and renewals. Here in Wellington, we are also limited by the cumbersome and inefficient arrangements underpinning our current way of delivering water services through Wellington Water.

As a country, we have not been paying enough for water, so whatever happens, water is going to cost everyone more than it has previously. We have to address these issues urgently and over time, but in a way that we can all afford and is fit for purpose.

How it works now

Councils own the water networks in their areas – this is either individually or jointly in the case of some assets. Greater Wellington Regional Council owns the drinking water treatment plants and main pumps and pipelines to get water to the city reservoirs.

Wellington Water is the water services provider for the councils. It is fully funded by, and delivers services to councils that own it: Hutt, Porirua, Upper Hutt and Wellington City Councils, South Wairarapa District Council and Greater Wellington Regional Council.

Wellington Water is governed by a board of independent directors. A representative from each council sits on the Wellington Water Committee that provides overall direction for the company.

While all of our current Council plans show increased investment in water in the coming years, we know this is not enough to maintain supplies that meet standards. More will be required.

Upper Hutt's shared water services

There are two instances where our Council cannot determine the price we are charged for water services, as we do not have either treatment plants for our water supply or wastewater treatment assets. This means Council does not control expenditure on these items – which are a significant part of our water services funding allocation under the current model.

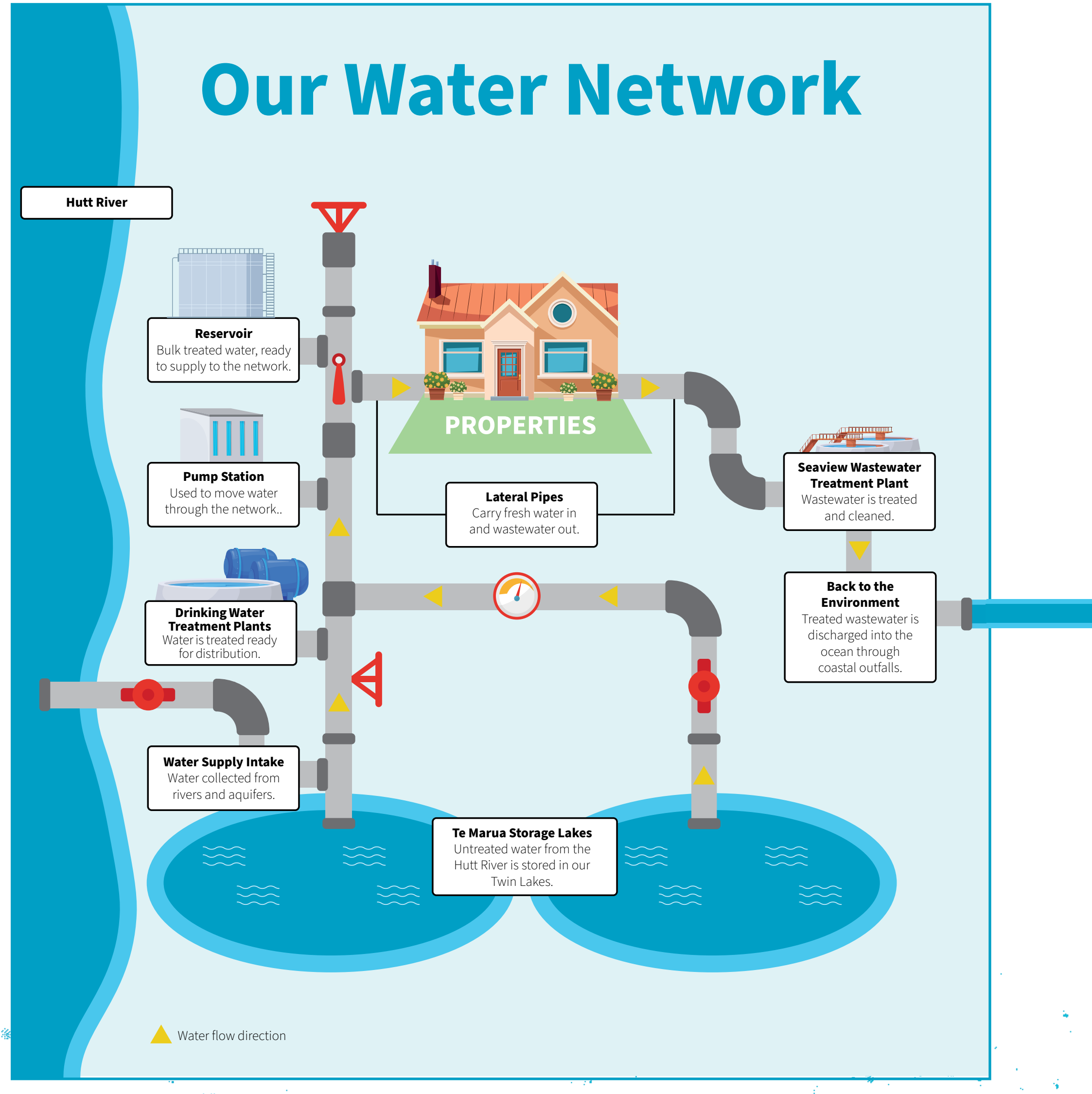
This makes us a 'price-taker' for the following services:

- **Bulk drinking water supply delivered by Greater Wellington Regional Council** - Greater Wellington Regional Council manage the supply and treatment for all drinking water (also referred to as bulk water) across the region. Council is charged for the supply of this water to our city.

Bulk drinking water makes up 35% of our total operating expenditure on water activities for 2025/26.

- **Wastewater shared services with Hutt City Council** - The Hutt Valley Services Committee was set up in 1989 between Upper Hutt City Council and Hutt City Council to oversee shared services. This includes the Hutt Valley Wastewater Scheme. The scheme refers to the Trunk Wastewater Network (including a large holding tank at Silverstream) and the treatment plant located in Seaview. The scheme is funded by both councils on a population basis (currently 30% for Upper Hutt). Financial budgets for the scheme are set by Hutt City Council. Upper Hutt is required to provide funding for this capital expenditure.

The shared wastewater scheme works make up 43% of our total capital expenditure (all Council activities) and 15.8% of our total operating expenditure on water activities for 2025/26.



Wellington Water Ltd. Value for Money Reports

In early March 2025, Wellington Water released reports they had commissioned to identify better value for money through the investment made by its shareholding councils, which includes Upper Hutt City Council.

At this stage, we do not know the implications of these reports on our financial modelling. We will share updates on this with our community through our usual channels as soon as we can. In the meantime, we encourage you to please have your say on the new model proposed for water services included in this document.

It is really important to have your say so that whatever model is in place in the future meets community needs and expectations for quality water provision.

Why is water reform needed?

To address challenges facing water around the country, the Government has now introduced **Local Water Done Well** which aims to:

- **Strengthen the regulation of water services by:**
  - Implementing new water quality and wastewater standards regulated by the Water Services Authority - Taumata Arowai.
  - Introducing economic regulation covering price, quality and affordability issues through the Commerce Commission.
- **Enable water services to continue being delivered locally** - with a mixture of measures that encourage councils to work together in new water Council Controlled Organisations (CCOs), ringfence the money going into water (to prevent cross subsidisation of other council activities) and have greater borrowing ability to better spread costs over the life of water assets.

Under Local Water Done Well, the Government has committed that water services will remain in public ownership. Councils and new water organisations will not be able to privatise water services.

The core expectations and legislative requirements of all councils under Local Water Done Well are that:

- Councils must develop a water services delivery plan to transition to a new water services delivery model that can meet new regulatory requirements.
- There will be increased regulation in relation to water quality, infrastructure investment and consumer protection.
- Financial sustainability of a water service delivery model is required, based on water service providers having sufficient revenue, ringfenced to fund water investment, and funding for growth.
- Money collected from the community to fund water services must be spent on water services.

Local Water Done Well creates minimum requirements for all water service delivery models that include:

- New economic, environmental and water quality regulations.
- A new planning and accountability framework.
- Financial sustainability objectives.
- New statutory objectives consistent for all water providers.
- Restrictions against privatisation.

All water service delivery plans must be submitted for Government review and approval via the Department of Internal Affairs by 3 September 2025.

What is the best way to deliver our water services in the future?

Under **Local Water Done Well** every local authority in New Zealand is now required to consider its future service delivery model and submit a Water Service Delivery Plan to the Department of Internal Affairs by 3 September 2025 for review and approval.

This plan has to consider:

- **Government requirements** – The plans must have prescribed information about the state of their water assets, determine how much they need to invest in water services to meet regulatory requirements, and set out how they plan to finance and deliver it through their proposed future water services delivery model.
- **Ageing infrastructure** – Major upgrades and renewals are required.
- **Water quality risks** – Leaks and pollution of waterways must be addressed. New water standards set by the Water Services Authority - Taumata Arowai will help to improve drinking water quality and stormwater and wastewater networks over time.
- **Growing populations put pressure on core infrastructure** – Investment is needed to keep pace.
- **Financial sustainability** – More investment is needed for the long term and the current model is unsustainable.
- **Affordability** – Paying for water services will increase no matter what. What option is going to be less costly for ratepayers over time?
- **Environmental impact and sustainability** - We know that expectations and regulatory standards are increasing and that we need to be prepared to invest if we are to meet our aspirations in this area.

Choosing the best service delivery model

As part of Local Water Done Well, the Government has mandated that councils review how water services are delivered based on a range of options.

This consultation is to help guide the decision about the type of organisation that is best suited to deliver water services. All councils are required to undertake this process with their communities to seek feedback on their preferred model.

Five councils have agreed to work together – Hutt City, Upper Hutt City, Porirua City, Wellington City and Greater Wellington Regional Council. We have worked in partnership with Iwi to consider and test a range of delivery model options (the South Wairarapa District Council has decided to work with other Wairarapa councils rather than this side of the Remutaka Ranges).

These five councils have worked together for 10 years with Wellington Water as our water services provider. Each council has considered the issue and separately arrived at a common view that it's time to change the way we deliver our water services.

Why are there only these two options available?

Under the Government's Local Water Done Well legislation, the available delivery model options are clearly defined, with specific guidelines on their development within the new water services delivery plans. Councils are obligated to engage with their communities by consulting on at least two options for providing water services.

The legislation provides alternative arrangements where Council must include an option for the current arrangements or status quo (how we currently do things) – noting any future delivery model must meet new planning, regulatory and accountability requirements under Local Water Done Well.

Councils must consider a second option to set up a new water organisation owned by one or more councils to deliver water services. This is Upper Hutt City Council's preferred option as discussed in this document.

Upper Hutt City Council is asking you to consider and give feedback on two options:

1. **Our preferred approach** – a new multi - council owned water organisation which will own and operate public water, wastewater and stormwater assets/networks.
2. **Modified status quo** – a modified version of Wellington Water where asset ownership and investment decisions remain with each individual council. As the existing Wellington Water model would not comply with all aspects of the new legislation, this option includes changes required to comply with legislation.

Why we prefer a new multi - council owned organisation

We know there are a number of challenges with our current delivery model and think that there are a number of benefits and opportunities from our preferred model.

We outline in this document why this option is preferred for Upper Hutt for two key reasons. Firstly, due to having financial capacity constraints to meet new water regulations and standards, and secondly given the nature of the shared water services we rely on (for both drinking water supply and wastewater services).

Future charges for water

One of the key issues for our community is how much each model will cost to run and how much this will cost you.

Two things are clear:

- Costs will be higher under each delivery model given the new compliance requirements, backlog of investment and the poor state of our water services infrastructure. Under either option set out in this document, what communities pay for water services will need to increase to address the challenges we face.
- Based on our high-level modelling, the preferred option would mean water charges are on average about a third less than the modified status quo by 2033/34. Note these are high level estimates only and will change as our plan is developed further, but water charges are still expected to be lower under the preferred model.

There are a number of reasons for this, in particular:

- The organisation would own all the water services infrastructure covered by the five councils and be able to generate its own income and manage its own debt. It would be expected to deliver economies of scale and have a strong focus on efficiency and value for money.
- The new organisation would have greater ability to borrow money than councils currently do. This means that costs to fund assets that typically have very long lives and serve many generations of consumers will be able to be spread over a longer period of time.

Transfer of three waters assets

The Council's preferred option involves transferring ownership of the Council's water supply, wastewater and stormwater network assets to the new water organisation. This is required to achieve balance sheet separation to enable the increased financial borrowing capacity of the new organisation.

Upper Hutt City Council has identified its three waters assets as strategic assets in its Significance and Engagement Policy. This consultation includes this proposed transfer of three waters assets that would occur as part of the preferred option to establish a new water organisation.

Regional approach and independence

Our region has an interconnected water system, with drinking water from the Hutt Valley supplying the whole metropolitan area and communities sharing wastewater treatment plants.

The new organisation would have the resources, independence, and region-wide perspective to effectively manage and improve our drinking water, wastewater and stormwater networks, for current and future communities, rather than being limited by council funding, electoral and decision-making cycles. This is a big advantage compared to the current service delivery model.

Wellington Water currently takes direction from six different councils (five under the modified Wellington Water model option), meaning it is constantly reacting to issues within each area. The new water organisation would consider the networks as a whole, enabling a holistic and longer-term approach to planning, and resulting in a more reliable water network.

More information on the options including financial impacts and costs of the options are here on pages 26-35

Ability to comply with regulation

While ownership of the water networks and control over its own revenue and financing will give the new water organisation the ability to make decisions itself, it would operate in a much more regulated environment. New compliance requirements and oversight for all water providers are key aspects of the Government's reform. This will provide a strong focus on water and service quality, customer-focused delivery and value for money.

Why does Upper Hutt have to join with other councils; why not go it alone?

- **Investment capacity:** To meet new Government standards and regulations for water services, significant increased investment is required. Council on its own does not have the financial capacity, including borrowing ability (meaning debt), to achieve the level of investment required. The new framework enables the new multi-council owned water organisation to borrow more to invest in water infrastructure and services.
- **Shared services:** Most of Upper Hutt's three water assets are shared with other councils. For this reason, we must work with other councils. We are cost and service takers for drinking water (bulk water supplied from Greater Wellington Regional Council) and for wastewater (via a Hutt Valley Shared Service joint venture with Hutt City Council).

Support of our Iwi Partners

The preferred approach has been developed jointly by the five councils working in partnership with iwi representatives from Ngāti Toa Rangatira and Taranaki Whānui ki Te Upoko o Te Ika.

Key outcomes sought are:

- That wai needs to be protected and managed for the benefit of current and future generations.
- There will be an enduring focus on the best possible outcomes for wai, taking a holistic approach across the whole water system.
- There will be a commitment to achieving the outcomes articulated in te mana o te wai, as these endure beyond changing political cycles and direction.
- Iwi will have an active role in all levels of the water services eco-system – from long-term planning, governance, operations/management, through to engagement with communities.
- The approach will be tūpuna-led and mokopuna focused, meaning that we need to be driven by the goal of creating a thriving environment for future generations.
- A culture where committing to and resourcing these outcomes will be at the core of any new water entity, partnership or agreement.

To deliver these outcomes, iwi representatives have confirmed a joint council-owned water organisation as their preference. The primary drivers for this are:

- Water sources across Wellington are connected and for Māori are considered as one, from the water source of Te Awa Kairangi / Hutt River through to Te Whanganui-a-Tara / Wellington Harbour, Te Awarua-o-Porirua Harbour and the south coast.
- Working with one single organisation for water services would enable consistency across the region (supporting end-to-end protection and management) and will remove duplication of similar work across multiple organisations or councils.

Other benefits

- **Focus on accountability** – The preferred model is a new dedicated water organisation that takes full responsibility and accountability. Owning its assets helps the organisation deliver better financial results and service to customers, shareholders, Iwi, and government regulators.
- **Simplicity** – The preferred model is a one-stop shop for customers to get their water issues sorted.
- **Effectiveness in decision making** – The preferred model will ensure clear, aligned long-term decision-making and reduce these variations.
- **Efficiencies through economies of scale** – We know that a single larger organisation can achieve greater efficiency and better value for money, and will be able to plan and invest more effectively.
- **Better access to debt financing** – Means we can spread cost over a longer period.
- **The new model better provides for the involvement of Iwi** – For this reform Iwi have been around the table from the start and the new model will continue this practice.

> We are working on a delivery plan and more detailed information. We have done some preliminary financial work to enable us to compare different delivery models for your feedback.

The plan for future water services and managing costs

Under the new legislation each council must prepare a Water Services Delivery Plan that:

- Identifies the state of our water assets (pipes, reservoirs, pumping stations, wastewater treatment plants etc).
- Meets all regulatory water quality standards.
- Is financially sustainable.
- Supports population growth.
- Covers 10 years.

We are working on this plan and its detailed information. We have done some preliminary financial work to enable us to compare different delivery models for your feedback, but the costs need more work before we finalise our Water Services Delivery Plan.

Under either delivery model we plan to:

- Continue to review our capital investment programme. We are reluctant to make significant changes at this stage of the process because we know this work is urgent and some projects have already been delayed.
- Drive efficiencies through more joined up decisions, better procurement practices, process improvements and a strong focus on value for money.
- Look at other funding sources and ways to structure debt.
- Look at how pricing is applied to different users and parts of the region to ensure that this is fair and reasonable.

Specific information about the two options

Comparison and overview of the two options

In this part we'll compare the information we have for each of the two options.

Each section has a common header from the list below, and then we provide the relevant information for each of the options – the preferred option and the modified status quo option.

- What are the financial impacts and costs of each option?
- What are the implications for communities throughout the proposed new organisation's service area?
- How would the new organisation be monitored and kept accountable by the Council?

Disclaimer:

Important context on financial and level of service impacts: The information provided in this section is indicative and provided for the purposes of consultation. This information is subject to change as Council further works through implications of finalised legislation, compliance requirements, further investment priority discussions and cost impacts and affordability for communities. The financial information provided does not constitute all of, nor the final, financial information to be developed for the completed Water Services Delivery Plan for submission to the Department of Internal Affairs.

Summary table of the option information

	Preferred option – new water services organisation	Modified status quo – Wellington Water modified to meet legislative requirements
Asset ownership (ie the pipes, pump stations, reservoirs, wastewater treatment plants etc)	Assets are owned by the new company.	Assets are owned by each individual council.
Ownership of the organisation	The shareholders are the individual councils.	The shareholders are the individual councils.
Decisions on spending in a new regulatory environment	The Board of the new company will make decisions based on input from councils through a statement of expectation, and stricter Government regulation on price and quality (Commerce Commission) and water quality and wastewater standards (Taumata Arowai).	Individual councils make decisions based on the advice provided by Wellington Water. We consult through our planning – Long Term Plans/ Annual Plans. Stricter Government regulations and oversight would apply to the modified status quo.
Charging for services	The water services will be removed from council rates and the new company will bill property owners separately. There may be some interim arrangements for each council as the new organisation gets established.	Currently all water services are paid through each council's rates. There would be no change to this under the modified status quo.
Costs to customers	Early high-level modelling (provided to all five councils by consultants Mafic), indicates the preferred option results in water charges that are about a third less than the status quo by 2033/34. While the preferred option is the most affordable option for the community, the higher future costs to fund what's required to comply with new regulation remain challenging from an affordability perspective.	Early high-level estimates (provided by consultants Mafic) are that the costs to customers will need to go up substantially to meet the new regulations. Based on current high-level estimates, by 2034 the average cost per connection under a full capital programme funding what's required to comply with new regulation would be significantly higher than the preferred option.

	Preferred option – new water services organisation	Modified status quo – Wellington Water modified to meet legislative requirements
Debt capacity (noting that debt pays for long term assets to reflect the intergenerational benefits for these long run assets)	Local Water Done Well will allow for higher borrowing capacity for new water entities based on funds from operations as a proportion of debt. This will enable water organisations to spread costs over a longer period.	Currently we can borrow 2.8 times our revenue (or up to 280% debt to revenue ratio). Our current financial strategy shows that the Council will be reaching close to maximum borrowings limit, this will lead to a heavily constrained investment situation and restrict our ability to make the appropriate investments to meet the new regulatory requirements over the long term.
Water meters	Volumetric charging (meaning you pay for what you use) via water metering is a part of how water organisations are expected to operate in the future. Council has allocated funding for a business case to assess the feasibility of universal residential water meters for Upper Hutt. This analysis will guide any future decisions made by the new organisation on water meters. This is the same across both options.	Volumetric charging (meaning you pay for what you use) via water metering is a part of how water organisations are expected to operate in the future. Council has allocated funding for a business case to assess the feasibility of universal residential water meters for Upper Hutt. This analysis will guide any future decisions made on water meters. This is the same across both options.
Customer enquiries	The new organisation would be the single point of contact for all service requests.	First point of contact is the individual council, which passes these to the modified Wellington Water.
Population growth	Should improve the ability to meet population growth through access to greater borrowing to fund the investment required.	Less certainty on how population growth will impact new housing development. However, without substantial investment to increase network capacity, some parts of Upper Hutt are likely to have limited ability to add new housing.
Board appointments	An elected professional Board of Directors, independent of council will be appointed with a decision by shareholder councils and potentially Iwi included on an oversight group. The details of this are still being worked through. **For more information visit dia.govt.nz**	A unanimous decision by the Wellington Water shareholding councils.

What are the financial impacts and costs of each option?

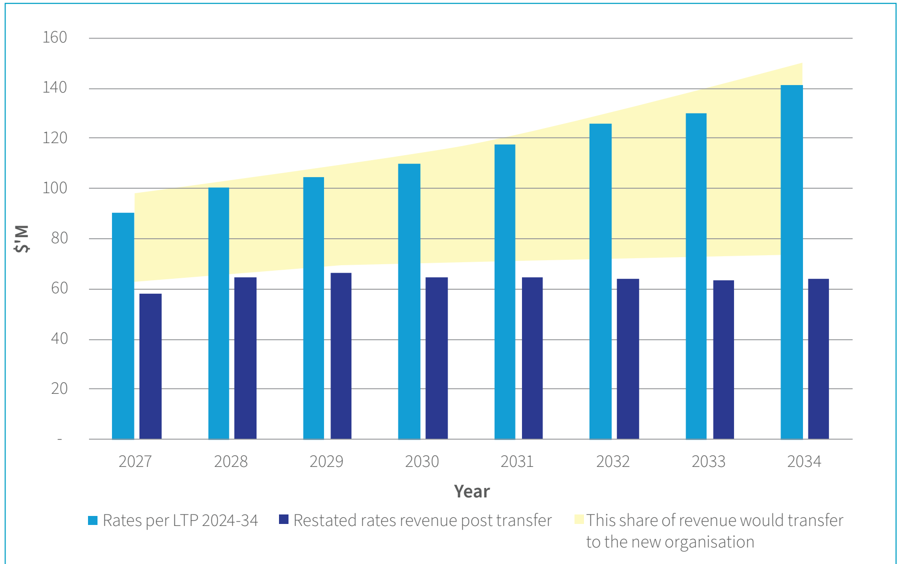
Work so far is based on high level modelling and high level cost estimates. This work was undertaken at a joint level and provided by an external provider (Mafic) rather than council staff. The modelling is intended to help comparison of model options, and in no way does it represent final detailed costs, water charges and investment programmes.

UNDER THE PREFERRED OPTION:
A NEW MULTI-COUNCIL OWNED WATER ORGANISATION

Council Rates

If the preferred option proceeds the Council will move to no longer funding water services through rates, instead a separate water charge would be billed to water customers by the new organisation. This would result in lower rates revenue for the Council (all things being equal) as shown in the following graph. The graph compares the rates revenue forecast in the Long Term Plan 2024-34 with rates revenue after the transfer of the water assets to a new regional organisation (assumed 1 July 2026):

Graph 1 – Indicative rates revenue impact



Source: MAFIC Summary output (04.03.2025)- UHCC, Upper Hutt City Council Long Term Plan 2024-2034

Water Charges

Both of the options set out in this document demonstrate that communities will have to pay more for water services to meet the new Government water regulation.

Under the preferred option (Option one), the new water organisation would provide all services directly to water customers and bill directly for water usage and services provided.

Customers would no longer pay water rates to the Council to fund the cost of water services. Water rates will be replaced with water charges.

Water charges will be independently determined by the new water company, under the oversight of an economic regulator (Commerce Commission) to ensure that these are fair, reasonable and provide appropriate levels of service.

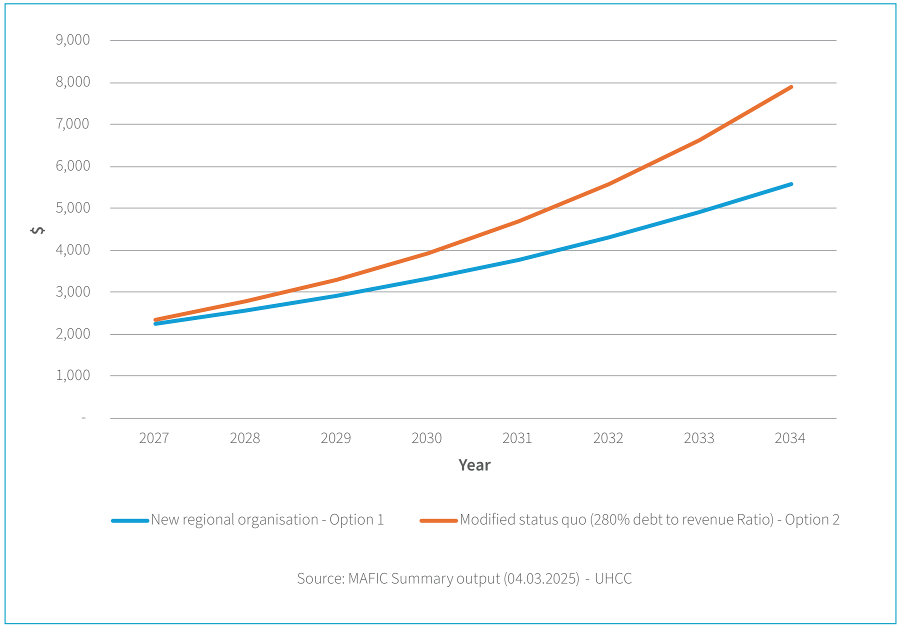
Council's ability to have some influence over the water organisation's pricing and charging approach will be through the statement of expectations and water services strategy for the new water organisation.

Indicative high-level financial modelling completed to date indicates the multi-council owned water organisation option is likely to provide the most efficient and effective financial solution.

This is due to greater economies of scale on matters such as regulatory compliance and the significant additional borrowing capacity available to the new multi-council owned water organisation.

Indicative average water charges per connection (including inflation and GST) are shown in the graph that follows. Over the period modelled the preferred option (Option one) is estimated to be about a third lower than the status quo.

Graph 2 – Indicative average water charges per water connection (inflated)



Note: The modelling of these water charges is indicative only and provided solely for the purposes of comparing delivery model options. The information is subject to change as the implications of new and future legislation, the new regulatory environment, compliance requirements, investment priorities and cost impacts and community affordability are yet to be understood in detail and more comprehensive work is required to be completed for the Water Services Delivery Plan.

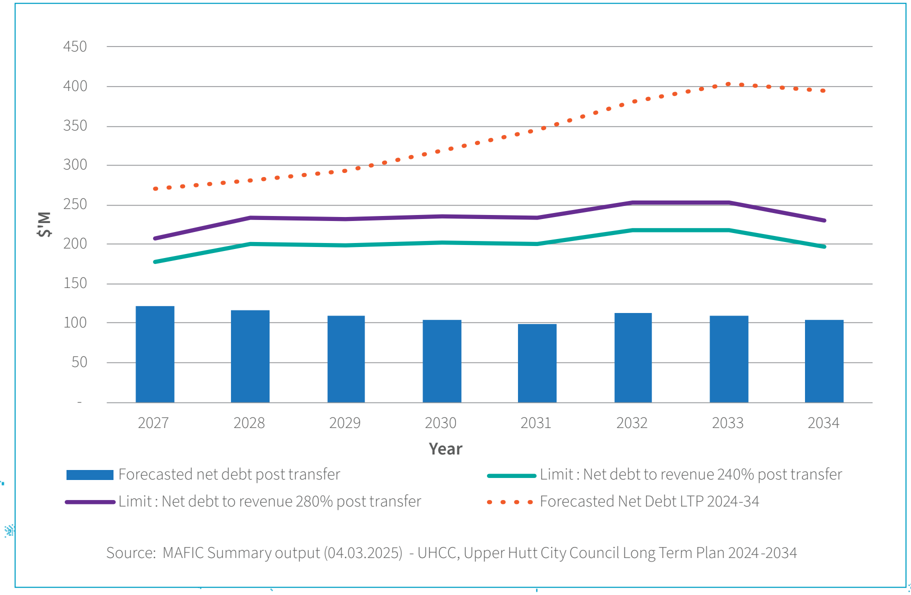
Council Debt

Under the preferred option (Option one), the debt associated with water assets would be removed from Council books and transferred to the proposed new water organisation on establishment (assumed 1 July 2026).

The graph below shows the impact on debt of the water services transfer in comparison to the current Long Term Plan assumptions. The underlying assumption is opening water services debt balances will transfer from Council to the new water organisation on 1 July 2026. This will drop the forecast debt levels remaining with the Council.

As a result of lower debt and revenue, the Council's remaining borrowing capacity is likely to improve. Based on the current Long Term Plan, this would mean a more favourable position for the Council. This position assumes all debt would be repaid when the new regional organisation is set up on 1 July 2026. Should the debt be repaid over a longer period the position would be less financially favourable.

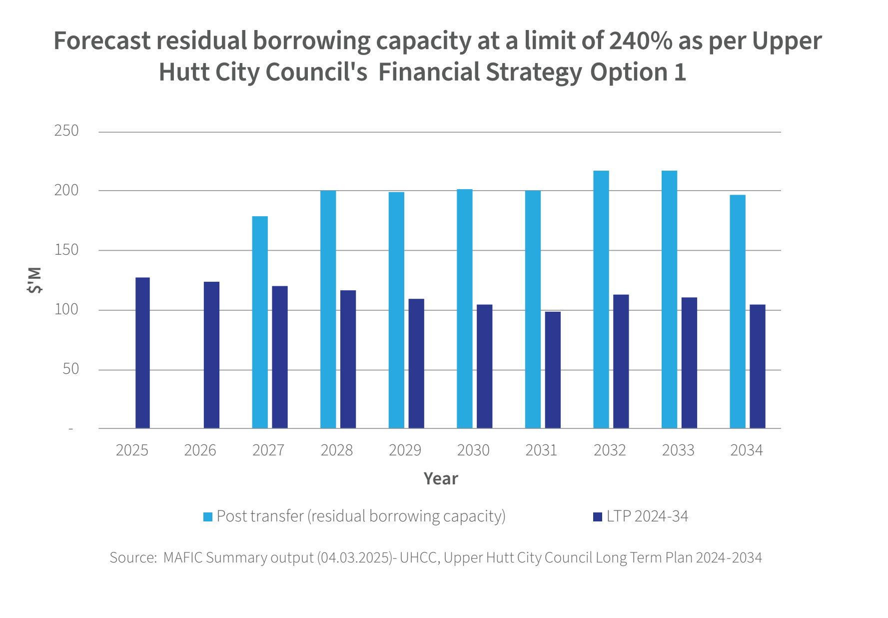
Graph 3 – High level forecasted net debt to revenue



Note: The borrowing limit in the LTP 2024-34 was set at 240% of debt to revenue, Council consider that it is essential to maintain headroom for the ability to fund a significant natural disaster should such an event occur.

OPTION ONE (COUNCIL PREFERRED OPTION)

Graph 4 – Forecast residual borrowing capacity



Levels of Service

All the water service assets, water related funding we receive, and debt will transfer to the new water organisation.

The new joint water organisation will be responsible for all planning and delivery functions including providing appropriate levels of service for communities.

The broader role of the new water organisation under the Local Water Done Well framework will enable it to improve asset management and investment across the whole network, from source to tap in the case of water, and from businesses and households to treatment and discharge in the case of wastewater.

This will be financially enabled, in part, by an increased level of borrowing capacity being available under the new legislation.

Access to increased borrowing will enable the water organisation to better manage key risks, meet new regulatory obligations and deliver major long-term infrastructure that is currently unaffordable for councils. Borrowing will allow increased investment in water quality, growth and compliance activity.

Addressing the challenges and risks for water is likely to take 20 – 30 years of ongoing investment. The expected result will be better levels of service for communities through reduced leaks, outages and unplanned disruptions while also enabling growth and delivering cleaner harbours and waterways.

While decisions on service levels are ultimately for the new water organisation to make, the changes outlined in the previous paragraph are expected to lead to the following improvements in service levels over time:

- Increased reliability and availability of water services to customers and reduced outages. This will be achieved slowly over the short term. There is a catch up on replacing assets.
- Improved water use efficiency and water conservation with universal water metering planned to be rolled out for all users.
- Improvement in regional water security, including building new water storage lakes.
- Compliance issues with the Seaview wastewater outfall pipe will be addressed.
- Improved water quality and reduced compliance risks at all the wastewater treatment plants.
- Cleaner streams and harbours.
- Population growth can be supported across the region rather than in pockets within some councils.

As this will take time and ongoing investment, not all risks will be managed immediately with some ongoing challenges regarding water supply, environmental compliance and seismic resilience in the short to medium term. The new joint water organisation will be better placed than individual councils and our provider Wellington Water currently are to manage these risks as it will have greater scale and increased borrowing capacity.

OPTION TWO:
MODIFIED VERSION OF WELLINGTON WATER

Council Rates

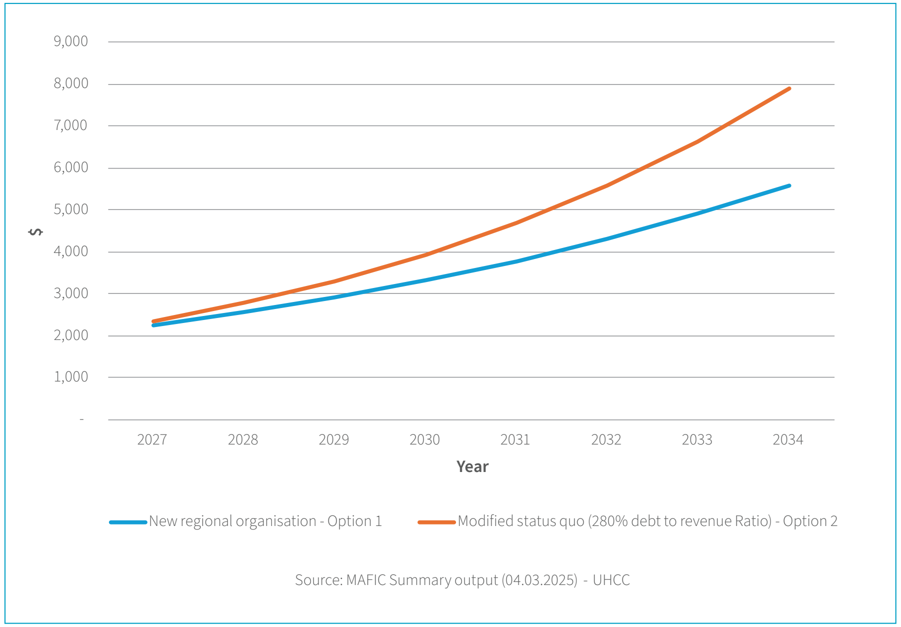
Under this option the Council would continue to fund water services through rates. The Council would need to ringfence water services revenue for water supply, wastewater and stormwater activities.

Rates for water services would likely continue to be determined via the Council's long term planning processes. Rates for water services would need to be increased to meet the new planning and accountability framework for water services under Local Water Done Well including the oversight to be provided by the economic regulator (Commerce Commission) and water regulator.

The modelled impact on rates has been based on the same investment programme used in the preferred option, this allows the reader to make a "like for like" comparison. Based on the indicative high-level modelling, future targeted water rates for water services will need to be significantly higher.

The preferred option (Option one) shows water charges in the final year of the modelling are about a third less than the modified status quo by 2033/34. The rates line for Option two is shown as the orange line in graph 2 shown right.

Graph 2 (repeated) – Indicative average water charges per water connection (inflated)

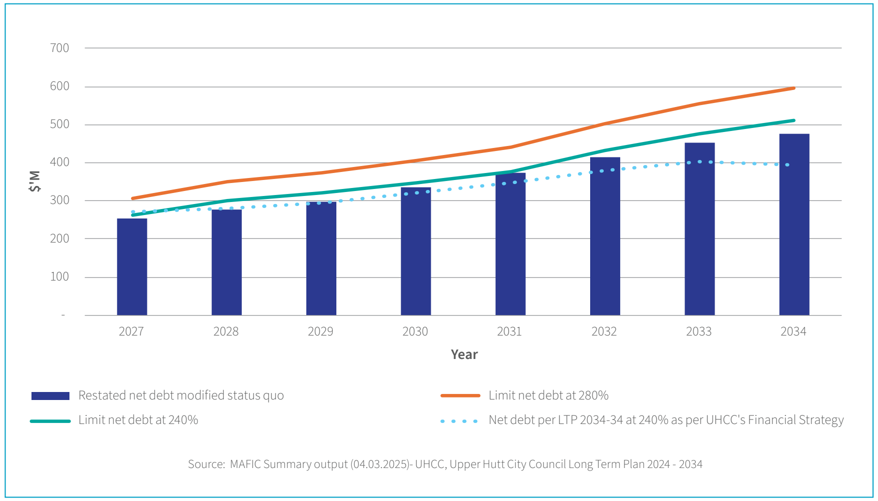


Council Debt

Under Option two debt associated with water assets would continue to be held within Council and under current guidance the debt would need to be managed within Council's borrowing limits.

Graph 5 (on the next page) shows the potential impact of retaining water services in comparison to the Long Term Plan forecast on debt. The model output shows that forecast debt would be higher than in the Long Term Plan reflecting higher investment required to meet the new regulatory requirements.

Graph 5 – Forecast net debt to revenue – modified status-quo



Source: MAFIC Summary output (04.03.2025)- UHCC, Upper Hutt City Council Long Term Plan 2024 - 2034

Note: The borrowing limit in the LTP 2024-34 was set at 240% of debt to revenue, Council consider that it is essential to maintain headroom for the ability to fund a significant natural disaster should such an event occur.

Levels of Service

All the water service assets, revenues (such as targeted rates, any metering charges, development contributions) and debt would remain with each council. Councils would continue to have significant constraints with increasing debt, meaning increases to rates would be required to pay for required works.

Under the current model, Wellington Water must agree on maintenance, capital works and funding programmes separately with each council. This reduces Council's ability to make the most of investment across the network.

We have modelled the same investment programme for this option as for the preferred option. If water charges were considered unaffordable then investment levels would need to reduce.

If rates increases were deemed unaffordable, network risks may increase and levels of service would likely continue to deteriorate. There would be a higher likelihood of non-compliance with the new regulatory settings, and it would be challenging to fund high-cost infrastructure while also continuing to increase investment in repairs and replacements, water quality, and growth activity.

Over time this could lead to a poor impact on environmental compliance, water supply and seismic resilience.

It is likely that there would be ongoing level of service challenges such as leaks, outages and unplanned disruptions with constraints on growth and continued impacts on water quality of waterways

How would the new organisation be monitored and kept accountable by the Council?

UNDER THE PREFERRED OPTION:
A NEW MULTI-COUNCIL OWNED WATER ORGANISATION

The Board of the new water organisation will be appointed by, and accountable to, shareholders (the councils) – who are accountable to, and represent, their communities and consumers.

Under the Government's Local Water Done Well policy and Local Government (Water Services Preliminary Arrangement) Act 2024, all water organisations are required to meet a minimum set of expectations about how they plan and deliver water services, which will ensure they are held accountable.

The Commerce Commission and Water Services Authority - Taumata Arowai will also oversee key aspects of the organisation's performance (and they will still be subject to existing public health safe drinking water and environmental regulation).

The proposed multi-council-owned organisation will be owned by shareholder councils, who will each appoint representatives to a joint council oversight body.

This body will enable the coordination of multiple council interests, lead the development of the statement of expectations (see below), appoint directors to the water organisation's Board, and oversee the water organisation's performance (including in regard to strategic assets). This will ensure a high-quality service is provided to everyone across the region. The participating councils will enter into a shareholders' agreement, which will set out how they will work together effectively.

OPTION TWO:
MODIFIED VERSION OF WELLINGTON WATER

This would happen in a similar way to the current arrangements with adjustments as necessary to reflect the new legislation.

This would include oversight from the Wellington Water Committee (that is made up of council representatives) which delivers an annual statement of expectations and receives quarterly reporting on performance. Councils (via the Wellington Water Committee) would appoint the Wellington Water Board as they currently do. Councils would continue to set the budget for Wellington Water through their Long Term Plans with oversight from the Commerce Commission as the economic regulator.

What are the implications for communities throughout the proposed new organisation's service area

UNDER THE PREFERRED OPTION:
A NEW MULTI-COUNCIL OWNED WATER ORGANISATION

In time, the new water organisation can be expected to result in the delivery of more consistent levels of service to communities across its entire service area (Porirua, Wellington City, Hutt and Upper Hutt).

This will be due to its ability to take a strategic, network-wide approach to investment, and prioritise parts of the network that are in the greatest need of renewal or repair. The organisation can also be expected to take a more consistent approach to charging for water services across the region: currently, the average household or commercial water user in Porirua, Wellington, Hutt and Upper Hutt pays different amounts for water services through the rates set by each council.

Communities across the region can also expect the same approach to invoicing, customer enquiries and complaints from the new water organisation, regardless of where they live.

OPTION TWO:
MODIFIED VERSION OF WELLINGTON WATER

This part of the information required under the legislation does not apply to the status quo option, only to options establishing new water organisations.

What happens next

Consultation opens: 24 March 2025

Consultation closes: 27 April 2025

Councillors make a decision on the new delivery model: 30 June 2025

Councillors adopt Water Services Delivery Plan before its submission: 20 August 2025

Water Services Delivery Plan submitted to Department of Internal Affairs: 3 September 2025

New model takes effect (if approved): 1 July 2026

More information

- View our Frequently Asked Questions (FAQs) online at **letskorero.upperhutt.govt.nz/LWDW**
- To see how we got to this point, there is a summary of the process so far on our website at **upperhutt.govt.nz/Home/Tabs/Council/Your-Council/Plans-policies-bylaws-and-reports/Local-Water-Done-Well-Reform**
- You can visit the Department of Internal Affairs website at **dia.govt.nz/Water-Services-Policy-and-Legislation** to learn more about Local Water Done Well.

Scan the QR code for more information

Time to have your say

It's important that you have your say on issues that impact your community. We encourage you to take the time to read this consultation booklet and consider the options.

Revenue and Financing Policy

Do you agree with the proposed changes to the Revenue & Financing Policy? ◯YES ◯NO

Forestry Rating differential

Do you agree with the proposed changes to Forestry Rating differential? ◯YES ◯NO

Do you have anything else you want to tell us about the Forestry Rating differential?

Schedule of Fees and Charges 2025/26

Do you agree with the proposed changes to the Schedule of Fees and Charges? ◯YES ◯NO

Do you have anything else you want to tell us about the Schedule of Fees and Charges?

Alcohol Fees Bylaw

Which option of the proposed changes to the Alcohol Fees Bylaw do you support? ◯1 ◯2

Do you have anything else you want to tell us about the Alcohol Fees Bylaw?

Kerbside Recycling

Which option do you support for Kerbside Recycling? ◯1 ◯2

Do you have anything else you want to tell us about Kerbside Recycling?

Gambling Venues Policy

Which option of the proposed changes to the Gambling Venues Policy do you support? ◯1 ◯2 ◯3 ◯4

Your feedback helps us when we're making decisions, so we're keen to know what you think about the things we're looking to change.

LW DW

LOCAL WATER DONE WELL

Which option do you believe is the best for delivering reliable drinking water, wastewater, and stormwater services?

◯ **Option 1** Multi-council owned water organisation (Council's preferred option)

◯ **Option 2** Modified version of the current Wellington Water model (with a new planning, regulatory and accountability framework)

Do you have any further comments on the Local Water Done Well consultation?

Greater Wellington Regional Council also wants to hear directly from the region's residents. Visit GW.govt.nz to give them your feedback.

FOLD HERE

Te Kaunihera o
Te Awa Kairangi ki Uta
Upper Hutt City Council

FOLD HERE

Reply

Te Kaunihera o
Te Awa Kairangi ki Uta
Upper Hutt City Council

FREEPOST AUTHORITY NUMBER 71019

Upper Hutt City Council
Private Bag 907
UPPER HUTT 5140

FOLD AND SEAL HERE

FOLD AND SEAL HERE

TEAR HERE

About you...

NAME:

ORGANISATION (IF ON BEHALF OF):

EMAIL: (◯ PREFERRED)

TELEPHONE: (◯ PREFERRED)

◯ Please do not publish my name

Statistical information (remains confidential)

Are you a resident of Upper Hutt? ◯ Yes ◯ No

Do you currently pay rates in Upper Hutt? ◯ Yes ◯ No

Do you work in Upper Hutt? ◯ Yes ◯ No

What suburb do you currently live in?

Hearing

Would you like to present your submission in person?
If so, please select a preferred hearing date (one only):

◯ 19 May

◯ 20 May

SUBMISSION FORM

TEAR HERE

How to make a submission

You can make a submission online by going to: ***letskorero.upperhutt.govt.nz/2025-2026-ap***
or you can complete the form (on page 36) and send it in to Council.

Submissions open 24 March and close 27 April 2025.

Online

Annual Plan Consultation
Fill out online form at:
letskorero.upperhutt.govt.nz/2025-2026-ap
Or scan the QR code on the left.

Local Water Done Well
Fill out online form at:
letskorero.upperhutt.govt.nz/LWDW
Or scan the QR code on the right.

ReplyPaid postage or drop box

Complete the tear-off submission form. Post it from any NZ Post mailbox or drop it into one of our drop boxes at:

- Council reception
- Upper Hutt Central Library
- Pinehaven Library
- Whirinaki Whare Taonga
- H_2O Xtream

Written

To be posted to:

Upper Hutt City Council
Private Bag 907, UPPER HUTT 5140

Email

To be emailed to:

letskorero@uhcc.govt.nz

Please review our privacy statement when making a submission.
www.upperhutt.govt.nz/Home/Privacy-statement

Supporting information

ANNUAL PLAN

For more information, go to ***letskorero.upperhutt.govt.nz/2025-2026-ap***
or scan the QR code on the right, where you'll find further detail on the following:

Financial Statements

Funding Impact Statement

Kerbside Recycling Consultation

CONCURRENT CONSULTATIONS

Schedule of Fees and Charges 2025/26

Gambling Venues Policy

Revenue and Financing Policy

Alcohol Fees Bylaw

LOCAL WATER DONE WELL

For more information, go to ***letskorero.upperhutt.govt.nz/LWDW***
or scan the QR code on the right

PAPER COPIES CAN ALSO BE PROVIDED ON REQUEST AT THE FOLLOWING COUNCIL FACILITIES:

Upper Hutt City Council reception
838 – 842 Fergusson Drive

Upper Hutt Central Library
844 Fergusson Drive

Pinehaven Library
Corner Pinehaven Road and Jocelyn Crescent, Pinehaven

Our Mayor and Councillors

Wayne Guppy
KOROMATUA | MAYOR
027 277 1550
Wayne.Guppy@uhcc.govt.nz

Hellen Swales
KOROMATUA TUARUA | DEPUTY MAYOR
027 528 6799
Hellen.Swales@uhcc.govt.nz

Dylan Bentley
020 4013 2230
Dylan.Bentley@uhcc.govt.nz

Matt Carey
027 608 3108
Matt.Carey@uhcc.govt.nz

Chris Carson
021 041 5969
Chris.Carson@uhcc.govt.nz

Blair Griffiths
027 451 9561
Blair.Griffiths@uhcc.govt.nz

Bill Hammond
027 442 1351
Bill.Hammond@uhcc.govt.nz

Emma Holderness
021 992 989
Emma.Holderness@uhcc.govt.nz

Heather Newell
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Heather.Newell@uhcc.govt.nz

Tracey Ultra
027 213 5445
Tracey.Ultra@uhcc.govt.nz

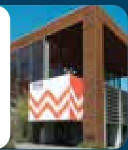
Dave Wheeler
027 769 2390
Dave.Wheeler@uhcc.govt.nz

Let's kōrero *events!*

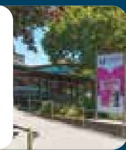
We've organised a number of events to meet up and talk with you about our proposed plans. These events are listed below. Feel free to come and chat with us, ask questions, and provide feedback.

Please check online for any postponements or cancellations before attending. Go to ***letskorero.upperhutt.govt.nz/2025-2026-ap*** for details and updates.

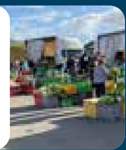
Multicultural Council
Thursday 20 March 2025, 6.30 - 8.00pm
Whirinaki



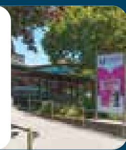
Mayors/Councillors Hotseat
Tuesday, 8 April 2025, 10.30am-11.30am
Upper Hutt Central Library



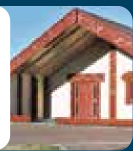
Brewtown Farmers Market
Sunday 30 March 2025, 10am - 12pm
Brewtown



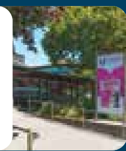
Senior Net
Tuesday 8 April, 2025, 1.30pm – 2.30pm
Upper Hutt Central Library



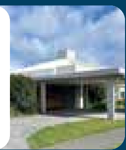
Ōrongomai Marae
Monday 31 March, 2025, 6pm – 7pm
Ōrongomai Marae



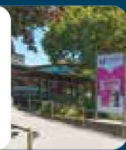
Local Businesses
Wednesday, 9 April 2025, 5.30 - 6.30pm
Upper Hutt Central Library



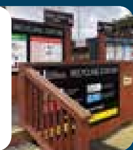
Grey Power
Wednesday, 2 April 2025, 1.30pm - 3:00pm
Upper Hutt Baptist Church Hall



Community Kōrero
Wednesday, 16 April 2025, 6.30 - 7.30pm
Upper Hutt Central Library



Recycling Centre
Saturday, 5 April 2025, 9am -11am
Maidstone Park



Facebook Live Video
Tuesday, 22 April 2025, 7pm-8pm
www.facebook.com/UpperHuttCityCouncil/