



# 2024-34 Long-Term Plan

Ka hua. Ka puaawai. Ka ora.

Volume 1

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taatou  
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# Introduction

## Koorero whakataki

# Our Long-Term Plan

This Long-Term Plan document outlines our plans, budgets and priorities for the next decade, with a focus on the next three years.

Across New Zealand, councils, households and businesses are facing hugely challenging financial circumstances, with inflation, interest costs and depreciation making everything we do more expensive.

This Plan is aimed at finding the right balance between continuing to maintain our city by delivering the essential work that our community values and relies on, while meeting everyday costs with everyday revenue within three years, and keeping rates increases as low as possible in the circumstances.

The Plan is based on the needs of current and future Hamiltonians. During the consultation period, Council received almost 3000 submissions from individuals, organisations and businesses. Significant changes were made in the final Plan as a result of this feedback.

Here's a snapshot of what Council will deliver over the next 10 years and where we have found savings:

- Council will continue to provide all current services, such as maintaining library and pool opening hours, keeping our gardens maintained and city tidy, and maintaining our kerbside residential rubbish and recycling collection schedule.

- We will continue to fund (at existing funding levels) community groups in recognition of the important role they play in keeping our city thriving.
- Council will have a strong focus on renewals, looking after our existing assets to ensure they are maintained appropriately to keep our city in good shape.
- Facilities that shape our neighbourhoods are also key, with continued investment in play spaces with greater shade, sports park improvements, a fit-for-purpose community centre in Pukete and the redevelopment of Te Papanui Enderley Community Centre all contained in this Plan.
- To ensure Council is focusing on the essentials, we reduced city-wide transport upgrades by more than 40% over the first three years of the Plan after receiving the original staff proposals.
- In addition, in response to feedback from the community, there has been an additional reduction of around \$282 million in Years 1-5 of the capital programme since we published our draft Plan. This includes deferral of around \$172 million of projects into later years.
- However, we will still be investing in critical infrastructure and capital projects – \$4.4 billion over 10 years. This is the scale of investment needed to ensure that Hamilton Kirikiriroa has the right infrastructure in place for our growing population, such as new roads, new parks and critical water infrastructure.

- \$31.5 million of Crown funding that would have gone towards a walking and cycling bridge across the Waikato River in the central city, has been reprioritised towards critical water infrastructure. This is subject to a Ministerial decision. The funding forms part of \$150.6 million that Hamilton Kirikiriroa is receiving from central government to deliver core infrastructure, unlocking 4,000 homes in the central city and its surrounds.
- In addition, savings of \$33 million over the 10 years will be found through personnel reductions to Council’s back-office functions and cuts to consultant budgets. This is in addition to savings of \$94 million over the ten years made through the Chief Executive’s ‘Future Fit’ programme.
- Council will also sell some of its land to help to pay down its debt, as well as help fund the acquisition of key land to support the city’s growth.
- The two-hour free parking trial in the central city will be replaced with one-hour free parking – with demand-responsive pricing for the second hour – from 1 October 2024, to encourage higher shopper turnover. This will be in place until 30 June 2026. Given the debt-to-revenue limit set for councils by the Local Government Funding Agency, finding additional sources of revenue is critical to addressing the city’s financial situation and ensuring rates rises are kept as low as possible.

The phasing of infrastructure investment ensures Council remains below the debt limit set by the Local Government Funding Agency, which requires debt to be no more than 285% of our revenue in 2024/25, and no more than 280% in all subsequent years.

To achieve this, the Plan includes an average general rates increase of 16.5% in 2024/25 (\$9 a week for a median-value residential property). The rates increase will reduce by about one percentage point annually over the following four years (15.5%, 14.6%, 13.5%, 12.5%).

We recognise this is a significant increase in rates over the next few years, and that many in our community will find this challenging. However, options to further reduce rates at this time are constrained because of the increased costs we face and the growing requirements on councils from central government. Every effort was made to keep the increases as low as possible given the financial environment, and no decision was made lightly.

## Further changes ahead

Our Council and local government in general are facing a great deal of change and pressure. Significant work will be needed over the next year, which is likely to lead to a long-term plan amendment ahead of Year 2 of the Plan. Most significantly, we must ensure Council is equipped to make and implement decisions to secure the most cost-effective delivery of waters services to Hamiltonians. We will respond as quickly as possible once central government confirms the key outstanding policy and legislative details. This could include the establishment of a waters council-controlled organisation (CCO) for Hamilton – Kirikiriroa potentially in partnership with neighbouring districts.

The growing costs of water infrastructure mean that people across New Zealand will have to meet the extra costs being incurred. A CCO may be able to derive benefits of scale over

time, and may have the potential to borrow more, to spread the costs over future generations who will use the infrastructure that is built. In addition, previous high-level modelling has suggested that the removal of water services would improve Council’s debt-to-revenue position over the coming years, and therefore enable Council to introduce lower rates rises than those set out in this Plan. Transferring services to a CCO would not in itself mean that Hamiltonians will be better off as a result, as Hamiltonians would pay separate water charges. Our priority will be to ensure any change provides the best long-term outcomes for our community.

Council is also awaiting details from New Zealand Transport Agency Waka Kotahi of which transport projects it will subsidise, and has the ability to make changes to the Plan once decisions are confirmed.

- Other key workstreams over the next year include:
- A review of elements of Council’s rating system.
  - A review of Council’s capital expenditure, looking specifically at the underlying drivers of the cost of capital projects and options to address these.
  - Engaging with developers to address issues with development consenting and approval processes.
  - Considering how the costs of new growth areas can be met through new or existing financial tools, and the opportunities and challenges of actively managing growth compared to taking a passive role.
  - Focused engagement with central government and the Local Government Funding Agency to advocate for funding and financing tools and other solutions to address the needs of the fastest growing city in New Zealand.

The above work, together with the decisions made in this Long-Term Plan that focus on the wellbeing of Hamiltonians and delivering on the city’s priorities, will enable Hamilton Kirikiriroa to approach the opportunities and challenges it faces over the next 10 years.

# Taa Maatou Mahere Waa-Roa

E whakaraarangi ana teenei tuhinga i te Mahere Waa Roa i roto i aa maatou mahere, ngaa tahua me ngaa kaupapa matua moo te tekau tau e heke nei, aa, aro ana ki ngaa tau e toru nei.

Putā noa i Aotearoa, kei runga i ngaa kaunihera, ngaa whaanau me ngaa pakihi ngaa uauatanga aa-puutea nui, e tino nui ake ai te utu o aa maatou mahi katoa naa ngaa pikinga utu, ngaa utu itarete me te hekenga waariu.

E rapu ana teenei Mahere i te taurite tika i waenga i ngaa mahi tautiaki i too taaone nui maa te whakarato i ngaa mahi waiwai e uaratia ana, e whakawhirinakitia ana e too taatou hapori, me te utu i ngaa whakapaunga o ia raa maa ngaa moni whiwhi o ia raa i roto i te toru tau, me te peehi haere tonu kia iti rawa te pikitanga o ngaa reeti i roto i ngaa aahuatanga.

I ahu mai te Mahere i ngaa hiahia o ngaai Kirikiriroa onaaiane, me aapoopoo. I te waa o te koorerorero tahi ki te iwi whaanui, tata ki te 3000 ngaa taapaetanga koorero i tae mai ki te Kaunihera mai i ngaa taangata, ngaa whakahaere me ngaa pakihi. He nui ngaa rerekeetanga i oti i a maatou i te Mahere whakamutunga naa eenei whakaaro i tukua mai.

Anei he paku tirohanga o ngaa mea ka whakaratoa e te Kaunihera i te 10 tau e whai ake me ngaa waahi kua kitea e maatou ngaa penapenatanga:

- Ka whakarato tonu te Kaunihera i ngaa ratonga katoa onaaiane, peeraa i te mau tonu ki ngaa haora tuwhera whare pukapuka me te hoopua kaukau, te tiaki kia pai te aahua o aa taatou maara me too taatou taaone nui, me te mau tonu ki taa maatou kohi para me te tukurua i te paeera.
- Ka utu tonu maatou (ki ngaa rahinga onaaiane) i ngaa roopuu hapori naa te hira o aa raatou mahi kia momoho haere tonu too taatou taaone nui.
- E tino aro ana te Kaunihera ki te whakahou i ngaa rawa, te tiaki i aa taatou rawa onaaiane kia tika ai te tautiaki e pai ai te aahua o too taatou taaone nui.
- He hira hoki ngaa rauhangā e haapai nei i oo taatou takiwaa noho, me te haumi haere tonu i ngaa waahi paarekareka me te marumaru whaanui ake, ngaa whakapaitanga ki ngaa papa haakinakina, he pokapuu hapori haangai i Puukete me te whanaketanga anoo o Te Papanui Enderley Community Centre kei roto katoa i teenei Mahere.
- Kia maatua aro atu te Kaunihera ki ngaa mea waiwai, i whakahekea e maatou ngaa mahi whakapaipai neke atu i

te 40% i te toru tau tuatahi o te Mahere i muri i te whiwhi i ngaa kaupapa marohi taketake a ngaa kaimahi.

- Hei taapiri atu, ko te urupare ki ngaa whakaaro i tukuna mai e te hapori, kei te takiwaa o te \$282 miriona atu anoo te whakahekenga i ngaa tau 1-5 o te kaupapa mai i te whakaputanga o taa maatou Mahere hukihuki. Kei roto i teenei ko te whakataarewatanga o ngaa kaupapa kei te takiwaa o te \$172 miriona ki ngaa tau aa muri ake.
- Engari, ka haumi tonu maatou ki ngaa tuuaahanga hira me ngaa kaupapa puurawa – \$4.4 piriona i roto i te 10 tau. Koinei te nui o te haumitanga e hiahiatia ana kia tika ai ngaa tuuaahanga ka whakauru atu moo too taatou taupori e tipu haere nei, peeraa i ngaa rori hou, ngaa paaka hou me ngaa tuuaahanga wai taketake.
- Ko te \$31.5 miriona a te Karauna ko te tikanga hei hanga i teetehi piriti hiikoi me te pahikara puta ki runga ake o te awa o Waikato i te pokapuu o te taaone nui, kua tangohia mai moo ngaa tuuaahanga wai taketake. Heoi, maa te Minita raa anoo teenei e whakaae. Kei roto teenei puutea i te \$150.6 kei te whiwhi a Kirikiriroa mai i te kaawanatanga hei whakarato hanganga matua, hei hanga i ngaa kaainga 4,000 i te pokapuu o te taaone nui me te takiwaa e pae ana.

- I tua atu i teenei, \$33 miriona ngaa penapena i roto i te 10 tau ka hua mai maa te whakaiti i te nui o ngaa kaimahi kei roto i ngaa tari a te Kaunihera e mahi ana me te poro i ngaa tahua maatanga. E taapiri ana ngeenei ki ngaa penapenatanga o te \$94 i roto i te 10 tau maa te kaupapa 'Future Fit' a te Tumuaki.
- Ka hokona atu hoki e te Kaunihera ngeetehi o oona whenua hei aawhina ki te whakaheke i ana nama, me te aawhina ki te hoko mai i ngaa whenua hira hei tautoko i te tipu o te taaone nui.
- Ka whakakapihia te whakamaatautau tuunga waka koreutu rua haora i te pokapuu taaone ki te tuunga waka koreutu kotahi haora – me te utu i te haora tuarua – mai i te 1 o Oketopa 2024, kia nui ake ai te hunga hokohoko ka haere mai. Ka peenei tae noa ki te 30 o Hune 2026. Naa te tepenga nama ki te moni whiwhi i whakatauhia moo ngaa kaunihera e Te Puutea Kaawanatanga aa-Rohe, he hira tonu te kimi puna puutea atu anoo hei whakarite i te aahuatanga puutea o te taaone nui me te whakarite he tino iti noa te piki o ngaa reeti.

Maa te aata whakauru mai i te haumitanga tuuaahanga ka tino noho te tepenga nama i whakatauhia e Te Puutea Kaawanatanga aa-Rohe, aa, e herea ana kia kaua e nui atu te nama i te 285% o aa maatou moni whiwhi i te 2024/25, aa, kaua e nui atu i te 280% i ngaa tau o muri mai. Ka mau tonu i te Mahere he waahanga e uru mai ai he paakai o te rima oorau i te iti rawa moo te tuupono paa mai o ngaa aahuatanga.

Hei whakatutuki i teenei, kei roto i te Mahere ko te 16.5% te piki toharite o ngaa reeti i te 2024/25 (\$9 i te wiki moo teetehi kaainga uara tau waenga). Tata ki te kotahi ira oorau te heke o te pikitanga o ngaa reeti i te tau i roto i te whaa tau e heke nei (15.5%, 14.6%, 13.5%, 12.5%).

E moohio ana maatou he pikitanga nui teenei o ngaa reeti i roto i ngeenei tau nei, aa, ka uaua teenei ki te tokomaha o te hunga i too taatou hapori. Engari, kaaore e taea te whakaheke anoo i ngaa reeti i teenei waa naa te nui haere o ngaa utu kua paa mai me te nui haere o ngaa whakaritenga kei runga i ngaa kaunihera mai i te kaawanatanga. I tino whakapau kia noho tino tonu ngaa pikitanga naa te taiao puutea, aa, ehara i te mea he maamaa ngaa whakatau.

## Ngaa rerekeetanga atu anoo

He tino nui ngaa rerekeetanga me ngaa peehitanga kei too taatou Kaunihera me te kaawanatanga. He tino nui ngaa mahi e hiahiatia ana hei te tau e tuu mai, aa, kaaore e kore ko te mutunga atu ko te menemana ki te mahere waa-roa i mua o te Tau 2 o te Mahere. Ko mea nui rawa, me maatua whakarite ka taea e te Kaunihera te tuku me te whakatinana i ngaa whakatau kia tino tootika ai te utu moo te whakarato i ngaa ratonga wai ki a ngaai Kirikiriroa. Ka tere tonu taa maatou urupare ina whakauungia e te kaawanatanga ngaa kaupapahere me ngaa taipitopito ture hira e taaria ana. Kei roto pea i teenei ko te whakatuutanga o teetehi Whakahaere a te Kaunihera (CCO) moo te wai moo Kirikiriroa – ka paatui pea ki ngaa takiwaa paetata.

Naa te nui haere o ngaa utu moo te tuuaahanga wai maa ngaa taangata puta noa i Aotearoa e utu ngaa utu taapiri ka taka mai. Ka puta pea ki teetahi CCO ngaa painga o toona nui i roto i te waa, aa, ka taea pea te mino moni atu anoo, kia tuarhia ngaa utu ki ngaa whakatupuranga o muri mai ka whakamahi i te tuuaahanga ka hangaia. Hei taapiri ki teeraa, e kii ana ngaa whakatauiria mahere taumata teitei ka pai ake te tuuranga nama ki te moni whiwhi a te Kaunihera ki te whakakorehia ngaa ratonga wai i roto i ngaa tau e tuu mai, e taea ai e te Kaunihera te whakauru mai i ngaa pikitanga reeti iti iho ki teeraa kei roto i teenei Mahere Waa Roa. Ehara i te mea ka pai ake a ngaai Kirikiriroa i te whakawhititanga o ngaa ratonga ki teetahi CCO,

i te mea ka utu raatou i ngaa utu wai wehe kee. Ko taa maatou kaupapa matua kia puta ngaa putanga waa-roa pai rawa i ngaa rerekeetanga moo too taatou hapori.

E taaria ana hoki e te Kaunihera ngaa taipitopito mai i Waka Kotahi moo ngaa kaupapa tuunuku ka tautokohia aa-puutea e raatou, aa, e whai kaha ana raatou ki te whakarerekee i te Mahere ina whakauungia ngaa whakatau.

- Ko ngeetehi atu o ngaa ara mahi hira hei te tau e tuu mai ko te:
- Arotake i ngaa huanga o te puunaha reeti a te Kaunihera.
  - Arotake i te whakapaunga puurawa a te Kaunihera, e tiro tiro ana ki ngaa puutake taketake o te utu o ngaa kaupapa puurawa me ngaa koowhiringa hei whakarite i ngeenei.
  - Koorororero tahi ki ngaa kaiwhakawhanake hei whakarite i ngaa raru me ngaa haatepe whakaaetanga me whakaae ki ngaa whanaketanga.
  - Whakaaroaro me peehea e ea ai ngaa utu o ngaa waahi tipuranga hou maa ngaa utauta whai puutea hou, onaaiane raanei, me ngaa arawaatea me ngaa whakapaataritari o te aata whakahaere i te tupuranga teenaa ki te noho puku noa.
  - Arotahi te koorororero tahi ki te Kaawanatanga me Te Puutea Kaawanatanga aa-Rohe ki te taunaki kia nui ake ngaa puutea me ngaa utauta whai puutea me ngeetehi atu otinga hei whakarite i ngaa hiahia o te taaone nui tere rawa te tipu i Aotearoa.

Maa ngaa mahi i runga ake, i te taha o ngaa whakatau ka tukuna i roto i teenei Mahere Waa-Roa ka aro ki te oranga o ngaai Kirikiriroa me te whakarato i ngaa kaupapa matua o te taaone nui, ka taea e Kirikiriroa te whakatuutaki i ngaa arawaatea me ngaa whakapaataritari ka paa i te 10 tau e tuu mai.



# Our challenges and approaches

## Aa maatou whakapaataritari me ngaa aronga

There are some significant challenges that Council must address to provide key services to our city. These challenges are influenced by both national and global factors. Ultimately, addressing them requires aligned efforts at local, regional, national, and international levels. Please see our **2024-54 Infrastructure Strategy (Volume 2 of the 2024-34 Long-Term Plan)** for further information.

## Challenges

### Legislative and policy standards

Council operates within a complex legislative and policy environment with increasing environmental, safety and compliance expectations. The changing approach of central government causes uncertainty, complicating long-term planning and increasing costs. This means that meeting these standards requires significant investment. Existing infrastructure, built to past standards, also now faces new legislation and increased environmental standards, particularly regarding the Waikato River. This drives the need for further costly investment.

### Climate change

Hamilton Kirikiriroa is expected to continue to experience the effects of gradual climate changes and more extreme weather, which will have impacts on our city, community, and infrastructure. Our city must be built for future climates, considering potential impacts on community health and wellbeing. Likewise, emissions from our approach to infrastructure construction, maintenance, and disposal must also be considered. Ultimately, we need to ready our existing infrastructure and to think differently about our future infrastructure.

### Environmental limits

Hamilton's natural environment, with only 2% of native vegetation remaining, is at risk due to historical degradation. The Waikato River, a crucial freshwater resource, is under pressure too. As population and demand grow, water availability is finite and

climate change may exacerbate constraints. It's vital to manage water effectively to sustain the river and biodiversity.

### Growth

Hamilton's population growth, 76% over 30 years, has outpaced projections, putting pressure on infrastructure and services. This growth indicates success in attracting and retaining residents due to access to housing, jobs, and quality of life. However, growth exacerbates housing affordability issues and strains infrastructure. Our city and its infrastructure, built for past demands, now struggles to support the growing population. As the city expands, we must adapt to meet new growth-related challenges.

### Affordability and delivery

Hamilton Kirikiriroa faces increasing funding challenges. Interest rates are higher, and costs are increasing to deliver new infrastructure, provide services, and maintain and renew assets. High global infrastructure costs, workforce shortages, and rising demand exacerbate these challenges. Funding pressures fall on Hamilton's residents, many already under financial strain. A different approach is needed, with significant changes to planning, delivery, and funding.

### The importance of a holistic approach

It is essential that our city's projects deliver on multiple fronts so that our limited funding capacity is prioritised for projects that contribute to broader outcomes for Hamilton Kirikiriroa. Our

# Approach

planning needs to be integrated and collaborative to ensure that these outcomes best serve the needs of our communities, and contribute to a sustainable future. To do this we work together with a range of entities that include neighbouring councils, Future Proof, departments and agencies of central government, electricity network providers, and tertiary education providers.

**Building a resilient, low-carbon city through green infrastructure**

Our approach must include the prioritisation of solutions that aim to create a city that is fit for the future, and the environmental challenges it will bring. This includes keeping a strong focus on infrastructure that not only builds the resilience of our city but also makes progress towards becoming a low-carbon city.

Continued investment in urban nature is a multifaceted solution that addresses a range of issues. If done well it can support climate change adaptation, increase biodiversity and positively contribute to making Hamilton Kirikiriroa a more liveable city. It also offers economic benefits for our city by creating attractive environments that invite investment.

**Looking after what we have, and making the most of what we’ve got**

Hamilton Kirikiriroa is faced with some challenging decisions about how it prioritises investment in renewals, operations, maintenance, and demand management. Parts of our city’s infrastructure networks are ageing, and this will require the replacement of an increasing number of assets as they reach their end of life. Council has carefully planned and forecast for the renewal of these assets over the next 30 years.

It is important to understand that this problem cannot be solved with just building more. Some issues are too costly to resolve through building alone, and others, such as limits on the fresh water take from the Waikato River, do not have easily built infrastructure solutions. Instead, we need to make the most of what we already have through demand management and maximising opportunities for efficiencies, such as encouraging smart water use and repurposing existing road space for bus priority. By altering our approach to financing infrastructure, we can enhance asset utilisation, reduce traffic congestion, expedite decarbonisation efforts, conserve water, and elevate the quality of infrastructure.

**Approach to growth**

How we manage the growth of the city will define us for years to come. Embracing growth opportunities through timely investment is crucial for the city’s future. However, effective growth management also requires infrastructure to keep pace with population growth, including the provision of zoned, serviced land for housing and businesses. This is key to enabling smart development, sustainable growth, and quality, affordable housing in suitable locations.

**Funding**

Our financial strategy outlines our overall approach to managing Council’s finances. We need to respond to the challenges already mentioned, but remaining financially prudent requires spending restraint. These drivers are at odds with one another, and striking the right balance is not always straightforward. The current funding options available to councils across the country are insufficient. Council aims to enable 30-year outcomes, but significant system change is necessary for local government to become financially sustainable. Until such change is achieved, the Council will continue to work with the tools at its disposal.

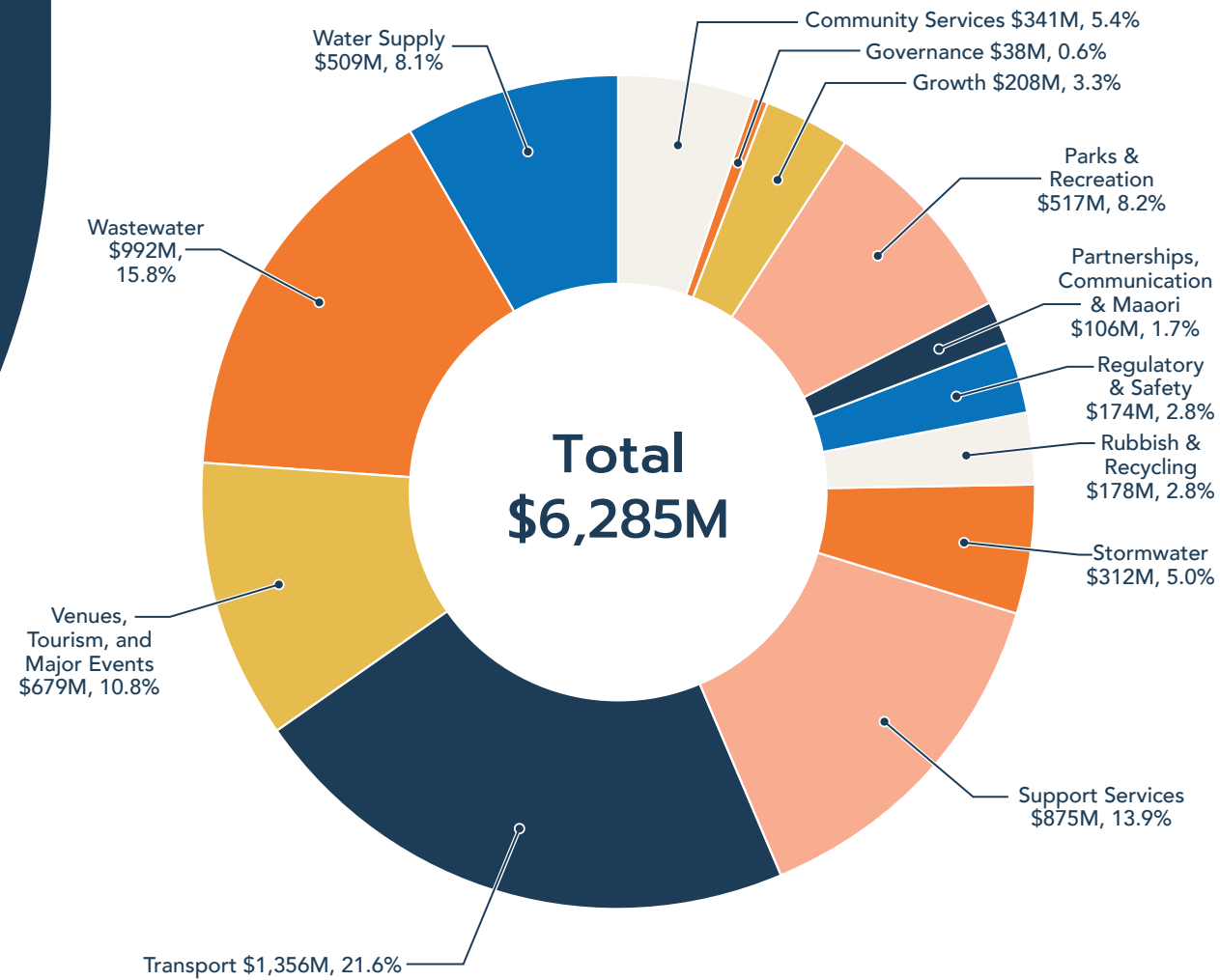


# What we're planning to spend

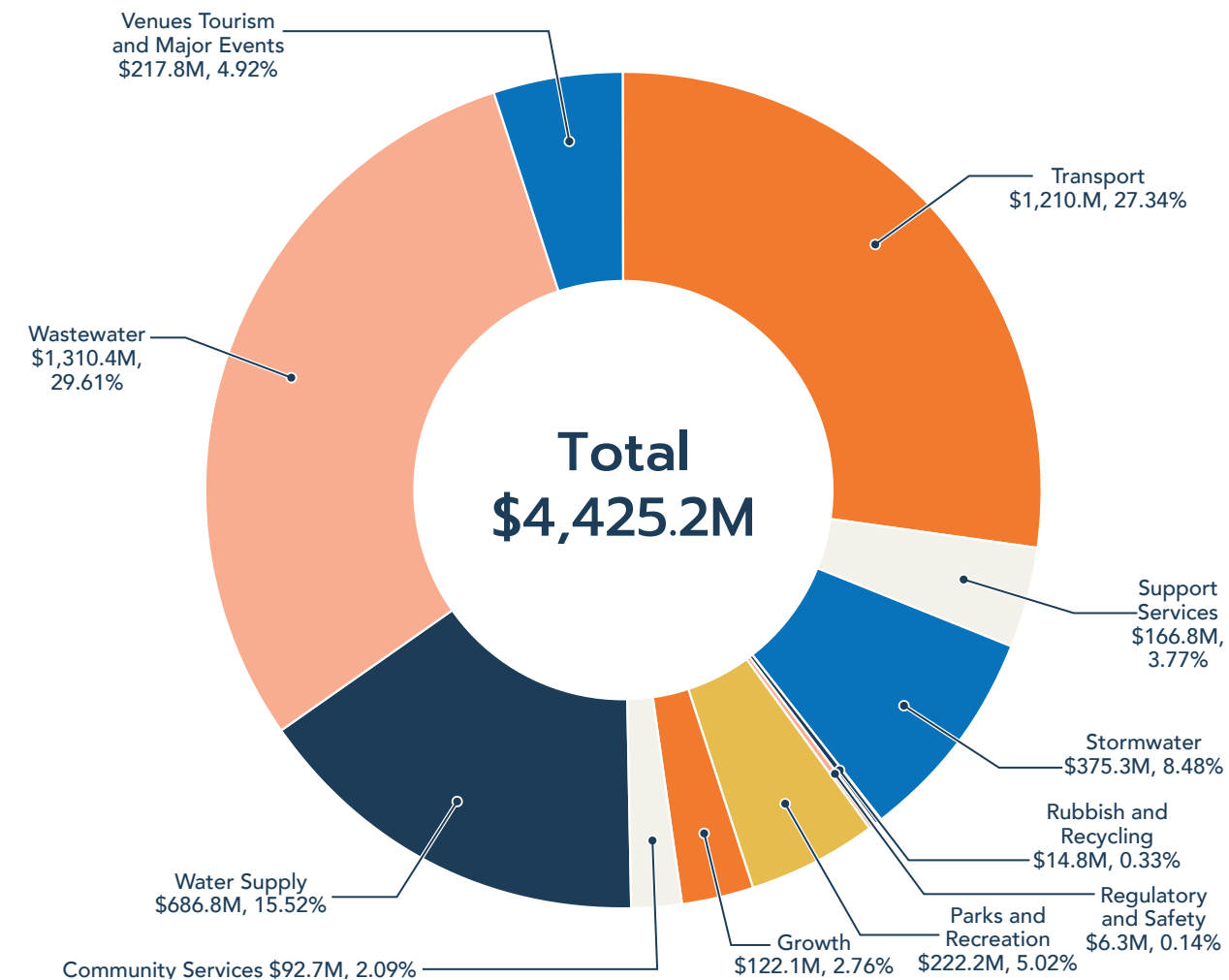
## Ngaa whakapaunga kua whakaritea

Total operating expenditure over 10 years

To keep the city running, we will spend \$10.7 billion over the next 10 years.



Total capital expenditure over 10 years



# Maaori contribution to the decision-making process

## Mana Motuhake Maaori ki te Whakataoto Whakatau

We are committed to honouring the principles of Te Tiriti o Waitangi/the Treaty of Waitangi. We acknowledge the role and contribution that Iwi, Hapuu and Maataawaka make towards our great city of Hamilton Kirikiriroa as Treaty partners. Valued support and advice is received from our Iwi, Hapuu and Maataawaka partners and we are committed to working together on the social, cultural, economic, and environmental wellbeing of our city and its residents.

### He Pou Manawa Ora - Pillars of Wellbeing

This strategy, adopted in August 2021, outlines Council’s vision for a city that celebrates its whole history, including its unique Maaori heritage, and ensures everyone has a voice in developing its future.

Developed in consultation with Waikato-Tainui, Te Rūnanga Ō Kirikiriroa and Mana Whenua, this strategy discusses how

Council will use the pillars (pou) of History, Unity, Prosperity, and Restoration to build a proud and inclusive city for the wellbeing of all its people. We will need to work together with our Maaori partners and the whole community to deliver the outcomes in He Pou Manawa Ora.

The principles of Te Tiriti o Waitangi/the Treaty of Waitangi will help guide this partnership on its journey towards creating a more socially, economically, and environmentally diverse city for future generations to be proud of.

### Maaori wards

In 2022 Hamilton Kirikiriroa introduced two Maaori ward seats representative of the Maaori electoral population and wider communities and residents of Hamilton Kirikiriroa.

### Maangai Maaori

Maangai Maaori, meaning the voice of Maaori, were first appointed to Council committees with full voting rights to give effect to Te Tiriti O Waitangi. Maangai Maaori currently sit on three committees. The Maangai Maaori represent, and are chosen by Iwi, Mana Whenua (Waikato-Tainui/Hapuu) and Maataawaka (urban Maaori) organisation Te Rūnanga Ō Kirikiriroa. Maangai Maaori are selected based on skill, knowledge, and experience.

### Council Kaumatua

Hamilton City Council’s Kaumatua is appointed by the Office of the Maaori King to give support and advice to Hamilton’s Mayor and its elected members. The Kaumatua gives cultural guidance to Council in line with Tainui tikanga and protocols.

### Amorangi Maaori

Amorangi means to lead, or to provide leadership. Amorangi Maaori provides leadership and advice across Hamilton City Council on matters related to Maaori. Amorangi Maaori leads:

- Maaori relationship guidance and enhancement
- Maaori engagement and consultation advice and support
- cultural capacity building and development
- strategy development
- policy and bylaw planning, review, development, and advice
- project and contract management.

### Partnerships with Maaori Waikato-Tainui

Te Whakakitenga o Waikato-Tainui is the local iwi (tribe) focused on the economic, social, cultural, and environmental wellbeing of its 75,000 tribal members. Hamilton City Council and Waikato-Tainui have a strong and mutually beneficial partnership to promote better wellbeing outcomes through agreed projects and meet obligations to restore and protect the Waikato River. This partnership is governed though the Waikato-Tainui/Hamilton City Council Co-Governance Forum.

### Mana Whenua o Kirikiriroa

Traditionally there were a number of hapuu (sub-tribes) that occupied that landscape of Kirikiriroa. Many of these traditional hapuu are no longer active, but are represented today by existing hapuu Ngaati Maahanga, Ngaati Tamainupoo, Ngaati Wairere, Ngaati Korokii Kahukura and Ngaati Hauaa. We work with these hapuu to ensure their role as kaitiaki and mana whenua is reflected in decision-making relating to the management of the natural and physical resources of Hamilton Kirikiriroa.

### Te Rūnanga o Kirikiriroa (TeROK)

Formally established in 1988 and under the direction of the late Maaori Queen, Te Atairangikaahu, and the Mayor of the time, the late Sir Ross Jansen, TeROK represents maataawaka and Pasifika peoples living in Hamilton Kirikiriroa. TeROK provides information and advice and represents the views of Maataawaka in the development of Council strategies, policies, and plans.



# Our Climate Future

## Te Pae Tawhiti o Kirikiriroa

In August 2022, Council approved our climate change strategy, Our Climate Future: Te Pae Tawhiti o Kirikiriroa. The strategy sets our vision to be a thriving, low-carbon city that responds and adapts to climate change and highlights the three key outcomes that will enable us to achieve this:

1. By acting together, our emissions are reducing.
2. Our neighbourhoods enable low carbon living.
3. Our city is ready for Hamilton's climate.

We know that we have an important role in shaping Hamilton Kirikiriroa to be a green city, by reducing our emissions and transitioning to a low carbon economy. We have set a series of targets to guide the level of action we believe is required to do our part to contribute to achieving New Zealand's emissions targets. For Hamilton Kirikiriroa, we have set three net emissions targets; emissions need to peak by 2025 at the latest, and then reduce by 30% by 2030 and by 82% by 2050.

We have developed an emissions trajectory for our city emissions targets that incorporated the policies from New Zealand's first Emissions Reduction Plan that were of relevance for Hamilton Kirikiriroa, as well as actions we are delivering. Many of these policies from the first Emissions Reduction Plan are now not being delivered and our emissions trajectory will need to be updated following the release of the second Emissions

Reduction Plan to assess if the new policies will have the same impact on our emissions profile. As Transport is our highest emissions source at 64% (in 2021/2022) the changes in the policies and the Government Policy Statement on Land Transport 2024 will have a significant impact on our ability to achieve these targets, it is likely we will see an increase in our transport emissions instead of the modelled decrease.

We have also set ourselves targets to reduce our own operational emissions. Our first target is a 50% gross reduction in emissions by 2030 and to be net zero by 2050. These targets are against our baseline set in 2018/19. 'Net zero' refers to reducing emissions as much as possible, with any remaining unavoidable emissions being sequestered through planting and maintaining trees. 'Net zero' therefore does not mean there are no emissions produced - just that these are balanced by capturing them from the atmosphere.

We consider our operational emissions to include energy used in our buildings and operations (LPG, Natural Gas, Electricity), fuels used in Council owned vehicle fleet, biosolids from our wastewater treatment process, waste from Council operations, travel for our staff and livestock and fertiliser used on our land. We do not include other emissions related to our activities within this target, such as carbon embodied in the goods we purchase

(e.g. roading material) or other emissions from our upstream and downstream supply chains. This is a Council only measure and does not include emissions generated from the wider group of entities.

We have developed an emissions reduction roadmap that identifies the actions we can take to achieve around 25% emissions reduction, the remaining 25% is estimated to come from reduction in emissions associated with renewable electricity. These actions are predominantly moving from natural gas to electricity, reducing use of petrol and diesel in fleet and reducing waste to landfill. The capital costs of renewals will be assessed within the renewals programme.

We have been tracking our city and Council emissions since 2018/2019, details of the emissions sources and how we are tracking are available on our website - [hamilton.govt.nz/your-city/data-and-statistics/understanding-our-city/emissions-profile/](https://hamilton.govt.nz/your-city/data-and-statistics/understanding-our-city/emissions-profile/). We will report annually through our climate change disclosure on whether we are on track to meet our city and council emissions targets.

*"Climate change is one of the greatest challenges of our time. Without immediate, bold, and decisive action, we will continue to see the impacts intensify, and the world inherited by future generations will look increasingly different to the one we know today. Fortunately, there is still a window of opportunity for us to act."*<sup>1</sup>

Climate modelling shows that over the next few decades we will experience:



increase in total rainfall



rising temperatures



increase in extreme rainfall events



longer hot summer season



increase in the number of hot nights



increase in the number of hot days.

<sup>1</sup> Our Climate Future: Te Pae Tawhiti o Kirikiriroa

# Our vision for Hamilton Kirikiriroa

Kirikiriroa ka hua. Ka puaawai. Ka ora

Everything we do is aimed at improving the wellbeing of Hamiltonians.

Our vision for the future of Hamilton Kirikiriroa is guided by five priorities that keep Council’s decision-making focused on improving Hamilton’s social, cultural, economic and environmental wellbeing.

### Our priorities

Our priorities<sup>1</sup> describe what we aim to achieve for our community and what you can expect us to work towards. These outcomes were used to shape the development of the 2021-31 Long-Term Plan and this 2024-34 Long-Term Plan. All our activities contribute to the overall achievement of our priorities and reflect our purpose and mission – to improve the wellbeing of Hamiltonians and to help build a more vibrant, attractive and more prosperous city.

During the development of the 2021-31 Long-Term Plan, we asked the community what they love about Hamilton Kirikiriroa

and what would make our city an even better place to live. This feedback was used to create our five long-term priorities for Hamilton Kirikiriroa over the next decade.

- A city that’s easy to live in | Ahuahungia teethi taaone e tau ai te noho ki roto
- A city where our people thrive | Ahuahungia teetehi taaone e puaawai ai ngaa taangata katoa
- A central city where people love to be | Ahuahungia te pokapuu o teetehi taaone e arohaina ai e te taangata
- A fun city with lots to do | Ahuahungia teetehi taaone ngahau e tini ai ngaa kaupapa papai hei whai

• A green city | Ahuahungia teetehi taaone tiaki taiao

These five priorities will guide our 2024-34 Long-Term Plan. All the activities we carry out contribute to the achievement of our community outcomes. If we achieve all the expectations that we have set for our service delivery, we will be making progress on achieving all five priorities.

<sup>1</sup> These priorities are our Community Outcomes as defined under the Local Government Act 2002

# Our Community Outcome measures

Aa maatou inenga putanga hapori

These four measures show how well we are delivering to our community outcomes.

What you can expect from us	What we will measure	Latest result (2022/23)	Targets			
			2024/25	2025/26	2026/27	By 2033/34
Our city is easy to live in, explore, and connect.	Percentage of residents who think Hamilton is a great place to live.	75%	At least 75%	At least 75%	At least 75%	At least 75%
	Percentage of residents who are proud of how Hamilton looks and feels.	34%	At least 40%	At least 40%	At least 40%	At least 40%
We will make decisions that improve the wellbeing of Hamiltonians.	The percentage of residents who believe we make decisions that are in the best interest of the city.	30%	At least 30%	At least 30%	At least 30%	At least 30%
We'll reduce the carbon footprint of the city and build a city that is resilient to the effects of climate change.	Reduction in greenhouse emissions footprint for Hamilton City Council.	Decrease of 0.04 tonnes per head of population (0.053 tonnes per head of population)	Decrease in greenhouse emissions per head of population from previous year	Decrease in greenhouse emissions per head of population from previous year	Decrease in greenhouse emissions per head of population from previous year	Decrease in greenhouse emissions per head of population from previous year

# Guide to this section

## Te aratohu ki teenei waahanga

This is a guide to reading and understanding the following section, which sets out the guiding priorities for our city and the activities undertaken by Council. It details what the community can expect from us and the ways in which we intend to measure the performance of our service delivery. It also includes the prospective financial statements for each activity.

### The four wellbeings

Council is required to take an active role in ensuring that we promote the social, economic, environmental and cultural well-being of our community through the services and activities we provide.

### Community outcomes

From these four wellbeings we have identified five community outcomes for our city. These community outcomes (also referred to as the 'Five Priorities') are our vision for Hamilton, and are at the heart of everything we do as a Council. These Priorities are the rationale for the delivery of each activity of Council and are explained in detail throughout this section.



### Groups of activities

Each activity of Council contributes to the achievement of one of our priorities. Activities are grouped together to create a cohesive framework that is then used to assess how we are performing against the Priority to which they are contributing. How each group of activities contributes to its respective Priority is explained in this section.

### Service performance

Each group of activities sits within a performance management framework which sets out the levels of service we intend to deliver to our community. Performance measures and targets are used to measure key aspects of services delivered against the intended level of service for each group of activities. This is a means of keeping Council accountable to the community for the performance of its service delivery. There are 74 performance measures contained in the 2024-34 Long-Term Plan.

### Significant negative effects

For each group of activities, we are required to present any significant negative effects that any activity may have on the social, economic, environmental, or cultural well-being of the community (if any).

### Capital projects and prospective funding impact statements

The funding impact statements detail the source of operational and capital funding Council will use for each activity and how these funds will be applied. The capital projects list details what Council has agreed to deliver over the next 10 years.

#### A long-term plan must:

- describe the community outcomes of Council. We call these our 'Five Priorities'.
- identify the activities within the group of activities, and the rationale for delivery of the group of activities.

**We want to actively create opportunities for our people to thrive in their education, careers, and day-to-day lives so they can leverage the wonderful lifestyle and opportunities our city has to offer.**

Increasingly, our city is a place where people and businesses want to come, stay, and grow. Our location and range of amenities, and the diverse business opportunities on offer, provide an attractive lifestyle which means that more and more people want to be here.

Hamilton Kirikiriroa is a youthful city, with many young people coming here (or even returning home) to find good jobs, buy homes, raise families, and become part of our community. More than 160 ethnic groups now make up our city. This creates a valuable diversity in our city's identity, which brings opportunities and benefits for all Hamiltonians.

Our city is experiencing rapid population growth, and so it is important that we take a careful and considered approach to managing our urban growth, to make sure we grow well and deliver communities that improve the wellbeing of Hamiltonians.

We want to embrace the opportunities that growth brings, by investing in the right places at the right time. So, as the face of

our city changes, it is important that we continue to empower and enable our diverse communities to share their voice and help shape our city.

**To deliver a city where our people thrive, we invest in the following:**

- o **Governance**
- o **Partnerships Communication & Maaori**
  - o Amorangi Maaori
  - o Communication and Engagement
  - o Community Partnerships and Funding
- o **Growth**
  - o City Planning
  - o Planning Guidance
- o **Regulatory and Safety**
  - o Animal Education and Control
  - o Public Safety
  - o Building Control
  - o Civil Defence and Emergency
  - o Environmental Health and Alcohol Licensing

How will you know we're delivering?

What you can expect from us	What we will measure	Latest result (2022/23)	Targets			
			2024/25	2025/26	2026/27	By 2033/34
We meet our statutory obligations	The percentage of official information requests responded to within legislative timeframes.	New measure	100% of official information requests responded to within legislative timeframes.	100% of official information requests responded to within legislative timeframes.	100% of official information requests responded to within legislative timeframes.	100% of official information requests responded to within legislative timeframes.

A long-term plan must (for each group of activities) include a statement of the intended levels of service provision that specifies:

- performance measures; and
- targets for those measures

Significant negative effects

Activity	Wellbeing	Effect	Mitigation
Building Control	Social, cultural, economic environmental	Building Consent approvals and decisions, and the application of the Building Act, can have a significant effect on the social, cultural and environmental wellbeing of our community if not implemented well.	<p>The core function of Building Control is to manage and mitigate these effects by ensuring that consents are approved in accordance with the requirements of the Building Act and that consents require mitigation conditions of consent as appropriate.</p> <p>We ensure that staff are adequately trained/ qualified and have access to all relevant information necessary to make robust decisions that align with legislative requirements in order to mitigate any negative effects.</p>

A long-term plan must outline any significant negative effects that any activity might have on the social, economic, environmental, or cultural well-being of the community.

Capital projects

		R - Renewals					LOS - Levels of service			
	Type	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
<b>Business Services</b>		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
CE24001 - Fleet vehicles renewals	R	3,913	3,338	3,573	7,101	4,546	4,952	5,459	6,338	3,675
CE24002 - Corporate building renewals	R	5,710	4,984	4,015	1,701	1,571	1,673	3,223	3,456	2,115
CE24006 - Information Services renewals	R	2,408	5,255	5,445	5,688	5,548	5,706	5,923	6,124	6,332
CE24007 - Information Services upgrades	LOS	1,600	3,562	2,741	3,584	3,237	3,621	4,156	3,271	3,382
<b>Support Services total</b>		<b>13,631</b>	<b>17,138</b>	<b>15,774</b>	<b>18,074</b>	<b>14,901</b>	<b>15,952</b>	<b>18,760</b>	<b>19,188</b>	<b>15,504</b>
										<b>17,860</b>

A long-term plan must include a statement of the amount of capital expenditure Council has budgeted for each activity. Capital expenditure is identified as one of the following:

R: Replacement of existing assets

LOS: Improvement of level of service (LOS)

G: Meet additional demand for an activity (growth)

Prospective Partnerships, Communication and Maaori funding impact statement

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Notes	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Sources of Operating Funding</b>											
General rates, uniform annual general charges, rates penalties	4,435	10,812	10,799	10,926	10,881	10,954	10,984	11,090	11,093	11,221	11,401
Targeted Rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	2,375	-	-	-	-	-	-	-	-	-	-
Fees and charges	32	38	39	41	42	44	105	171	240	248	256
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	6,841	10,850	10,838	10,967	10,923	10,998	11,089	11,261	11,333	11,469	11,657
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	8,015	9,090	9,494	9,854	10,091	10,381	10,706	11,040	11,367	11,692	12,017
Finance Costs	1	47	44	44	44	46	47	49	51	52	54
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding (B)	8,016	9,137	9,538	9,898	10,136	10,427	10,753	11,089	11,414	11,745	12,096
<b>Surplus/(Deficit) of Operating Funding (A - B)</b>	<b>(1,175)</b>	<b>1,713</b>	<b>1,300</b>	<b>1,068</b>	<b>788</b>	<b>571</b>	<b>336</b>	<b>172</b>	<b>(81)</b>	<b>(275)</b>	<b>(439)</b>
<b>Sources of Capital Funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	50	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding (C)	50	-	-	-	-	-	-	-	-	-	-
<b>Application of Capital Funding</b>											
Capital Expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	50	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	(1,175)	1,713	1,300	1,068	788	571	336	172	(81)	(275)	(439)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding (D)	(1,125)	1,713	1,300	1,068	788	571	336	172	(81)	(275)	(439)
<b>Surplus/(Deficit) of Capital Funding (C - D)</b>	<b>1,175</b>	<b>(1,713)</b>	<b>(1,300)</b>	<b>(1,068)</b>	<b>(788)</b>	<b>(571)</b>	<b>(336)</b>	<b>(172)</b>	<b>81</b>	<b>275</b>	<b>439</b>
<b>Funding Balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

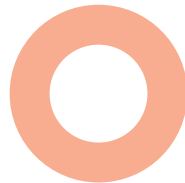
A long-term plan must include a funding impact statement for each group of activities that identifies:

- the sources of funding
- the amount of funds from each source; and
- how the funds are to be applied





Shaping a city  
that's easy to  
live in



Shaping a city  
where our  
people thrive



Shaping a central  
city where people  
love to be



Shaping a fun  
city with lots  
to do



Shaping a  
green city

## A city that's easy to live in

Activity Group	Activities	Page number
Community Services	Aquatic Facilities	<b>38</b>
	Libraries	<b>38</b>
	Customer Services	<b>38</b>
Transport	Transport Network	<b>42</b>
	Parking Management	<b>42</b>
Support Services	Business Services	<b>48</b>
	Chief Executive	<b>48</b>
	People, Performance and Culture	<b>48</b>
	Strategy, Growth and Planning	<b>48</b>

## A city where people thrive

Activity Group	Activities	Page number
Governance	Governance	<b>54</b>
Partnerships, Communication and Maaori	Amorangi Maaori	<b>57</b>
	Communication and Engagement	<b>57</b>
	Community Partnerships Funding and Events	<b>58</b>
Growth	City Planning	<b>61</b>
	Planning Guidance	<b>61</b>
Regulatory and Safety	Animal Education	<b>66</b>
	Public Safety	<b>66</b>
	Building Control	<b>66</b>
	Civil Defence and Emergency	<b>66</b>
	Environmental Health and Alcohol Licensing	<b>67</b>

## A central city where people love to be

Activity Group	Activities	Page number
No activities are associated with this priority.		<b>70</b>

A fun city with lots to do		
Activity Group	Activities	Page number
Venues, Tourism and Events	Claudelands, FMG Stadium Waikato and Seddon Park	<b>76</b>
	Theatres, Tourism and Events Funding	<b>76</b>
	Hamilton Gardens	<b>77</b>
	Te Kaaroro Nature Precinct (Hamilton Zoo and Waiwhakareke Natural Heritage Park)	<b>77</b>
	Waikato Museum	<b>77</b>
Parks and Recreation	Parks (including community parks, natural areas, sports parks, streetscapes and playgrounds)	<b>82</b>
	Indoor Recreation	<b>83</b>
	Cemeteries and Crematorium	<b>83</b>
	Community Facilities	<b>83</b>

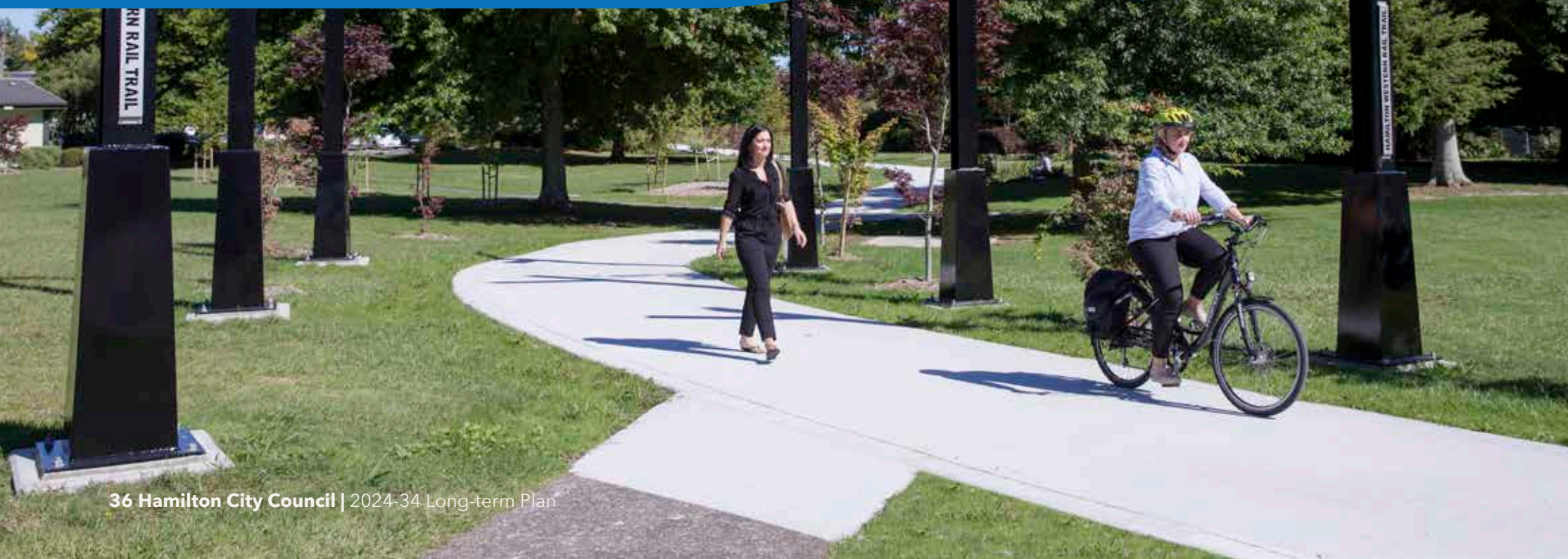
A green city		
Activity Group	Activities	Page number
Water Supply	Water treatment and storage, water distribution	<b>90</b>
Wastewater	Wastewater collection, wastewater treatment and disposal	<b>97</b>
Stormwater	Stormwater network (includes collection, conveyance, treatment, and discharge services)	<b>102</b>
Rubbish and Recycling	Refuse collection (refuse and recycling), Landfill site management, Waste minimisation	<b>107</b>



## Priority one

# A city that's easy to live in

He taaone e ngaawari  
noa iho ana te noho



## We want a city that's easy to live in, explore and connect.

Hamilton Kirikiriroa is small enough to enjoy a strong sense of community, but big enough to be an interesting, vibrant city. As we continue to grow, we want to prioritise building a connected and safe city with quality roading, walkways, and cycleways that allow us to move around our city quickly and easily, by whatever travel mode is preferred.

We want our residents to be able to safely and easily access all the things that they need for ease of living, including places of work or education, essential services, public facilities, and spaces for recreation. That means that those who wish to, can live locally and still have access to the amenities our city has to offer. These connections between our homes and our communities are particularly important as our city grows.

This means providing a transport network that is efficient, reliable, and responsive, which effectively connects our communities. It is a priority to provide transport options that support a range of travel modes and make our city safe to explore, while remaining accessible. Working with Waikato Regional Council on improved bus services is a key component of this.

People in our city want to live in lively, safe communities with shared identities and public facilities such as our libraries and aquatic facilities. Having local community amenities also contributes to making our city easy to live in. Our aquatic facilities and network of libraries provide community hubs and point of connection for our people through leisure activities.

We want to make sure we are creating a city that our people can easily live in, enjoy, and explore.

To deliver a city that's easy to live in we invest in the following:

### o Community Services

- o Aquatic Facilities
- o Libraries
- o Customer Services

### o Transport

- o Transport Network
- o Parking Management

### o Support Services

- o Business Services
- o Chief Executive
- o People, Performance and Culture
- o Strategy, Growth and Planning



# Community Services

**Our city’s libraries and aquatic facilities provide engaging community and leisure destinations for people to visit and enjoy. These facilities and services promote the social and cultural wellbeing of Hamiltonians and are inclusive, and accessible to all.**

**We want our customers and community to have ease of access to a point of contact, or the information they need through our dedicated customer services. This helps to ensure that Hamilton Kirikiriroa continues to be a city that’s easy to live in.**

## Aquatic Facilities

We are a key provider of public aquatic facilities in Hamilton Kirikiriroa, catering for diverse community needs with affordable entry. Council’s aquatic facilities at Waterworld and Gallagher Aquatic Centre are dedicated to promoting health, recreation and rehabilitation through swimming and water-related activities.

These facilities offer many recreational programmes and activities, including lane and leisure swimming, water education and a health and fitness centre.

We also partner with local educational institutions, which open their pools to the public during the summer to make aquatic facilities more accessible to all.

## Libraries

Hamilton City Libraries provide our communities with access to information and knowledge. They offer welcoming spaces for all through a network of seven libraries and online offerings. Our libraries are continuously evolving and adapting to meet the changing needs of communities by finding innovative ways to support and encourage lifelong learning and inspire creativity. They strengthen our communities by providing dynamic community hubs where people come to connect, create, share, and learn in a social space.

## Customer Services

Our Customer Services teams are the first point of contact for our community and ensure that people are able to connect with Council and its many services, whether in person in our service centre or over the phone through our 24/7 contact centre.

Our Customer Services oversee the management of queries, complaints, or compliments about any of Council’s services, as well as compiling and delivering Replace with: Land Information Memorandum (LIM) reports and Property File information.

# How will you know we’re delivering?

What you can expect from us	What we will measure	Latest result (2022/23)	Targets			
			2024/25	2025/26	2026/27	By 2033/34
Our libraries are well used.	The number of physical issues by Hamilton City Libraries each year.	1,029,341	Increase on previous year	Increase on previous year	Increase on previous year	Increase on previous year
	The number of online issues by Hamilton City Libraries each year.	157,360	Increase on previous year	Increase on previous year	Increase on previous year	Increase on previous year
	The number of physical visits to Hamilton City Libraries each year.	548,296	At least 750,000 visitors	Increase on previous year	Increase on previous year	Increase on previous year
	The number of online visits to Hamilton City Libraries each year.	776,130	At least 800,000 visits	Increase on previous year	Increase on previous year	Increase on previous year
	The percentage of Hamilton residents who are active library members	New measure	At least 21%	Increase on previous year	Increase on previous year	Increase on previous year
Our libraries provide quality customer experiences.	The percentage of library customers surveyed who are satisfied with their overall experience.	93%	At least 90%	At least 90%	At least 90%	At least 90%
Our aquatic facilities are well used.	The number of visits to Council owned aquatic facilities and partner pools each year.	376,587	Maintain or increase on previous year	Maintain or increase on previous year	Maintain or increase on previous year	Maintain or increase on previous year
Our aquatic facilities provide quality customer experiences.	The percentage of aquatic facilities customers surveyed who are satisfied with their overall experience.	79%	At least 85%	At least 85%	At least 85%	At least 85%
We provide programmes that support safer water use.	The number of enrolments in aqua education and learn to swim programmes.	New measure	82,000	5% increase on previous year	5% increase on previous year	5% increase on previous year
	The number of partnership programmes delivered each year.	New measure	At least ten programmes delivered per annum	At least ten programmes delivered per annum	At least ten programmes delivered per annum	At least ten programmes delivered per annum



Significant negative effects

Activity	Wellbeing	Effect	Mitigation
Aquatic Facilities	Social, cultural, economic	These community facilities aren’t available equitably city-wide.	Council-owned aquatic facilities provide both a centrally located regional facility at Waterworld, and a local facility at Gallagher Aquatic Centre in the south of Hamilton. We also work in partnership with five educational institutions to provide additional swim space over the summer through the Partner Pools programme. These pools are located throughout the city to ensure they are accessible to all.
Aquatic Facilities and Libraries	Economic, environmental	The management of these facilities and delivery of services could have a negative impact on the environment as a result of waste production and water and energy use.	We ensure that our operations are managed effectively, and waste is minimised or recycled, and water and energy are conserved.

Capital projects

		R - Renewals				LOS - Levels of service				G - Growth	
	Type	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Aquatic Facilities</b>											
CE10001 - Aquatic Facilities building renewals	R	417	4,496	275	1,748	9,102	321	331	6,673	2,373	366
CE21005 - Aquatic Facilities renewals	R	3,455	1,206	224	738	1,576	3,214	1,497	1,602	435	1,332
		<b>3,872</b>	<b>5,701</b>	<b>499</b>	<b>2,485</b>	<b>10,677</b>	<b>3,535</b>	<b>1,827</b>	<b>8,276</b>	<b>2,807</b>	<b>1,698</b>
<b>Libraries</b>											
CE10005 - Libraries collection purchases	R	1,576	1,459	1,797	2,131	1,741	2,096	2,159	2,277	2,712	2,390
CE10006 - Library operational renewals	R	384	219	280	282	583	1,094	1,144	284	465	521
CE10007 - Library building renewals	R	1,491	559	3,218	3,972	104	697	64	68	80	71
CE21044 - Libraries development	LOS	-	-	-	-	-	2,486	12,904	-	-	-
		<b>3,451</b>	<b>2,237</b>	<b>5,296</b>	<b>6,386</b>	<b>2,428</b>	<b>6,373</b>	<b>16,271</b>	<b>2,629</b>	<b>3,258</b>	<b>2,982</b>
<b>Community Services total</b>		<b>7,323</b>	<b>7,939</b>	<b>5,794</b>	<b>8,871</b>	<b>13,106</b>	<b>9,908</b>	<b>18,098</b>	<b>10,904</b>	<b>6,065</b>	<b>4,680</b>

Prospective Community Services funding impact statement

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Notes	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Sources of Operating Funding</b>											
General rates, uniform annual general charges, rates penalties	18,580	27,352	28,519	29,871	31,750	33,829	36,906	36,768	38,783	39,652	40,780
Targeted Rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	2	2	2	2	2	2	2	2	2	2	2
Fees and charges	4,730	5,243	5,629	6,044	6,492	7,065	7,525	7,976	8,218	8,585	8,971
Local authorities fuel tax, fines, infringement fees, and other receipts	375	439	447	456	461	466	477	486	491	500	508
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	23,687	33,035	34,597	36,373	38,705	41,361	44,910	45,232	47,494	48,739	50,261
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	17,420	20,864	21,356	22,186	22,972	23,638	25,960	25,350	26,628	27,484	28,081
Finance Costs	1,108	2,152	2,229	2,322	2,358	2,541	2,668	2,897	3,116	3,053	2,830
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding (B)	18,527	23,016	23,584	24,508	25,331	26,179	28,627	28,246	29,744	30,537	30,911
<b>Surplus/(Deficit) of Operating Funding (A - B)</b>	<b>5,160</b>	<b>10,019</b>	<b>11,013</b>	<b>11,865</b>	<b>13,374</b>	<b>15,183</b>	<b>16,283</b>	<b>16,986</b>	<b>17,750</b>	<b>18,202</b>	<b>19,350</b>
<b>Sources of Capital Funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	11,714	5,008	3,892	353	1,049	3,430	(1,353)	6,548	(1,111)	(4,935)	(7,521)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding (C)	11,714	5,008	3,892	353	1,049	3,430	(1,353)	6,548	(1,111)	(4,935)	(7,521)
<b>Application of Capital Funding</b>											
Capital Expenditure:											
- to meet additional demand	4,558	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	181	-	-	-	-	-	2,486	12,904	-	-	-
- to replace existing assets	7,435	7,323	7,939	5,794	8,871	13,106	7,421	5,194	10,904	6,065	4,680
Increase (decrease) in reserves	4,646	7,517	6,826	6,216	5,413	5,410	4,849	5,272	5,642	7,046	6,925
Increase (decrease) of investments	54	187	141	208	139	98	173	164	92	156	224
Total Applications of Capital Funding (D)	16,874	15,027	14,905	12,218	14,423	18,613	14,930	23,534	16,639	13,267	11,829
<b>Surplus/(Deficit) of Capital Funding (C - D)</b>	<b>(5,160)</b>	<b>(10,019)</b>	<b>(11,013)</b>	<b>(11,865)</b>	<b>(13,374)</b>	<b>(15,183)</b>	<b>(16,283)</b>	<b>(16,986)</b>	<b>(17,750)</b>	<b>(18,202)</b>	<b>(19,350)</b>
<b>Funding Balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Transport

We want Hamilton Kirikiriroa to be a city that is easy to get around no matter how you choose to travel. We want to have a safe, reliable, and sustainable transport system that is accessible to everyone and caters to a variety of transport choices. It is essential we meet our legislative obligations relating to the way we manage the road corridor and transport network within our boundaries.

Transport Network

Our transport network integrates different modes of transport including freight, rail, private vehicles, buses, biking, micro-mobility (scooting and skating) and walking.

We manage and operate the city’s transport network, and work to manage demand on the system. We ensure the maintenance and renewal of existing transport infrastructure, as well as planning for and investing in new transport infrastructure. We also work with the community and stakeholders to raise awareness of travel options and influence travel behaviour (for mode choice and safety).

The bus service in Hamilton is provided and managed by Waikato Regional Council in partnership with Hamilton City Council. Central Government, through NZ Transport Agency Waka Kotahi, partners with us in operating the state highways running through Hamilton Kirikiriroa, as well as co-investing in our transport infrastructure and services.

Planning for future development, growth, trends in network use, and asset management needs is also a significant focus. Over the next 10 years we will continue to significantly invest in the transport network, focusing on safety, travel choice and the provision of new strategic infrastructure to support growth and economic development.

Improving road safety is an important focus and we have set a target of zero deaths (by 2028) on the transport network which is monitored quarterly throughout the year.

We propose to work closely with central government and New Zealand Transport Agency Waka Kotahi as they review their approach to funding road safety through the Government Policy Statement on land transport for 2024-34.

Parking Management

We are responsible for the management and supply of on-street and Council-controlled off-street parking in Hamilton Kirikiriroa, in line with the guiding principles in the Hamilton Parking Policy. We have a focus on encouraging efficient use of parking resources and managing demand through compliance and enforcement activities.

We approach this in a way that supports better transport outcomes (beyond parking) for our city, which includes improving urban form designs (our street landscape) to create more options for different modes of travel.

How will you know we’re delivering?

What you can expect from us	What we will measure	Latest result (2022/23)	Targets			
			2024/25	2025/26	2026/27	By 2033/34
As our city grows you can expect travel times for all vehicles to be predictable.	Travel times are predictable during peak hours.	14%	A variation of no more than 25%	A variation of no more than 25%	A variation of no more than 25%	A variation of no more than 25%
You can expect the transport network to be safe to use.	The change from the previous financial year in the number of fatal and serious injury crashes on the local road network.+	Decrease of 12 (39) fatal or serious injury crashes than 2021/22* (3 fatal, 36 serious injury)	Decrease from previous financial year	Decrease from previous financial year	Decrease from previous financial year	Decrease from previous financial year
You can expect the transport network to be kept in good operating condition.	The average quality of ride on Hamilton’s sealed local road network, measured by smooth travel exposure.+	83%	At least 80%	At least 80%	At least 80%	At least 80%
	The percentage of the sealed road local network that is resurfaced each financial year.+	3.60%	At least 3.5%	At least 3.5%	At least 3.5%	At least 3.5%
	The percentage of qualifying footpaths within Hamilton that meet the level of service standard of less than 5 faults per 100m section.+	97%	At least 84%	At least 82%	At least 80%	At least 80%
You can expect customer service requests to be responded to promptly.	The percentage of customer service requests relating to roads and footpaths that are responded to within five working days.+	98.78%	At least 96%	At least 96%	At least 96%	At least 96%

+ Measure required by the Department of Internal Affairs

\* Data as at 6 July 2023

Significant negative effects

Activity	Wellbeing	Effect	Mitigation
Transport	Social, environmental	Roads can limit access between sections of the community. They can be difficult to cross particularly for pedestrians, cyclists, micro-mobility users and those with disabilities.	We ensure that all network users are considered in the planning and design of new infrastructure and retrofit of existing infrastructure to increase connectivity, safety and reduce the likelihood of a severe crash. These include provisions that assist pedestrians, cyclists and micro-mobility users such as refuge islands, traffic signals, speed limits and underpasses or over bridges. Affected communities are consulted while obtaining resource consents for significant roading projects.
Transport	Social, economic, environmental	Air pollution and carbon emissions caused by vehicles and traffic.	<div>We provide necessary infrastructure to enable the community to have a choice of alternative modes of transport such as walking, cycling, micro-mobility and public transportation to assist in mitigating air pollution.</div> <div>We actively promote sustainable / alternative travel options through our Workplace Travel Plans and Biking, Micro-Mobility Programme and Active transport initiatives.</div>
Transport	Social, economic, environmental	Funding shortfalls will limit our ability to deliver the capital programme and renewals and maintenance required to maintain a safe roading network.	<div>We plan for renewals and maintenance to ensure that adequate funding is secured to provide for our work programmes. This is important to avoid premature deterioration of our roading network (which could otherwise result in significant investment to restore the level of service).</div> <div>Funding for transport investment comes from a mix of rates, NZ Transport Agency Financial Assistance (subsidy), and the private sector where there are PDAs in place for new development in the case of new capital projects which are responding to growth. We are always subject to the risk of NZ Transport Agency investment levels, which are only known after confirmation of the Long-Term Plan.</div>
Transport	Social, cultural, economic, environmental	Network maintenance and the construction of new roads can cause delays to travel times, traffic congestion, affect public transportation, limit access to properties and businesses and potentially disturb residents during earthworks.	<div>We ensure we adhere national guidelines to ensure traffic management practices are undertaken so that the impacts of these effects are effectively managed and minimised.</div> <div>We ensure that affected properties and businesses are appropriately advised to minimise accessibility issues due to roadworks.</div>

Activity	Wellbeing	Effect	Mitigation
Transport	Social, economic, environmental	Network maintenance and the construction of new roads can have negative environmental effects such as noise pollution, air pollution and water run-off that may carry contaminants into the stormwater system. These can also adversely affect neighbouring properties and businesses.	Council is required to abide by the Resource Management Act when undertaking capital and maintenance work, which requires mitigation of adverse effects.
Transport	Cultural, environmental	Network maintenance and the construction of new roads have the potential to adversely impact natural, cultural and historical heritage sites.	<div>Projects are thoroughly investigated to identify any possible natural, cultural or historical significance prior to commencement.</div> <div>We ensure that Taangata Whenua and other affected parties are consulted before any works are undertaken. We also proactively manage and limit the disturbance of significant features while works are underway.</div>
Transport	Social, economic, environmental	The timing of the delivery of the development of the transport network has the potential to limit the city's growth opportunities.	<div>One of Council's primary roles is to plan, deliver and maintain the infrastructure needed for our growing city. Robust long-term planning allows for sustainable growth and the provision of growth-related infrastructure to meet our city's needs.</div> <div>This includes ensuring that anticipated growth is identified and planned for to allow development to occur at the right time and in the right places to meet demand.</div> <div>Our Infrastructure Strategy outlines investments that are anticipated to be required beyond the lifespan of this Long-Term Plan.</div>

Capital projects

		R - Renewals					LOS - Levels of service			G - Growth	
	Type	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Transport Network</b>											
CE10072 - Footpath and street furniture renewals	R	7,713	7,119	8,816	10,484	8,427	10,216	7,534	7,980	9,577	8,047
CE10074 - Drainage (kerb and channel) renewals	R	1,031	955	1,258	1,392	1,137	1,478	1,991	2,100	2,572	2,799
CE10075 - Road base renewals	R	9,655	13,884	19,499	15,306	12,504	19,530	29,316	30,917	36,825	37,630
CE10076 - Road resurfacing	R	5,863	7,260	8,942	9,747	10,884	13,104	13,440	15,892	18,930	16,677
CE10077 - Bridge and structures renewals	R	215	199	245	291	238	286	295	311	370	373
CE10078 - Retaining wall and structures renewals	R	158	373	459	67	158	1,115	1,149	1,347	1,434	1,264
CE10080 - Street lighting renewals	R	2,362	2,498	3,356	2,572	2,016	2,491	2,688	3,801	4,544	4,061
CE10081 - Traffic equipment renewals	R	795	734	928	1,055	878	1,123	1,965	2,097	2,352	1,894
CE15087 - Transportation upgrades to allow for development	G	1,189	1,237	4,029	1,780	648	3,271	1,936	2,001	2,140	384
CE15088 - Peacocke transport upgrades and development stage 1	G	49,553	20,370	1,034	1,942	123	128	338	1,256	153	-
CE15089 - Peacocke transport upgrades and development stage 2	G	16,440	19,031	1,502	1,978	3,363	2,898	8,966	3,932	36,375	14,857
CE15090 - Rotokauri transport upgrades and development	G	3,152	2,663	2,532	4,027	-	10,712	143	6,611	13,112	13,440
CE15092 - Rototuna transport upgrades and development	G	5,103	66	4,923	-	-	2,922	2,887	5,695	9,969	10,835
CE15093 - Ruakura transport upgrades and development	G	2,100	-	-	1,588	29,881	3,219	29,718	30,728	93	-
CE15097 - Northern city crossing	G	-	-	-	-	-	3,585	2,481	-	-	-
CE19037 - Hamilton transport model	G	806	367	-	-	74	-	794	-	-	-
CE19057 - Biking Plan implementation	G	17,850	21,840	9,521	7,073	7,356	7,650	7,941	8,211	8,490	8,779
CE19058 - Public transport mode shift	G	4,400	4,520	4,631	4,763	4,934	5,230	5,327	5,529	5,715	5,891
CE21012 - Transport building renewals	R	37	1,103	1,296	4,510	862	202	1,720	54	64	57
CE21053 - Central city transportation improvements	LOS	945	-	1,700	-	-	956	993	1,026	1,061	1,097
CE21055 - Te Rapa transportation upgrades and development	G	314	-	4,567	6,554	11,109	181	-	-	-	-
CE21058 - Transportation safety improvements	LOS	14,825	10,298	7,368	7,662	7,969	8,288	8,603	8,895	9,198	9,510
CE21060 - Public transport improvement	LOS	788	819	850	884	919	956	993	1,026	1,061	1,097
CE23005 - Infrastructure Acceleration Fund	G	607	607	632	-	-	-	-	-	-	-
<b>Transport total</b>		<b>145,902</b>	<b>115,941</b>	<b>88,087</b>	<b>83,674</b>	<b>103,478</b>	<b>99,542</b>	<b>131,216</b>	<b>139,410</b>	<b>164,034</b>	<b>138,694</b>

Prospective Transport funding impact statement

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Notes	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Sources of Operating Funding</b>											
General rates, uniform annual general charges, rates penalties	54,334	59,101	77,046	97,948	125,477	145,799	168,864	176,304	184,644	203,457	218,326
Targeted Rates	150	145	145	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	8,718	9,169	9,336	10,023	10,120	10,588	10,752	11,823	11,633	12,040	12,187
Fees and charges	5,482	6,153	7,031	8,176	9,142	9,498	9,932	10,188	10,522	10,842	11,157
Local authorities fuel tax, fines, infringement fees, and other receipts	5,565	8,685	9,210	8,905	9,297	9,439	9,638	9,877	9,997	10,230	10,387
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	74,250	83,252	102,768	125,052	154,036	175,324	199,185	208,192	216,796	236,569	252,058
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	33,623	45,526	47,949	50,691	54,713	57,896	60,088	63,690	66,823	69,854	72,118
Finance Costs	9,630	22,568	23,091	22,720	21,288	20,150	18,133	16,005	13,849	12,911	12,162
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding (B)	43,253	68,094	71,040	73,410	76,001	78,047	78,221	79,695	80,672	82,765	84,280
<b>Surplus/(Deficit) of Operating Funding (A - B)</b>	<b>30,997</b>	<b>15,158</b>	<b>31,728</b>	<b>51,642</b>	<b>78,035</b>	<b>97,278</b>	<b>120,964</b>	<b>128,497</b>	<b>136,124</b>	<b>153,804</b>	<b>167,777</b>
<b>Sources of Capital Funding</b>											
Subsidies and grants for capital expenditure	70,840	47,319	52,411	31,936	28,055	44,048	35,833	54,218	55,801	41,426	46,355
Development and financial contributions	12,608	5,865	8,243	10,906	14,556	15,993	15,432	16,037	15,204	15,806	14,768
Increase (decrease) in debt	20,167	62,592	18,105	(38,052)	(34,705)	(51,699)	(65,217)	(59,143)	(68,579)	(56,865)	(91,267)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding (C)	103,615	115,776	78,758	4,790	7,907	8,342	(13,951)	11,111	2,426	367	(30,144)
<b>Application of Capital Funding</b>											
Capital Expenditure:											
- to meet additional demand	33,642	89,572	70,700	3,370	29,704	57,487	39,795	60,532	63,965	76,047	54,186
- to improve the level of service	57,336	18,500	11,117	9,918	8,546	8,889	10,200	10,588	10,948	11,320	11,705
- to replace existing assets	22,380	27,829	34,125	44,799	45,421	37,103	49,544	60,098	64,499	76,667	72,802
Increase (decrease) in reserves	21,015	(5,795)	(6,077)	(2,571)	1,658	1,710	6,712	7,669	(1,269)	(10,552)	(2,049)
Increase (decrease) of investments	237	827	621	916	613	431	762	721	408	689	990
Total Applications of Capital Funding (D)	134,612	130,934	110,486	56,432	85,942	105,620	107,013	139,609	138,551	154,171	137,633
<b>Surplus/(Deficit) of Capital Funding (C - D)</b>	<b>(30,997)</b>	<b>(15,158)</b>	<b>(31,728)</b>	<b>(51,642)</b>	<b>(78,035)</b>	<b>(97,278)</b>	<b>(120,964)</b>	<b>(128,497)</b>	<b>(136,124)</b>	<b>(153,804)</b>	<b>(167,777)</b>
<b>Funding Balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



# Support Services

- o Business Services
- o Chief Executive
- o People, Performance and Culture
- o Strategy, Growth and Planning

Support Services are the internal-facing functions of the organisation that underpin the delivery of the many different aspects of Council’s services.

These include everyday activities such as Business Services, (finance, information services and risk and legal functions), and People, Performance & Culture, which includes safety & wellness.

The Chief Executive’s main function is to implement the decisions of Council, provide advice to elected members, and ensure effective and efficient management of all activities of Council, including the employment of staff.

Strategy, Growth and Planning enables the delivery of activities that contribute to the wellbeing of our city. This includes owning Council’s strategic framework and advocating for our city, embedding climate change and sustainability in everything we do, the preparation of our long-term and annual plans, and infrastructure strategy. These identify our community outcomes and long-term goals for our city and ensure we’re following the laws and requirements for local government.

We work collaboratively with central government and other councils to make sure we secure the best outcomes that benefit our city. Our focus is to identify links across projects that give rise to opportunities for alignment. Our work covers many forums and projects and delivers boundaryless thinking to positively influence the long-term direction of the city and its surrounding areas.

To meet the demand of high growth on our city, Council also looks for opportunities to secure new and innovative funding options to pay for the infrastructure needed to support this growth. Some of this infrastructure is funded through the Council’s Development Contributions Policy which collects revenue to fund growth infrastructure.

This activity also oversees the acquisition, management and disposal of property assets that support the city’s strategic plans. This includes administering the Municipal and Domain Endowment Funds which helps to fund development opportunities that attract business to Hamilton Kirikiriroa. This helps to grow our city’s economy while enhancing the cultural identity of the city.

# How will you know we’re delivering?

There are no performance measures associated with this group of activities.

# Significant negative effects

There are no significant negative effects associated with this activity.

# Capital projects

	Type	R - Renewals					LOS - Levels of service			G - Growth	
		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Business Services		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
CE24001 - Fleet vehicles renewals	R	3,913	3,338	3,573	7,101	4,546	4,952	5,459	6,338	3,675	6,029
CE24002 - Corporate building renewals	R	5,710	4,984	4,015	1,701	1,571	1,673	3,223	3,456	2,115	1,787
CE24006 - Information Services renewals	R	2,408	5,255	5,445	5,688	5,548	5,706	5,923	6,124	6,332	6,547
CE24007 - Information Services upgrades	LOS	1,600	3,562	2,741	3,584	3,237	3,621	4,156	3,271	3,382	3,497
Support Services total		13,631	17,138	15,774	18,074	14,901	15,952	18,760	19,188	15,504	17,860

Prospective Support Services funding impact statement

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Notes	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Sources of Operating Funding</b>											
General rates, uniform annual general charges, rates penalties	310	(230)	(262)	(297)	(334)	(373)	(405)	(425)	(446)	(467)	(490)
Targeted Rates	11	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	3,329	-	-	-	-	-	-	-	-	-	-
Fees and charges	325	331	74	76	79	82	85	88	91	94	97
Local authorities fuel tax, fines, infringement fees, and other receipts	226	348	352	357	359	361	367	371	374	378	382
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	4,202	449	163	136	104	70	47	34	19	5	(11)
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	49,211	57,743	57,749	64,057	67,633	70,923	73,084	78,612	79,062	83,632	88,991
Finance Costs	-	853	1,373	1,989	2,590	3,246	3,835	4,564	5,359	6,126	6,946
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding (B)	49,211	58,595	59,122	66,047	70,223	74,169	76,918	83,177	84,421	89,758	95,937
<b>Surplus/(Deficit) of Operating Funding (A - B)</b>	<b>(45,009)</b>	<b>(58,146)</b>	<b>(58,959)</b>	<b>(65,911)</b>	<b>(70,119)</b>	<b>(74,099)</b>	<b>(76,872)</b>	<b>(83,142)</b>	<b>(84,402)</b>	<b>(89,753)</b>	<b>(95,948)</b>
<b>Sources of Capital Funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(186)	12,421	15,025	12,932	13,987	9,847	10,069	12,727	12,912	9,758	11,486
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding (C)	(186)	12,421	15,025	12,932	13,987	9,847	10,069	12,727	12,912	9,758	11,486
<b>Application of Capital Funding</b>											
Capital Expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	1,600	3,562	2,741	3,584	3,237	3,621	4,156	3,271	3,382	3,497
- to replace existing assets	(172)	12,030	13,577	13,034	14,490	11,665	12,330	14,605	15,918	12,122	14,363
Increase (decrease) in reserves	(45,023)	(59,356)	(61,072)	(68,754)	(74,205)	(79,153)	(82,754)	(89,176)	(90,679)	(95,499)	(102,321)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding (D)	(45,194)	(45,725)	(43,934)	(52,979)	(56,132)	(64,252)	(66,803)	(70,415)	(71,490)	(79,995)	(84,462)
<b>Surplus/(Deficit) of Capital Funding (C - D)</b>	<b>45,009</b>	<b>58,146</b>	<b>58,959</b>	<b>65,911</b>	<b>70,119</b>	<b>74,099</b>	<b>76,872</b>	<b>83,142</b>	<b>84,402</b>	<b>89,753</b>	<b>95,948</b>
<b>Funding Balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# A city where our people thrive

He taaone e tipu  
matomato ai te tangata



We want to actively create opportunities for our people to thrive in their education, careers, and day-to-day lives so they can leverage the wonderful lifestyle and opportunities our city has to offer.

Increasingly, our city is a place where people and businesses want to come, stay, and grow. Our location, range of amenities, and the diverse business opportunities on offer, provide an attractive lifestyle which means that more and more people want to be here.

Hamilton Kirikiriroa is a youthful city, with many young people coming here (or even returning home) to find good jobs, buy homes, raise families, and become part of our community. More than 160 ethnic groups are now part of the make-up of our city too. This creates a valuable diversity in our city's identity, which brings opportunities and benefits for all Hamiltonians.

Our city is experiencing rapid population growth, and so it is important that we take a careful and considered approach to managing our urban growth, to make sure we grow well and deliver communities that improve the wellbeing of Hamiltonians.

We want to embrace the opportunities that growth brings, by investing in the right places at the right time. So, as the face of

our city changes, it is important that we continue to empower and enable our diverse communities to share their voice and help shape our city.

To deliver a city where our people thrive, we invest in the following:

- o Governance
- o Partnerships Communication & Maaori
  - o Amorangi Maaori
  - o Communication and Engagement
  - o Community Partnerships and Funding
- o Growth
  - o City Planning
  - o Planning Guidance
- o Regulatory and Safety
  - o Animal Education and Control
  - o Public Safety
  - o Building Control
  - o Civil Defence and Emergency
  - o Environmental Health and Alcohol Licensing

# Governance

Governance is about providing Hamiltonians with sound leadership that makes good decisions in the best interests of our city. We want to provide open and effective city governance, with opportunities for our people to be involved in shaping our city. We are also committed to honouring our Te Tiriti O Waitangi/Treaty of Waitangi and legislative obligations.

Our governance services enable, promote and support local democracy by providing advice and democratic services to Elected Members, Maangai Maaori, Appointed Members, the wider organisation and the public.

This includes supporting public engagement with Elected Members through our democratic processes, as well as

facilitating local government elections (and by-elections), Council and committee meetings, petitions, referenda, polls and representation reviews. These services also include providing induction, training and administration support for the Elected Members.

We also undertake representation reviews in line with legislative requirements to ensure that our communities of interest within the city are effectively represented.

We will continue to work with other areas of the organisation and partners to schools, tertiary institutions, and community groups to understand and engage in local democratic processes that shape our city.

## How will you know we’re delivering?

What you can expect from us	What we will measure	Latest result (2022/23)	Targets			
			2024/25	2025/26	2026/27	By 2033/34
We meet our statutory obligations	The percentage of official information requests responded to within legislative timeframes.	New measure	100% of official information requests responded to within legislative timeframes.	100% of official information requests responded to within legislative timeframes.	100% of official information requests responded to within legislative timeframes.	100% of official information requests responded to within legislative timeframes.

## Significant negative effects

There are no significant negative effects associated with this activity.

## Capital projects

There are no capital projects associated with this activity.



Prospective Governance funding impact statement

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Notes	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Sources of Operating Funding</b>											
General rates, uniform annual general charges, rates penalties	3,023	3,348	3,774	3,352	3,454	3,975	3,422	3,652	4,163	3,751	3,874
Targeted Rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	13	-	181	-	-	201	-	-	224	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	3,036	3,348	3,955	3,352	3,454	4,176	3,422	3,652	4,387	3,751	3,874
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	2,633	2,884	3,590	3,157	3,372	4,167	3,544	3,876	4,762	4,208	4,440
Finance Costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding (B)	2,633	2,884	3,590	3,157	3,372	4,167	3,544	3,876	4,762	4,208	4,440
<b>Surplus/(Deficit) of Operating Funding (A - B)</b>	<b>404</b>	<b>465</b>	<b>365</b>	<b>195</b>	<b>83</b>	<b>9</b>	<b>(122)</b>	<b>(223)</b>	<b>(375)</b>	<b>(458)</b>	<b>(566)</b>
<b>Sources of Capital Funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	93	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding (C)	93	-	-	-	-	-	-	-	-	-	-
<b>Application of Capital Funding</b>											
Capital Expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	35	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	58	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	393	428	338	154	55	(10)	(156)	(255)	(393)	(488)	(610)
Increase (decrease) of investments	11	37	28	41	27	19	34	32	18	31	44
Total Applications of Capital Funding (D)	497	465	365	195	83	9	(122)	(223)	(375)	(458)	(566)
<b>Surplus/(Deficit) of Capital Funding (C - D)</b>	<b>(404)</b>	<b>(465)</b>	<b>(365)</b>	<b>(195)</b>	<b>(83)</b>	<b>(9)</b>	<b>122</b>	<b>223</b>	<b>375</b>	<b>458</b>	<b>566</b>
<b>Funding Balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Partnerships, Communication and Maaori

Amorangi Maaori

Our specialist Amorangi Maaori function serves to deepen our connections with Iwi and Maaori and takes the lead in building the Maaori capability of everyone who works here.

Council is committed to honouring the principles of Te Tiriti o Waitangi/Treaty of Waitangi through its relationship with Kiingitanga, Waikato-Tainui, Mana Whenua and Maataawaka within Hamilton Kirikiriroa. The principles of partnership, participation, and protection underpin the relationship between Council and Maaori under Te Tiriti o Waitangi/the Treaty of Waitangi.

We seek to honour these principles in our decision-making by ensuring we are effectively engaging in partnership with Iwi, Mana Whenua and Maataawaka organisations. Our Amorangi Maaori team support this by providing Council with guidance and advice on issues related to Maaori, and support us in building stronger relationships with our Maaori partner organisations.

We want to make sure that Hamilton Kirikiriroa is a city where people from different cultures work together and respect each other’s views, heritage and culture.

Communication and Engagement

It is important that it is easy for Hamiltonians to share their voice and help shape the future of their city. We want to provide our people with transparent, effective, and consistent opportunities to have their say on the issues that matter to them. This connects the community with Council to ensure that their views are represented, and that there is genuine opportunity to help inform Council’s decision-making.

We recognise that our communities, and their views, are diverse and have differing preferences for the ways in which we engage with them. It is important that how we engage is responsive, accessible, and able to meet the varied needs of our community.

Community Partnerships and Funding

We seek to support the wellbeing of Hamiltonians by partnering with local organisations and private providers to deliver a variety of services and activities that meet the needs of our local communities. Our work includes advisory services and grants through a community assistance fund. Council’s Community Advisors work with organisations and agencies throughout the city to increase the ability of the community to meet its own needs. Their work focuses on building greater social cohesion and inclusion, creating a better city for all people who live here.

Through city events and activations, we can acknowledge significant city occasions and milestones and ensure our Council engagement is well supported by targeted events and activities. These include civic citizenship ceremonies and welcoming events, Your Neighbourhood community events, ANZAC

commemorations and Matariki celebrations. In addition, we work with groups holding their own community events, by providing advice directly to them and issuing event permits to ensure health and safety.

The City Investment Programme was established by Council in 2022 with the aim of unlocking Hamilton’s potential as a connected, vibrant, attractive, and prosperous city. By building and brokering relationships and partnerships, the programme works to draw funding for Hamilton to support enhanced city outcomes and enable the development of key community infrastructure projects. This is achieved through collaboration, and a shared commitment with partners, city investors and philanthropic donors, to deliver community infrastructure and initiatives that improve the wellbeing of Hamiltonians.

How will you know we’re delivering?

What you can expect from us	What we will measure	Latest result (2022/23)	Targets			
			2024/25	2025/26	2026/27	By 2033/34
We facilitate and provide opportunities for communities to drive and own their self-development	The delivery in partnership of culturally significant events that honour our unique heritage.	New measure	At least three events	At least three events	At least three events	At least three events
	The percentage of Tiriti o Waitangi partners that are satisfied with Council's performance as a good partner.	New measure	Establish baseline	Improve on baseline	Improve on baseline or prior year result (whichever is greater)	At least 85% or improve on prior result (whichever is greater)
We make it easy for Hamiltonians to share their voice in a way that suits them, and then use these insights to support Council decisions and shape our future.	The percentage of respondents who are satisfied that Council provides genuine opportunities for them to have a say in shaping Hamilton.	New measure	Establish baseline	Improve on baseline	Improve on baseline or prior year result (whichever is greater)	At least 85% or improve on prior result (whichever is greater)
	The value of services leveraged for every \$1 of Community Partnership Grant funding provided (Multi-Year Grant).	New measure	At least \$3.00 worth of services leveraged for every \$1.00 provided	At least \$18.00 worth of services leveraged for every \$1.00 provided	At least \$18.00 worth of services leveraged for every \$1.00 provided	At least \$18.00 worth of services leveraged for every \$1.00 provided
We work alongside others to support a strong and connected community.	The value of services leveraged for every \$1 of Community Assistance Grant and Community Service Grant funding provided.	New measure	At least \$3.00 worth of services leveraged for every \$1.00 provided	At least \$10.00 worth of services leveraged for every \$1.00 provided	At least \$10.00 worth of services leveraged for every \$1.00 provided	At least \$10.00 worth of services leveraged for every \$1.00 provided

Significant negative effects

There are no significant negative effects associated with this activity.

Capital projects

There are no capital projects associated with this activity.

Prospective Partnerships, Communication and Maaori funding impact statement

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Notes	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Sources of Operating Funding</b>											
General rates, uniform annual general charges, rates penalties	4,435	10,812	10,799	10,926	10,881	10,954	10,984	11,090	11,093	11,221	11,401
Targeted Rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	2,375	-	-	-	-	-	-	-	-	-	-
Fees and charges	32	38	39	41	42	44	105	171	240	248	256
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	6,841	10,850	10,838	10,967	10,923	10,998	11,089	11,261	11,333	11,469	11,657
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	8,015	9,090	9,494	9,854	10,091	10,381	10,706	11,040	11,363	11,693	12,042
Finance Costs	1	47	44	44	44	46	47	49	51	52	54
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding (B)	8,016	9,137	9,538	9,898	10,136	10,427	10,753	11,089	11,414	11,745	12,096
<b>Surplus/(Deficit) of Operating Funding (A - B)</b>	<b>(1,175)</b>	<b>1,713</b>	<b>1,300</b>	<b>1,068</b>	<b>788</b>	<b>571</b>	<b>336</b>	<b>172</b>	<b>(81)</b>	<b>(275)</b>	<b>(439)</b>
<b>Sources of Capital Funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	50	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding (C)	50	-	-	-	-	-	-	-	-	-	-
<b>Application of Capital Funding</b>											
Capital Expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	50	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	(1,175)	1,713	1,300	1,068	788	571	336	172	(81)	(275)	(439)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding (D)	(1,125)	1,713	1,300	1,068	788	571	336	172	(81)	(275)	(439)
<b>Surplus/(Deficit) of Capital Funding (C - D)</b>	<b>1,175</b>	<b>(1,713)</b>	<b>(1,300)</b>	<b>(1,068)</b>	<b>(788)</b>	<b>(571)</b>	<b>(336)</b>	<b>(172)</b>	<b>81</b>	<b>275</b>	<b>439</b>
<b>Funding Balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Growth

Growth is about planning that supports the growth of the city and the wider region in a boundaryless way, while ensuring Hamilton’s unique environment is protected. We want to meet our regulatory requirements to ensure building activity in the city supports safe, sustainable housing and commercial solutions in response to Hamilton’s growing population. We want to ensure developers, large and small, have accurate advice and information to help them through the regulatory processes.

City Planning

Hamilton is currently the fastest growing city in New Zealand. We need to ensure that the growth our city is experiencing happens in a way that unlocks Hamilton’s full potential and promotes the wellbeing of Hamiltonians. Good planning is necessary to support smart development and sustainable growth across the entire city. It protects Hamilton’s natural and built environments, our heritage and quality of life for our residents.

This is carefully managed through the District Plan, which is the key document defining how and where the city grows. We continually monitor its effectiveness to ensure it delivers good urban design across our city, improves housing affordability and

diversity, and enables a city that grows up and out in all the right places.

We need to ensure that Hamilton is resilient and can adapt to the changing climate, so we can minimise the impact on our city and our community. We are preparing for the changes ahead by working towards being a cleaner, healthier, climate resilient city by integrating sustainability across all of Council’s activities.

This is done by providing strategic information and direction on climate change, building capacity and capability for climate resilience, and through engagement with our community, external stakeholders, and partners.

Planning Guidance

We work closely with developers to ensure the city is well-designed, safe and sustainable, and enables quality-built housing options that meet the needs of all our people.

We provide information and advice for those planning developments and issue, monitor, and enforce land-use and subdivision consents.

We also carry out duties and functions relating to the Resource Management Act 1991 to ensure the sustainable management of natural and physical resources.

How will you know we’re delivering?

What you can expect from us	What we will measure	Latest result (2022/23)	Targets			
			2024/25	2025/26	2026/27	By 2033/34
A sufficient supply of land for housing and business.	There will be at least three years capacity of residential zoned land supplied with development infrastructure for the city.	5.5 years	At least three years	At least three years	At least three years	At least three years
	There will be at least three years capacity of business zoned land supplied with development infrastructure for the city.	2.7 years	At least three years	At least three years	At least three years	At least three years
We will support the delivery of safe, sustainable and attractive development.	Percentage of new resource consent applications processed within statutory timeframes.	New measure	95%	95%	95%	95%

Significant negative effects

Activity	Wellbeing	Effect	Mitigation
City Planning	Social, cultural, economic environmental	The rate of population growth puts strain on existing infrastructure and/or create demand for new infrastructure that exceeds our ability to supply.	<p>One of Council’s primary roles is to plan, deliver and maintain the infrastructure needed for our growing city. Robust long-term urban and spatial planning allows for the integration of land use and infrastructure, sustainable growth and the provision of both residential and commercial/industrial land to meet our city’s needs.</p> <p>This includes ensuring that anticipated growth is identified and planned for to allow for development to occur at the right time and in the right places to meet demand.</p> <p>Our Infrastructure Strategy outlines investments that are anticipated to be required beyond the lifespan of this Long-Term Plan.</p> <p>We also continue to investigate alternative methods of funding and financing infrastructure, when the ability to provide what is required is constrained by Council's debt-to-revenue ratio.</p>

Activity	Wellbeing	Effect	Mitigation
City Planning	Social, cultural, economic	Some of the costs of city growth will need to be funded by ratepayers.	Council will continue to look for innovative opportunities, and advocate for changes to the funding and financing system under which local government operates to enable infrastructure investment to service growth. This includes looking to enter into private developer agreements with the development community, recovering the costs of growth through the charging of development contributions, engaging with the LGFA on debt caps, and proposing other alternatives to central government such as transport pricing, a return on the value of GST, value capture mechanisms and City/Regional Funding Deals.
Planning Guidance	Social, cultural, economic environmental	The cumulative effects of subdivision, development and intensification can significantly impact our people and our environment.	<p>Council plans the city in an integrated and strategic manner through growth strategies – both at a sub-regional and city level.</p> <p>This ensures that growth and development occur in a planned way so that infrastructure and community facilities can be delivered alongside subdivision, development and intensification, ensuring the best possible outcomes for our communities.</p> <p>The District Plan includes policies and rules to promote the sustainable management of natural and physical resources.</p> <p>We will continue to monitor national, regional and local growth trends and environmental policy initiatives to provide quality advice to our organisation.</p>
Planning Guidance	Social, cultural, economic environmental	Poorly planned growth and low-quality development leads to unattractive and impractically designed neighbourhoods that lack community identity.	<p>Council plans the city in an integrated and strategic manner through growth strategies – both at a sub-regional and city level.</p> <p>This ensures that growth and development occur in a planned way so that infrastructure and community facilities can be delivered alongside subdivision, development and intensification, ensuring the best possible outcomes for our communities.</p> <p>The District Plan provides the rule framework that gives effect to the Hamilton Urban Growth Strategy, Future Proof Sub-regional Growth Strategy and Waikato Regional Policy Statement, which all require well planned and high-quality development.</p>



Activity	Wellbeing	Effect	Mitigation
Planning Guidance	Social, cultural, economic environmental	Resource Consent approvals and decisions, and the application of the District Plan and Resource Management Act can have a significant effect on the social, cultural and environmental wellbeing of our community if not implemented well.	The core function of Planning Guidance is to manage and mitigate these effects by ensuring that consents are approved in accordance with the requirements of the Resource Management Act and District Plan and that consents require mitigation conditions of consent as appropriate.

## Capital projects

	Type	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>City Planning</b>		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
CE24008 - Strategic Property renewals	R	1,226	1,242	43	273	1,037	50	51	2,374	277	730
CE24024 - Strategic Land Acquisition Fund	G	-	10,920	11,335	11,788	12,260	12,750	13,235	13,685	14,150	14,631
<b>Growth total</b>		<b>1,226</b>	<b>12,162</b>	<b>11,378</b>	<b>12,062</b>	<b>13,297</b>	<b>12,800</b>	<b>13,286</b>	<b>16,059</b>	<b>14,427</b>	<b>15,362</b>

## Prospective Growth funding impact statement

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Notes	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Sources of Operating Funding</b>											
General rates, uniform annual general charges, rates penalties	10,004	9,257	8,589	9,273	8,339	13,991	13,131	13,919	14,571	15,901	16,072
Targeted Rates	2,789	3,254	3,775	4,350	4,969	462	490	521	553	588	625
Subsidies and grants for operating purposes	750	-	-	-	-	-	-	-	-	-	-
Fees and charges	3,036	2,617	3,004	3,364	3,662	3,467	3,990	3,919	4,163	4,471	4,500
Local authorities fuel tax, fines, infringement fees, and other receipts	1,639	3,835	3,753	3,837	3,760	3,977	4,072	4,188	4,296	3,905	4,505
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	18,218	18,963	19,122	20,824	20,732	21,896	21,683	22,546	23,583	24,865	25,701
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	15,168	15,790	16,357	17,814	17,656	18,540	17,964	18,401	19,109	20,011	20,066
Finance Costs	844	175	448	950	1,445	2,040	2,675	3,368	4,152	5,015	5,946
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding (B)	16,012	15,965	16,806	18,763	19,101	20,579	20,639	21,769	23,261	25,026	26,012
<b>Surplus/(Deficit) of Operating Funding (A - B)</b>	<b>2,205</b>	<b>2,998</b>	<b>2,316</b>	<b>2,061</b>	<b>1,631</b>	<b>1,317</b>	<b>1,044</b>	<b>777</b>	<b>322</b>	<b>(161)</b>	<b>(311)</b>
<b>Sources of Capital Funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(1,880)	1,030	11,820	10,917	11,400	12,479	11,847	12,309	15,043	13,497	14,329
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding (C)	(1,880)	1,030	11,820	10,917	11,400	12,479	11,847	12,309	15,043	13,497	14,329
<b>Application of Capital Funding</b>											
Capital Expenditure:											
- to meet additional demand	-	-	10,920	11,335	11,788	12,260	12,750	13,235	13,685	14,150	14,631
- to improve the level of service	124	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	395	1,226	1,242	43	273	1,037	50	51	2,375	277	730
Increase (decrease) in reserves	(230)	2,674	1,877	1,458	874	432	(27)	(312)	(757)	(1,198)	(1,497)
Increase (decrease) of investments	37	129	97	142	95	67	119	112	63	107	154
Total Applications of Capital Funding (D)	325	4,028	14,136	12,978	13,030	13,796	12,891	13,087	15,366	13,336	14,019
<b>Surplus/(Deficit) of Capital Funding (C - D)</b>	<b>(2,205)</b>	<b>(2,998)</b>	<b>(2,316)</b>	<b>(2,061)</b>	<b>(1,631)</b>	<b>(1,317)</b>	<b>(1,044)</b>	<b>(777)</b>	<b>(322)</b>	<b>161</b>	<b>311</b>
<b>Funding Balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Regulatory and Safety

**Regulatory and safety is about ensuring Hamilton is a place where people feel safe and are protected from risks to their health and wellbeing. We want to make sure our public places are safe for the people that use them and legal standards are met. We want to meet our obligations to keep our residents safe by ensuring compliance with public health and safety regulations.**

## Animal Education and Control

To reduce the risk of danger and nuisance from dogs, we make sure they are registered and controlled and investigate offences under the Dog Control Act 1996. We also facilitate education to schools, businesses and community groups about safety around dogs.

## Public Safety

We work with a range of other agencies to deter anti-social behaviour in the central city. We look for opportunities to prevent crime, and support the homeless or vulnerable to enhance perceptions of safety for users of the central city. Services we provide include 24/7 CCTV operations and City Safe patrols.

We will continue to look at ways we can improve our CCTV monitoring services in terms of the cameras operating, our analytic capability and links with different parts of our

organisation. This will build the cohesiveness and efficiency of the CCTV operations that support safety services across the city. Our City Safe patrols will continue in the central city, and Suburban Response Team patrols will continue in our suburbs.

## Building Control

Building Control fulfils an advisory, education, compliance and enforcement role to ensure that Hamilton’s buildings are safe, healthy and durable. As part of this we issue, inspect, and certify building consents, issue compliance schedules, audit building warrants of fitness, inspect residential pools, and respond to customer concerns.

## Civil Defence and Emergency

We work with our communities to make people feel safe in their neighbourhoods through public education and awareness to be prepared for a disaster and to build community resilience.

We support the Waikato Region Civil Defence and Emergency Management Group to meet legal requirements, minimise potential effects of emergencies, prepare our people to respond to emergencies and help communities recover as quickly as possible after an emergency.

# Environmental Health and Alcohol Licensing

We monitor and enforce standards for businesses selling food and alcohol, respond to health nuisances and deal with environmental pollution issues such as noise control and

contaminated sites. We ensure the sale, supply and consumption of food and alcohol from businesses is undertaken safely and responsibly to minimise the risk of harm to the community.

## How will you know we’re delivering?

What you can expect from us	What we will measure	Latest result (2022/23)	Targets			
			2024/25	2025/26	2026/27	By 2033/34
We work with partner organisations and the community to improve safety.	The percentage of central city users surveyed who feel very safe or reasonably safe in the central city during daytime.	84%	At least 80%	At least 80%	At least 80%	At least 80%
A timely response to requests for dog control and excessive noise.	The percentage of urgent dog control requests responded to within 60 minutes.	100%	At least 95%	At least 95%	At least 95%	At least 95%
	The percentage of complaints about excessive noise responded to within 30 minutes.	95%	At least 95%	At least 95%	At least 95%	At least 95%
We will support the delivery of safe, sustainable and attractive development.	The percentage of building consent applications issued within statutory timeframes.	New measure	95%	95%	95%	95%
	The percentage of code compliance certificates issued within statutory timeframes.	New measure	95%	95%	95%	95%
We will provide a citywide coordinated response to and recovery from emergencies to reduce the impact on people and the economy.	The evaluation of our annual exercise as a measure of effectiveness of training delivery	New measure	At least 60%	At least 60%	At least 60%	At least 80%

Significant negative effects

Activity	Wellbeing	Effect	Mitigation
Building Control	Social, cultural, economic environmental	Building Consent approvals and decisions, and the application of the Building Act, can have a significant effect on the social, cultural and environmental wellbeing of our community if not implemented well.	<div>The core function of Building Control is to manage and mitigate these effects by ensuring that consents are approved in accordance with the requirements of the Building Act and that consents require mitigation conditions of consent as appropriate.</div> <div>We ensure that staff are adequately trained/qualified and have access to all relevant information necessary to make robust decisions that align with legislative requirements in order to mitigate any negative effects.</div>

Capital projects

		R - Renewals					LOS - Levels of service			G - Growth	
	Type	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Animal Education and Control</b>											
CE21013 - Animal Control building renewals	R	14	13	16	279	15	19	342	20	24	21
CE24029 - Animal Control development	G	410	284	-	-	-	-	-	-	-	-
CE24031 - Animal Control development	R	31	26	-	-	-	-	-	86	-	-
		<b>455</b>	<b>323</b>	<b>16</b>	<b>279</b>	<b>15</b>	<b>19</b>	<b>342</b>	<b>107</b>	<b>24</b>	<b>21</b>
<b>Public Safety</b>											
CE21015 - City Safe renewals	R	235	232	268	474	259	312	650	709	816	719
CE21016 - City Safe upgrades	LOS	14	43	-	-	-	-	-	-	-	-
		<b>248</b>	<b>275</b>	<b>268</b>	<b>474</b>	<b>259</b>	<b>312</b>	<b>650</b>	<b>709</b>	<b>816</b>	<b>719</b>
<b>Regulatory and Safety total</b>		<b>703</b>	<b>598</b>	<b>284</b>	<b>753</b>	<b>275</b>	<b>331</b>	<b>992</b>	<b>815</b>	<b>841</b>	<b>741</b>

Prospective Regulatory and Safety funding impact statement

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Notes	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Sources of Operating Funding</b>											
General rates, uniform annual general charges, rates penalties	5,391	8,045	7,703	7,459	6,818	7,889	7,190	7,855	7,932	8,016	8,272
Targeted Rates	-	188	201	216	232	249	268	288	307	327	348
Subsidies and grants for operating purposes	3,440	53	53	53	53	53	53	53	53	53	53
Fees and charges	9,121	8,585	9,355	10,894	11,922	11,324	12,916	12,697	13,159	13,565	13,982
Local authorities fuel tax, fines, infringement fees, and other receipts	69	121	122	123	124	124	126	127	127	128	129
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	18,021	16,992	17,433	18,744	19,148	19,639	20,553	21,019	21,577	22,088	22,784
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	13,992	14,269	14,934	16,127	16,420	16,825	17,452	17,875	18,454	18,889	19,402
Finance Costs	271	200	201	196	186	169	130	102	82	57	29
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding (B)	14,263	14,469	15,135	16,323	16,605	16,994	17,582	17,977	18,536	18,947	19,430
<b>Surplus/(Deficit) of Operating Funding (A - B)</b>	<b>3,758</b>	<b>2,522</b>	<b>2,299</b>	<b>2,421</b>	<b>2,543</b>	<b>2,645</b>	<b>2,970</b>	<b>3,041</b>	<b>3,042</b>	<b>3,142</b>	<b>3,353</b>
<b>Sources of Capital Funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(413)	432	125	(353)	(161)	(857)	(986)	(358)	(589)	(445)	(686)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding (C)	(413)	432	125	(353)	(161)	(857)	(986)	(358)	(589)	(445)	(686)
<b>Application of Capital Funding</b>											
Capital Expenditure:											
- to meet additional demand	-	410	284	-	-	-	-	-	-	-	-
- to improve the level of service	161	14	43	-	-	-	-	-	-	-	-
- to replace existing assets	183	280	272	284	753	275	331	992	815	841	741
Increase (decrease) in reserves	2,985	2,197	1,784	1,723	1,588	1,485	1,603	1,643	1,610	1,810	1,861
Increase (decrease) of investments	16	55	41	61	41	29	51	48	27	46	66
Total Applications of Capital Funding (D)	3,345	2,955	2,424	2,068	2,382	1,788	1,984	2,683	2,452	2,696	2,667
<b>Surplus/(Deficit) of Capital Funding (C - D)</b>	<b>(3,758)</b>	<b>(2,522)</b>	<b>(2,299)</b>	<b>(2,421)</b>	<b>(2,543)</b>	<b>(2,645)</b>	<b>(2,970)</b>	<b>(3,041)</b>	<b>(3,042)</b>	<b>(3,142)</b>	<b>(3,353)</b>
<b>Funding Balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



# A central city where people love to be

He pokapuu taaone e  
ngaakautia ana e te marea



**We want our central city to be the beating heart of Hamilton Kirikiriroa – somewhere that always has something going on, where people can come together and enjoy all that it has to offer.**

It is important that as we grow, we are creating a connected, welcoming and diverse central city. Somewhere that people can easily live, work or play, where businesses can thrive, and that Hamiltonians can be proud of. We are working hard, alongside our partners, to ensure our central city is positioned to take advantage of all the opportunities this growth brings so that our central city is somewhere people love to be.

Our central city not only supports the economy of Hamilton Kirikiriroa, but also plays a significant role in servicing the wider region. We want our central city to be somewhere that draws visitors in from across the region and beyond, and that always offers experiences that make people want to return. We also want businesses to choose to base themselves in our central city because it provides great options that meet their needs, making it an ideal location to establish, grow or relocate a business.

\* This priority does not have a separate capital programme or funding impact statement as the costs are already reflected in our other activity statements.

We want our city to provide something for everyone, both during the day and throughout the evening. Our central city offers a wide range of dining, retail and entertainment choices as well as attractions and activities to suit all ages.

We'll continue to support the creation of inner-city living options that offer a desirable urban lifestyle in an exciting and vibrant centre. We'll support this by focusing on providing a truly liveable city centre for people to call home.

We want our city to be easy to get into, and easy to get around. This means making sure that our city caters to all accessibility needs and is designed well to provide options for all modes of transportation.

The central city enjoys a unique riverside setting so investment in our central city is focused on strengthening the connection and access between the city and the Waikato River to ensure we celebrate and treasure the city taonga (treasure) that it is.

Hamilton Kirikiriroa is home to a thriving visual arts and performance scene. Work is well underway on a new regional theatre that has leveraged existing central city spaces to undertake this initiative. When complete it will offer a truly unique creative experience for residents and visitors to our city.



**Here are just some of the ways that we’re investing in our central city over the next 10 years:**

- \$150.6 million of Crown funding through the Infrastructure Acceleration Fund (IAF) will deliver some of the critical infrastructure needed to enable around 4000 homes for up to 10,000 people in the central city and surrounds by 2035. This includes a new reservoir and pump station; upsizing water infrastructure to increase the capacity of pipes and pumpstations; planning improvements to water supply, wastewater and stormwater networks; and planning for long-term infrastructure on Anglesea Street.
- We’re also seeking to reprioritise \$31.5 million of the IAF Crown funding that would have gone towards a walking and cycling bridge across the Waikato River in the central city, towards critical water infrastructure. This is subject to a Ministerial decision.
- We’re making it easier to grow up and out from the central city and surrounds through District Plan changes. We’re also extending the central city Development Contributions remissions for three years. This includes a 50% remission for developments in the central city and a 100% remission for high-rise buildings above six stories.
- We’re investing \$5.9 million to upgrade Embassy Park and Sapper Moore-Jones Place so there is a strong connection to the Waikato River and the new Waikato Regional Theatre when it opens in 2025.
- We’ve made changes to the rates for commercial properties in the central city’s Business Improvement District (BID). Previously, the BID Commercial category has been set at 95% of the Commercial category outside of the CBD for

both the General rate and the Government Compliance rate. From July 2024 the BID Commercial category will increase to be the same as the Commercial category, meaning commercial properties in the central city will pay the same General rate and Government Compliance rate as commercial properties elsewhere in the city. By doing this we can generate additional revenue that will be used to reinvest in the central city for all to enjoy. We have committed \$150,000 per annum in Years 1 and 2 to be invested in upgrades to streetscapes and public amenities. This is in addition to \$150,000 per annum, from Year 1, for general upkeep and improvements to central city surrounds.

- Since 2017, Council has been running a trial of two-hours free on-street parking in the central city as an incentive attract visitors to central Hamilton. From October 2024 until June 2026 we will shift to one-hour free on-street parking, and we will introduce demand-responsive pricing for all-day paid parking and the second hour of short-term parking. The new parking prices have been set at rates that remain competitive with the other parking options in the central city. We want to continue to encourage people to choose the central city for its retail, dining and business offerings, while optimising carpark availability and still keeping it affordable. We want the central city to be a place that’s easy to get to, and for our car parks to be conveniently available so there is always a good chance of finding a park when you need one.

Priority four

# A fun city with lots to do

He taaone hangareka, aa, he nui ngaa mahi paarekareka



**We want Hamilton Kirikiriroa to be a great place for everyone to enjoy, with things to see and do around every corner.**

It's important that our city provides opportunities for all our people to play and have fun – from enjoying the rich arts and culture of Waikato Museum, to a wide range of events at one of our H3 event venues, to enjoying the outdoors at any one of our parks, playgrounds, or natural areas.

We want to build on our city's growing reputation for hosting outstanding events, from small community-focused events to those on a national or international scale. We want to ensure we consistently offer experiences and entertainment that our locals love, and that draw people from all over New Zealand to Hamilton Kirikiriroa, bringing economic benefit to our city.

Recreational spaces are also important for our communities; they include indoor and outdoor facilities that host local community sport, and engaging playspaces for our city's tamariki, as well as opportunities to connect with nature along the Waikato River or at Lake Rotoroa.

Our city is home to a range of visitor destinations too, such as Hamilton Gardens, Waikato Museum, and Hamilton Zoo and Waiwhakareke Natural Heritage Park at Te Kaaroro Nature Precinct. These destinations offer opportunities to celebrate our city's rich heritage, arts and culture, and nature at its finest.

We want to continue to offer new, exciting, and unique experiences for our people and our city's visitors. Events, activities, and destinations, that people of all ages and abilities can enjoy and connect with. All of these things contribute to making Hamilton Kirikiriroa a fun place to live, with plenty to do.

## Activities aligned to this priority:

- o **Venues, Tourism and Events**
  - o Claudelands, FMG Stadium Waikato, Seddon Park
  - o Theatres, Tourism and Events Funding
  - o Hamilton Gardens
  - o Te Kaaroro Nature Precinct (Hamilton Zoo and Waiwhakareke Natural Heritage Park)
  - o Waikato Museum
- o **Parks and Recreation**
  - o Parks
  - o Indoor Recreation
  - o Cemeteries and Crematorium
  - o Community Facilities



# Venues, Tourism and Events

**Our city’s venues, events and visitor destinations provide all kinds of opportunities for memorable experiences and entertainment. We want to continue to deliver events that support our local business, stimulate our economy, and promote our city.**

We want Hamiltonians to have high-quality attractions they are proud of and want to visit again and again because they always offer something new and interesting. We want to attract more national and international visitors to our city by offering unique attractions and experiences that are worth coming for. This will in turn positively contribute to our economy.

By taking a strategic and aligned approach to our cultural and tourism assets, we will continue to strengthen their collective profile and maximise their potential and the benefits to the city. Continued investment will see increased visitation, through projects to enhance and improve our facilities, and initiatives that create new and diverse offerings for our people and visitors to Hamilton.

## Claudelands, FMG Stadium Waikato, Seddon Park

We manage several venues offering space for live entertainment, business meetings, functions, large sports events and other major events.

We will aim to continue to attract a range of national and international standard events to Hamilton, most of which will be held at our stadia and Claudelands. Our venues are well-positioned to cater for growth within their existing capacity levels and will be maintained to an appropriate standard.

## Theatres, Tourism and Events Funding

We have invested, alongside a range of partners, to deliver the Waikato Regional Theatre - a new world-class multi purpose performing arts theatre to serve the Waikato region. The theatre is expected to open in 2025. Once opened, we will provide an annual property asset maintenance grant to the Trust for the following 10 years.

We also offer an annual event sponsorship contestable fund to provide financial support to hold events that bring economic and profile benefits to Hamilton Kirikiriroa. Our annual funding to the Regional Tourism Organisation (Hamilton and Waikato Tourism Limited) supports the development of a range of strategic tourism initiatives. These initiatives help strengthen the attraction of both Hamilton Kirikiriroa and the surrounding Waikato region to the visitor market.

## Hamilton Gardens

Hamilton Gardens is an internationally acclaimed attraction and a key feature of the city’s identity. As a major visitor destination, it contributes to our economy while also serving Hamiltonians as a community park.

We will continue to support the success of Hamilton Gardens and seek to increase the economic contribution the Gardens makes to our city. We plan to leverage growing visitor numbers to the Gardens to support the wider Hamilton tourism industry. Starting in spring 2024 an entry fee will be introduced for visitors to our city over the age of 16. This will coincide with the completion of upgrades to the visitor arrival centre. Resulting revenue will contribute to improving and adding new services and facilities that make visiting Hamilton Gardens easier.

## Te Kaaroro Nature Precinct: Hamilton Zoo and Waiwhakareke Natural Heritage Park

Hamilton Zoo and Waiwhakareke Natural Heritage Park create a tourism attraction that provides unique visitor and educational experiences that connect people with nature and wildlife and showcase conservation in action.

As well as being a tourism and recreation park, Hamilton Zoo is committed to the conservation of animals and the environment

by participating in conservation and research projects and contributing to breeding programmes for endangered species.

Connected to the Zoo, Waikwhakareke Natural Heritage Park complements the zoo experience. Developed in partnership with the community, the park aims to reconstruct the natural forest, wetland and lake ecosystems present in pre-European times.

In 2023 we completed upgrades to the visitor precinct which has modernised facilities and improved connections to Waiwhakareke Natural Heritage Park, creating a premier visitor experience.

## Waikato Museum

Waikato Museum cares for, preserves and shares stories about the objects and taonga of the Waikato region and beyond. It does so through a wide variety of exhibitions, events and educational activities. The museum is a guardian of collections that have been acquired, gifted or loaned, and kaitiaki of culturally significant Tainui taonga.

In 2023 we commenced phased building upgrades to the Museum to ensure that it meets industry standards for the safe care, storage, and display of objects, taonga, and artworks. These works are scheduled to be completed by late 2024, and will enhance the Museum’s visibility, functionality, and access.

How will you know we’re delivering?

What you can expect from us	What we will measure	Latest result (2022/23)	Targets			
			2024/25	2025/26	2026/27	By 2033/34
We provide stadia (FMG Stadium Waikato and Seddon Park) and Claudelands to host events. The measure indicates the utilisation of stadia and Claudelands.	The number of people attending events at the Stadia (FMG Stadium Waikato and Seddon Park) and Claudelands.	556,046	530,000	530,000	530,000	530,000
We'll invest in and enhance Waikato Museum, Hamilton Gardens, Hamilton Zoo and Waiwhakareke Natural Heritage Park to create new and unique experiences for our people and visitors.	Total number of visits:	872,348 visits	516,000	655,000	774,000	5% increase on previous year
	i) Hamilton Zoo	247,677 Te Kaaroro				
	ii) Waiwhakareke Natural					
	iii) Waikato Museum	119,314				
	iv) Hamilton Gardens (enclosed gardens only).	505,357	New measure	Greater than 4	Greater than 4	Greater than 4
	The average review score across Trip Advisor and Google for each destination.	The average review score across Trip Advisor and Google:				
		i) Hamilton Gardens: a) TripAdvisor b) Google				
		ii) Waikato Museum: a) TripAdvisor b) Google				
		iii) Hamilton Zoo: a) TripAdvisor b) Google				

Significant negative effects

Activity	Wellbeing	Effect	Mitigation
Claudelands Events Centre, FMG Stadium Waikato, and Seddon Park	Social, economic environmental	Events at Claudelands Events Centre, FMG Stadium Waikato, and Seddon Park may have temporary environmental and social effects. These include litter, traffic congestion, problematic parking, anti-social behaviour, noise, and lighting effects that cause disruption or nuisance for neighbouring residential areas and businesses.	We manage these effects in compliance with the District Plan and resource consents. Effective event management plans are also put in place to reduce the negative effects. These include alcohol, traffic and security strategies.
Hamilton Gardens/Waikato Museum	Cultural	Natural Heritage sites may be adversely impacted as part of further development Hamilton Gardens or by work around the Waikato Museum.	Projects are investigated to identify possible heritage artifacts. Taangata Whenua and other affected parties are consulted prior to the development.



Capital projects

Type		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Claudelands FMG Stadium Waikato and Seddon Park											
CE24009 - VTME building renewals	R	4,318	5,072	5,580	5,032	6,329	6,860	12,392	3,998	2,361	7,957
CE24010 - VTME security and health and safety programmes	LOS	542	546	-	-	-	-	-	-	-	-
CE24011 - VTME operational renewals	R	2,652	3,371	3,609	3,824	8,930	4,065	4,469	3,112	4,909	6,265
		7,511	8,989	9,189	8,856	15,259	10,925	16,860	7,110	7,270	14,223
Hamilton Gardens											
CE24012 - Hamilton Garden renewals	R	692	321	313	608	592	1,170	639	389	665	891
CE24013 - Hamilton Garden building renewals	R	947	255	2,766	199	52	62	250	174	150	319
CE24014 - Hamilton Gardens development	LOS	2,058	568	295	-	418	1,160	860	2,224	920	951
		3,697	1,143	3,374	807	1,062	2,393	1,749	2,787	1,734	2,161
Te Kaaroro Nature Precinct											
CE24016 - Hamilton Zoo building renewals	R	1,403	1,733	2,134	1,756	1,434	7,463	227	391	229	434
CE24017 - Hamilton Zoo operational renewals	R	1,128	1,669	2,550	2,864	2,032	2,862	5,016	5,573	7,841	5,872
CE24018 - Hamilton Zoo and Waiwhakareke development	LOS	3,068	79	1,402	2,334	2,571	2,681	117	123	871	129
		5,599	3,480	6,086	6,954	6,038	13,006	5,359	6,086	8,941	6,435
Waikato Museum											
CE24019 - Museum operational renewals	R	238	183	381	448	348	205	154	361	538	716
CE24020 - Museum building renewals	R	2,394	918	142	928	8,274	75	77	200	97	936
CE24021 - Collection acquisition fund	LOS	87	85	97	110	99	112	116	121	137	128
CE24022 - Museum development	LOS	4,043	-	-	-	-	-	-	-	-	-
		6,762	1,185	620	1,487	8,721	391	346	682	771	1,780
Venues Tourism and Events total		23,570	14,797	19,268	18,103	31,080	26,715	24,315	16,665	18,717	24,599

Prospective Venues, Tourism and Events funding impact statement

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Notes	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	39,488	46,849	52,887	55,182	59,369	65,177	67,376	69,715	72,184	74,152	77,202
Targeted Rates	3	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	640	98	98	98	98	98	98	98	98	98	98
Fees and charges	13,893	12,270	13,205	14,082	14,843	15,804	16,673	17,764	18,564	19,432	20,311
Local authorities fuel tax, fines, infringement fees, and other receipts	1,683	2,013	2,098	2,106	2,164	2,189	2,287	2,324	2,407	2,440	2,531
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	55,707	61,230	68,287	71,467	76,474	83,268	86,434	89,900	93,253	96,122	100,142
Applications of Operating Funding											
Payments to staff and suppliers	42,599	39,088	42,835	43,858	45,438	47,985	48,359	49,954	51,646	53,498	55,096
Finance Costs	2,759	4,626	4,849	5,205	5,487	6,041	6,653	7,099	7,211	7,214	7,463
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding (B)	45,358	43,714	47,684	49,063	50,926	54,026	55,013	57,054	58,857	60,712	62,559
Surplus/(Deficit) of Operating Funding (A - B)	10,349	17,516	20,602	22,405	25,549	29,243	31,421	32,847	34,395	35,410	37,583
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	4,095	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	9,801	14,655	7,137	8,968	3,295	12,764	5,398	2,451	(6,080)	(2,107)	1,501
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding (C)	9,801	18,750	7,137	8,968	3,295	12,764	5,398	2,451	(6,080)	(2,107)	1,501
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	8,762	9,326	1,240	1,755	2,404	3,046	3,909	1,047	2,421	1,879	1,158
- to replace existing assets	10,212	13,807	13,557	17,513	15,699	28,034	22,805	23,268	14,244	16,837	23,441
Increase (decrease) in reserves	1,028	12,618	12,556	11,534	10,360	10,659	9,631	10,533	11,396	14,158	13,869
Increase (decrease) of investments	148	515	386	570	381	268	474	449	254	429	616
Total Applications of Capital Funding (D)	20,150	36,266	27,740	31,373	28,844	42,007	36,819	35,298	28,315	33,304	39,084
Surplus/(Deficit) of Capital Funding (C - D)	(10,349)	(17,516)	(20,602)	(22,405)	(25,549)	(29,243)	(31,421)	(32,847)	(34,395)	(35,410)	(37,583)
Funding Balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

# Parks and Recreation

**Parks and Recreation is about ensuring access to a wide range of recreational and leisure activities and attractive outdoor spaces for all Hamiltonians to enjoy. We want to provide activities and spaces that enhance the quality of life for our residents and visitors, and contribute to keeping Hamilton beautiful. We want to preserve indigenous flora and fauna, natural ecosystems and landscapes, protect our lakes and rivers, and meet our legal obligations for the preservation and management of reserve land.**

## Parks (including community parks, natural areas, sports parks, streetscapes and playgrounds)

One of the things that makes Hamilton a great place to live, work and play is the range of recreation facilities and open green spaces we have for the community to enjoy. We provide, operate and maintain more than 200 parks and reserves and associated

assets across 1196 hectares in the city. These assets include recreational facilities such as playgrounds and play spaces like skate parks, natural areas and open spaces, sports parks and community amenities such as public toilets.

Our focus is on making sure all Hamiltonians have access to well-maintained parks, open spaces and recreation facilities wherever they are in the city. We are invested in making sure that the quality and range of our parks and recreation options keeps up with our city’s growth too. This includes the development of new natural areas, parks and play spaces, necessary upgrades to drainage and irrigation on sports parks, and essential upgrades to existing play areas. Where and how we undertake this investment will be informed by community consultation.

We are also fortunate to be home to some incredible natural features including indigenous bush areas, the riverbank reserve system, wetlands and lake areas, and an extensive system of gullies throughout the city. Keeping our city beautiful is important, and we add to its attractiveness with our street and park trees, gardens and street plantings.

Our Nature in the City Strategy has the vision “Nature thrives in Kirikiriroa/Hamilton and nurtures us wherever we are”. Our focus will be on investing in the implementation of this strategy, which will include the improved maintenance of our existing gullies. The next 10 years will also see an increased investment in the restoration of our gully systems, including improvements to paths and boardwalks as well as the establishment of a biodiversity monitoring and reporting programme.

## Indoor Recreation

We offer opportunities for indoor recreation through Te Rapa Sportsdrome, a community sporting venue that caters to a range of sports codes. It has recently been fitted out with a new sprung floor providing a much improved experience for users. We also partner with some external agencies to support the development and ongoing operations of facilities, such as the Rototuna Indoor Recreation Centre (“The Peak”).

## Cemeteries and Crematorium

We provide, manage and maintain three cemeteries and one crematorium for burial and cremation services. As part of this management, we make burial records available to the public and protect our heritage cemeteries. The cemeteries serve as passive spaces of reflection and remembrance for the community.

The crematorium provides a critical service for the Waikato region in the event of a pandemic or civil emergency.

## Community Facilities

We provide community facilities throughout the city that offer places and spaces for community organisations and private providers to deliver a variety of services and activities to meet the needs of local communities. The facilities are a collection of centres, halls and heritage buildings providing a mix of bookable spaces and leased facilities. Council also leases buildings to some community groups where there is capacity, including sheds/storage and changerooms.

How will you know we’re delivering?

What you can expect from us	What we will measure	Latest result (2022/23)	Targets			
			2024/25	2025/26	2026/27	By 2033/34
Our parks and the facilities in them are accessible.	The percentage of households with access to a neighbourhood park:					
	i. within 400m walking distance for all medium/high density areas.	New measure	Maintain or improve on previous year	Maintain or improve on previous year	Maintain or improve on previous year	Maintain or improve on previous year
	ii. within 500m walking distance for all other residential areas.	80.95%	Maintain or improve on previous year	Maintain or improve on previous year	Maintain or improve on previous year	Maintain or improve on previous year
	The percentage of survey respondents who are happy with Hamilton's parks and open spaces.	New measure	68.00%	Maintain or improve on previous year	Maintain or improve on previous year	Maintain or improve on previous year
The city's ecosystems and biodiversity are understood, protected and restored.	The percentage of native vegetation cover in the city.	New measure: 1.7% as at 2022-23	Maintain or improve on previous year	Maintain or improve on previous year	Maintain or improve on previous year	Maintain or improve on previous year
	The number of private gully owners registered with the Gully Restoration Programme.	New measure: 117 landowners currently actively engaged with the GRP)	Maintain or improve on previous year	Maintain or improve on previous year	Maintain or improve on previous year	Maintain or improve on previous year
	The number of volunteers for native restoration projects.	New measure: baseline: 1875 (from 2022-23)	20% increase on previous year	20% increase on previous year	20% increase on previous year	20% increase on previous year
	The percentage of overall canopy cover in the city. (this is measured biennially).	New measure: 12.51% in 2022-23	No Lidar data provided this year	Maintain or improve on previous result	No Lidar data provided this year	Maintain or improve on previous result
A timely response to requests for graffiti removal	The percentage of graffiti removed within three working days.	92%	At least 95%	At least 95%	At least 95%	At least 95%

Significant negative effects

Activity	Wellbeing	Effect	Mitigation
Parks	Social, environmental	Leachate from burial grounds can enter the groundwater.	Soil and water tests are taken regularly as required by resource consents to ensure leachate does not enter any groundwater.
	Tree failures have potential to cause injury or damage to assets/property	Our Street Trees are prioritised on a 1 or 2 year inspection frequency. Following inspection, any safety related issues are prioritised for action, followed by preventative maintenance (pruning) to mitigate the risk of tree failure in the transport corridor. Park trees are maintained on request with any safety related issues being prioritised to minimise risk of failure.	Maintenance is done regularly on the cremator units as per the manufacturer's guidelines. This reduces the likelihood of negative cultural or environmental effects on the community.
Cemeteries and Crematorium	Environmental	Leachate from burial grounds could enter into groundwater.	Soil and water tests are taken regularly as required by resource consents to ensure leachate does not enter any groundwater.
Cemeteries and Crematorium	Social, cultural, environmental	A lack of maintenance on air cremator units could result in discharge into the environment that could contain residual contaminants.	Maintenance is undertaken regularly on the cremator units as per the manufacturer's guidelines. This reduces the likelihood of negative cultural or environmental effects on the community.

## Capital projects

	Type	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Cemeteries and Crematorium</b>											
CE10021 - Cemetery and Crematorium building renewals	R	23	22	27	285	2,333	31	245	42	40	112
CE21004 - Cemeteries and Crematorium renewals	R	90	44	225	397	99	119	172	121	155	572
CE21007 - Cemeteries and Crematorium development	G	1,358	1,426	203	754	173	751	169	963	181	1,124
		<b>1,471</b>	<b>1,492</b>	<b>455</b>	<b>1,436</b>	<b>2,605</b>	<b>901</b>	<b>586</b>	<b>1,126</b>	<b>376</b>	<b>1,808</b>
<b>Community Facilities</b>											
CE19070 - Community Facilities building renewals	R	2,628	5,193	3,477	1,773	41	1,080	190	1,504	64	57
		<b>2,628</b>	<b>5,193</b>	<b>3,477</b>	<b>1,773</b>	<b>41</b>	<b>1,080</b>	<b>190</b>	<b>1,504</b>	<b>64</b>	<b>57</b>
<b>Indoor Recreation</b>											
CE21008 - Indoor Recreation development	LOS	3,182	-	-	-	-	-	-	8,211	-	-
		<b>3,182</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,211</b>	<b>-</b>	<b>-</b>
<b>Parks</b>											
CE10030 - Parks and Recreation building renewals	R	4,950	1,982	3,755	1,910	1,349	978	2,146	1,660	1,354	613
CE17004 - River Plan	LOS	4,988	-	-	-	-	-	-	-	-	-
CE19007 - Peacocke parks development	G	330	-	-	-	-	-	-	-	-	-
CE19009 - Rototuna parks development	G	-	-	-	-	-	401	-	-	-	-
CE21001 - Nursery renewals	R	673	229	82	262	209	25	209	52	148	135
CE21003 - Parks and Recreation renewals	R	6,794	8,455	8,008	5,872	7,588	7,634	9,421	10,448	9,474	12,687
CE21006 - Nature In The City gully restoration and development	LOS	-	-	1,633	1,226	2,085	2,209	2,326	4,622	7,167	10,115
CE21010 - Parks and Recreation development	LOS	3,465	2,840	1,134	3,348	2,878	4,795	3,297	3,302	4,761	3,650
CE24026 - Rotokauri parks development	G	-	-	-	-	249	2,581	-	-	-	-
		<b>21,200</b>	<b>13,506</b>	<b>14,612</b>	<b>12,618</b>	<b>14,358</b>	<b>18,623</b>	<b>17,399</b>	<b>20,083</b>	<b>22,903</b>	<b>27,200</b>
<b>Parks and Recreation total</b>		<b>28,481</b>	<b>20,191</b>	<b>18,543</b>	<b>15,826</b>	<b>17,004</b>	<b>20,604</b>	<b>18,175</b>	<b>30,924</b>	<b>23,344</b>	<b>29,064</b>

# Prospective Parks and Recreation funding impact statement

[illegible]



## Priority five

# A green city

## He taaone tiaki taiao



**We're planning for our future by working towards creating a sustainable city. This includes challenging the way our city grows and how we live within it. We love our environment and we're committed to protecting it for future generations.**

Shaping a green city involves investing in our city's natural areas, having a clear response to climate change, managing a safe and resilient water supply, managing stormwater and wastewater, and minimising the impact of waste. We want to do these things together in the right way, so our city will get better by the day, and we can leave a legacy we can all be proud of.

We embrace our individual and collective roles as kaitiaki (caretakers) of our land, water, and air. Together, we honour, enhance, and protect taonga (treasures) like the Waikato River, and our city's extensive and unique gully system.

We are proud of our green, clean city and we're taking a thoughtful and city-wide partnership approach between businesses, organisations, and community groups to tackle how our city responds to climate change.

We need to look after what we already have by embracing the sustainable use of natural resources such as our water. And it's important we continue to minimise our impact on the land by leading the country in waste minimisation practices.

Following the repeal of the Three Waters legislation in 2024, we will be working to develop a service delivery plan in line with the Local Government Water Services (Transitional Provisions) Bill as a part of central government's 'Local Water Done Well' programme of reform (refer to Significant Forecasting Assumptions for more details).

### Activities aligned to this priority:

- o **Water Supply**
  - o Water treatment and storage
  - o Water distribution
- o **Wastewater**
  - o Wastewater collection
  - o Wastewater treatment and disposal
- o **Stormwater**
  - o Stormwater network
- o **Rubbish and recycling**
  - o Refuse collection
  - o Landfill and site management
  - o Waste minimisation

# Water Supply

Water Supply is about providing Hamilton residents and businesses with a reliable, high-quality and safe treated water supply. We want to continue to meet our legislative requirements to deliver water supply services that are safe, healthy and sustainable. We want to ensure we meet the current and future needs of communities with good-quality infrastructure.

## Water treatment and storage; Water distribution

We treat, distribute and manage Hamilton’s water supply. Raw water is drawn from the Waikato River into the water treatment plant, where it is treated to provide high-standard drinking water.

We operate, maintain and enhance the water treatment plant, water storage reservoirs, pump stations, hydrants and pipelines and commercial water meters. Our water supply network services more than 57,000 households and 5700 commercial and industrial and rural premises. Water from the city also supplies several thousand properties in Waikato and Waipaa Districts.

Monitoring and managing risks to the quality and safety of water is an important part of this service. We undertake planning to manage future capacity needs. Legally, we must ensure our water is used sustainably. We do this in many ways including encouraging residents to conserve our precious water resource,

water restrictions when demand is high, and investment in infrastructure to enhance monitoring and manage water usage better.

We will continue to work with Taumata Arowai, the newly established water services regulator, to ensure all our communities continue to have access to safe and reliable drinking water.

In line with our Water Conservation and Demand Strategy, we will continue implementing water demand zones that help us identify areas where we are losing water. This helps us to target the replacement of pipeline infrastructure most likely to be leaking or at most risk of failure.

Over the next 10 years, there are many key projects and initiatives to support the effective management of our water supply. These involve a range of network capacity and management reviews, renewals, upgrades and increases in capacity to cater for growth. To improve resilience and meet growth demands upgrades to our Wairoa Water Treatment Plant are needed and planning for a second treatment plant will commence.

A business case to reconsider ways we can reduce water demand, including the option of universal water metering, will be undertaken providing greater certainty of the timing of future water infrastructure investments.

# How will you know we’re delivering?

What you can expect from us	What we will measure	Latest result (2022/23)	Targets			
			2024/25	2025/26	2026/27	By 2033/34
Our water network is managed in a way that minimises the loss of water.	The percentage of real water loss from the water network infrastructure in the city.*	14%	No more than 16%	No more than 16%	No more than 16%	No more than 12%
The water we supply is safe to drink	The extent to which Council’s drinking water supply complies with the relevant parts of the Water Services (Drinking Water Standards for New Zealand) Regulations 2022 and Drinking Water Quality Assurance Rules 2022 for bacteria. Our report on the compliance of our drinking water supplies in our annual reports will include specifically reporting against the following:					
	i. Number of days E.coli detected in Hamilton Supply Zone**	New measure	0 days	0 days	0 days	0 days
	ii. Number of days E.coli detected in Temple View Supply Zone**	New measure	0 days	0 days	0 days	0 days
	iii. Number of days E.coli detected in the Claudelands Grandstand Tap Supply Zone**	New measure	0 days	0 days	0 days	0 days
	The extent to which Council’s drinking water supply complies with the relevant parts of the Water Services (Drinking Water Standards for New Zealand) Regulations 2022 and Drinking Water Quality Assurance Rules 2022 for protozoa. Our report on the compliance of our drinking water supplies in our annual reports will include specifically reporting against the following:					
	i. Number of protozoa log removal credits achieved.**	New measure	>3.0 log removal credits	>3.0 log removal credits	>3.0 log removal credits	>3.0 log removal credits
To be satisfied with the clarity, taste, odour, continuity and pressure of the water supply	The total number of complaints received about drinking water clarity, taste, odour, pressure, flow or continuity of supply and Council’s response to any of these issues.*	5.93 complaints per 1000 connections	No more than 7 complaints per 1000 connections (rounded to nearest whole number)	No more than 7 complaints per 1000 connections (rounded to nearest whole number)	No more than 7 complaints per 1000 connections (rounded to nearest whole number)	No more than 7 complaints per 1000 connections (rounded to nearest whole number)
We will work with the community to sustainably manage the supply and use of water.	The average consumption of drinking water per resident per day.*	305 litres	No more than 400 litres per resident, per day	No more than 400 litres per resident, per day	No more than 400 litres per resident, per day	No more than 400 litres per resident, per day

+ Measure required by the Department of Internal Affairs  
++ Measure required by the Department of Internal Affairs, modified to align with proposed changes



What you can expect from us	What we will measure	Latest result (2022/23)	Targets			
			2024/25	2025/26	2026/27	By 2033/34
A timely response and a timely resolution if there is a problem with the water supply.	The median attendance time for urgent call-outs from the time that the Council receives notification of the fault or unplanned interruption to the time that service personnel reach the site. <sup>+</sup>	38 minutes	No more than 60 minutes	No more than 60 minutes	No more than 60 minutes	No more than 60 minutes
	The median resolution time of urgent call-outs from the time that the Council receives notification of the fault or unplanned interruption to the time that service personnel confirm resolution of the fault or interruption. <sup>+</sup>	2 hours	No more than 5 hours	No more than 5 hours	No more than 5 hours	No more than 5 hours
	The median attendance time for non-urgent call-outs from the time that the Council receives notification of the fault or unplanned interruption to the time that service personnel reach the site. <sup>+</sup>	6 working days	No more than 5 working days	No more than 5 working days	No more than 5 working days	No more than 3 working days
	The median resolution time of non-urgent call-outs from the time that the Council receives notification of the fault or unplanned interruption to the time that service personnel confirm resolution of the fault or interruption. <sup>+</sup>	7 working days	No more than 10 working days	No more than 10 working days	No more than 10 working days	No more than 5 working days

+ Measure required by the Department of Internal Affairs

## Significant negative effects

Activity	Wellbeing	Effect	Mitigation
Water treatment and storage and water distribution	Social, cultural, economic environmental	Extracting an excess volume of water from the Waikato River can impact on the health and wellbeing of the awa and the amount of water available for users downstream from Hamilton.	Managing land use, development and high water user agreements within the limits of our water take from the Waikato River.  Ensuring the treatment system is designed and operated to remain within the parameters set by regional resource consents. Development and implementation of the Water Conservation and Demand Management Plan, Three Waters Connection Policy and Hamilton Water Supply Bylaw.
Water treatment and storage and water distribution	Social, cultural, environmental	Water management practices utilised in the abstraction of water from natural resources like the Waikato River can vary from Maaori cultural beliefs and practices.	We operate, maintain, renew and replace our infrastructure to meet our obligations under Te Ture Whaimana o Te Awa o Waikato to contribute to the restoration and protection of the wellbeing of the Waikato river. We have a resource consent issued by Waikato Regional Council that sets conditions for the take and use of water from the Waikato River. We work in partnership with iwi to incorporate Maaori values into the management of water-related activities.
Water treatment and storage and water distribution	Social, cultural, economic environmental	The cost of necessary infrastructure improvements may exceed the community's ability to pay.	Central government has now released its Local Water Done Well (LWDW) plan to address long-standing water infrastructure challenges. LWDW includes the repeal of the previous three waters reform and provides for transition to a new water service delivery system. We are anticipating that central Government will set out a framework that will allow councils to self-determine future service delivery arrangements through a water services delivery plan. Our priority will be to ensure that any change provides the best long-term outcomes for our community.  In addition, Development Contributions contribute to funding growth-related infrastructure and supports our city's long-term growth.  Development and implementation of Strategic Master Plans that feed into Activity Management Plans for the activity.
Water treatment and storage and water distribution	Social, cultural, economic environmental	Our growing population creates an increased demand for water that exceeds our capacity to supply.	Managing land use and development within the limits of our water take from the Waikato River, and our network.  Understanding and planning for population increases through the development of Water Master Plan which identifies the required policy and infrastructure to support these forecasts.

Activity	Wellbeing	Effect	Mitigation
Water treatment and storage and water distribution	Social, cultural, economic environmental	The cost of necessary infrastructure improvements may exceed the community's ability to pay	<p>Central government has now released its Local Water Done Well plan to address long-standing water infrastructure challenges. LWDW includes the repeal of the previous three waters reform and provides for transition to a new water service delivery system. We are anticipating that central Government will set out a framework that will allow councils to self-determine future service delivery arrangements through a water services delivery plan. Our priority will be to ensure that any change provides the best long-term outcomes for our community.</p> <p>In addition, Development Contributions contribute to funding growth-related infrastructure and supports our city's long-term growth.</p> <p>Development and implementation of Strategic Master Plans that feed into Activity Management Plans for the activity.</p>
Water treatment and storage and water distribution	Social, cultural, economic environmental	Unplanned disruption of water supply can result in negative consequences for communities and businesses.	<p>We operate, maintain, renew and replace assets in a manner that minimises risk of failure and ensure compliance with Resource Consents, the Water Services Act, Drinking Waters Standards and Drinking Water Quality Assurance Rules.</p> <p>Planned asset renewals programmes look to ensure that assets are replaced before their end of life is achieved. Operation and maintenance programmes, service and supply contracts are developed, and operational processes ensure quick response to, and resolution of, failures.</p> <p>Where disruptions or shutdowns are required, notification is provided, and where necessary consultation undertaken.</p>
Water treatment and storage and water distribution	Social, cultural, economic environmental	Our growing population creates an increased demand for water that exceeds our capacity to supply.	<p>Managing land use and development within the limits of our water take from the Waikato River, and our network.</p> <p>Understanding and planning for population increases through the development of Water Master Plan which identifies the required policy and infrastructure to support these forecasts.</p>

Capital projects

	Type	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Water Distribution											
CE10123 - Watermain renewals	R	5,471	4,980	7,659	8,664	9,008	9,223	9,471	9,855	10,154	10,261
CE10124 - Watermain valves and hydrants renewals	R	802	735	1,157	1,349	1,356	1,449	1,399	1,263	1,268	1,079
CE15127 - Water pipe upgrades	G	768	799	829	862	897	932	968	1,001	1,035	1,070
CE15128 - Rotokauri upgrade and new watermains stage 1	G	-	1,190	1,283	145	333	287	1,393	708	2,780	470
CE15132 - Water network upgrades to allow new development	G	210	1,202	7,747	3,537	-	-	-	-	-	-
CE15133 - Water network improvements	LOS	230	352	2,833	612	488	6,245	7,144	7,193	7,437	7,690
CE15141 - Water demand management	G	263	1,092	14,679	21,219	22,068	-	-	-	-	-
CE15146 - Water customer connections	G	53	55	57	59	61	64	66	68	71	73
CE15158 - Water model	R	159	147	539	240	294	791	225	233	362	249
CE15159 - Water Master Plan	G	158	139	-	177	40	-	199	45	-	219
CE19045 - Ruakura reservoir and associate bulk mains	G	-	-	-	3,537	10,298	45,901	47,645	-	-	-
CE19046 - Peacocke watermains stage 2	G	712	1,023	78	-	-	237	850	1,568	1,650	485
CE21036 - Rotokauri upgrade and new watermains stage 2	G	-	-	-	-	-	-	-	381	593	2,206
CE23002 - Infrastructure Acceleration Fund	G	7,634	5,196	27,491	24,378	23,494	2,299	2,299	-	7,075	43,894
CE24030 - Infrastructure Acceleration Fund	LOS	2,341	11,653	9,147	10,127	-	-	-	9,412	10,900	-
		18,799	28,562	73,499	74,906	68,336	67,427	71,659	31,726	43,325	67,695
Water Treatment and Storage											
CE10138 - Treatment plant and reservoir renewals	R	1,483	1,536	3,346	6,162	4,905	4,438	4,486	4,665	9,728	4,960
CE15139 - Water treatment plant compliance	LOS	1,099	2,813	2,370	3,701	1,635	1,931	1,988	541	418	578
CE15144 - Upgrade water treatment plant	G	4,095	1,092	10,201	10,610	123	638	6,617	8,211	2,830	33,652
		6,677	5,441	15,918	20,473	6,662	7,006	13,091	13,417	12,976	39,190
Water Supply total		25,476	34,002	89,416	95,379	74,998	74,434	84,750	45,144	56,301	106,884



Prospective Water supply funding impact statement

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Notes	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Sources of Operating Funding</b>											
General rates, uniform annual general charges, rates penalties	12,693	15,950	20,602	28,335	31,334	36,787	41,897	45,909	50,872	53,948	59,051
Targeted Rates	11,277	13,216	14,647	16,638	18,698	22,970	26,055	28,679	31,271	32,984	35,183
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	575	390	415	445	476	521	564	605	646	678	476
Local authorities fuel tax, fines, infringement fees, and other receipts	504	316	184	166	133	96	73	42	4	(26)	(59)
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	25,050	29,872	35,848	45,583	50,641	60,374	68,590	75,235	82,794	87,583	94,651
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	12,598	15,730	16,925	21,818	20,872	22,058	23,972	25,286	26,436	27,784	27,754
Finance Costs	3,535	4,896	4,992	6,029	7,848	9,729	11,763	14,663	16,806	18,438	22,011
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding (B)	16,134	20,627	21,917	27,846	28,720	31,787	35,736	39,949	43,242	46,222	49,765
<b>Surplus/(Deficit) of Operating Funding (A - B)</b>	<b>8,916</b>	<b>9,245</b>	<b>13,931</b>	<b>17,737</b>	<b>21,921</b>	<b>28,587</b>	<b>32,854</b>	<b>35,286</b>	<b>39,552</b>	<b>41,362</b>	<b>44,887</b>
<b>Sources of Capital Funding</b>											
Subsidies and grants for capital expenditure	2,241	10,727	16,903	36,695	34,563	23,555	2,363	2,365	2,972	71	73
Development and financial contributions	5,353	4,128	5,804	7,733	10,901	11,546	11,607	12,355	12,361	13,086	12,257
Increase (decrease) in debt	11,021	9,243	7,476	39,393	42,113	28,335	45,192	54,663	12,915	27,861	75,953
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding (C)	18,614	24,098	30,184	83,821	87,577	63,436	59,162	69,383	28,249	41,019	88,284
<b>Application of Capital Funding</b>											
Capital Expenditure:											
- to meet additional demand	17,990	13,892	11,787	62,100	64,521	57,314	50,356	60,038	11,983	16,034	82,067
- to improve the level of service	2,895	3,670	14,818	14,351	14,440	2,122	8,176	9,132	17,146	18,755	8,268
- to replace existing assets	9,509	7,915	7,398	12,701	16,415	15,562	15,900	15,582	16,016	21,512	16,548
Increase (decrease) in reserves	(3,017)	7,334	9,712	11,816	13,726	16,747	17,093	19,453	22,394	25,635	25,649
Increase (decrease) of investments	153	533	400	590	395	278	491	465	263	444	638
Total Applications of Capital Funding (D)	27,530	33,343	44,114	101,558	109,497	92,023	92,016	104,670	67,801	82,380	133,170
<b>Surplus/(Deficit) of Capital Funding (C - D)</b>	<b>(8,916)</b>	<b>(9,245)</b>	<b>(13,931)</b>	<b>(17,737)</b>	<b>(21,921)</b>	<b>(28,587)</b>	<b>(32,854)</b>	<b>(35,286)</b>	<b>(39,552)</b>	<b>(41,362)</b>	<b>(44,887)</b>
<b>Funding Balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Wastewater

Wastewater is about providing our city with reliable and sustainable wastewater services to protect both the health of our people and our waterways. We want to continue to provide a service to collect, treat, and dispose of wastewater in a safe, healthy and sustainable way. This includes ensuring we meet the current and future infrastructure needs of our communities.

Wastewater collection; Wastewater treatment and disposal

Wastewater drains from showers, baths, sinks, washing machines, dishwashers and toilets, and is collected and transferred through a network of pipes and pump stations to the Pukete Wastewater Treatment Plant. Wastewater from commercial and industrial premises also feeds into this network.

At the wastewater treatment plant, wastewater is thoroughly treated before being discharged into the Waikato River. Solid waste (biosolids) removed as part of the treatment process is also treated on site and then composted for reuse. The wastewater

network services approximately 57,000 households and 5700 commercial and industrial premises.

Over the next ten years strategic investment in wastewater infrastructure is required to ensure we can continue to meet increasing compliance and community expectations as the city grows.

Investment includes the staged upgrade and re-consenting of the Pukete Wastewater Treatment Plant. Wastewater Storage tanks will be installed to provide increased capacity in wet weather events and a second Wastewater Treatment Plant is planned in collaboration with subregional partners to provide increased resilience and capacity as the city grows.

We'll also be replacing and upgrading ageing wastewater infrastructure which will provide greater reliability and efficiency.

How will you know we’re delivering?

What you can expect from us	What we will measure	Latest result (2022/23)	Targets			
			2024/25	2025/26	2026/27	By 2033/34
Our wastewater system is designed and maintained to minimise harm to the community and environment.	The number of dry weather wastewater overflows from the wastewater system.+	0.64 overflows per 1,000 connections	No more than 4 overflows per 1000 connections	No more than 4 overflows per 1000 connections	No more than 4 overflows per 1000 connections	No more than 2 overflows per 1000 connections
We operate and maintain the wastewater system to minimise odour and blockages.	The total number of complaints received about sewage odour, system faults or blockages and responses to issues raised with Council’s wastewater system.+	12.04 overflows per 1000 connections	No more than 20 complaints per 1000 connections	No more than 20 complaints per 1000 connections	No more than 20 complaints per 1000 connections	No more than 12 complaints per 1000 connections
We operate and maintain the wastewater system to minimise the impact on the environment.	The number of abatement notices received in relation to resource consents for discharge from the wastewater system.+	0 abatement notices	No more than 1 abatement notice	No more than 1 abatement notice	No more than 1 abatement notice	No more than 1 abatement notice
	The number of infringement notices, enforcement orders and convictions received in relation to resource consents for discharge from the wastewater system.+	1 conviction action	0 infringement, enforcement, or conviction actions	0 infringement, enforcement, or conviction actions	0 infringement, enforcement, or conviction actions	0 infringement, enforcement, or conviction actions
A timely response and resolution if there is an urgent problem with the wastewater system.	The median attendance time for call-outs from the time that the Council receives notification of the blockage or other fault to the time that service personnel reach the site.+	44 minutes	No more than 60 minutes	No more than 60 minutes	No more than 60 minutes	No more than 60 minutes
	The median resolution time for call-outs from the time that the Council receives notification of the blockage or other fault to the time that service personnel confirm resolution of the fault or interruption.+	3 hours	No more than 4 hours	No more than 4 hours	No more than 4 hours	No more than 4 hours

+ Measure required by the Department of Internal Affairs

Significant negative effects

Activity	Wellbeing	Effect	Mitigation
Wastewater collection, treatment and disposal	Environmental	If not properly managed, wastewater can have negative environmental effects created by odour, noise, overflows and poor quality of discharge.	Our wastewater system is designed, operated, and maintained in a way that aims to minimise the risk of harm to the community and environment. This is achieved through appropriate land use and development decisions, system operation and maintenance, complying with resource consents and regular monitoring undertaken. This includes maintaining odour control devices at treatment plants and upgrading or replacing infrastructure as necessary.
Wastewater collection, treatment and disposal	Cultural	Wastewater discharge practices and methods could vary from Maaori cultural beliefs and practices.	We operate, maintain, renew and replace our infrastructure to meet our obligations under Te Ture Whaimana o Te Awa o Waikato to contribute to the restoration and protection of the wellbeing of the Waikato river. We have a resource consent issued by Waikato Regional Council that sets quality standards for the water discharged from the Pukete wastewater treatment plant into the Waikato River. We work in partnership with iwi to incorporate Maaori values into the management of wastewater activities.
Wastewater collection, treatment and disposal	Social, cultural, economic environmental	Unplanned disruptions to wastewater services can result in negative consequences for communities and businesses.	We operate, maintain, renew and replace assets in a manner that minimises risk of failure.  Planned asset renewals programmes look to ensure that assets are replaced before their end of life is achieved. Operation and maintenance programmes, service and supply contracts are developed, and operational processes ensure quick response to, and resolution of, failures.  Where disruptions or shutdowns are required, notification is provided, and where necessary consultation undertaken.
Wastewater collection, treatment and disposal	Social, cultural, environmental	Non-compliant discharges (Treated and Untreated) from the wastewater system affects the health and wellbeing of Waikato awa.	The wastewater system is operated and maintained to meet legislation and in line with industry good practice. This includes ensuring that our networks are not overloaded, monitoring of the performance of the system, implementation of planned maintenance programmes, upgrading the networks, and continuing to educate the community about how to treat the network.
Wastewater collection, treatment and disposal	Social, cultural, environmental	The timing of wastewater network investments has the ability to limit the city’s growth opportunities.	Understanding and planning for population increases through the development of the Wastewater Master Plan which identifies the required infrastructure to support these forecasts. Prioritising areas of the city for development based on ability to fund necessary upgrades.  Our Infrastructure Strategy identifies significant capital expenditure decisions that are likely to be required for our city’s infrastructure over the next 30 years. It identifies key opportunities and challenges for delivering on this vision and the infrastructure investments planned to meet them.

Capital projects

	Type	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Wastewater Collection</b>											
CE10100 - Wastewater pump station asset renewals	R	935	693	1,598	2,319	2,720	2,634	3,459	3,185	3,326	3,509
CE10101 - Wastewater asset renewals	R	5,770	5,118	9,625	15,153	19,328	25,783	26,483	27,430	30,394	30,780
CE15103 - Wastewater network improvements	LOS	9,469	7,144	14,156	8,446	1,978	2,057	2,135	2,237	2,313	2,392
CE15104 - Wastewater pipe upgrades	G	893	928	963	1,002	1,042	1,084	1,125	1,163	1,203	1,244
CE15105 - Rototuna wastewater infrastructure	G	-	-	-	-	257	355	2,961	-	-	-
CE15107 - Rotokauri wastewater infrastructure	G	-	-	397	5,937	-	505	771	2,633	1,262	37
CE15109 - Peacocke wastewater infrastructure stage 1	G	-	-	591	-	-	1,703	209	876	43	-
CE15111 - Increase capacity of wastewater network	G	-	-	1,700	-	-	11,793	4,500	4,653	6,226	6,438
CE15121 - Wastewater customer connections to network	G	116	120	124	129	135	140	145	151	156	161
CE15160 - Wastewater model	R	252	147	386	323	1,520	791	225	233	430	351
CE15161 - Wastewater Master Plan	G	154	160	498	173	179	560	194	200	622	214
CE19040 - Peacocke wastewater infrastructure stage 2	G	1,478	1,613	2,535	863	158	1,226	2,249	8,914	1,757	2,014
CE19042 - Peacocke wastewater south network	G	15,450	3,459	107	409	-	-	-	-	-	-
CE19043 - Increase capacity wastewater west network	G	5,637	7,318	16,076	2,358	7,422	31,510	40,228	11,218	11,071	-
CE19044 - Increase capacity wastewater east network	G	1,050	6,571	31,255	19,098	34,157	37,615	289	-	-	-
CE23004 - Infrastructure Acceleration Fund	G	864	800	401	433	2,299	2,299	2,299	-	-	-
		<b>42,067</b>	<b>34,071</b>	<b>80,413</b>	<b>56,645</b>	<b>71,196</b>	<b>120,053</b>	<b>87,271</b>	<b>62,893</b>	<b>58,804</b>	<b>47,139</b>
<b>Wastewater Treatment and Disposal</b>											
CE10115 - Wastewater treatment plant asset renewals	R	5,374	5,581	11,163	9,526	7,923	10,948	8,011	8,140	9,419	8,703
CE15117 - Upgrade wastewater treatment plant	G	22,356	27,225	59,434	50,015	43,341	54,686	56,749	71,726	43,838	94,136
CE15120 - Wastewater treatment plant compliance	LOS	2,856	1,266	811	4,046	2,774	4,588	4,318	4,989	4,938	3,488
CE21073 - Subregional wastewater treatment plant	G	3,150	4,368	-	-	-	-	-	-	-	-
		<b>33,736</b>	<b>38,441</b>	<b>71,408</b>	<b>63,587</b>	<b>54,038</b>	<b>70,221</b>	<b>69,079</b>	<b>84,855</b>	<b>58,196</b>	<b>106,328</b>
<b>Wastewater total</b>		<b>75,803</b>	<b>72,512</b>	<b>151,821</b>	<b>120,232</b>	<b>125,234</b>	<b>190,274</b>	<b>156,350</b>	<b>147,749</b>	<b>116,999</b>	<b>153,467</b>

Prospective Wastewater funding impact statement

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Notes	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Sources of Operating Funding</b>											
General rates, uniform annual general charges, rates penalties	28,596	31,909	41,505	53,851	66,634	78,911	91,055	102,358	114,299	122,764	133,748
Targeted Rates	5,690	7,025	8,176	9,465	10,888	15,009	16,576	17,850	19,175	20,450	21,796
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	8,018	9,224	10,014	10,834	11,733	12,782	13,698	14,609	15,715	16,482	17,129
Local authorities fuel tax, fines, infringement fees, and other receipts	1,340	1,687	1,715	1,751	1,767	1,780	1,822	1,853	1,868	1,900	1,928
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	43,643	49,845	61,410	75,901	91,023	108,482	123,150	136,670	151,057	161,597	174,601
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	26,039	27,557	28,958	33,968	36,647	39,964	42,232	44,793	46,761	48,916	50,240
Finance Costs	6,789	10,120	12,211	16,284	21,129	25,768	31,878	39,194	45,501	51,294	57,908
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding (B)	32,828	37,677	41,169	50,252	57,776	65,732	74,110	83,987	92,262	100,210	108,147
<b>Surplus/(Deficit) of Operating Funding (A - B)</b>	<b>10,815</b>	<b>12,168</b>	<b>20,241</b>	<b>25,649</b>	<b>33,247</b>	<b>42,750</b>	<b>49,040</b>	<b>52,682</b>	<b>58,795</b>	<b>61,387</b>	<b>66,453</b>
<b>Sources of Capital Funding</b>											
Subsidies and grants for capital expenditure	3,174	1,270	920	526	563	2,434	2,439	2,445	151	156	161
Development and financial contributions	10,782	8,526	11,284	15,271	20,939	23,421	22,991	24,406	23,492	24,612	23,407
Increase (decrease) in debt	44,388	65,163	55,215	128,677	87,315	82,949	141,564	105,371	94,191	56,854	91,038
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding (C)	58,343	74,959	67,420	144,473	108,817	108,804	166,994	132,222	117,833	81,622	114,606
<b>Application of Capital Funding</b>											
Capital Expenditure:											
- to meet additional demand	52,567	51,147	52,563	114,346	80,416	88,991	143,472	111,721	101,536	66,177	104,242
- to improve the level of service	4,684	12,325	8,410	14,968	12,491	4,752	6,644	6,453	7,226	7,252	5,880
- to replace existing assets	9,619	12,332	11,539	22,773	27,321	31,492	40,154	38,178	38,989	43,570	43,343
Increase (decrease) in reserves	2,088	10,626	14,624	17,263	21,318	25,954	25,121	27,943	28,533	25,428	26,758
Increase (decrease) of investments	200	698	524	773	517	364	644	609	344	582	836
Total Applications of Capital Funding (D)	69,158	87,127	87,661	170,122	142,064	151,553	216,034	184,904	176,628	143,008	181,059
<b>Surplus/(Deficit) of Capital Funding (C - D)</b>	<b>(10,815)</b>	<b>(12,168)</b>	<b>(20,241)</b>	<b>(25,649)</b>	<b>(33,247)</b>	<b>(42,750)</b>	<b>(49,040)</b>	<b>(52,682)</b>	<b>(58,795)</b>	<b>(61,387)</b>	<b>(66,453)</b>
<b>Funding Balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Stormwater

Stormwater is about providing our city with services that protect people and properties from flooding and manage the quality of our stormwater. We want to continue to maintain stormwater services that improve, promote and protect public health. This includes protecting and enhancing the Waikato River, and minimising the effects of stormwater on the environment.

Stormwater network (includes collection, conveyance, treatment and discharge services)

The stormwater system consists of pipes, ponds, wetlands and open watercourses, which collect and release rainwater into the city’s streams and lakes, and the Waikato River.

We operate and maintain the stormwater infrastructure, replace aging infrastructure and build new infrastructure. To meet our legal obligations to minimise the effects of stormwater on the environment, we treat and discharge stormwater in various ways.

We are working to improve the resilience, sustainability, and compliance of the stormwater network over the next 10 years.

We anticipate we will need to comply with increased legislative and regulatory requirements in terms of existing assets and for planned urbanisation as the city grows.

To meet these requirements, we’ll be focusing on establishing strategic stormwater infrastructure in greenfield areas, improving the resilience of waterways through erosion control works, and improving Stormwater treatment in existing areas.

We are continuing to invest in understanding flood risks through catchment management planning and will invest in flood management in priority areas.

We’ll also be replacing and upgrading ageing Stormwater assets which will provide greater reliability.

How will you know we’re delivering?

What you can expect from us	What we will measure	Latest result (2022/23)	Targets			
			2024/25	2025/26	2026/27	By 2033/34
The stormwater system is designed and maintained to minimise the likelihood of stormwater entering habitable buildings.	The number of flooding events^ that occur within the city.+	12 flooding events	No more than 3 flooding events	No more than 3 flooding events	No more than 3 flooding events	No more than 1 flooding event
	For each flooding event^, the number of habitable floors affected.+	0.21 habitable floors per 1000 properties across all events	No more than 1 per 1000 properties	No more than 1 per 1000 properties	No more than 1 per 1000 properties	No more than 1 per 1000 properties
The Council will operate and maintain the stormwater system to minimise the impact on the environment.	The number of abatement notices related to the management of the stormwater system.+	0 abatement actions	No more than 1 abatement notice	No more than 1 abatement notice	No more than 1 abatement notice	No more than 1 abatement notice
	The number of infringement notices, enforcement orders and convictions related to the management of the stormwater system.+	0 infringement, enforcement, or conviction actions	0 infringement, enforcement, or conviction actions	0 infringement, enforcement, or conviction actions	0 infringement, enforcement, or conviction actions	0 infringement, enforcement, or conviction actions
A timely response if there is a problem with the stormwater system or flooding of a habitable building.	The median response time, from the time that we receive notification to the time that our service personnel reach the site of the flooding event.+	91 minutes	No more than 60 minutes	No more than 60 minutes	No more than 60 minutes	No more than 60 minutes
We provide a reliable and effective stormwater system that the community is satisfied with.	The number of complaints received about the performance of the stormwater system.+	23.04 complaints per 1000 properties	No more than 20 complaints per 1000 connections	No more than 20 complaints per 1000 connections	No more than 10 complaints per 1000 connections	No more than 20 complaints per 1000 connections

^ A flooding event means an overflow of stormwater from a territorial authority’s stormwater system that enters a habitable floor (a floor of a building (including a basement) but does not include ancillary structures such as stand-alone garden sheds or garages)  
+ Measure required by the Department of Internal Affairs



Significant negative effects

Activity	Wellbeing	Effect	Mitigation
Stormwater	Social, environmental	There is potential for adverse environmental effects due to stormwater possibly containing contaminants. Examples of potential contaminants could be sediments, oils, greases, rubbish and metal/organic materials that have washed off roads or other surfaces.	We have a resource consent issued by Waikato Regional Council that sets conditions for the diversion and discharge of urban stormwater runoff and associated contaminants to the Waikato River. Effects are managed through land use planning, network design and upgrades, and by implementing and monitoring of the Stormwater Bylaw which outlines the expectations for discharges into the stormwater network. The bylaw requires High Risk sites to have Stormwater Pollution management plans in operation. The Roading authority ensures their assets are maintained to minimise the impact on the stormwater system including street sweeping and catchpit clearing.
Stormwater	Social, cultural, environmental	The mixing of stormwater from different water catchments discharging into water bodies and the Waikato River can contrast with Maaori cultural beliefs and practices.	We operate, maintain, renew and replace our infrastructure to meet our obligations under Te Ture Whaimana o Te Awa o Waikato to contribute to the restoration and protection of the wellbeing of the Waikato river. We have a resource consent issued by Waikato Regional Council that sets conditions for the diversion and discharge of urban stormwater runoff and associated contaminants to the Waikato River. We work collaboratively with iwi to incorporate Maaori values into the management of stormwater related activities.
Stormwater	Social, cultural, environmental	The cost of necessary infrastructure improvements and flood risk mitigations and maintenance may exceed our ability to fund.	Integrated catchment management plans are being developed for each of the city's stormwater catchments to make sure stormwater infrastructure is planned, developed and managed in the most efficient and practicable way for the specific catchment.  Central government has released its Local Water Done Well (LWDW) plan to address long-standing water infrastructure challenges. LWDW includes the repeal of the previous three waters reform and provides for transition to a new water service delivery system. We are anticipating that central Government will set out a framework that will allow councils to self-determine future service delivery arrangements through a water services delivery plan. Our priority will be to ensure that any change provides the best long-term outcomes for our community. Development and implementation of Strategic Master Plans that feed into Activity Management Plans for the activity.
Stormwater	Social, cultural, environmental	The timing of the delivery of the development of strategic stormwater network investments has the ability to limit the city's growth opportunities.	Understanding and planning for population increases through the development of the Stormwater Master Plan which identifies the required infrastructure to support these forecasts. Our Infrastructure Strategy identifies significant capital expenditure decisions that are likely to be required for our city's infrastructure over the next 30 years. It identifies key opportunities and challenges for delivering on this vision and the infrastructure investments planned to meet them.

Capital projects

Type	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Stormwater Network										
CE10058 - Stormwater asset renewals	R2,616	2,646	8,855	9,657	10,137	10,620	10,253	11,093	11,552	11,646
CE15059 - Rototuna stormwater infrastructure	G526	3,046	2,267	-	-	3,538	339	2,034	1,557	-
CE15060 - Rotokauri stormwater infrastructure stage 1	G4,984	349	1,665	4,486	18,123	21,388	23,869	849	837	1,280
CE15062 - Peacocke stormwater infrastructure stage 1	G2,088	-	-	-	-	-	-	-	-	-
CE15063 - Peacocke stormwater infrastructure stage 2	G3,918	1,299	33	35	-	-	-	-	-	-
CE15067 - Comprehensive stormwater consent implementation	LOS175	162	260	294	314	327	349	190	197	204
CE15068 - Stormwater customer connections	G26	27	28	29	31	32	33	34	35	37
CE15162 - Integrated Catchment Management Plan	G2,286	6,594	6,035	6,669	3,569	22,729	17,421	14,095	20,989	15,168
CE19026 - Erosion control works	LOS2,319	2,874	3,715	4,868	4,407	2,875	3,202	3,034	3,020	3,902
CE21031 - Flood management	LOS525	2,255	6,067	-	4,563	-	-	-	-	-
CE21032 - Stormwater infrastructure upgrades	G890	926	961	1,000	1,040	1,081	1,122	1,160	1,200	1,241
CE21062 - Stormwater asset upgrades	LOS-	-	660	262	319	47	265	274	283	293
CE23003 - Infrastructure Acceleration Fund Stormwater	G599	535	292	433	2,299	2,299	2,299	-	-	-
Stormwater total	20,952	20,712	30,838	27,733	44,800	64,935	59,152	32,762	39,669	33,769

Prospective Stormwater funding impact statement

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Notes	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Sources of Operating Funding</b>											
General rates, uniform annual general charges, rates penalties	17,885	16,174	19,578	21,982	24,753	28,373	32,716	36,489	40,525	42,143	44,749
Targeted Rates	2,575	2,305	2,701	3,140	3,614	5,299	5,860	6,242	6,648	7,078	7,540
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	384	260	269	278	288	299	310	321	331	342	353
Local authorities fuel tax, fines, infringement fees, and other receipts	494	427	434	443	447	450	461	469	473	481	488
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	21,338	19,165	22,982	25,843	29,102	34,422	39,346	43,520	47,978	50,044	53,129
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	4,367	4,589	4,863	5,474	5,848	6,463	7,456	7,852	8,331	8,641	8,739
Finance Costs	1,655	2,690	3,277	4,178	5,163	6,520	8,687	11,364	13,331	14,989	16,867
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding (B)	6,021	7,278	8,139	9,652	11,012	12,983	16,143	19,217	21,663	23,630	25,606
<b>Surplus/(Deficit) of Operating Funding (A - B)</b>	<b>15,317</b>	<b>11,887</b>	<b>14,842</b>	<b>16,191</b>	<b>18,091</b>	<b>21,438</b>	<b>23,203</b>	<b>24,304</b>	<b>26,315</b>	<b>26,414</b>	<b>27,523</b>
<b>Sources of Capital Funding</b>											
Subsidies and grants for capital expenditure	2,152	1,134	562	320	463	2,330	2,331	2,332	34	35	37
Development and financial contributions	6,211	2,001	2,278	3,294	4,564	4,805	4,186	4,063	5,892	7,585	8,226
Increase (decrease) in debt	9,067	17,434	15,983	24,915	19,214	32,507	51,006	44,926	20,355	28,306	21,166
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding (C)	17,430	20,569	18,823	28,528	24,241	39,641	57,523	51,321	26,281	35,926	29,429
<b>Application of Capital Funding</b>											
Capital Expenditure:											
- to meet additional demand	12,401	15,318	12,776	11,282	12,652	25,061	51,065	45,084	18,172	24,617	17,725
- to improve the level of service	2,812	3,019	5,291	10,702	5,424	9,602	3,249	3,816	3,498	3,500	4,398
- to replace existing assets	1,295	2,616	2,646	8,855	9,657	10,137	10,620	10,253	11,093	11,552	11,646
Increase (decrease) in reserves	16,186	11,320	12,815	13,677	14,463	16,183	15,623	16,311	19,742	22,518	22,963
Increase (decrease) of investments	53	184	138	203	136	96	169	160	91	153	220
Total Applications of Capital Funding (D)	32,746	32,456	33,665	44,719	42,331	61,079	80,726	75,625	52,596	62,341	56,952
<b>Surplus/(Deficit) of Capital Funding (C - D)</b>	<b>(15,317)</b>	<b>(11,887)</b>	<b>(14,842)</b>	<b>(16,191)</b>	<b>(18,091)</b>	<b>(21,438)</b>	<b>(23,203)</b>	<b>(24,304)</b>	<b>(26,315)</b>	<b>(26,414)</b>	<b>(27,523)</b>
<b>Funding Balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Rubbish and Recycling

Rubbish and Recycling is about protecting the health of Hamiltonians and the environment by providing a reliable kerbside rubbish and recycling collection service and promoting waste minimisation and resource recovery.

We want to encourage and support waste reduction, reuse and recycling through education programmes, and the right infrastructure and services.

Refuse collection (refuse and recycling)

We are responsible for the kerbside collection and safe management of domestic rubbish, recycling and litter. We provide rubbish and recycling collections to residential properties in the city (excluding the city centre) on alternate weeks.

We own the Transfer Station, Lincoln Street Resource Recovery Centre and the green waste facilities at the Hamilton Organic Centre. The operation of these facilities is contracted to privately owned businesses.

Planning for new or reconfigured infrastructure to support projected growth of the city will be important as this will enable us to increase the effectiveness of our resource recovery at solid waste sites.

Landfill site management

As we no longer operate a landfill, all rubbish is transported to Hampton Downs landfill. We continue to monitor and manage several landfill sites that are now closed.

Waste minimisation

We work hard to minimise waste and to encourage more recycling and reuse through education programmes and promoting waste minimisation. Effective and efficient waste minimisation is a requirement of all councils under a range of legislation. We will continue to implement our Waste Management and Minimisation Plan which includes waste minimisation education, new partnerships and accessing of relevant grants.

How will you know we’re delivering?

What you can expect from us	What we will measure	Latest result (2022/23)	Targets			
			2024/25	2025/26	2026/27	By 2033/34
A timely response if there is a problem with rubbish and recycling.	The number of valid missed collections of kerbside rubbish, food waste and recycling not resolved by the end of the business day following the initial report.	0 months with greater than six	0 months with greater than five	0 months with greater than five	0 months with greater than five	0 months with greater than five
	The number of illegal dumping incidents not resolved within five business days following the initial contractor notification.	New measure	0 months with no greater than three collections of illegal dumping not resolved within five business days following the initial contractor notification	0 months with no greater than three collections of illegal dumping not resolved within five business days following the initial contractor notification	0 months with no greater than three collections of illegal dumping not resolved within five business days following the initial contractor notification	0 months with no greater than three collections of illegal dumping not resolved within five business days following the initial contractor notification
We will promote and encourage waste reduction, reuse and recycling.	The percentage of waste recovered for recycling through Council-owned facilities.	46.64%	At least 30%	At least 30%	At least 30%	At least 30%
	The percentage of waste recovered for recycling through the kerbside collection.	48.0%	At least 45%	At least 45%	At least 45%	At least 45%
	The amount of waste received at Council-operated waste facilities that is diverted from landfill.	15,129 tonnes	At least 14,500 tonnes per annum	At least 14,500 tonnes per annum	At least 14,500 tonnes per annum	At least 14,500 tonnes per annum
	The amount of construction and demolition materials received at Council-operated waste facilities that is diverted from landfill.	New measure	At least 4,000 tonnes per annum	Increase on the previous year	Increase on the previous year	Increase on the previous year

What you can expect from us	What we will measure	Latest result (2022/23)	Targets			
			2024/25	2025/26	2026/27	By 2033/34
Solid waste activities are delivered in a way that is sustainable, protects the environment, and is economical	The number of enforcement actions against Council for solid waste activities.	New measure	No more than one abatement notice, and 0 infringement notices, enforcement orders, or convictions	No more than one abatement notice, and 0 infringement notices, enforcement orders, or convictions	No more than one abatement notice, and 0 infringement notices, enforcement orders, or convictions	No more than one abatement notice, and 0 infringement notices, enforcement orders, or convictions
	The number of reported instances of illegal dumping.	New measure	No more than 2400 annually	No more than 2400 annually	No more than 2400 annually	No more than 2400 annually

Significant negative effects

Activity	Wellbeing	Effect	Mitigation
Rubbish and Recycling	Social, environmental	Closed landfill sites could potentially have negative effects on the environment and public health.	Closed landfills are managed to comply with resource consents. These include monitoring gas and leachate and ensuring no migration of gas from closed landfills to adjacent customers’ properties.
Rubbish and Recycling	Social, cultural, environmental	Illegal dumping has a negative visual impact on the community and can have negative effects on the environment and public health.	We manage the collection contracts and comply with the Hamilton City Waste Management and Minimisation Bylaw 2019 to minimise the likelihood of these events occurring. In addition, illegal dumping is monitored and where appropriate enforcement action is undertaken.
Rubbish and Recycling	Social, cultural, environmental	Kerbside collection has the potential to create an excess of waste to landfill rather than recovering recyclable material.	We encourage waste minimisation and landfill diversion by offering innovative and effective systems for recycling and kerbside collection.  Our Waste Management and Minimisation Plan sets out goals, objectives and targets to guide the Council towards waste avoidance, reduction and recovery. This includes education programmes to raise awareness and promote waste minimisation, and monitoring of our kerbside diversion rate.

Capital projects

		Type	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Landfill Site Management			\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
CE10054 - Closed landfill assets renewals		R	1,318	1,070	1,612	1,654	1,440	3,077	1,815	657	1,154	1,017
Rubbish and Recycling total			1,318	1,070	1,612	1,654	1,440	3,077	1,815	657	1,154	1,017

Prospective Rubbish and Recycling funding impact statement

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Notes	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	9,608	13,309	13,755	13,913	14,789	15,140	14,373	16,092	17,582	17,836	19,719
Targeted Rates	28	33	37	42	49	54	60	67	74	80	85
Subsidies and grants for operating purposes	659	1,534	1,534	1,534	1,534	1,534	1,534	1,534	1,534	1,534	1,534
Fees and charges	38	65	68	70	73	75	78	81	84	86	89
Local authorities fuel tax, fines, infringement fees, and other receipts	147	199	163	169	174	180	186	193	198	204	211
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	10,480	15,140	15,557	15,728	16,618	16,983	16,231	17,966	19,472	19,740	21,637
Applications of Operating Funding											
Payments to staff and suppliers	10,213	11,691	12,558	13,143	14,426	15,241	15,222	17,412	19,442	20,385	22,719
Finance Costs	521	945	927	920	907	899	918	899	863	855	849
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding (B)	10,735	12,635	13,484	14,063	15,332	16,140	16,141	18,310	20,305	21,240	23,568
Surplus/(Deficit) of Operating Funding (A - B)	(255)	2,504	2,072	1,665	1,285	844	91	(344)	(833)	(1,500)	(1,931)
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	251	1,202	869	1,341	1,265	959	2,517	1,240	59	607	410
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding (C)	251	1,202	869	1,341	1,265	959	2,517	1,240	59	607	410
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	166	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	502	1,318	1,070	1,612	1,654	1,440	3,077	1,815	657	1,154	1,017
Increase (decrease) in reserves	(698)	2,297	1,802	1,292	828	315	(554)	(999)	(1,476)	(2,124)	(2,648)
Increase (decrease) of investments	26	92	69	102	68	48	85	80	45	77	110
Total Applications of Capital Funding (D)	(4)	3,707	2,941	3,006	2,550	1,803	2,608	896	(774)	(894)	(1,521)
Surplus/(Deficit) of Capital Funding (C - D)	255	(2,504)	(2,072)	(1,665)	(1,285)	(844)	(91)	344	833	1,500	1,931
Funding Balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-



# Statement of service performance: assumptions and judgements

## Ratonga – ngaa whakapae me ngaa whakatauranga

### Significant judgements in the selection of non-financial performance measures

We have made a number of judgements in selecting performance measures for inclusion in the Council’s 2024-34 Long-Term Plan.

The main judgements made in the selection of performance measures are outlined below:

- Community Services;
- Partnerships, Communication and Maaori;
- Venues, Tourism and Events;
- Parks and Recreation;
- Rubbish and Recycling

There are no mandatory performance measures for these activities, nor any measures that are required by legislation. In selecting measures for these activities regard was given to those that:

- are considered to be of community interest and can be well understood;
- focus on the most important aspects of the services that council provides;
- are essential to measuring the successful delivery of intended levels of service;
- demonstrate alignment with our community outcomes; or
- arise out of a contractual arrangement.

#### Transport

The Department of Internal Affairs (DIA) has specified a series of mandatory performance measures for this activity. These mandatory measures are intended to enable comparability of performance across similar sized local authorities. All of these measures that are required to be reported against have been included in our performance framework and calculated in accordance with DIA guidance.

DIA has not set any mandatory performance measures in relation to travel times. We consider this to be a material aspect of the service we deliver and have included a performance measure for this outcome in our performance framework.

#### Support Services

We are required to ensure that our annual reports and long-term plans are legislatively compliant with the Local Government Act 2002. As such, we have included a performance measure relating to our ability to comply with this requirement by reporting on whether we receive an unqualified audit opinion (meaning that these documents are fit for purpose and based on reasonable underlying assumptions and information). This gives assurance to our community that the city’s key strategic plan and budget, and our end of year reporting against it, is of an acceptable compliant standard and has been prepared reliant on quality underlying information and assumptions.

#### Governance

We are required to process official information requests within the statutory timeframes specified in the Local Government Official Information and Meetings Act 1987 (LGOIMA). As such, we have included a performance measure relating to compliance with this timeframe as it is meaningful to our community and demonstrates that we aim to meet our statutory obligations.

#### Growth

We are required to process resource consents within a specified timeframe under the Resource Management Act 1991. As such, we have included a performance measure relating to compliance with this timeframe as it is meaningful to our community and demonstrates that we aim to meet our statutory obligations.

We are required to report annually on our ability to provision and supply residential and business zoned land under the National Policy Statement for Urban Development. Performance measures relating to the supply and provisioned capacity of this land is a matter of community interest, demonstrates active monitoring of our city’s development as well as compliance with regional and national policy and reporting requirements.

#### Regulatory and Safety

We are required to process building consents and Code Compliance Certificates within a specified timeframe under the Building Act 2004. As such, we have included performance measures relating to compliance with these timeframes as it is meaningful to our community and demonstrates that we aim to meet our statutory obligations.

**Water supply, Wastewater, Stormwater**

The Department of Internal Affairs (DIA) has specified a series of mandatory performance measures for these activities. These mandatory measures are intended to enable comparability of performance across similar sized local authorities. All of these measures that are required to be reported against have been included in our performance framework and calculated in accordance with DIA guidance.

We have not identified any significant aspects of service performance outside of the DIA measures, as such, no additional performance measures have been included for these activities.

**Targets**

All targets are set based on past performance results or underlying data. They reflect the level of performance sought for delivery our services.

An annual target of maintain or increase on previous year’s performance recognises the importance of continued and steady progress towards our goals. New performance measures added to the framework in this Long-term plan may have no specified target set in 2024/25 (Year 1), but instead will rely on results in Year 1 to establish a baseline to maintain or improve upon for results in Years 2-10.

As part of the development of service performance measures and setting of targets, consideration has been given to changes to

funding within the Long-Term Plan and any resulting impacts on levels of service.

**Aggregation**

Where multiple venues or destinations contribute to the overall number of visitations/participations, this has been aggregated into our visitation/participation target. This includes:

- Event attendance at venues
- Visitor numbers at visitor destinations

A number of measures specified in this Long-Term Plan are measures that have previously been included as an aggregated target but have now been separated out for ease of reporting and easier understanding of performance of services. This includes measures for:

- Library issues
- Library visitation
- Community grants
- Neighbourhood parks

**Underlying logic, assumptions & definitions in our non-financial performance measures**

**Reporting**

All non-financial performance measures are reported in a consistent manner with both quantitative results and accompanying qualitative information.

Some performance measures are informed by results which are available less frequently than quarterly, such as those that rely on results of the annual ‘Pulse’ survey. All such measures provide results at a minimum of once annually, as the availability of underlying data allows.

**Surveys**

To measure the quality of delivery on a range of Council services, we use different types of surveys.

**Pulse Survey**

- Parks and open spaces satisfaction
- Perception of safety in the central city
- Opportunities to have a say in shaping Hamilton
- Hamilton is a great place to live
- Community pride in Hamilton
- Confidence in decision makers

The Pulse Survey is an annual survey undertaken by an independent research provider on Council’s behalf. The survey uses a representative sample of Hamiltonians from the electoral role that reflect the demographic make-up of Hamilton City. The survey includes a range of questions that collect both quantitative data and qualitative commentary, which provide a wide breadth of feedback to generate insights. The results of this survey inform reporting on a number of performance measures and community outcome measures relating to Hamiltonian’s perceptions of Council and its services.

Satisfaction measures are informed by results based on a 5-point satisfaction scale from very dissatisfied to very satisfied. The perception of safety in the central city measure is based on responses to how safe survey respondents feel in the central city during the daytime based on a 4-point scale from very unsafe to very safe.

**Libraries and Aquatics satisfaction surveys**

Customer surveys assess customer satisfaction related to interactions with Council services and facilities. Customers are able to provide feedback either on-site via a self-selecting survey (on an iPad situated on-site or in the municipal building) or through a survey emailed to a sample of respondents at random by an independent survey company (Cemplicity) on our



behalf. We collect email addresses and phone numbers from our customers at or prior to the point of interactions to enable this email survey to be undertaken. We aim to ask customers their perceptions of our services at, or shortly after, their interactions with Council to enable better recall of their experience so that the customer's voice is clear, and feedback can actioned without delay.

### Tiriti o Waitangi partners survey

An annual survey is undertaken toward the end of each year with Council's Tiriti partners to inform levels of satisfaction with Council's performance as a good partner.

The survey is hosted on Council's share your voice platform and is sent directly to our Tiriti o Waitangi partners. The survey includes quantitative and qualitative questions to gather insights as to our Tiriti partner's perceptions of working alongside Council. Satisfaction results are assessed from a singular question about their levels of satisfaction with Council's performance as a good partner, and rely on a 5-point satisfaction scale from very dissatisfied to very satisfied.

### Definitions

- Working days are Monday to Friday, excluding public holidays. If a notification is received over the weekend or on a public holiday, the timeframe starts from the next working day.
- Average processing days is the average number of working days used in processing consents, which excludes all stop clock days. A working day means any day except for a weekend day, public holiday, or those days between 19

December and 9 January. The processing clock may be stopped at any point should we require further information from the applicant.

- A flooding event means an overflow of stormwater from our stormwater system that enters a habitable floor (meaning a building, including a basement, but does not include ancillary structures such as stand-alone garden sheds or garages).

All filters, logic, assumptions, definitions, limitations and sources are recorded in detailed Service Performance Measure information sheets.

### Presentation of non-financial performance measures

Detail on how to read the service performance measure can be found on page 30. Service performance information is included on pages 36 to 111





# Financial matters

## Ko ngaa take puatea

### Guide to this section

#### Financial Strategy

As part of its 2024-34 Long-Term Plan, Council must prepare and adopt a financial strategy for all of the consecutive financial years covered by the Long-Term Plan.

The financial strategy is a combination of the financial implications, constraints, and consequences of Council's policy and service delivery decisions.

The purpose of a financial strategy is to:

- facilitate prudent financial management by Council by providing a guide for Council to consider proposals for funding and expenditure against; and
- to provide a context for consultation on Council's proposal for funding and expenditure by making transparent the overall effects of those proposals on Council's services, rates, debt, and investments.

Council's financial strategy must include a statement of the factors that are expected to have a significant impact on the local authority during the consecutive financial years covered by the strategy, including:

- the expected changes in population and the use of land in the city, and the capital and operating costs of providing for those changes; and

- the expected capital expenditure on network infrastructure that is required to maintain existing levels of service currently provided by Council; and
- other significant factors affecting Council's ability to maintain existing levels of service and to meet additional demands for services; and
- a statement of the Council's
  - o quantified limits on rate increases and borrowing; and
  - o assessment of its ability to provide and maintain existing levels of service and to meet additional demands for services within those limits; and
  - o policy on the giving of securities for its borrowing; and
  - o specify Council's objectives for holding and managing financial investments and equity securities and its quantified targets for returns on those investments and equity securities.

# Financial Strategy

## Te Rautaki aa-Tahua

The Financial Strategy outlines our overall approach to managing the Council’s finances and provides guidance when we make spending decisions.

The budget for the 2024-34 Long-Term Plan has been developed to align with the five priorities, as agreed by Council, and with a view to look after what we have.

The Financial Strategy in the previous Long-Term Plan highlighted the increased pressure and demand on existing infrastructure and services as a result of the growth experienced by Hamilton Kirikiriroa. This demand for services is forecast to continue for the next 10 years.

Along with increasing demand for services, Council continues to face a number of challenges driven by increasing policy and legislation requirements. This includes new direction on growth, water, wastewater and stormwater standards, transport and climate change.

Council’s asset base continues to increase with investment in infrastructure assets being the key driver. This in turn results in increased costs to maintain these assets throughout the 10-year period.

The Financial Strategy has been adapted to respond to the challenges outlined above. Council’s debt to revenue limits, over the 10 years, match that set by the Local Government Funding Agency (LGFA).

- Average rates increase to the median existing residential properties will be:
- 16.5% for 2024-25,
  - 15.5% for 2025-26,
  - 14.6% for 2026-27,
  - 13.5% for 2027-28,
  - 12.5% for 2028-29,
  - 9% for 2029-30,
  - 5% from 2030-31 onward.

## Debt

### Debt-to-Revenue Limit

The Debt-to-Revenue Ratio will be set at 285% for the year ending June 2025 and decrease to 280% for the year ending June 2026 and beyond.

Council is investing \$4.4 billion across the 10 years in its largest capital programme to date. This includes increasing spending on community infrastructure, on renewing existing assets and on delivering projects that meet the objectives of our five priorities.

The initial Debt-to-Revenue Ratio limit of 285% in the first year, and subsequent reductions, is in line with the limits set by the LGFA.

Remaining under these limits over the 10 years supports Council’s credit rating (AA-). Our ability to fund potential unforeseen events is discussed in the section below.

Table 2 shows budgeted net debt for the financial years ending 30 June 2024 to 30 June 2034.

Projections show Net Debt increasing to a peak of \$2.5 billion in 2034. Rates increases from 2027 onwards will create surpluses to contribute to repaying debt.

By 2034 Council will have \$148 million in debt capacity within the 280% Debt-to-Revenue Ratio limit. Council’s 2021-2051 Infrastructure Strategy shows that debt capacity is needed beyond 2034 for future infrastructure investment.

Table 1: Debt-to-Revenue

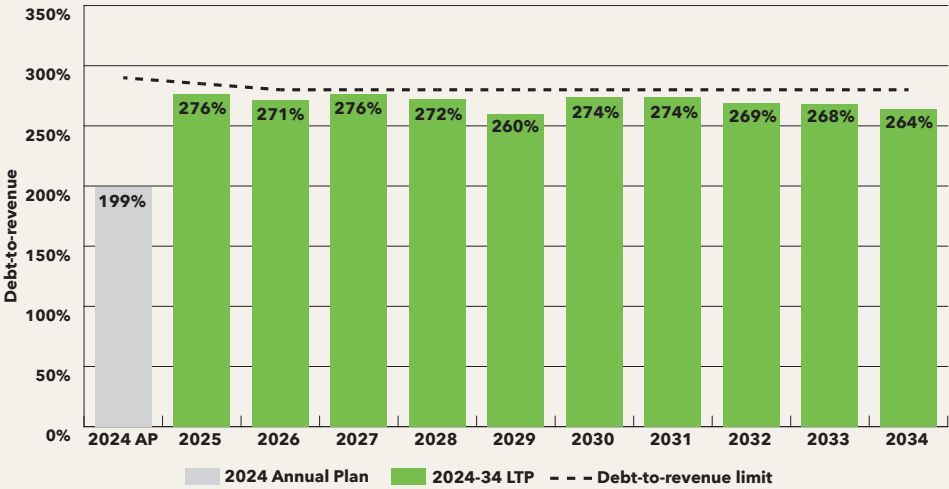
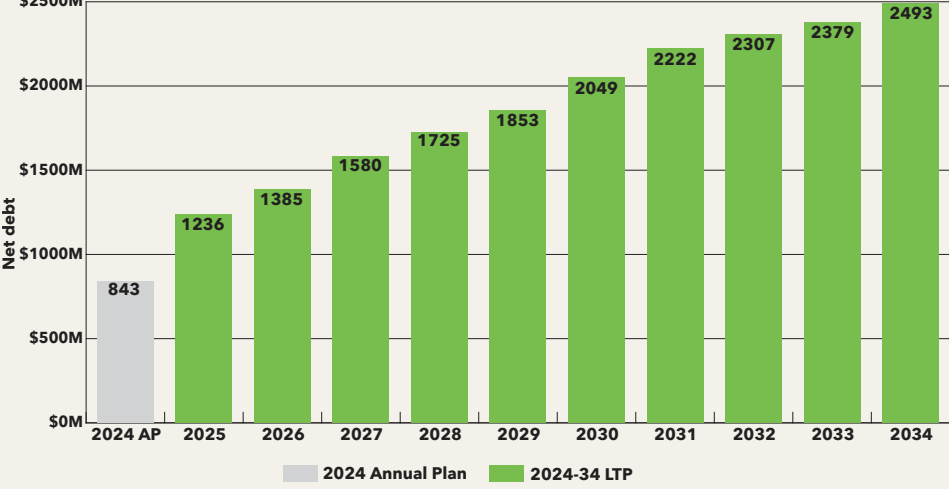


Table 2: Net Debt



Paying for the city’s everyday costs

Everyday costs should be paid for from everyday revenues.

If we fail to achieve this, these costs are funded by increasing debt. This means existing ratepayers are not paying for some of the services and amenities being provided to them. Using debt to fund everyday costs also means future ratepayers will pay for this cost and the extra interest. This is neither prudent nor sustainable.

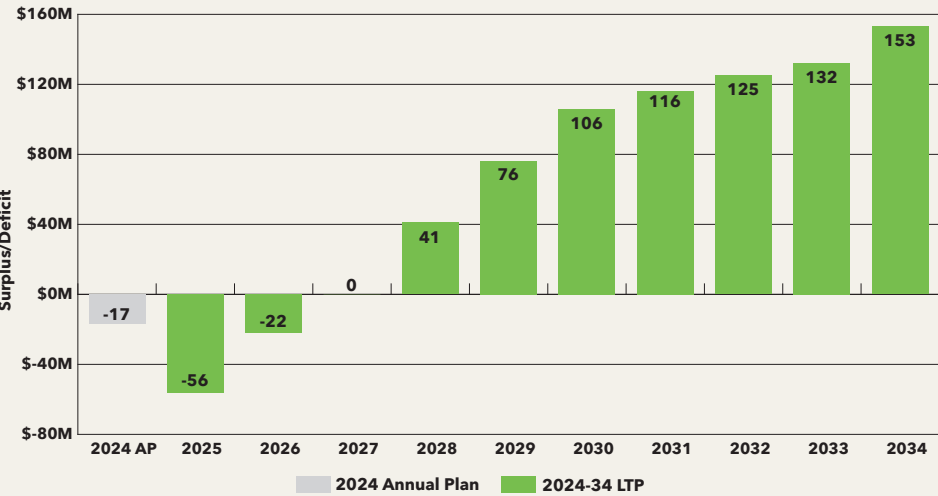
We must operate with surpluses if we are to repay debt and continue to invest in the city’s future by maintaining existing assets and building new infrastructure. Council uses the Balancing the Books measure (table 3) to determine whether everyday costs are being paid from everyday revenues. This measure differs from the Balanced Budget Benchmark (page 190). Items included in the Balanced Budget Benchmark that are not included in Council’s Balancing the Books:

- Capital revenue (except for NZTA renewals subsidy)
- Gains and losses on Plant, Property and Equipment
- Gains and losses on Investment Property

Council chooses to exclude these items as they are not considered everyday revenues or costs.

This Financial Strategy enables a balanced or surplus budget from year three onwards.

Table 3: Everyday costs and revenues (Balancing the books)



Rates

Rating Limits

Rate Increases

Average rate increases to the median existing residential properties will not exceed 16.5% in 2025, 15.5% in 2026, 14.6% in 2027, 13.5% in 2028, 12.5% in 2029 and 9% in 2030. From 2031 onwards, rate increases will not exceed 5%.

After making budget decisions, capping debt and agreeing that paying for everyday costs with everyday revenues was a priority, we have determined our rates limits.

The Council’s rating system has been considered with the intention that it represents the most appropriate rates options to address the present and future needs of the city.

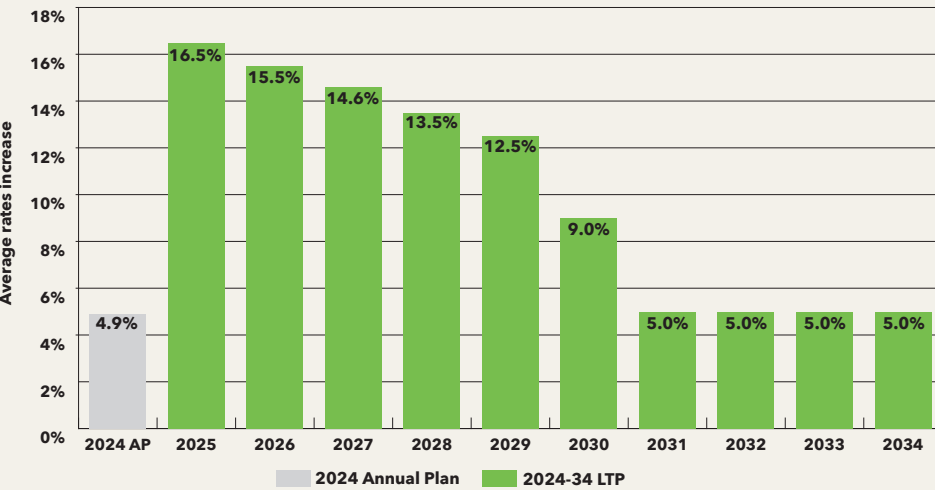
For 2024/25 Council’s adopted rates increase percentage is 16.5%. The General rate, the Uniform Annual General Charge (UAGC), and the Government Compliance rate all increase by Council’s adopted rates increase percentage each year, except in 2024/25 the BID Commercial category of the General rate and the Government Compliance rate will increase to be the same amount as the Commercial category. Average rates increases for existing ratepayers in the previous Financial Strategy were 4.9% per year.

A new targeted rate has been introduced for 2024/25 onwards. The Pool Safety Inspection rate will be set for those properties with a pool that requires inspection by Council every three years.

This rate will cover the cost of the first inspection every three years so it will no longer be invoiced separately.

The average rates increases are set at the lowest level possible to still achieve our capital investment programme. Much of this programme is funded from debt and the amount we can borrow is constrained by our Debt-to-Revenue Ratio limits. The budget shows that at this level we can complete our capital investment programme, maintain services and create surpluses necessary to repay debt.

Table 4: Average rates increases (to existing ratepayers)





Growth

Hamilton continues to experience a period of high growth. This presents a financial challenge for Council. A key guiding principle in the development of this Long-Term Plan is to ensure that those who benefit from growth pay a fair share of the costs incurred supporting that growth.

The National Policy Statement on Urban Development requires councils to provide development capacity for housing and business land to meet demand over the next 30 years. Council has a requirement to provide enabling infrastructure to meet growth demand, with current Government policy settings requiring supply of serviceable land 20% greater than forecast demand.

In this Long-Term Plan, we have adopted the high series of population projections provided by the Waikato University National Institute of Demographic and Economic Analysis (NIDEA). This means we need to supply 12,500 new dwellings over the next 10 years and 38,000 over the next 30 years. Currently there are 63,000 dwellings in Hamilton. The population is projected to grow from 185,300 in 2023 to more than 218,000 in 2034.

Dwelling projections have been used to prepare a 30-year demand forecast for the 2021-2051 Infrastructure Strategy and the related capital expenditure programme for the Long-Term Plan has been prioritised from this forecast.

Table 5: Capital expenditure

Activity Group	2024-34 Long-Term Plan			
	Growth (\$000)	LOS (\$000)	Renewals (\$000)	Total (\$000)
Wastewater	914,349	86,401	309,690	1,310,440
Stormwater	233,752	52,497	89,074	375,323
Transport	587,300	109,788	512,889	1,209,977
Water Supply	430,358	110,877	145,551	686,786
Other	126,111	158,380	558,171	842,662
All Activity Groups	2,291,870	517,944	1,615,375	4,425,188
External Funding (excl DC's)	592,425			

Table 5 shows the total cost of projects over 10 years categorised by type of expenditure. Growth capital expenditure provides new or improved assets which supports more residents to live in our city. Capital expenditure to improve service levels is where we are investing in new assets to service the existing population; and renewals restore our current assets to their original function or capacity.

There are additional operating costs, such as depreciation, associated with adding new assets. These costs are included in the rates increase limit.

Risk of growth being higher or lower

Should growth be lower than forecast, revenue budgets for rates, building consents, resource consents and development contributions may not be met. This will constrain borrowing

as the debt limit of 285% in Year 1 is calculated at 2.85 times revenue. We would need to reconsider the appropriateness of the capital programme.

Should growth be higher than forecast, then revenue would be higher. We would then need to consider the speed and timing of the capital programme to maintain housing supply.

These impacts are further considered in the Significant Forecasting Assumptions section of this Long-Term Plan.

Unplanned events

This Long-Term Plan provides for the everyday maintenance of assets and the renewal of assets at the end of their economic life. Unplanned events require earlier than planned investment (e.g. Civil Defence emergencies, natural events, river slips, fire, theft, and safety concerns). These events, if they occur, could result in significant unplanned operating and capital costs.

Council has mitigations that can be executed in the case of such an event. The Council can call on an additional \$100 million in standby facilities. This is made up of a \$60 million Evergreen ANZ facility and a \$40 million standby facility with the New Zealand Local Government Funding Agency (LGFA). These facilities are not included in Council’s forecast debt position and drawing on them would increase overall Council debt. This may absorb the debt headroom Council has in years where the debt-to-revenue result is close to its limit. Should Council breach the debt-to-revenue limit, borrowing through the Local Government Funding Agency would continue to be made available to Council,

however may become more expensive. The impact of changes to interest rates has been disclosed in the Significant Forecasting Assumptions, through sensitivity analysis, on page 148. Council has the ability to urgently reprioritise and reduce capital spending and community levels of service spending, to mitigate the risk of beaching debt-to-revenue limits.

Collectively with other councils in the Waikato region, we have an insurance programme through Co-Lab. This programme will fund some operational costs (e.g. business interruption) and capital costs where a claimable event occurs.

All councils in the Co-Lab group have material damage insurance and infrastructure insurance using a maximum probable loss approach rather than reinstatement value for all properties. This policy has the benefit of spreading risk across a wider geographical area. Maximum probable loss is the anticipated value of the biggest monetary loss that might result from an event, whether natural or otherwise.

Additionally, we have a layer of insurance to ensure appropriate cover for key assets including the five Waikato River bridges, other key transportation bridges and underground infrastructure. The water and wastewater treatment plants, reservoirs and pump stations are fully insured including increased costs of operation through business interruption during a disaster event.



Investments

We hold investments in companies, property and cash.

Investments in companies

We are an equity holder in four companies. The principal reason for holding an equity interest in these investments is to achieve efficiency and community outcomes rather than for a financial return on investment. We hold shares in the following companies:

Table 6: Council’s Investments

Company	Shareholding /Control	Principal reason for investment	Budgeted return
Waikato Regional Airport Ltd	50.00%	Economic development	Nil
Co-Lab	16.02%	Efficient government	Nil
New Zealand Local Government Funding Agency Ltd	8.30%	Borrowing	\$104,000 per annum
Civic Financial Services Ltd	1.8%	Superannuation	Nil

There are no plans to change our shareholdings. In accordance with good practice, however, this is reviewed regularly.

Property investments

Property investments are divided into three categories:

Municipal Endowment Property

Budgeted rate of return on property value for Municipal Endowment Property is 5%.

From time to time, we will buy and sell endowment properties in the portfolio to improve financial returns. Surplus cash is held in the Municipal Endowment Fund and is available for reinvestment in property. All endowment transactions are governed by our investment and endowment policies.

Domain Endowment Property

Budgeted rate of return on property value for Domain Endowment Property is 1%.

From time to time we will buy and sell endowment properties in the portfolio to improve financial returns. Surplus cash is held in the Domain Endowment Fund and is available for reinvestment in property. All endowment transactions are governed by our investment and endowment policies.

Corporate Investment Property

Budgeted rate of return on property value for Investment Property is 3%.

Cash Investments

We hold cash for three main reasons:

- To support the balance of reserves.
- To ensure strong lines of liquidity and access to cash. Cash is supplemented by committed banking facilities
- To provide the funds for maturing debt.

Cash is invested on short-term deposit to manage cash flows and maximise returns. Our target is to exceed the average 90-day bank bill rate.

Other Investments

As part of borrowing from the Local Government Funding Agency, we are required to invest in financial bonds with the agency. We will receive interest on these bonds.

Policy on securities

To borrow cash, we must offer our lenders security, just like residents do with their mortgage. Like most councils, debt is secured against rates income.

Lenders like this as security and it helps keep our interest rates low. Giving rates as security means that our lenders can make us charge ratepayers more to repay debt. That is why it is important to keep our debt at a sustainable level.

We may also offer other security, including physical assets, in certain circumstances.

The full policy on giving securities can be found in the Investment and Liability Management Policy on our website.

**Disclosure Statement**

We have included the Disclosure Statement in this Long-Term Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014.

The purpose of this statement is to disclose our planned financial performance in relation to various nationally consistent benchmarks. These benchmarks enable the assessment of whether we are prudently managing our revenues, expenses, assets, liabilities, and general financial dealings.

Our Long-Term Plan budget meets or exceeds the measures of financial management as determined by the government.

Our target of everyday revenues paying for everyday costs is more appropriate than the regulation measure for balancing the books. This is because it excludes capital revenue. Capital revenue is used for building assets and not to pay for everyday costs. The result is a more transparent view of what it would normally cost to run the city.

# Significant forecasting assumptions

## Ngaa whakapae matapae nui

**Macro assumptions**

**Three waters reform**

This 2024-34 Long-Term Plan (LTP) reflects policy direction from the new National-led Government in relation to costs for water services delivery. There remains significant uncertainty about future requirements for councils and resulting costs.

In 2023 legislation was passed by the Labour-led Government to remove the costs of water services from councils (and transfer to new organisations) in stages. In its LTP budget, Hamilton City Council (Council) was legally required to remove waters costs from 2025.

Following the 2023 election, the new Government has repealed this legislation. This significantly impacted the draft LTP projections and has substantially wider implications for responsibility for water services costs post-2025.

The previous Government’s reform intended to reduce future cost impacts for councils and the public through economies of

scale in regional organisations. The new Government has not indicated any alternate funding support.

Government has advised councils are to self-determine future service delivery arrangements via a water services delivery plan (to be submitted within 12 months).

As a result, Council’s water service delivery budgets face increasing pressure to maintain existing levels of service, address existing unfunded waters projects, provide increased funding for growth infrastructure, meet new regulatory and consenting requirements, provide resilience and response to climate change.

Government has stated two new pieces of legislation will be delivered in the next 12 months. The Local Government Water Services Transitional Provisions Bill will set out guidelines relating to how councils will manage water services and water costs and will make it easier for councils to establish council-controlled organisations (CCOs) under the Local Government Act 2002.

The second bill, the Local Water Done Well Bill, will provide guidelines for long-term financial sustainability, a complete economic system for controlling water-related costs, and a new range of structural and financing tools, including a new type of financially independent CCO.

Council has not allocated funding to investigate a CCO or similar partnership involving Hamilton. Establishment costs for any new entity would be significant and likely require a minimum three-year lead time before it could be operational.

There continues to be high level of uncertainty around the Government's proposed changes to legislation, regulation and policy drivers which impact the way in which three water services and infrastructure are provided. This uncertainty means that there are likely to be future implications which are unfunded in this LTP, such as:

- any change required to meet new legislation and regulation, such as the economic regulation signalled by the Government;
- any change in levels of services that may be required in response to new performance measures;
- any investment required to explore alternative three waters delivery models; and
- the former water service reform included centrally-funded procurement for nationally-consistent digital architecture for asset management, service maintenance and customer relationships. Halting the reform programme means these costs will now fall on councils. Council has made no provision to fund these upgrades and faces the future dilemma of establishing bespoke local upgrades or awaiting a potential regional entity to ensure local investment isn't wasted.

**Resource Management Act 1991 reform**

Our assumption is that the Resource Management Act 1991 (RMA) will continue to be the primary legislation under which Council operates in regard to resource management. Parliament has passed legislation repealing the Natural and Built Environment Act 2023 and the Spatial Planning Act 2023 as part of the Government's 100-day plan. While the repeal signals a reversion to the RMA, the Government will retain fast-track consenting provisions for now in advance of a separate bill to be introduced later in the 100-day period; and ensure Treaty settlements are upheld. This assumption has a high level of uncertainty. The government has signalled a full review of the legislation, but there is no timeline or detail known to date. This has limited impact on finances as Council will continue to operate under current legislation for the foreseeable future.

**Fast Track Approvals Bill**

The new Fast Track Approval Bill has been recently introduced into Parliament. The purpose of the bill is to "fast-track decision-making process that facilitates the delivery of infrastructure and development projects with significant regional or national benefits". It is possible that the Fast Track Approval process will be used to enable developments on the periphery of the exiting Hamilton City boundary. This could result in significant new developments outside the city, that draw development demand away from Hamilton City. This could impact on growth and financial modelling completed to support the LTP.

There is also a lack of clarity around the need for proposed developments to be adequately serviced from a three waters and transport perspective. This could result in poor development

outcomes and potentially infrastructure servicing challenges that require Hamilton City Council support to remedy. There is no investment included in the LTP to provide new infrastructure services to areas outside of the existing city boundary.

The Infrastructure and Assets Group has applied for the following Projects to be included as referred projects within the Fast Track Approval Bill to cater for both the significant historic growth and planned future growth:

**1. Metro Wastewater Treatment Plant Service Packaging**

A package of over \$1 billion of investment in wastewater treatment, consisting of:

- **Southern Metro Wastewater Treatment Plant**  
A staged \$500+ million investment over 30 years into a new wastewater treatment plant to provide for future planned growth in Hamilton's south, the Airport's industrial area and communities south of Hamilton, both in Waipaa and Waikato Districts.
- **Pukete Wastewater Treatment Plant Reconsenting and Expansion**  
\$500+ million investment over 15 years into Pukete treatment plant to get ready for subregional growth and higher discharge standards.

**2. Hamilton Bulk Wastewater Storage Programme**

A total investment of \$130+ million over 10 years, to develop wastewater storage devices used to reduced wastewater overflows and open up additional capacity in the strategic wastewater network.

The outcome of the Fast Track Approvals Bill process is unlikely

to be known when the 2024-34 LTP is adopted.

The assumption has a medium level of uncertainty. The risk is any legislation change could increase the demand for our services and increase growth which will impact on levels of service, expenditure and debt.

**Future for Local Government**

No substantive policy decisions about the future structure, roles, functions, or funding of the local government sector were made pursuant to the Future for Local Government review prior to the 2023 general election. Our assumption is that no changes will be introduced as a result of the review prior to the adoption of the LTP.

The assumption has a low level of uncertainty. The risk of any local government policy changes could impact on levels of service, revenue, expenditure and debt.

**Climate change**

The climate in Hamilton Kirikiriroa is already changing, including longer summers, warmer temperatures, extreme rainfall and drought conditions.

Waikato Regional Council's Waikato Regional Climate Impacts Report uses the latest climate modelling data to model the potential future climate for the region. It shows that over the next few decades we will likely experience:

- increase in rainfall intensity
- rising temperatures
- longer hot summer season
- increase in the number of hot nights



- increase in the number of hot days
- changes in wind directions
- increase in tropical cyclones.

This future climate state was used in understanding the risks for our assets and services and the risks that were identified to be high or very high now or in 2050 have been included and adaptation responses integrated into the LTP and Infrastructure Strategy.

In relation to emissions reduction, we have assumed that the current emissions target of net zero by 2050 (excluding biogenic emissions) and emissions budgets set by the government will remain for the duration of this LTP.

The level of uncertainty is low. The risk is climate change events could occur to a greater extent than predicted or in areas we have not predicted which will increase expenditure and debt.

Population growth

Population growth has been forecast for territorial authorities in the Waikato by the National Institute of Demographic and Economic Analysis (NIDEA), University of Waikato. On 14 June 2023, through the Strategic Growth Committee, Council adopted the NIDEA high projection (2021) to prepare this LTP.

Population projections from this projection series have been used to help prepare 30-year demand forecasts for the Infrastructure Strategy.

As a result of the variability in immigration settings, there

is a high degree of uncertainty around these projections. If government continues with a permissive immigration policy, then the rate of growth is likely to be higher than forecast. A move to a restrictive immigration policy would likely result in growth lower than projected. We monitor population growth and projections can be revised if immigration or growth settings change and growth diverges substantially from projected.

To ensure we have the best information available, we rebase our population projections annually when the latest Statistics New Zealand population estimates are released.

Total population at 30 June is projected to be:

<b>2025</b>	188,604	<b>2030</b>	203,441
<b>2026</b>	191,538	<b>2031</b>	206,431
<b>2027</b>	194,495	<b>2032</b>	209,491
<b>2028</b>	197,471	<b>2033</b>	212,404
<b>2029</b>	200,454	<b>2034</b>	215,379

New households at 30 June are projected to be:

<b>2025</b>	1,183	<b>2030</b>	1,250
<b>2026</b>	1,183	<b>2031</b>	1,270
<b>2027</b>	1,159	<b>2032</b>	1,244
<b>2028</b>	1,248	<b>2033</b>	1,303
<b>2029</b>	1,235	<b>2034</b>	1,284

The assumption has a high level of uncertainty. The risk is population growth could occur faster or slower than predicted which will impact on revenue, expenditure and debt. The impacts have been explained in the sensitivity analysis.

Growth infrastructure investment

It is anticipated that all growth cells will be developed by us in partnership with those providing privately funded infrastructure.

As our current financial constraints do not allow for all growth infrastructure in all areas zoned for development, third party funding has been anticipated across all growth cells through the vesting of developer-provided infrastructure and the use of private development agreements (PDAs). Council will continue to explore the use of new funding and financing tools such as off-balance sheet structures provided by the Infrastructure Funding and Financing Act 2020.

It has been assumed we will generally make upsizing contributions to developers on an incremental marginal cost basis where these are required. It is also assumed that any strategic infrastructure upgrades required to service development outside of Councils priority development areas (i.e., Stage 1 growth area) will be funded by third parties. No allowance has been included in the LTP for strategic network upgrades that may be needed to service increased densities in existing greenfield development areas (e.g. Peacocke, Ruakura, Rototuna, Rotokauri) from those assumed at the planning stages for those areas.

The assumption has a medium level of uncertainty. The risk is private funding for growth infrastructure might not be received

which will result in growth projects being delayed or not going ahead as planned.

Settlement pattern | Where we’re growing

Hamilton Urban Growth Strategy (HUGS), Future Proof Growth Strategy, Operative Waikato Regional Policy Statement and the Operative District Plan (ODP) outline the existing long-term settlement pattern for the city. This LTP has been developed based on the following land use assumptions.

Key considerations as we grow include putting people at the heart, the health and wellbeing of the Waikato River, our environment, improved transport choices, climate change and working with our neighbouring councils.

Central city

The central city is the economic heart of the subregion. As well as providing a place for commercial, cultural and economic growth, the central city will be our primary growth area for residential intensification. To support this growth, Council has received an Infrastructure Acceleration Fund grant of \$150.6 million to deliver some of the \$334 million infrastructure investment required to support more homes in the central city. Council is prioritising investment in the three waters networks to enable intensification in the central city and walkable catchment areas (Stage 1) over other areas of the city.

Citywide intensification

Over time, we’ll take a staged approach to enabling intensification in the other nearby centres and suburbs close to the central city. This means redevelopment to promote higher



density growth with a range of housing choices, easy access to jobs, services, education, health, parks and open spaces and community facilities, using a range of transport choices.

Intensification will focus in the central walkable catchment areas (Stage 1). The programme of infrastructure investment focuses on investment at a strategic level including treatment plant headworks and bulk reticulation to support both greenfield and urban infill growth. Future public and private investment will be required locally within these areas to support individual development sites. Council has prioritised investment primarily focussed on addressing priority network performance issues across the city. Future investment will be required to provide for growth and intensification citywide.

**Greenfield northeast**

Rototuna strategic infrastructure is nearing completion and residential development is expected to be completed within this 10-year period.

**Greenfield south**

Peacocke Stage 1 residential development will continue and is expected to be completed within this 10-year period, with no further strategic infrastructure investment required. Peacocke Stage 2 will become the city’s primary greenfield growth area for residential development following completion of the Housing Infrastructure Fund key strategic transport and wastewater infrastructure in the northern part of the growth area during 2024 and 2025.

No substantial growth is forecast in Templeview due to limitations

associated with infrastructure capacity. No funding is included in the proposed LTP for Council investment in three waters infrastructure to support development of the Templeview area.

**Greenfield northwest**

Residential growth in Rotokauri Stage 1 is currently limited by the need to invest in strategic stormwater and transport infrastructure. Work is under way with land developers to explore innovative infrastructure funding, financing and delivery options.

Te Awa Lakes and parts of Rotokauri Stage 2 have been zoned through Private Plan Changes and consents for residential development are in place.

Council is working with the major land owners in Te Rapa North on the potential of progressing a plan change for Te Rapa North area (Plan Change 10) to enable the release of deferred industrial land. No substantial growth is forecast until investment is made in the necessary new strategic three waters and transport infrastructure. No funding is included in the proposed LTP for Council investment in three waters infrastructure to support development of the Te Rapa North area.

**Greenfield east**

The Ruakura growth area in the precinct around the Ruakura Superhub Development has been enabled through private, Hamilton City Council and central Government funding through the Provincial Growth Unit and Crown Infrastructure Partners. As well as providing the Ruakura Superhub, one of New Zealand’s largest multi-use developments, the area will continue to provide residential homes.

**Emerging areas**

Hamilton City Council and Waikato District Council have a Strategic Boundary Agreement that provides for boundary extensions in relation to the growth areas of HT1 (Horsham Downs), R2 (Ruakura North) and WA (Wallace Road) when required by the City.

Hamilton City Council and Waipaa District Council have a Strategic Boundary Agreement that provides for boundary extensions in relation to the growth areas of SL1 and SL2 (Southern Links 1 and 2).

There is no infrastructure allowance (both physical capacity or consented allocation of potable water or wastewater) made for infrastructure provision for emerging areas. Developers will need to meet Council’s Hamilton Urban Growth Strategy (HUGS) out-of-boundary principles including provision of infrastructure and the associated treatment plants and stormwater upgrades and their new consents to ensure any out of boundary emerging areas contribute positively to achieving the city’s vision.

Any boundary change will require decisions of both Hamilton City Council and the neighbouring district council, a Local Government Commission process, with any environmental and financial considerations reported in a future annual plan or LTP.

Our settlement pattern assumes that these emerging areas will not be serviced in the short to medium term (e.g. within the next 10 years). Therefore, no funding is included in the proposed LTP for Hamilton City Council investment in three waters infrastructure to support development of any emerging areas.

**Infrastructure for prioritised development areas**

Development of a revised connections policy in response to intensification, Proposed Plan Change 12 and funding constraints has assumed that Council will prioritise investment in strategic waters infrastructure needed to unlock priority development areas such as the Stage 1 development area.

**Infrastructure to support new greenfield developments, emerging development area and priority development areas**

No funding is included in the LTP for Council investment in three waters infrastructure to support development of the future greenfield development areas or emerging areas. Investment is targeted at enabling growth in selected priority development areas, addressing existing network performance issues, and ensuring that Council meet necessary levels of service.

The nine land use assumptions above have a low and medium level of uncertainty. The risk is growth could occur in different areas and be faster or slower than predicted this will impact on levels of service, revenue, expenditure and debt.

Revenue

Ratepayer growth

Ratepayer growth considers the annual increases to the number of rating units, Separately Used or Inhabited Parts (SUIPs), land value, and capital value resulting primarily from subdivision and building works.

The ratepayer growth achieved from previous years is compared to the number of completed new dwellings and is projected using the number of total households forecast by NIDEA high.

Building and development activities are highly influenced by the economic climate, building industry, and housing market. Ratepayer growth is not linear from year to year and some variance from forecasts is expected.

As a result of this complexity there is a high level of uncertainty around these forecasts. The percentage increase and additional revenue represent the increase from the previous year due to growth in the:

- general rate,
- UAGC,
- Government compliance rate,
- BID rate,
- council owned property remission,
- community organisation with retail shops remission,
- water, wastewater, and refuse collection services remission.

	Percentage increase	Additional revenue (\$000)
2024-25	1.53%	4,374
2025-26	1.52%	5,106
2026-27	1.50%	5,856
2027-28	1.45%	6,509
2028-29	1.54%	7,882
2029-30	1.50%	8,502
2030-31	1.49%	9,035
2031-32	1.50%	9,644
2032-33	1.44%	9,913
2033-34	1.49%	10,910

Development contributions revenue

Future revenue has been projected using the Development Contributions (DC) Model and is based on the projects included in the funded infrastructure programme.

The DC revenue assumption considers projected growth from Hamilton City Council's Growth Model, assumed market response to high DC charges, the difference between forecast growth and growth that pays DCs, current and historical payment patterns, DC remissions, capping and phasing of DC charges, and takes consideration of growth modelling error margins.

Should Hamilton Kirikiriroa grow more quickly than expected, then DC revenue is likely to exceed these expectations. However, the increase in revenue will be offset over time by a need to accelerate growth-related core network infrastructure.

Conversely, if growth is slower than expected DC revenue will be lower offset by new infrastructure that may be deferred until needed. In cases where infrastructure cannot be deferred, infrastructure is supplied ahead of need and the costs will be recouped as the demand (and DCs) is realised. The DC Model and its revenue projections is updated every long-term plan to account for what has happened in the past three years.

This assumption has a high level of uncertainty. While DC revenue projections are made using the best information and peer reviewed models, the fact of that uncertainty arises because DC revenue projections themselves are based on inherently uncertain assumptions including long-term growth projections, economic projections, and projected future land use and capital investments. The timing of the receipt of DCs and the capital spend related to the projects for which DCs have been collected, will impact the debt levels. Given the Council is closer to its Debt-to-Revenue threshold, this requires careful management of the timing of the capital programme to align it with revenue growth.

	Revenue estimate (\$000)
2024-25	21,174
2025-26	24,485
2026-27	38,417
2027-28	52,625
2028-29	57,514
2029-30	55,954
2030-31	58,657
2031-32	58,861
2032-33	63,249
2033-34	60,813

City Investment Programme

External revenue projections are based on forecast maximum available funding in the current market pool from corporates, trusts and individuals. Targets assume approved priority projects aligned with donor and funder aspirations with at least 30% Council funding. Future central government funding is uncertain until the new government communicates priorities.

The revenue projections of the City Investment Programme for the LTP are considered to have a medium level of uncertainty in 2024-25 and a high level of uncertainty from 2025-26. This is based on a range of internal and external factors including:

- Applicable central government funds are on hold or have significantly reduced levels of distribution;
- There is a higher level of philanthropic and corporate prudence in the current economic environment;

- The current Service Level Agreement with the external organisation to support achievement of targets faces the same challenges and achievability to deliver agreed targets; and
- The final 2024-2025 capital programme may have reduced alignment with investor/donor aspirations.

### Central government partnerships

Council continues to advocate for a partnership funding deal with central government to deliver strategic infrastructure priorities (across the metro area). There is no deal currently in place, but key metro priorities have been identified that should be included in any funding deal that is developed.

This assumption has a low level of uncertainty. The risk is partnership funding might be received which would impact revenue and debt.

## Expenditure

### Cost of growth

As Hamilton grows, costs increase for some services. We have assumed increases for contract escalations relating to the growing number of households as forecast by NIDEA high. This occurs only where the supplier agreement includes a set number of households and a contracted escalation if the number of households increase (an example is the household refuse collection contract). Many contracts do not include a contracted escalation clause. Further consequential cost of growth will be included in relevant activity budgets to reflect the cost of maintenance and operating new assets that are created.

The assumption has a low to medium level of uncertainty. The risk is growth could occur faster or slower than predicted which will impact on revenue, expenditure and debt.

### Inflation treatment

Separate inflation rates have been used for the operational and capital budgets due to the different cost drivers that impact these types of cost.

Business and Economic Research Ltd (BERL) were contracted on behalf of the local government sector to provide information for the period of this LTP. These forecasts are related to the types of costs that the local government sector is likely to incur.

Inflation data being published by Statistics New Zealand, and other Statistical analysis at the time of data preparation, indicated inflation was remaining higher than the October 2023 BERL forecast, therefore Council also utilised its in-house economics team to create

a hybrid approach to finalise the inflation projections, reflecting local data and insights and known contract price escalations.

Council has taken a risk averse approach to potential inflationary pressures due to the limited resilience in our debt headroom and the current Balancing the Book deficit position and limited ability to absorb any unfavourable upwards movement of inflation. Inflation rates are reviewed annually at each Annual Plan and Long-Term Plan.

Treasury inputs for wage/salary growth projections was used along with consideration for the Council's continued commitment to align Council's minimum wage to the Living wage, and the inflationary effects of committed associated remuneration benefits.

Council has increased the capital inflation rate by the historical trend variance, as calculated by analysing forecast capital BERL rates (as assumed in prior Long-Term Plans) and actual inflation rates.

Operating expenditure (excluding personnel) and revenue inflation in financial modelling is:

	Operating inflation
2024-25	0.0%
2025-26	3.5%
2026-27	3.5%
2027-28	3.6%
2028-29	3.7%
2029-30	3.7%
2030-31	3.7%
2031-32	3.2%
2032-33	3.2%
2033-34	3.2%

Capital expenditure and revenue (capital subsidies, capital contributions) inflation used in financial modelling is:

	Capital inflation
2024-25	0.0%
2025-26	4.0%
2026-27	3.8%
2027-28	4.0%
2028-29	4.0%
2029-30	4.0%
2030-31	3.8%
2031-32	3.4%
2032-33	3.4%
2033-34	3.4%

Personnel inflation used in financial modelling is:

	Personal inflation
2024-25	0.0%
2025-26	5.5%
2026-27	4.0%
2027-28	4.0%
2028-29	2.5%
2029-30	2.5%
2030-31	2.5%
2031-32	2.5%
2032-33	2.5%
2033-34	2.5%



This assumption has a high level of uncertainty. The risk is inflation could be higher or lower than predicted which will impact on revenue, expenditure, and debts. The impacts are explained in the sensitivity analysis.

**Future Fit programme**

Enduring savings of \$1 million per annum will be saved from Year 2 of the LTP through the Future Fit programme. This will be achieved through business improvement efficiencies which will be identified and implemented in Year 1 of the LTP.

This is in addition to enduring savings of \$7 million per year which has been implemented prior to this LTP through the Future Fit programme.

This assumption has a low level of uncertainty. The risk is the savings predicted might not be achieved which will increase expenditure and debt.

**Capital expenditure forecasts**

The capital programme budgets have been developed using a base estimate plus a nominal contingency. This approach is consistent with previous long-term plans, and results in budget provisions which assume a risk management approach to actual costs.

The confidence levels in capital and consequential operational cost estimates vary for different projects based on the level of investigations that have been undertaken to date. Capital cost estimates for three waters and transport infrastructure are based on P50 cost estimates (the estimate of costs such that there is a

50 per cent probability of the project being delivered within that cost estimate). This approach is consistent with previous long-term plans and is appropriate for programmes of works which allow an ‘overs and unders’ approach to cost management. Consequential operational costs are based on the best available information at the time of budget setting. As project investigations are progressed, consequential operational costs may be impacted.

The assumption has a medium level of uncertainty. The risk is capital expenditure could be more or less than predicted which could impact on our revenue, expenditure, debt and levels of service.

**Availability of resources to deliver service levels and to complete the capital programme**

Council has assumed that the market has the capacity to not only deliver the capital programme, but also there exists sufficient confidence that the pricing is in line with the capital expenditure forecasts which have been developed using a base estimate, plus a nominal contingency.

The assumption has a medium level of uncertainty. The risk is resources might not be available to deliver our capital programme as predicted. Projects will be delayed and it could impact on Council’s revenue, expenditure, debt and levels of service.

**Interest rates**

**Interest on investment**

The interest rate applying to cash investments is 6%. It is estimated that an average cash balance of \$50 million will earn approximately \$3 million in interest per annum.

**Interest on expenditure**

PwC provides these projections based on Council’s projected debt portfolio, as part of their ongoing treasury advisory function.

	Interest rate
2024-25	4.67%
2025-26	4.41%
2026-27	4.41%
2027-28	4.42%
2028-29	4.57%
2029-30	4.71%
2030-31	4.89%
2031-32	5.03%
2032-33	5.18%
2033-34	5.37%

The interest assumptions have a medium level of uncertainty. The risk is interest rates could be higher or lower than predicted which will impact on revenue, expenditure and debt. The impacts have been explained in our sensitivity analysis.

**Credit rating**

It is assumed that Council's credit rating AA-/Negative/A-1+ remains unchanged. There is a medium level of uncertainty that sector wide uncertainty and growing debt levels could lead to a downgrade to the Council’s credit rating which could increase the long-term cost of funds. Debt levels are being managed to maintain credit rating.

**Property investment**

Expect return on investment in property is based on the objective of maximising financial return. This is realised by operating property assets to achieve the market or better than market rates of return through maximum rental income, high levels of building occupancy and quality tenants. Rents have been set in line with prevailing market conditions.

The assumption has a low level of uncertainty. The risk is rent could be higher or lower than predicted which will impact on revenue.

**Asset sales**

The forecast financial statements include transactions to complete existing contracted asset sales. There are no other asset sales assumed. No financial impact is assumed from minor asset sales (e.g. disposal of surplus operational assets).

The assumption has a low level of uncertainty. The risk is assets sales could occur resulting in a gain or loss on sale and a reduction in revenue from the asset.

**Revaluation of non-current assets**

Revaluations on property, plant and equipment have been calculated on the preceding year’s balance as disclosed in the Statement of Financial Position. This includes an inflationary allowance calculated in accordance with the GHD cost escalation report provided to Council as at 31 December 2023, in respect of the capital works programme.

This assumption has a high level of uncertainty due to the significant inflationary pressures on the capital programme in a high inflation economy, that has yet to settle. There is also demand pressure on capital resourcing with the additional resource demand caused by the Hawkes Bay and Auckland flood events. Should inflation be higher than the budgeted assumptions for revaluation, insufficient rates may be collected for debt repayment and for future renewals.

**Useful lives of significant assets**

Assets are depreciated on a straight-line basis over their useful lives with annual depreciation expense included in the total costs for each significant service. We have made numerous assumptions about the useful lives of our assets. These are disclosed in the depreciation note within the Statement of accounting policies, included in the Prospective financial statements.

The assumption has a low level of uncertainty. The risk is the useful lives of significant assets could be higher or lower than predicted this will impact on depreciation and the value of asset.

**Acquisition of significant assets**

Capital expenditure to replace existing assets (renewal projects) it is recognised that projects will be completed throughout the year. It is assumed half of those projects are completed within the first six months. As such, depreciation is forecast based on six months’ depreciation for renewal projects in the year the renewals are first budgeted. For each new capital project, staff have assessed the expected completion date for the project from which time the assets are depreciated.

The assumption has a medium level of uncertainty. The risk is significant assets might be capitalised earlier or later than predicted this will impact on depreciation.

**Seismic rating of Council buildings**

In 2018 Detailed Seismic Assessments were completed for Council buildings as required by legislation. This assessment is used to determine if a seismic upgrade is required and subsequent to this date included in Council's Asset Management Plans identifying any known seismic upgrades needed to meet minimum legislative requirements. The majority of Council buildings identified requiring seismic strengthening have been completed. The ongoing programme of work and continued funding in the LTP for seismic upgrades ensures we can meet legislative requirements.

The assumption has a medium level of uncertainty. The risk is additional buildings are identified with seismic issues this could increase expenditure, impairments and reduce the value of the assets.

**Investment properties**

We revalue investment properties on an annual basis and an annual gain on investment property values of 2.5% has been assumed in each year of this LTP.

The assumption has a medium level of uncertainty. The risk is the valuation could be higher or lower than predicted which will impact on the gain or loss on investment properties and the value of the assets.

**Vested assets**

The level of vested assets has been determined using growth expectations and then compared to historical trends for reasonableness.

The assumption has a high level of uncertainty. The timing and value of vesting from developers is very hard to forecast as the timing of the completion of developments and then the time period that developers take to vest the assets is variable. The risk is vested asset could be higher or lower than predicted. There is no cash impact of this, however there can be a depreciation impact depending on the timing of the vesting.

**Infrastructure asset condition information**

We are spending more on understanding the state of our assets as this helps us make better planning and budget decisions, however, some of our asset data is not as complete as we would ideally like. We are working to improve what we know about our assets, including their age, how well they’re performing, and their condition. We use this information to do our planning.

As our data improves, we may need to reprioritise some assets for replacement to reduce to risk of unexpected asset failures.

Only having one water treatment plant and one wastewater treatment plant means if either was unable to operate, this would have a significant impact on the community. We lessen this risk by continuing to update our asset information, asset criticality, undertake condition assessments and monitor the performance of our assets. We will continue to use this information to reprioritise our replacement and preventative maintenance on our assets, and to ensure we manage the risk of failure for the most-critical infrastructure.

This assumption has a high level of uncertainty. The risk is the condition information of the infrastructure assets could be incorrect which could result in asset failure which would increase expenditure and assets could also be incorrectly valued.

Activity specific assumptions

City planning and growth

Building control and planning guidance

Expected revenue is based on a combination of current growth projections and previous year actuals as approved by Council.

This assumption has a medium level of uncertainty. The risk is revenue may be higher or lower than predicted which will impact on revenue and debt.

Transport

Third party funding

We have assumed that operating and capital expenditure programmes, which have in the past received NZ Transport Agency Waka Kotahi (NZTA) subsidy, will continue to receive subsidy over the course of the 2024-34 LTP. This assumption, like all previous LTPs, is uncertain.

NZTA provides confirmation of the subsidy programmes as part of its three yearly National Land Transport Programme (NLTP) after each Local Authority has adopted its LTP. Therefore, the subsidy funding for the 2024-27 period has not yet been confirmed. This LTP has more uncertainty based on the emerging priorities of the new government through the draft Government Policy Statement on Land Transport (GPS) which has not yet been finalised.

Subsidy levels for the period after 2024-27 has a high degree of uncertainty. For this period Council has assumed subsidies will continue at similar levels to the 2024-27 period.

We have further assumed that the NZTA Funding Assistance Rate (FAR) of 51% that has generally been applied will continue to apply. For the 2024-27 NTLP period this FAR has been approved by the NZTA Board so the assumption is fairly certain, for later years of the LTP this assumption is highly uncertain.

These assumptions together have a high level of uncertainty. A reduction in expected level of NZTA subsidy received would have a negative impact on Council’s ability to deliver its operational and capital transport programmes and its agreed levels of service. If a significant reduction in the level of NZTA subsidies is received, then Council would likely need to reprioritise both its operational and capital programmes to ensure compliance with the Financial Strategy.

Three waters

Water safety plan

The Hamilton Drinking Water Safety Plan was submitted to Taumata Arowai as required in November 2022. This plan identifies potential risks associated with a water supply and details the controls in place to manage those risks.

It is assumed, that the current controls funded in this LTP will be appropriate to manage drinking water safety risks and meet requirements of the Water Services Act 2021.

Drinking Water Standards

Taumata Arowai, the Water Services Regulator, released new quality assurance rules, drinking water standards, and aesthetic guidelines which came into effect from November 2022. Reporting against the new rules has been required since 1 January 2023.

The new water supply regulatory regime is in its infancy. There is a risk that as Taumata Arowai strengthens its monitoring and auditing functions further actions to strengthen water safety across the country may be identified.

Hamilton Kirikiriroa already has a high level of compliance with the Drinking Water Quality Assurance Rules and standards. It is assumed, that the current water supply infrastructure and operational methodologies funded in this LTP will continue to meet compliance.

Freshwater quality standards

Te Ture Whaimana o te Awa o Waikato (Waikato River Vision and Strategy) is the primary direction setting document for activities in the Waikato River Catchment, and compels council to act in a manner that restores and protects the health and wellbeing of the Waikato River. Council’s obligations under Te Ture Whaimana are a key driver for planned investment in three waters infrastructure.

The National Policy Statement for Freshwater 2020 sets targets for freshwater quality and Waikato Regional Council is progressing significant changes to the Regional Plan to better reflect Te Ture Whaimana and reflect the changing community expectations around freshwater management.

These changes are increasing emphasis on current Resource Consent compliance. It is assumed that the planned operational and capital interventions to address existing system performance challenges will meet the regulators compliance expectations for the remaining life of the key existing resource consents. Significant investment is included for Pukete WWTP to improve treated wastewater quality anticipated to be required through the consent renewal process (See resource consent assumptions for further information).

The three assumptions above have a low and medium level of uncertainty. The risk is any changes in standards or legislation could increase expenditure, debt and impact on levels of service.

Project Watershed

Waikato Regional Council financially contribute to the maintenance and remediation of erosion in natural waterways within the City under the Project Watershed Service Level Agreement. This Service Level Agreement is currently under review; however, it is assumed that financial contributions will continue to be received from Waikato Regional Council under any new or revised agreement. These contributions are sourced from a Waikato Regional Council targeted rate for Project Watershed. We will apply these funds to projects meeting the criteria set out in the Project Watershed agreement between us and the Waikato Regional Council.

This assumption has a low level of uncertainty. The risk is revenue might not be received as predicted for project watershed.



**Mandatory performance measures**

Under the Water Services Act 2021, Taumata Arowai is phasing in new mandatory requirements to monitor and report on the environmental performance of drinking water, wastewater, stormwater and Te Mana O Te Wai. It is assumed that reporting on new measures will utilise existing data and will not require additional investment.

This assumption has a low level of uncertainty. The risk of any changes in legislation could increase expenditure and debt.

**Asset management interventions**

The delivery of three waters services requires balanced investment between operational and capital interventions. Investment in capital interventions can decrease operational and maintenance demand, whilst investment in operational interventions such as condition assessment is required to ensure efficient capital investment, the two must be balanced to optimise investment.

It is assumed that any unfunded or rephased capital projects will not result in additional operational expenditure.

This assumption has a low level of uncertainty. The risk is any unfunded or rephased capital projects could result in additional operating expenditure which could impact on debt.

**Emergency management**

Three waters activities are based on the day to day needs of service provision. Funding to cover the potential costs associated with large scale incidents such as low river levels, critical asset

failure, biosecurity responses or supply chain disruption or emergency events such as repeat major wet weather events, or natural disasters have not been included in this LTP.

This assumption has a medium level of uncertainty. The risk is weather events or natural disasters could occur which would increase expenditure and debt.

**Rubbish and Recycling**

**Emissions Trade Scheme and Waste Levy**

The government sets the reserve price for the Emission Trade Scheme (ETS) and Waste Levy payable of waste disposed of nationally. The central government Waste Levy Scheme continues to be increased, and scope expanded (all classes of landfills to be included). The Government introduced a Bill in June 2024 that expands the scope of activities that the levy may be used for, the levy will also be incrementally increased from 1 July 2025 to 1 July 2027. Current assumptions are that waste levy contributions will continue at levels set by the Ministry for the Environment (including increases related to growth), over the full term of the LTP. The funds will be used to deliver on actions from the Waste Management and Minimisation Strategy as required by the Waste Minimisation Act 2008.

This assumption has a medium level of uncertainty. The risk is weather events or natural disasters could occur which could increase expenditure and debt.

**Other specific assumptions**

**Unquantified legal claims**

This LTP does not assume any provision for legal claims which are currently in progress.

This assumption has a low level of uncertainty. The risk is Council could become liable for legal claims that have not been budgeted which would increase expenditure and debt.

**Future legislative change**

The details of future legislative changes are unable to be anticipated with any level of certainty. The information that has been made available through various policy announcements to date suggests the potential risks to materially impact this LTP are moderate in scale. However, given the lack of detail available on future legislative changes and their timing, our projects have been planned based on the current legislative regime except where explicitly stated in other assumptions.

Changes to other legislation, regulations or rules that affect how we operate (usually through requiring compliance with new and higher standards) cannot be anticipated at this point. As a result, this LTP has been developed based on current legislation, regulations, rules and policy except where explicitly stated in other assumptions.

This assumption has a medium level of uncertainty. The risk is any legislation change could increase compliance, expenditure and debt.

**Resource consents**

Council hold a number of resource consents for three water services. Key resource consents and the years they expire are:

- Wastewater Treatment Plant discharge – 2027
- Comprehensive stormwater consent - 2036
- Water Treatment Plant abstraction - 2044

It has been assumed that current resource consent conditions will continue for the remaining life of the resource consents.

It has also been broadly assumed that these key current resource consents and conditions will remain in place until new consents are secured. Resource consent conditions determine the level of infrastructure investment required.

The Wastewater Treatment Plant discharge consent will expire within the LTP period. It is assumed that securing a new discharge consent will require significant improvements in water quality in line with agreements made through the Metro Wastewater Detailed Business Case Memorandum of Understanding (2022). Accordingly significant investment allowances have been included in the LTP to upgrade the treatment plant to achieve improved discharge standards. The LTP assumes a continued discharge to that Waikato River, albeit with significantly improved treatment and provision for an improved discharge structure. Given that the plant must remain fully operational, the upgrade programme is planned over a 15 year period starting in Year 1. The programme assumes that new resource consents secured post 2027 will include a transition period to achieve the improved discharge standards.

Council has also included investment for a new wastewater treatment plant to meet the needs of Hamilton City in the LTP. Resource Consents are a critical requirement for this activity.

This assumption has a medium level of uncertainty. The risk is resource consents might not continue for the remaining life of the consent or not be issued which could impact on levels of service, increase expenditure and debt.

Flood Hazard Risk

A number of programmes and projects have been identified to reduce and manage predicted flood hazards in events up to the 1% Annual Exceedance Probability in areas of the city. Council has prioritised funding in the LTP to undertake works to reduce flood hazard in several areas considered the highest priority (i.e., Waitaawhiriwhiri and St Andrews catchments). Investment prioritisation considers a range of factors including frequency of flooding, the extent, severity of impact (e.g., number of houses flooded), and deliverability. The LTP does not include funding for an ongoing programme to reduce and manage known flood hazards across the city. However, a strategic networks programme is included in the LTP to improve flood management of large flood hazard areas that require significant investment.

This assumption has a medium level of uncertainty. The risk is flooding events could occur to a greater extent than predicted or in areas we have not predicted which will increase expenditure and debt.

Sensitivity analysis

Inflation

A variance in the LGCI (Local Government Cost Index) operating expenditure rate of inflation by 1% would impact the budget by approximately \$1.350 million per annum (including staff costs). A similar variance in the capital expenditure inflation rate would impact the capital programme by approximately \$6.057 million per annum.

Should actual inflation be lower than budgeted, Council will use surpluses to repay debt. Any increases to actual inflation would be addressed through the Annual Plan process where Council would review the appropriateness of rates, operating and capital spend, to mitigate the risk of breaching the debt-to-revenue limit.

Interest

A 1% variance to interest rates would increase or decrease interest costs by approximately \$13.493 million per annum based on expected 2023/24 debt levels or (\$20,863 million per annum average across all 10 years debt levels) assuming all of Council's debt is floating. Council currently has 57% of its borrowings at fixed rates, therefore the impact of a 1% variance would be \$5.802 million per annum based on 2023/24 debt levels or \$8,971 million per annum across all 10 years.

Growth assumptions

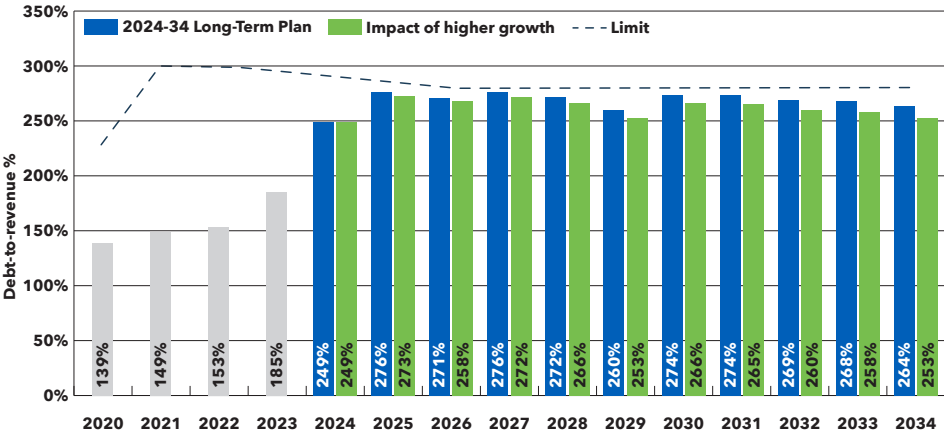
In making these forecasting assumptions we have to be mindful the future may not unfold as expected. Many of our assumptions are based on the NIDEA High growth projections and the spatial distribution of this growth around the city via Council's Growth Model. As such, we need to prepare for variations to these projections. Our current growth assumptions show sustained growth over the next ten years. This matter has the greatest impact on our LTP. It results in more expenditure to run the city, more capital expenditure earlier to provide for the growing city and more revenue to pay for it. Growth affects most of our assumptions and it affects our resilience to manage certain types of assumptions, for example climate change. To be prepared for the possibility of growth happening other than planned, analysis has been done on the effects of a 15% change in growth.

15% higher than forecast growth

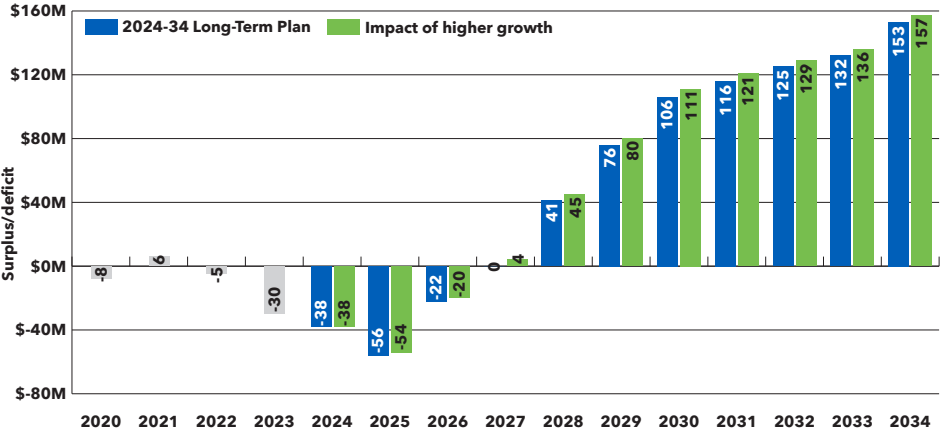
Higher growth means more income for growth, particularly in terms of revenue from development contributions, rates and consenting processes. This helps pay for the higher everyday costs of running the city that more people create.

Based on the existing capital programme, Hamilton will be able to accommodate a larger population in the short-term. More infill housing will occur as a result. In time, capital projects currently beyond the ten years will need to be brought forward. A benefit of higher growth would be greater debt capacity for the next big spend when new growth cells need to be opened.

Debt-to-revenue: 15% higher than forecast growth



Balancing the books: 15% higher than forecast growth





15% lower than forecast growth

Typically, a recession is likely to occur in any ten-year period, but they are almost impossible to forecast. If growth is lower than assumed our challenges will be greater.

With the Financial Strategy forecast to maximise the debt-to-revenue limit in 2026-27 we are more vulnerable to drops in revenue. Less revenue from grants and subsidies, fees and charges could push us beyond the 280% limit in future years. The biggest impacts come from lower than forecast growth particularly in terms of development contributions, consent processing and rates. Costs are difficult to rein in quickly. Council's large capital programme will be well underway before

a change in growth would become apparent and once started, contracts and practical arrangements would be difficult to stop.

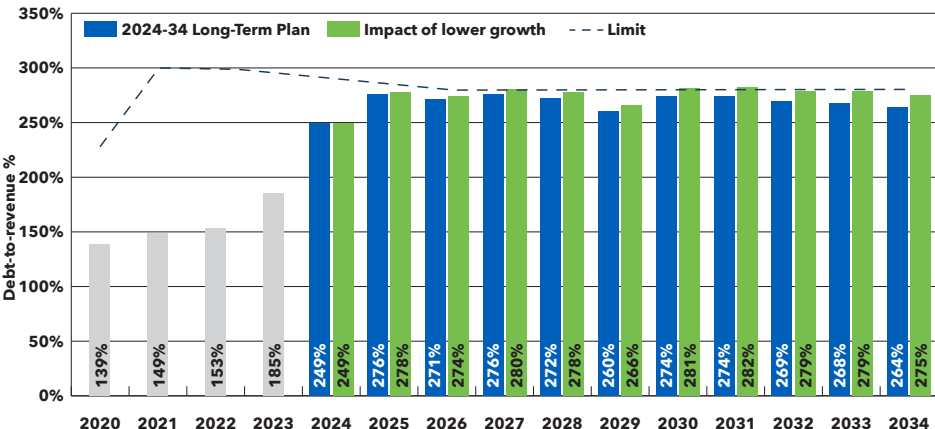
The effect of this on the Financial Strategy would be movements in the wrong direction. The graphs model a lower growth scenario which shows deficits, meaning we would be borrowing more to pay for everyday costs. They also show the impact of less revenue on the debt-to-revenue graphs with one year of debt at the Financial Strategy Limit and two years of debt above the Financial Strategy limit.

We are aware of the risk and constantly monitor actual growth and revenue so we can respond if required.

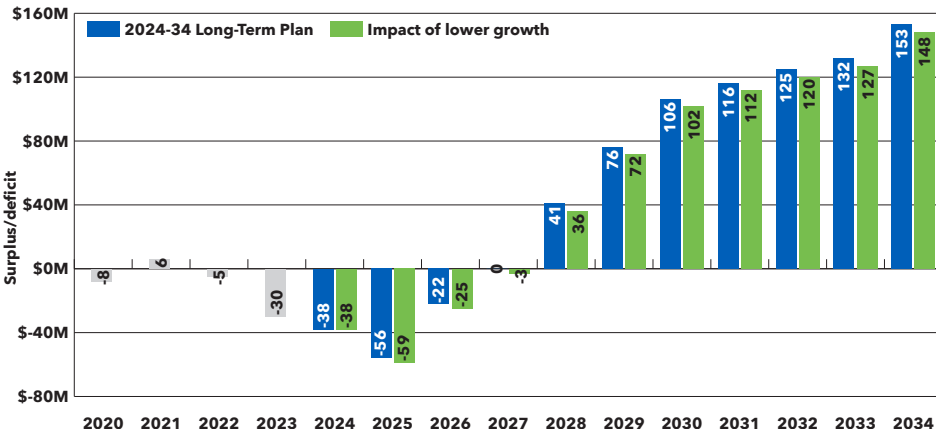
Forecast financial statements

Ngaa whakaaturanga puutea kua matapaetia

Debt-to-revenue: 15% lower than forecast



Balancing the books: 15% lower than forecast





# Guide to this section

This section shows in detail the prospective financial reports, and accounting policies of Council. The prospective financial statements provide forecast information about Council’s assets, liabilities, income, and expenditure.

Council’s financial year begins on 1 July and continues until 30 June.

**The prospective financial statements include four primary statements:**

## Prospective statement of comprehensive revenue and expense

This summarises Council’s prospective financial performance for the year, listing all income and expenses. It also records other anticipated comprehensive income, such as changes in fair value of Council’s infrastructure, property, plant, and equipment.

## Prospective statement of changes in net assets/ equity

This is often known as the statement of changes in equity. It details the prospective overall changes for the year in relation to Council’s net wealth.

## Prospective statement of financial position

This is a ‘30 June’ snapshot of Council’s prospective financial position at the end of the relevant financial year, that indicates its anticipated assets, liability, and net wealth at that point.

## Prospective statement of cash flows

This statement indicates where Council’s cash is intended to come from, and where it will be spent in the relevant financial year.

**These four statements reflect Council’s forecast position across the 10 years of the 2024-34 Long-Term Plan.**

## Notes to the prospective financial statements

These ‘notes’ are to provide greater detail and more information on the four primary prospective financial statements:

- Prospective statement of comprehensive revenue and expense;
- Prospective statement of changes in net assets/equity;
- Prospective statement of financial position;
- Prospective statement of cashflows.

The content of the four prospective financial statements and their notes are prepared using Public Benefit Entity accounting standards.

# Prospective statement of comprehensive revenue and expense

Forecast for the year ending 30 June 2024-34		2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Notes	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Revenue</b>												
Rates	2	255,752	302,672	353,981	411,135	472,959	540,479	598,592	639,043	681,901	726,064	773,995
Fees and user charges	3	50,346	50,107	54,402	59,766	64,382	67,181	72,119	75,051	78,789	81,864	84,570
Subsidies and grants	4	21,788	10,854	11,022	11,709	11,806	12,274	12,437	13,509	13,318	13,726	13,873
Interest revenue	5	6,124	12,163	12,378	12,621	12,759	12,861	13,131	13,355	13,483	13,694	13,898
Other revenue	6	13,011	8,173	8,554	8,224	8,536	8,885	9,157	9,446	9,702	9,484	10,239
Development contributions	7	36,605	21,174	28,485	38,417	52,625	57,514	55,954	58,657	58,861	63,249	60,813
Capital revenue	8	81,155	64,545	70,796	69,477	63,644	72,366	42,966	61,359	58,958	41,688	46,626
Vested assets	9	39,353	36,750	38,220	39,672	41,258	42,910	44,625	46,322	47,897	49,525	51,208
<b>Total revenue (excluding gains)</b>		<b>504,134</b>	<b>506,438</b>	<b>577,837</b>	<b>651,022</b>	<b>727,970</b>	<b>814,470</b>	<b>848,982</b>	<b>916,742</b>	<b>962,909</b>	<b>999,293</b>	<b>1,055,223</b>
<b>Expenditure</b>												
Personnel costs		120,650	132,753	137,336	144,298	151,085	155,496	159,686	164,245	169,411	174,116	176,673
Depreciation and amortisation expense	10	94,405	112,104	122,393	133,625	138,472	150,338	162,768	169,152	184,118	199,901	204,869
Finance costs	11	33,496	61,249	66,215	73,985	81,870	90,819	101,186	114,029	124,308	134,096	143,739
Operating and maintenance costs		87,013	98,884	105,251	116,949	123,434	131,757	138,431	148,162	152,022	159,879	167,152
Professional costs		15,609	17,020	16,227	20,901	19,256	20,777	21,366	23,114	24,819	26,698	27,399
Administration costs		22,320	25,876	28,044	29,381	31,290	32,796	32,846	35,852	38,760	40,136	43,266
Property costs		14,931	16,829	18,453	20,142	21,949	24,968	26,759	28,429	30,358	31,919	33,447
<b>Total expenses (excluding losses)</b>		<b>388,424</b>	<b>464,715</b>	<b>493,918</b>	<b>539,281</b>	<b>567,357</b>	<b>606,951</b>	<b>643,042</b>	<b>682,983</b>	<b>723,797</b>	<b>766,745</b>	<b>796,545</b>
<b>Operating surplus/(deficit)*</b>		<b>115,710</b>	<b>41,723</b>	<b>83,919</b>	<b>111,741</b>	<b>160,613</b>	<b>207,518</b>	<b>205,939</b>	<b>233,759</b>	<b>239,112</b>	<b>232,548</b>	<b>258,677</b>
Gains		1,050	915	938	961	985	1,010	1,035	1,061	1,088	1,115	1,143
Losses		-	-	-	-	-	-	-	-	-	-	-
<b>Total surplus/(deficit)</b>		<b>116,760</b>	<b>42,638</b>	<b>84,856</b>	<b>112,703</b>	<b>161,598</b>	<b>208,528</b>	<b>206,975</b>	<b>234,820</b>	<b>240,200</b>	<b>233,663</b>	<b>259,820</b>
<b>Other comprehensive revenue and expense</b>												
Items that will not be reclassified to surplus/(deficit)												
Gain on property, plant and equipment revaluations		44,376	320,951	224,574	-	432,526	280,805	-	600,776	376,962	-	766,116
<b>Total other comprehensive revenue and expense</b>		<b>44,376</b>	<b>320,951</b>	<b>224,574</b>	<b>-</b>	<b>432,526</b>	<b>280,805</b>	<b>-</b>	<b>600,776</b>	<b>376,962</b>	<b>-</b>	<b>766,116</b>
<b>Total comprehensive revenue and expense</b>		<b>161,136</b>	<b>363,589</b>	<b>309,431</b>	<b>112,703</b>	<b>594,124</b>	<b>489,334</b>	<b>206,975</b>	<b>835,596</b>	<b>617,162</b>	<b>233,663</b>	<b>1,025,936</b>

*\* Surplus/(deficit) before gains and losses, share of associate's surplus and tax  
The accompanying notes form part of these financial statements.*

Prospective statement of changes in equity

Forecast for the year ending 30 June 2024-34	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Notes	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Equity balance at 1 July	5,141,868	5,483,600	5,847,189	6,156,620	6,269,322	6,863,446	7,352,780	7,559,755	8,395,351	9,012,513	9,246,176
Total comprehensive revenue and expense for the period	161,136	363,589	309,431	112,703	594,124	489,334	206,975	835,596	617,162	233,663	1,025,936
Equity balance at 30 June	5,303,005	5,847,189	6,156,620	6,269,322	6,863,446	7,352,780	7,559,755	8,395,351	9,012,513	9,246,176	10,272,112
Accumulated comprehensive revenue and expense											
Balance at beginning of year	2,259,847	2,326,163	2,367,709	2,451,521	2,563,211	2,723,837	2,931,419	3,137,476	3,371,405	3,610,743	3,843,573
Total surplus/(deficit)	116,760	42,638	84,856	112,703	161,598	208,528	206,975	234,820	240,200	233,663	259,820
Transfers (to)/from restricted and council created reserves	(55)	(1,092)	(1,045)	(1,012)	(972)	(946)	(918)	(891)	(862)	(833)	(802)
Balance at end of year	2,376,552	2,367,709	2,451,521	2,563,211	2,723,837	2,931,419	3,137,476	3,371,405	3,610,743	3,843,573	4,102,591
Revaluation reserves											
Balance at beginning of year	2,839,244	3,110,627	3,431,578	3,656,152	3,656,152	4,088,679	4,369,484	4,369,484	4,970,260	5,347,222	5,347,222
Revaluation gains	44,376	320,951	224,574	-	432,526	280,805	-	600,776	376,962	-	766,116
Balance at end of year	2,883,620	3,431,578	3,656,152	3,656,152	4,088,679	4,369,484	4,369,484	4,970,260	5,347,222	5,347,222	6,113,338
Restricted and council created reserves											
Balance at beginning of year	42,778	46,809	47,901	48,946	49,958	50,931	51,877	52,795	53,686	54,548	55,381
Transfers (to)/from reserves	55	1,092	1,045	1,012	972	946	918	891	862	833	802
Balance at end of year	42,833	47,901	48,946	49,958	50,931	51,877	52,795	53,686	54,548	55,381	56,183
Equity balance at 30 June	5,303,005	5,847,189	6,156,620	6,269,322	6,863,446	7,352,780	7,559,755	8,395,351	9,012,513	9,246,176	10,272,112

The accompanying notes form part of these financial statements

Prospective balancing the books measure

Forecast for the year ending 30 June 2024-34	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Notes	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Surplus/(deficit)	116,760	42,638	84,856	112,703	161,598	208,528	206,975	234,820	240,200	233,663	259,820
Remove capital revenue											
Vested assets	(39,353)	(36,750)	(38,220)	(39,672)	(41,258)	(42,910)	(44,625)	(46,322)	(47,897)	(49,525)	(51,208)
Part of development and financial contributions <sup>A</sup>	(23,793)	(14,822)	(19,940)	(26,892)	(36,838)	(40,260)	(39,168)	(41,060)	(41,203)	(44,274)	(42,569)
Capital subsidy (excluding subsidy on transport renewals) <sup>B</sup>	(29,442)	(33,532)	(26,449)	(12,101)	(12,088)	(26,355)	(15,030)	(29,280)	(28,814)	(13,997)	(15,674)
Other capital contributions	(43,792)	(18,315)	(27,376)	(38,529)	(36,025)	(28,477)	(7,298)	(7,531)	(3,559)	(262)	(271)
Other items not considered everyday operating revenue <sup>C</sup>	(5,668)	(104)	(104)	(104)	(104)	(104)	(104)	(104)	(104)	(104)	(104)
Remove (gains)/losses											
All (gains)/losses	(1,050)	(915)	(938)	(961)	(985)	(1,010)	(1,035)	(1,061)	(1,088)	(1,115)	(1,143)
Remove other expenses											
Other items not considered everyday operating expenses <sup>D</sup>	9,788	5,503	5,731	5,979	6,221	6,484	6,752	6,970	7,199	7,202	3,700
Balancing the books surplus/ (deficit)	(16,551)	(56,298)	(22,440)	422	40,521	75,896	106,467	116,432	124,735	131,588	152,551

The accompanying notes form part of these financial statements.

- ADevelopment contributions contain an element of funding for interest costs that are part of every day expenses. An adjustment is made to match the revenue with the expense. The budget has assumed interest costs funded from development contributions represent 30% of development contributions revenue.
- BSubsidy on transport renewals is adjusted to recognise that this is funding a portion of the depreciation on these renewals.
- CAdjustment for fair value calculation on the Housing Infrastructure Fund loans and dividends.
- DAdjustment for grants to other parties to invest in significant assets for the benefit of the city and fair value discount unwinding on the Housing Infrastructure Fund loans.

Prospective statement of financial position

Forecast for the year ending 30 June 2024-34	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Notes	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Assets</b>											
<b>Current assets</b>											
Cash & cash equivalents	125,481	159,229	159,229	159,229	159,229	159,229	159,229	159,229	159,229	159,229	159,229
Receivables	38,902	41,928	44,159	45,483	48,187	54,104	56,391	61,861	64,830	65,548	69,203
Prepayments	4,540	3,839	3,973	4,112	4,260	4,418	4,581	4,750	4,902	5,059	5,221
Inventory	176	235	235	235	235	235	235	235	235	235	235
Other financial assets	127,221	35,620	36,378	37,136	38,389	39,035	38,785	38,285	38,015	37,535	38,535
Total current assets	176,320	240,853	243,976	246,197	250,302	257,022	259,222	264,361	267,212	267,607	272,424
<b>Non-current assets</b>											
Property, plant and equipment	6,042,894	7,008,100	7,454,636	7,747,236	8,471,224	9,078,746	9,464,118	10,460,882	11,158,182	11,454,480	12,588,854
Intangible assets	40,213	49,106	60,036	76,301	89,975	95,447	110,492	118,591	122,318	132,697	136,908
Investment property	43,058	37,516	38,454	39,415	40,400	41,410	42,446	43,507	44,595	45,709	46,852
Other financial assets											
- Investment in CCOs and other similar entities	13,168	9,399	9,399	9,399	9,399	9,399	9,399	9,399	9,399	9,399	9,399
- Other investments	14,845	24,159	25,706	28,554	29,553	30,343	33,980	37,686	39,768	43,312	46,712
Total other financial assets	1228,013	33,558	35,105	37,953	38,952	39,741	43,379	47,085	49,167	52,711	56,111
Investment in associates	137,430	7,430	7,430	7,430	7,430	7,430	7,430	7,430	7,430	7,430	7,430
Derivative financial instruments	13,713	11,759	11,759	11,759	11,759	11,759	11,759	11,759	11,759	11,759	11,759
Total non-current assets	6,165,321	7,147,468	7,607,419	7,920,094	8,659,740	9,274,534	9,679,623	10,689,254	11,393,450	11,704,785	12,847,913
Total assets	6,341,642	7,388,321	7,851,395	8,166,291	8,910,042	9,531,556	9,938,846	10,953,615	11,660,662	11,972,393	13,120,338
<b>Liabilities</b>											
<b>Current liabilities</b>											
Payables and deferred revenue	64,528	84,325	87,276	90,331	93,583	97,046	100,636	104,360	107,699	111,146	114,702
Employee entitlements	11,304	15,037	15,510	16,246	16,962	17,416	17,846	18,317	18,855	19,341	19,591
Provisions	3,343	4,119	4,386	4,255	4,284	5,321	4,313	3,428	3,653	2,636	2,655
Borrowings	1483,241	164,035	138,135	137,335	137,335	147,335	107,557	101,798	152,699	110,385	89,035
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-
Total current liabilities	162,416	267,515	245,307	248,167	252,164	267,117	230,352	227,903	282,906	243,508	225,983
<b>Non-current liabilities</b>											
Employee entitlements	872	631	561	491	421	351	281	211	141	71	-
Provisions	10,699	15,829	14,507	13,249	11,901	9,448	7,886	7,132	6,113	6,059	5,979
Borrowings	14864,650	1,256,931	1,434,175	1,634,836	1,781,885	1,901,634	2,140,346	2,322,793	2,358,764	2,476,353	2,616,039
Derivative financial intruments	-	225	225	225	225	225	225	225	225	225	225
Total non-current liabilities	876,221	1,273,617	1,449,468	1,648,802	1,794,432	1,911,659	2,148,739	2,330,361	2,365,243	2,482,708	2,622,243
Total liabilities	1,038,637	1,541,132	1,694,775	1,896,969	2,046,596	2,178,776	2,379,091	2,558,265	2,648,149	2,726,217	2,848,226
Net assets	5,303,005	5,847,189	6,156,620	6,269,322	6,863,446	7,352,780	7,559,755	8,395,351	9,012,513	9,246,176	10,272,112
<b>Equity</b>											
Accumulated funds	2,376,552	2,367,709	2,451,521	2,563,211	2,723,837	2,931,419	3,137,476	3,371,405	3,610,743	3,843,573	4,102,591
Other reserves	2,883,620	3,431,578	3,656,152	3,656,152	4,088,679	4,369,484	4,369,484	4,970,260	5,347,222	5,347,222	6,113,338
Restricted reserves	42,138	43,613	44,075	44,536	44,997	45,459	45,920	46,382	46,843	47,304	47,766
Council created reserves	695	4,288	4,872	5,422	5,933	6,418	6,875	7,304	7,705	8,077	8,417
Total equity	5,303,005	5,847,189	6,156,620	6,269,322	6,863,446	7,352,780	7,559,755	8,395,351	9,012,513	9,246,176	10,272,112

The accompanying notes form part of these financial statements.

Prospective statement of cash flows

Forecast for the year ending 30 June 2024-34	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Notes	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Cash flows from operating activities</b>											
<b>Cash will be provided from:</b>											
Rates revenue	255,752	302,936	352,471	409,465	471,145	538,520	596,919	637,894	680,677	724,773	772,610
Fees and user charges	50,346	50,107	54,402	59,766	64,382	67,181	72,119	75,051	78,789	81,864	84,570
Government operating subsidies and grants	21,788	10,854	11,022	11,709	11,806	12,274	12,437	13,509	13,318	13,726	13,873
Government capital subsidies and grants	37,363	46,230	43,420	30,948	27,619	43,889	35,668	53,829	55,399	41,426	46,355
Other capital contributions	80,397	39,489	55,861	76,946	88,650	85,991	63,251	66,188	62,420	63,511	61,083
Interest received	6,124	12,163	12,378	12,621	12,759	12,861	13,131	13,355	13,483	13,694	13,898
Dividends received	104	104	104	104	104	104	104	104	104	104	104
Sundry revenue	9,908	5,822	7,729	8,466	7,542	4,823	8,439	5,021	7,853	9,953	7,865
Total	461,781	467,705	537,386	610,026	684,008	765,643	802,070	864,950	912,043	949,050	1,000,359
<b>Cash will be applied to:</b>											
Payments to employees	120,650	131,472	136,933	143,632	150,439	155,112	159,326	163,844	168,943	173,700	176,494
Payments for suppliers	140,892	155,930	166,964	186,542	194,772	208,965	219,029	233,997	243,839	256,643	268,105
Interest paid	31,761	54,938	59,733	67,309	75,024	83,778	93,949	106,703	116,836	126,664	139,866
Total	293,303	342,340	363,630	397,483	420,235	447,855	472,304	504,544	529,618	557,007	584,465
Net cash flow from operating activities	168,478	125,365	173,756	212,542	263,773	317,787	329,765	360,406	382,424	392,043	415,894
<b>Cash flows from investing activities</b>											
<b>Cash will be provided from:</b>											
Proceeds from reduction in other financial assets	448	448	455	463	471	479	-	-	-	-	-
Proceeds from maturity of NZLGFA borrower notes	1,790	1,630	880	880	880	1,250	1,500	1,250	750	480	-
Total	2,238	2,078	1,335	1,343	1,351	1,729	1,500	1,250	750	480	-
<b>Cash will be applied to:</b>											
NZLGFA borrower notes	2,845	5,306	3,640	4,950	3,603	3,164	4,887	4,456	2,561	3,544	4,400
Purchase of property, plant and equipment and intangible assets	309,964	334,384	317,064	402,818	402,349	439,617	518,560	526,917	460,285	457,052	526,129
Total	312,808	339,690	320,705	407,767	405,952	442,782	523,447	531,374	462,847	460,596	530,529
Net cash flow from investing activities	(310,570)	(337,612)	(319,369)	(406,424)	(404,601)	(441,052)	(521,947)	(530,124)	(462,097)	(460,116)	(530,529)
<b>Cash flows from financing activities</b>											
<b>Cash will be provided from:</b>											
Finance leases raised	73	-	-	-	-	-	-	-	-	-	-
Loans raised	237,092	297,247	260,613	282,982	229,128	211,565	290,482	228,240	132,435	171,738	175,986
Total	237,166	297,247	260,613	282,982	229,128	211,565	290,482	228,240	132,435	171,738	175,986
<b>Cash will be applied to:</b>											
Loan repayments	95,000	85,000	115,000	89,100	88,300	88,300	98,300	58,522	52,763	103,664	61,351
Finance lease repayments	73	-	-	-	-	-	-	-	-	-	-
Total	95,073	85,000	115,000	89,100	88,300	88,300	98,300	58,522	52,763	103,664	61,351
Net cash flow from financing activities	142,092	212,247	145,613	193,882	140,828	123,265	192,182	169,718	79,672	68,074	114,635
<b>Cash Balance</b>											
Net increase/(decrease) in cash held	-	-	-	-	-	-	-	-	-	-	-
Opening cash and cash equivalents balance	125,481	159,229	159,229	159,229	159,229	159,229	159,229	159,229	159,229	159,229	159,229
Closing cash and cash equivalents balance	125,481	159,229	159,229	159,229	159,229	159,229	159,229	159,229	159,229	159,229	159,229

The accompanying notes form part of these financial statements.



# Notes to the prospective financial statements

Ngaa tuhipoka ki ngaa tauaakii  
puutea kua takoto

## Note 1: Statement of accounting policies

### Reporting entity

Hamilton City Council is a territorial local authority governed by the Local Government Act 2002.

Our primary objective is to provide goods or services for community or social benefit rather than making a financial return. As such, for the purposes of financial reporting, we are considered a public benefit entity.

These prospective financial statements are for Hamilton City Council as a separate legal entity. Consolidated prospective financial statements covering both us and our subsidiaries and associates have not been prepared as the income and expenditure is not material to our long-term planning.

### Basis of preparation

We authorised the prospective financial statements on 4 July 2024. We believe the assumptions underlying these prospective financial statements are appropriate. We accept responsibility for the preparation of the prospective financial statements, including the appropriateness of the assumptions underlying these statements and all other required disclosures. No actual results have been included within the prospective financial statements. We do not intend to update the prospective financial statements after they are presented.

### Statement of compliance

The prospective financial statements have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The prospective financial statements have been prepared to comply with Public Benefit Entity Standards (PBE Standards) for a Tier 1 entity.

The reporting period for these prospective financial statements is for the 10 years ending 30 June 2034. The prospective financial statements are presented in New Zealand dollars, rounded to the nearest thousand (\$000), unless otherwise stated.

The accounting policies set out below have been applied consistently to all periods presented here.

The purpose of the prospective financial information is to support our planning.

### Measurement base

The basis for measurement applied is historical cost, modified by the revaluation of certain assets and liabilities as identified in this summary of significant accounting policies. The accrual basis of accounting has been used unless otherwise stated.

For the assets and liabilities recorded at fair value, fair value is defined as the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm’s-length transaction. For investment property, non-current assets classified as held for sale and items of property, plant and equipment which are revalued, the fair value is determined by reference to market value. The market value of a property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction.

Amounts expected to be recovered or settled more than one year after the end of the reporting period are recognised at their present value. The present value of the estimated future cash flows is calculated using applicable inflation factors and a discount rate. The inflation rates used are from the latest relevant BERL forecasts and the discount rate is our forecast long-term cost of borrowing.

**Judgements and estimations**

The preparation of prospective financial statements using PBE standards requires the use of judgements, estimates and assumptions. Where material, information on the main assumptions is provided in the relevant accounting policy.

The estimates and assumptions are based on historical experience as well as other factors that are believed to be reasonable under the circumstances. Subsequent actual results may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis and adjustments are made where necessary.

Judgements that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the relevant notes. Significant judgements and estimations include landfill post-closure costs, asset revaluations, impairments, certain fair value calculations and provisions.

**Significant accounting policies**

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

**Standards issued and not yet effective or early adopted**

There have been no standards and amendments issued that are not yet effective and early adopted.

**Revenue**

Revenue includes rates, revenue from operating activities, investment revenue, gains, finance and other revenue. It is measured at the fair value of consideration received or receivable.

Revenue may come from either exchange or non-exchange transactions.

**Exchange transactions**

Exchange transactions are transactions where we receive assets (primarily cash) or services, or have liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services, or use of assets) to another entity in exchange.

**Non-exchange transactions**

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, we either receive value from or give value to another entity without directly giving or receiving approximately equal value in exchange.

An inflow of resources from a non-exchange transaction recognised as an asset is considered revenue, except to the extent that a liability is also recognised in respect of the same inflow.

At times we satisfy a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset. Doing so reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

**Gains**

Gains include additional earnings on the disposal of property, plant and equipment as well as movements in the fair value of financial assets and liabilities. Gains are classified as exchange revenue.

**Goods and services tax (GST)**

All items in the prospective financial statements are exclusive of GST except receivables and payables, which are stated as GST inclusive. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

**Taxation**

Income tax expense on the surplus or deficit for the year includes current and deferred tax.

Current tax is the expected tax payable based on the taxable income for the year. This uses tax rates enacted or substantively enacted at the end of the reporting period, plus any adjustment to tax payable in respect of previous periods.

Deferred tax is provided using the balance sheet liability method. This provides for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the assets and liabilities. It also takes into account the unused tax losses using tax rates enacted or substantively enacted at the end of the reporting period. Deferred income tax assets are recognised to the extent it is probable future tax profit will be available against which they can be utilised.

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short term highly liquid investments.



The carrying value of cash at bank and short-term deposits with original maturities of less than three months approximates their fair value.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Receivables

Short-term receivables are recorded at the amount due less any provision for collectability.

A receivable is considered to be uncollectable when there is evidence the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

Inventory

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at cost (using the FIFO method), adjusted, when applicable for any loss of service potential.

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition. Inventories held for use in the provision of goods and services on a commercial basis are valued at the lower of cost (using the FIFO method) and net realisable value.

Property, plant and equipment

Property, plant and equipment include:

Operational assets

These are land, buildings (including cultural assets and community and leisure facilities), improvements, non-restricted parks and gardens, plant and equipment, vehicles, sports areas and library books.

Zoo animals

Zoo animals are held primarily for a social and recreational purpose. The capital cost is the actual expense incurred in acquiring the Zoo animals.

Restricted assets

These are parks and reserves we own that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Heritage assets

These are museum collections and library collections (New Zealand Room).

Infrastructure assets

These are the fixed utility systems that we own. Each asset type includes all items that are required for the network to function.

Property, plant and equipment are shown at cost or valuation, less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

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

Subsequent costs

Costs incurred after initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

Revaluation

Land and buildings (operational and restricted), heritage assets, and infrastructural assets (except land under roads) are revalued regularly to ensure that their carrying amount does not differ materially from fair value. These revaluations occur at least every three years. All other asset classes are carried at depreciated historical cost.

The carrying values of revalued assets are assessed annually to make sure they do not differ materially from the assets’ fair values. If there is a material difference, then the off-cycle asset classes are revalued.

Revaluations of property, plant, and equipment are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive income and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive income but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then in other comprehensive income.

Depreciation

The residual value and useful life of an asset is reviewed and adjusted if applicable at each financial year end.



Heritage assets are not depreciated.

Depreciation is not provided in these statements on the following assets:

- land
- formation costs associated with roading
- investment properties
- non-current asset held for resale
- work in progress and assets under construction.

The useful lives and associated depreciation rates of major classes of assets are estimated as follows:

Asset Class	Years	Depreciation rate
Buildings - structure/fit out/services	2-200	0.5%-50%
Plant and vehicles	3-15	6.7%-33.3%
Furniture, fittings and equipment	5-50	2%-20%
Library books	3-14	7.1-33.3%
Zoo animal (acquisition costs)	10	10%
Improvements - Parks & Gardens	2 - 150	0.7% - 50%
<b>Roads and traffic network:</b>		
Top surface (seal)	5 - 20	5% - 20%
Pavement (basecourse)	50 - 140	0.7% - 2%
Concrete	60	1.7%
Drainage	60-70	1.4-1.7%
Carparks	6 - 110	0.9% - 6.7%
Footpaths and cycleways	5 - 75	1.3% - 20%

Asset Class	Years	Depreciation rate
<b>Roads and traffic network ...cntd.</b>		
Kerbs and traffic islands	20 - 60	1.7% – 5%
Signs	15	6.7%
Street lights	5 - 50	2% - 20%
Bridges and culverts	40 - 150	0.7% - 2.5%
Underpasses	80	1.3%
Traffic signals	15	6.7%
Guarding and railing	20 - 25	4% - 5%
Bus shelters and fences	20	5%
Verge, embankment and retaining walls	50 - 100	1% - 2%
<b>Wastewater reticulation:</b>		
Pipes	30 - 100	1% - 3.3%
Manholes	100	1%
Treatment plant	5 - 100	1% - 20%
Valves	40 - 75	1.3% - 2.5%
Pump stations	15 - 100	1% - 6.7%
<b>Stormwater system:</b>		
Pipes	30 - 100	1% - 3.3%
Manholes, inlets and outlets	100	1%
Soakage trench	50	2%
Fish Pass	50	2%
Channels	70-90	1.1%-1.4%

Asset Class	Years	Depreciation rate
<b>Water reticulation:</b>		
Bulk main chambers	100	1%
Backflow devices	40	2.5%
Pipes	40 - 100	1% - 2.5%
Valves	40 - 75	1.3% - 2.5%
Treatment plant	5 - 100	1% - 20%
Meters	15	6.7%
Hydrants	50 - 75	1.3% - 2%
Cathodic Protection Device	15 - 100	1% - 6.7%
Reservoirs	15 - 100	1% - 6.7%
<b>Refuse - Rubbish and Recycling</b>	5 - 100	1% - 20%

Investment properties

Properties leased to third parties under operating leases are classified as investment property. This is unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

These assets consist of investment properties owned by us, funded either from Corporate Funds, the Domain Endowment Fund or the Municipal Endowment Fund.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, all investment property is measured at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction and not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value, less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Intangible assets

Intangible assets are defined as identifiable non-monetary assets without physical form. Amortisation is the systematic allocation of the depreciable amount of an intangible asset over its useful life.

Intangible assets include:

Software acquisition and development

- Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.
- Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.
- Staff training costs are recognised in the surplus or deficit when incurred. Costs associated with maintaining computer software are recognised in the surplus or deficit when incurred. Costs associated with development and maintenance of the Council’s website are recognised as an expense when incurred.

These are capitalised at historic cost and are amortised on a straight-line basis over their estimated useful lives (five years). Costs associated with maintaining computer software are recognised as an expense when incurred.

Consents and designations

- Consents and designations not attributed to a specific asset are capitalised at historic cost. These are amortised on a straight-line basis over their estimated useful lives.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life.

The useful lives of major classes of intangible assets have been estimated as follows:

Computer software	2-20 years
Consents & designations	10-100 years
Licenses	3-14 years
Models	7-30 years

Impairment of property, plant and equipment

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

An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and its value in use.

If an asset’s carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

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

Impairment in term deposits, local authority stock, government stock bonds, general and community loans are recognised directly against the instrument’s carrying amounts.

Creditors and other payables

Short-term creditors and other payables are recorded at their face value.

Employee entitlements

Short-term employee entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date to the extent it will be used by staff to cover those future absences.

The provision for retirement gratuities has been calculated on an actuarial basis bringing to account what is likely to be payable in the future. This is in respect of service that employees have

accumulated up until twelve months after balance date.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

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

Presentation of employee entitlements

Sick leave, annual leave, and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Superannuation schemes

Defined contribution schemes

Employer contribution to KiwiSaver is accounted for as defined contribution superannuation scheme and is expensed in the surplus or deficit when incurred.

Derivative financial instruments

Derivative financial instruments are used to manage exposure to interest rate risks arising from our financing activities. Derivative financial instruments are recognised initially at fair value on the

date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date. We have chosen not to hedge account for these derivative financial instruments.

Changes in the fair value of the derivative financial instruments are recognised in the surplus or deficit.

For the purpose of preparing prospective financial statements, the Council has recognised the fair value of contracted derivatives in the prospective statement of financial position. Movements in the fair value of derivatives has not been recognised in the prospective statement of comprehensive revenue and expense.

**Provisions**

- We recognise a provision for future expenditure of uncertain amount or timing when:
- There is a present obligation (either legal or constructive) as a result of a past event.
  - It is probable that expenditures will be required to settle the obligation.
  - A reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. This is done using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost and is included in “finance costs”.

**Landfill aftercare costs**

We have legal obligations under resource consents to provide ongoing maintenance and monitoring services at several of our closed landfill sites. Provision for post-closure costs is recognised as a liability when the obligation for post-closure arises.

The provision is measured based on the present value of future cash flows expected to be incurred. This takes into account future events including legal requirements and known improvements in technology. The provision includes all costs associated with landfill post-closure.

Amounts provided for landfill post-closure are capitalized to the landfill asset where they give rise to future economic benefits to be obtained. Components of the capitalized landfill asset are depreciated over their useful lives.

The discount rate used is a rate that reflects current market assessments of the time value of money and the risks specific to the Council.

All subsequent changes in the liability shall be recognized in the surplus or deficit and the periodic unwinding of the discount will also be recognised in the surplus or deficit as a finance cost as it occurs.

**Contingencies**

**Financial guarantee**

At times we are requested to act as a guarantor to loans raised by community organisations and sports clubs to construct

facilities on Council reserve land. These structures form part of the reserve but are not included in the fixed asset figures. No provision has been made because we do not consider it likely that these loans will require settlement.

**Equity**

- Equity is the community’s interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:
- accumulated funds
  - other reserves – revaluation reserves and fair value through other comprehensive revenue and expense reserve
  - restricted reserves
  - council created reserves.

Accumulated funds include accumulated surpluses over the years.

**Prospective statement of cash flows**

Cash and cash equivalents for the purposes of the cashflow statement include bank balances, cash on hand and short-term deposits with a maturity of three months or less.

Operating activities include cash received from all our non-financial revenue sources and record the cash payments made for the supply of goods and services. Investing activities relate to the acquisition and disposal of assets and investment revenue. Financing activities relate to activities that change our equity and debt capital structure and financing cost.

**Public benefit entity financial reporting standard 42 prospective financial statements (PBE FRS 42)**

The Council has complied with PBE FRS 42 in the preparation of these draft prospective financial statements. The following information is included to satisfy the requirements of PBE FRS 42:

- (i) Description of the nature of the entity’s current operation and its principal activities:  
  
Hamilton City Council is a territorial local authority, as defined in the Local Government Act 2002. Our principal activities are outlined within this Long-Term Plan.
- (ii) Purpose for which the prospective financial statements are prepared:

It is a requirement of the Local Government Act 2002 to present prospective financial statements that span one year and include them within the Long-Term Plan. This allows ratepayers and residents the opportunity to review our projected financial results and position. Prospective financial statements are revised annually to reflect updated assumptions and costs.

- (iii) Bases for assumptions, risks and uncertainties:  
  
The financial information has been prepared based on best estimate assumptions as to the future events which we expect to take place. We have considered factors that may lead to a material difference between information in the prospective financial statements and actual results. These factors, and the assumptions made in relation to the sources of uncertainty and potential effect, are outlined on pages 129 to 150 of the Long-Term Plan.



(iv) Cautionary note:

The financial information is prospective. Actual results are likely to vary from the information presented. These variations may be material.

(v) Other disclosures:

These prospective financial statements were adopted as part of the assumptions that form this Long-Term Plan. We are responsible for the prospective financial statements presented, including the assumptions underlying prospective financial statements and all other disclosures. This Long-Term Plan is prospective and as such contains no actual operating results.

# Note 2: Rates

## Accounting policy

Rates are set annually by a resolution and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised proportionately throughout the year. Rates revenue is classified as non-exchange except for metered water rates which are classed as exchange revenue.

## Rates penalties

Revenue from rates penalties is recognised when the penalty is imposed.

## Rates remissions

Rates remissions are recognised as a reduction of rates revenue when we receive an application that satisfies our rates remission policy.

## Metered water rates

Revenue from metered water rates is recognised on an accrual basis based on usage. Unbilled usage as a result of unread meters at year-end is accrued on an average usage basis.

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>General rates</b>											
General rates	243,657	288,590	338,199	393,159	452,476	516,600	571,234	608,438	648,054	689,937	734,882
Rates charges to Council properties	(642)	(811)	(937)	(1,074)	(1,219)	(1,371)	(1,495)	(1,569)	(1,648)	(1,730)	(1,817)
<b>Targeted rates</b>											
Government compliance rate	11,024	13,062	15,309	17,798	20,483	23,386	25,859	27,544	29,340	31,237	33,273
Metered water supply	9,370	10,495	11,460	12,934	14,435	16,756	19,185	21,354	23,462	24,668	26,325
Metered water charges to Council properties	(486)	(486)	(504)	(522)	(542)	(563)	(584)	(606)	(626)	(646)	(492)
Business improvement district rate	338	362	385	409	434	462	490	521	553	588	625
Service category rates (water, refuse and sewerage)	1,628	1,914	2,182	2,494	2,865	3,191	3,507	3,940	4,367	4,687	5,006
Central city rates	145	145	145	-	-	-	-	-	-	-	-
Pool safety inspection rate	-	188	201	216	232	249	268	288	307	327	348
<b>Penalties and remissions</b>											
Rates penalties	1,183	1,462	1,689	1,935	2,197	2,471	2,694	2,828	2,970	3,118	3,274
Rates remissions											
- Hardship	(351)	(409)	(472)	(541)	(614)	(691)	(754)	(791)	(831)	(872)	(916)
- HCC utilities	(8,626)	(10,050)	(11,607)	(13,302)	(15,098)	(16,985)	(18,514)	(19,439)	(20,411)	(21,432)	(22,503)
- HCC other	(1,151)	(1,400)	(1,618)	(1,854)	(2,104)	(2,367)	(2,580)	(2,709)	(2,844)	(2,987)	(3,136)
- Community retail	(72)	(83)	(96)	(110)	(125)	(141)	(154)	(161)	(169)	(178)	(187)
- Wastewater, water and refuse	(264)	(307)	(354)	(406)	(461)	(518)	(565)	(593)	(623)	(654)	(687)
<b>Total rates</b>	<b>255,752</b>	<b>302,672</b>	<b>353,981</b>	<b>411,135</b>	<b>472,959</b>	<b>540,479</b>	<b>598,592</b>	<b>639,043</b>	<b>681,901</b>	<b>726,064</b>	<b>773,995</b>

# Note 3: Fees and charges

## Accounting policy

Revenue from the rendering of services (e.g. building consent fees) is recognised by reference to the stage of completion of the transaction, based on the actual service provided as a percentage of the total services to be provided. Under this method, revenue is recognised in the accounting periods in which the services are provided. Within rendering of services most activities are at least partially funded by rates and therefore classified as non-exchange. The exceptions are: Parking (excluding fines), Planning and Guidance, Housing and Building Control which are 100% funded by users and classified as exchange revenue.

## Sale of goods

The sale of goods is classified as exchange revenue. Sale of goods is recognised when a product is sold to the customer and all risks and rewards of ownership have transferred to the customer.

## Building and resource consent fees

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

## Entrance fees

Entrance fees are fees charged to users of our local facilities, such as the zoo, pools and museum. Revenue from entrance fees is recognised upon entry to such facilities.

# Note 3: Fees and charges

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Animal control charges	1,102	1,261	1,305	1,350	1,399	1,451	1,505	1,560	1,610	1,662	1,715
Building and resource consent charges	11,264	8,769	9,736	11,679	12,961	12,117	14,125	13,772	14,319	14,954	15,428
Cemetery and crematorium charges	1,718	1,991	2,061	2,133	2,210	2,292	2,376	2,464	2,543	2,625	2,708
Event facilities charges	7,964	4,757	4,911	5,096	5,266	5,475	5,663	5,887	6,060	6,268	6,452
Hamilton Gardens charges	1,331	2,929	3,304	3,594	3,915	4,377	4,752	5,295	5,613	5,949	6,302
Parking fees	2,531	3,140	3,734	4,758	5,600	5,825	6,123	6,239	6,446	6,636	6,816
Swimming pools charges	3,296	3,843	4,145	4,497	4,876	5,284	5,665	6,033	6,302	6,586	6,886
Trade waste charges	3,592	4,036	4,513	5,127	5,804	6,614	7,283	7,937	8,809	9,334	9,789
Zoo charges	2,226	2,286	2,512	2,752	2,898	3,056	3,222	3,397	3,565	3,742	3,927
Other fees and charges	3,548	3,932	4,265	4,397	4,515	4,788	4,975	5,164	5,260	5,430	5,344
Commission received	1,034	1,149	1,194	1,236	1,281	1,329	1,379	1,430	1,477	1,525	1,574
Sale of goods	691	792	970	1,063	1,144	1,198	1,292	1,356	1,456	1,523	1,636
Operating contributions	10,047	11,221	11,753	12,084	12,513	13,375	13,759	14,515	15,330	15,631	15,993
Total fees and charges	50,346	50,107	54,402	59,766	64,382	67,181	72,119	75,051	78,789	81,864	84,570

# Note 4: Grants, subsidies and reimbursements

## Accounting policy

### NZ Transport Agency Waka Kotahi subsidies

NZ Transport Agency subsidies are recognised upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

### Other grants (including government grants and subsidies)

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
New Zealand Transport Agency roading subsidy - operating	7,608	8,940	9,108	9,795	9,892	10,360	10,523	11,595	11,404	11,811	12,107
Waste mininsation levy	659	1,534	1,534	1,534	1,534	1,534	1,534	1,534	1,534	1,534	1,534
Other grants	13,520	381	381	381	381	381	381	381	381	381	233
Total grants, subsidies and reimbursements	21,788	10,854	11,022	11,709	11,806	12,274	12,437	13,509	13,318	13,726	13,873

# Note 5: Interest revenue

## Accounting policy

Interest revenue is exchange revenue and recognised using the effective interest rate method.

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Term deposits	6,124	12,163	12,378	12,621	12,759	12,861	13,131	13,355	13,483	13,694	13,898
Total interest revenue	6,124	12,163	12,378	12,621	12,759	12,861	13,131	13,355	13,483	13,694	13,898

# Note 6: Other revenue

## Accounting policy

### Infringements fees and fines

Revenue from fines and penalties (e.g. traffic and parking infringements, library overdue book fines, rates penalties) is recognised when infringement notices are issued or when the fines/penalties are otherwise imposed.

### Dividends

Dividends are classified as exchange revenue and are recognised when our right to receive a payment has been established.

### Investment property and rental revenue

Lease rentals (net of any incentives given) are recognised on a straight-line basis over the term of the lease.

### Bequests and other donations

Donated and bequeathed financial assets are recognised as revenue unless there are substantive use or return conditions. A liability is recorded if there is substantive use or return conditions and the liability released to revenue as the conditions are met (e.g. as the funds are spent for the nominated purpose).

### Fair value gains

Gains arising from the fair value assessment of borrowing at low or zero interest cost are recognised as other revenue at the date of drawdown for the period of low or interest free benefit. Over the period of the benefit the fair value is adjusted down to the nominal value of the loan.

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Infringements and fines	1,856	2,499	2,890	2,428	2,715	2,756	2,773	2,856	2,871	2,953	2,966
Rental income	4,071	4,293	4,208	4,324	4,272	4,557	4,729	4,908	5,069	4,747	5,407
Dividend revenue	104	104	104	104	104	104	104	104	104	104	104
Petrol tax income	1,266	1,266	1,310	1,356	1,405	1,457	1,510	1,566	1,617	1,668	1,722
Sponsorship income	27	-	29	-	29	-	29	-	29	-	29
Donations received	20	12	12	12	12	12	12	12	12	12	12
Housing Infrastructure Fund - fair value benefit	5,668	-	-	-	-	-	-	-	-	-	-
Total other revenue	13,011	8,173	8,554	8,224	8,536	8,885	9,157	9,446	9,702	9,484	10,239



# Note 7: Development contributions

## Accounting policy

Development contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Reserves	1,651	654	876	1,213	1,665	1,748	1,738	1,795	1,912	2,159	2,155
Stormwater	6,211	2,001	2,278	3,294	4,564	4,805	4,186	4,063	5,892	7,585	8,226
Transport	12,608	5,865	8,243	10,906	14,556	15,993	15,432	16,037	15,204	15,806	14,768
Wastewater	10,782	8,526	11,284	15,271	20,939	23,421	22,991	24,406	23,492	24,612	23,407
Water Supply	5,353	4,128	5,804	7,733	10,901	11,546	11,607	12,355	12,361	13,086	12,257
Total development contributions	36,605	21,174	28,485	38,417	52,625	57,514	55,954	58,657	58,861	63,249	60,813

# Note 8: Capital revenue

## Accounting policy

### NZ Transport Agency Waka Kotahi roading subsidies - capital

NZ Transport Agency subsidies are recognised upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Capital contributions - general	43,792	18,315	27,376	38,529	36,025	28,477	7,298	7,531	3,559	262	271
New Zealand Transport Authority roading subsidy - capital	37,363	46,230	43,420	30,948	27,619	43,889	35,668	53,829	55,399	41,426	46,355
Total capital revenue	81,155	64,545	70,796	69,477	63,644	72,366	42,966	61,359	58,958	41,688	46,626

# Note 9: Vested assets

## Accounting policy

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as non-exchange revenue when we have control of the asset.

		2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Vested assets	- Stormwater	5,477	5,015	5,216	5,415	5,631	5,857	6,091	6,322	6,564	6,691	7,084
	- Transport	28,056	26,403	27,460	28,503	29,642	30,829	32,061	33,281	34,357	35,723	36,595
	- Wastewater	3,778	3,461	3,599	3,736	3,885	4,040	4,202	4,362	4,529	4,616	4,888
	- Water supply	2,042	1,870	1,945	2,019	2,100	2,184	2,272	2,358	2,448	2,495	2,642
Total vested assets		39,353	36,750	38,220	39,673	41,258	42,910	44,625	46,323	47,898	49,525	51,209

# Note 10: Depreciation and amortisation expense by group of activity

## Accounting policy

Depreciation is provided on a straight-line basis on all property, plant, and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

Amortisation is provided on intangible assets and begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Community Services	5,797	6,371	6,655	6,668	6,686	7,022	7,058	7,153	7,827	7,880	7,935
Group Support Units	35	32	32	32	32	32	32	32	32	32	32
Growth	331	18	18	18	18	18	18	18	18	18	18
Parks and Recreation	6,360	8,053	8,761	10,070	10,191	10,650	12,306	12,842	13,358	15,966	16,475
Partnerships, Communication & Maaori	1	1	1	1	1	1	1	1	1	1	1
Regulatory and Safety	102	100	121	135	135	143	143	143	151	151	151
Rubbish and Recycling	595	548	597	597	597	656	656	656	724	724	724
Stormwater	11,506	11,520	12,888	13,155	13,468	15,107	15,580	16,261	18,628	18,945	19,330
Support Services	6,627	7,823	8,561	9,511	10,403	11,605	12,074	12,981	13,856	14,583	15,281
Transport	27,853	39,245	41,409	47,887	48,799	49,708	57,227	58,194	59,678	69,180	70,589
Venues, Tourism and Major Events	10,856	11,957	12,985	13,041	13,110	13,961	13,963	14,162	15,131	15,252	15,345
Wastewater	14,256	15,832	18,423	19,725	21,645	25,565	27,098	29,381	34,554	36,541	37,893
Water Supply	10,088	10,604	11,941	12,784	13,385	15,870	16,614	17,330	20,160	20,627	21,096
Total depreciation expense	94,405	112,104	122,393	133,625	138,472	150,338	162,768	169,152	184,118	199,901	204,869

\*The Annual Plan 2023/24 numbers have been reclassified into the new activities.

# Note 11: Finance costs

## Accounting policy

All borrowing costs are recognised as an expense in the period in which they are incurred.

## Fair value discount unwinding

Fair value discount unwinding is recognised as a finance cost for borrowing at low or zero interest cost. The fair value benefit is recognised as other revenue.

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Interest on borrowings	31,761	54,938	59,733	67,309	75,024	83,778	93,949	106,703	116,836	126,664	139,866
Discount unwind on provisions	447	808	752	697	625	557	484	356	272	229	173
Fair value discount unwinding	1,288	5,503	5,731	5,979	6,221	6,484	6,752	6,970	7,199	7,202	3,700
Total finance costs	33,496	61,249	66,215	73,985	81,870	90,819	101,186	114,029	124,308	134,096	143,739

# Note 12: Other financial assets

## Accounting policy

Other financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- amortised cost;
- fair value through other comprehensive revenue and expense (FVTOCRE); or
- fair value through surplus or deficit (FVTSD)

Transaction costs are included in the carrying value of the financial asset at initial recognition, unless it has been designated at FVTSD, in which case it is recognised in surplus or deficit. The classification of a financial asset depends on its cash flow characteristics and the Council’s management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are ‘solely payments of principal and interest (SPPI)’ on the principal outstanding, and is held within a management model whose objective is to collect the contractual cash flows of the asset. A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, Council may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE. Management determines the classification of its investments at initial recognition.

The purchase and sale of financial assets are recognised at trade date, the date on which Council and Group commits to purchase or sell the asset. Financial assets are recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council have transferred substantially all the risks and rewards of ownership.

## Financial assets at FVTOCRE that are debt instruments

Financial assets at FVTOCRE that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except expected credit losses (ECL) and foreign exchange gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit.

## Financial assets that are equity instruments designated as FVTOCRE

Financial assets that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council designate into this category all equity investments that are not included in its investment fund portfolio, and if they are intended to be held for the medium to long term.

## Unlisted shares

Where possible, unlisted shares are recognised at fair value, drawn from an active market. If no quoted market prices are available and the value cannot be reliably measured, the cost price is used.

# Note 12: Other financial assets

For shares, a significant or prolonged decline in the fair value of the shares below its cost is considered to be objective evidence of impairment. Investments in unlisted shares are initially recognised at cost and subsequently measured at fair value with any movements in fair value recognised directly in other comprehensive income. The carrying amount of other financial assets approximates their fair value.

## Financial assets at FVTSD

Financial assets at FVTSD are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit.

Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

## Impairment

Impairment in term deposits, local authority stock, government stock bonds, general and community loans are recognised directly against the instruments’ carrying amount. If impairment evidence exists, the cumulative loss recognised in other comprehensive revenue and expense is transferred to the surplus or deficit. Impairment losses on shares recognised in the surplus or deficit are not reversed through the surplus or deficit.

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Current portion</b>											
Loan to Melody Dairies Partnership Limited	455	455	463	471	479	-	-	-	-	-	-
Term deposits with maturities greater than 3 months but less than 1 year	6,766	35,165	35,915	36,665	37,910	39,035	38,785	38,285	38,015	37,535	38,535
<b>Total current portion</b>	<b>7,221</b>	<b>35,620</b>	<b>36,378</b>	<b>37,136</b>	<b>38,389</b>	<b>39,035</b>	<b>38,785</b>	<b>38,285</b>	<b>38,015</b>	<b>37,535</b>	<b>38,535</b>
<b>Non-current portion</b>											
<b>Investment in CCOs and similar entities</b>											
NZ Local Government Funding Agency Limited	8,678	8,785	8,785	8,785	8,785	8,785	8,785	8,785	8,785	8,785	8,785
Shares in subsidiaries											
- Waikato Innovation Growth Limited	4,000	-	-	-	-	-	-	-	-	-	-
Waikato Local Authority Shared Services Limited	490	614	614	614	614	614	614	614	614	614	614
	<b>13,168</b>	<b>9,399</b>	<b>9,399</b>	<b>9,399</b>	<b>9,399</b>	<b>9,399</b>	<b>9,399</b>	<b>9,399</b>	<b>9,399</b>	<b>9,399</b>	<b>9,399</b>
<b>Other investments</b>											
Civic Financial Services Limited	202	183	183	183	183	183	183	183	183	183	183
Loan to Melody Dairies Limited Partnership	1,414	1,414	951	479	-	-	-	-	-	-	-
Term deposits with maturities greater than 1 year	13,230	22,562	24,572	27,892	29,370	30,159	33,797	37,503	39,585	43,129	46,529
	<b>14,845</b>	<b>24,159</b>	<b>25,706</b>	<b>28,554</b>	<b>29,553</b>	<b>30,343</b>	<b>33,980</b>	<b>37,686</b>	<b>39,768</b>	<b>43,312</b>	<b>46,712</b>
<b>Total non-current portion</b>	<b>28,013</b>	<b>33,558</b>	<b>35,105</b>	<b>37,953</b>	<b>38,952</b>	<b>39,741</b>	<b>43,379</b>	<b>47,085</b>	<b>49,167</b>	<b>52,711</b>	<b>56,111</b>
<b>Total other financial assets</b>	<b>35,235</b>	<b>69,178</b>	<b>71,483</b>	<b>75,089</b>	<b>77,342</b>	<b>78,776</b>	<b>82,164</b>	<b>85,370</b>	<b>87,182</b>	<b>90,246</b>	<b>94,646</b>



# Note 13: Investment in associates

## Accounting policy

An associate is an entity over which we have significant influence and that is neither a subsidiary nor an interest in a joint venture.

If the share of deficits of an associate equals or exceeds its interest in the associate, the group discontinues recognising its share of further deficits. After the Group’s interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the

extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, the Group will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

The investment in the associate is carried at cost in Council’s financial statements.

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Investment in associates											
Waikato Regional Airport Limited	7,430	7,430	7,430	7,430	7,430	7,430	7,430	7,430	7,430	7,430	7,430
Total investments in associates	7,430	7,430	7,430	7,430	7,430	7,430	7,430	7,430	7,430	7,430	7,430
Total investment in CCOs (as per Note 12) and other entities	20,598	16,829	16,829	16,829	16,829	16,829	16,829	16,829	16,829	16,829	16,829

# Note 14: Borrowings

## Accounting policy

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless we have an unconditional right to defer settlement of the liability for at least 12 months after balance date.

## Housing Infrastructure Fund Loan

The Housing Infrastructure Fund Loan (HIF) is interest free for ten years from the date of each drawdown. The fair value of the loan recognises the interest free benefit and is recognised as other revenue. Ten years after each drawdown the loan will be recognised at its nominal value with the unwinding of the fair value gains being recognised annually as a finance cost.

Note 14: Borrowings

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
External debt											
Current portion											
Secured loans - Housing Infrastructure Fund	-	-	4,100	3,300	3,300	3,300	8,522	22,763	73,664	61,351	-
Secured loans - general	83,168	164,035	134,035	134,035	134,035	144,035	99,035	79,035	79,035	49,035	89,035
Finance leases	73	-	-	-	-	-	-	-	-	-	-
Current portion	83,241	164,035	138,135	137,335	137,335	147,335	107,557	101,798	152,699	110,385	89,035
Non-current portion											
Secured loans - general	774,091	1,132,870	1,308,483	1,506,465	1,650,593	1,767,158	2,007,640	2,205,880	2,308,315	2,476,353	2,616,039
Secured loans - Housing Infrastructure Fund	90,472	124,061	125,691	128,370	131,292	134,476	132,706	116,913	50,448	-	-
Finance Leases	86	-	-	-	-	-	-	-	-	-	-
Non-current portion	864,650	1,256,931	1,434,175	1,634,836	1,781,885	1,901,634	2,140,346	2,322,793	2,358,764	2,476,353	2,616,039
Total external debt	947,890	1,420,966	1,572,309	1,772,170	1,919,219	2,048,968	2,247,903	2,424,591	2,511,463	2,586,738	2,705,073
Adjustments required to determine overall debt:											
External debt	947,890	1,420,966	1,572,309	1,772,170	1,919,219	2,048,968	2,247,903	2,424,591	2,511,463	2,586,738	2,705,073
Less cash held and cash investments	(145,477)	(184,949)	(187,717)	(191,795)	(194,526)	(195,961)	(199,349)	(202,555)	(204,366)	(207,430)	(211,831)
Net debt	802,412	1,236,017	1,384,592	1,580,375	1,724,693	1,853,007	2,048,554	2,222,036	2,307,096	2,379,308	2,493,243

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Debt servicing performance indicators Financial ratios											
Liquidity ratio (target >110%)	>110%	>110%	>110%	>110%	>110%	>110%	>110%	>110%	>110%	>110%	>110%
Net debt/Total revenue (target 2025: <285% 2026 and thereafter: <280%)	199%	276%	271%	276%	272%	260%	274%	274%	269%	268%	264%
Net interest on external debt/Total revenue (target <20%)	6%	11%	11%	11%	11%	11%	12%	12%	13%	14%	14%

**Liquidity** is defined as external term debt plus committed bank facilities plus liquid investments divided by current external debt.

**Net debt** is defined as total external debt less cash and cash equivalents.

**Net interest** on external debt is defined as the amount equal to all interest and financing costs (on external debt) less interest income for the relevant period.

**Cash flow** is defined as net surplus (or deficit) plus depreciation, less vested assets, and capital subsidies.

**Total revenue** is defined as total revenue less vested assets, development contributions, and fair value benefit of Housing Infrastructure Fund loans.

Note 15: Reserves

Accounting policy

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into accumulated funds, restricted and Council created reserves, revaluation reserves and fair value through other comprehensive revenue and expense reserve.

Restricted and Council-created reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Restricted reserves include those subject to specific conditions we accept as binding and which may not be revised without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met. Also included in restricted reserves are reserves

we restrict by resolution. We may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at our discretion. Council created reserves are restricted in their application by our resolution.

Revaluation reserves

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

Fair value through other comprehensive revenue and expense reserve

This reserve comprises the cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expense.

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Restricted reserves											
Cemetery plot maintenance in perpetuity	1,733	1,733	1,733	1,733	1,733	1,733	1,733	1,733	1,733	1,733	1,733
Municipal endowment fund	32,081	32,463	32,463	32,463	32,463	32,463	32,463	32,463	32,463	32,463	32,463
Domain endowment fund	8,314	9,418	9,879	10,341	10,802	11,263	11,725	12,186	12,648	13,109	13,570
Waikato Art Gallery endowment reserve	11	-	-	-	-	-	-	-	-	-	-
Total restricted reserves	42,138	43,613	44,075	44,536	44,997	45,459	45,920	46,382	46,843	47,304	47,766
Council created reserves											
Project watershed operating reserve	210	229	229	229	229	229	229	229	229	229	229
Waste minimisation reserve	485	4,059	4,643	5,194	5,705	6,189	6,646	7,075	7,476	7,848	8,188
Total council created reserves	695	4,288	4,872	5,422	5,933	6,418	6,875	7,304	7,705	8,077	8,417
Total restricted and council created reserves	42,833	47,901	48,946	49,958	50,931	51,877	52,795	53,686	54,548	55,381	56,183

Note 15: Reserves

	Activities to which the reserve relates	Opening balance July 2024	Transfers into reserve	Transfers out of reserve	Closing balance June 2034
Restricted reserves		\$000	\$000	\$000	\$000
Cemetery Plot Maintenance in perpetuity – to maintain and provide for improvements to the cemeteries.	Cemeteries and Crematorium	1,733	922	(922)	1,733
Municipal endowment fund – to provide a capital fund for crown endowment land vested in the Council for investment	Strategic Property Investment	32,463	-	-	32,463
Domain endowment fund – to provide a capital endowment fund for domain land for investment in property. Rental income and interest earned from domain endowment land is used to fund parks and reserves operating costs.	Parks and Recreation Stormwater	8,956	4,614	-	13,570
Total restricted reserves		43,152	5,536	(922)	47,766
Council created reserves					
Project watershed operating reserve – to fund works relating to river flood protection and erosion control (project watershed). Waikato Regional Council is the funding agency and Hamilton City Council carries out agreed works within the city boundary.	Parks and Recreation Stormwater	229	118	(118)	229
Waste minimisation reserve – to encourage a reduction in the amount of waste generated and disposed of in New Zealand, and to lessen the environmental harm of waste. The reserve was created in 2009 as a result of the Waste Minimisation Act 2008. Funding is distributed to local authorities by the Ministry of Environment and expenditure includes grants to others, waste minimisation initiative operating expenses and recycling contract.	Rubbish and Recycling	3,429	16,398	(11,638)	8,188
Total council created reserves		3,657	16,516	(11,756)	8,417
Total restricted and council created reserves		46,809	22,052	(12,678)	56,183

Note 16: Reconciliation between Prospective Statement of Comprehensive Revenue and Expense and Prospective Funding Impact Statement

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operating surplus/(deficit) per prospective statement of comprehensive revenue and expense	116,760	42,638	84,856	112,703	161,598	208,528	206,975	234,820	240,200	233,663	259,820
Items recognised as revenue in the statement of comprehensive revenue and expense and as capital expenditure funding sources in funding impact statements:											
Capital subsidies	(37,363)	(46,230)	(43,420)	(30,948)	(27,619)	(43,889)	(35,668)	(53,829)	(55,399)	(41,426)	(46,355)
Development, financial and capital contributions	(80,397)	(39,489)	(55,861)	(76,946)	(88,650)	(85,991)	(63,251)	(66,188)	(62,420)	(63,511)	(61,083)
Non-cash items recognised in prospective statement of comprehensive revenue and expense and not included in funding impact statements:											
Depreciation	94,405	112,104	122,393	133,625	138,472	150,338	162,768	169,152	184,118	199,901	204,869
Recognition of revenue from vested assets	(39,353)	(36,750)	(38,220)	(39,672)	(41,258)	(42,910)	(44,625)	(46,322)	(47,897)	(49,525)	(51,208)
Gain on fair value of investment properties	(1,050)	(915)	(938)	(961)	(985)	(1,010)	(1,035)	(1,061)	(1,088)	(1,115)	(1,143)
Housing Infrastructure Fund - fair value benefit	(5,668)	-	-	-	-	-	-	-	-	-	-
Housing Infrastructure Fund - fair value discount unwinding	1,288	5,503	5,731	5,979	6,221	6,484	6,752	6,970	7,199	7,202	3,700
Transfer of assets constructed but not owned	-	-	-	-	-	-	-	-	-	-	-
Operating funding surplus/(deficit) per prospective funding impact statement	48,622	36,860	74,541	103,779	147,778	191,551	231,915	243,543	264,713	285,189	308,599
Balance as per Council FIS operating surplus/(deficit) of operating funding	48,622	36,860	74,541	103,779	147,778	191,551	231,915	243,543	264,713	285,189	308,599



# Disclosure Statement

## Tauaakii Whakapuakina



This statement discloses our planned financial performance in relation to various benchmarks which help us to assess whether we are prudently managing our revenues, expenses, assets, liabilities, and general financial dealings.

We are required to include this statement in our Long-Term Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Please refer to the regulations for more information, including definitions of some of the terms used in this statement.

### Rates affordability benchmark

We meet the rates affordability benchmark if:

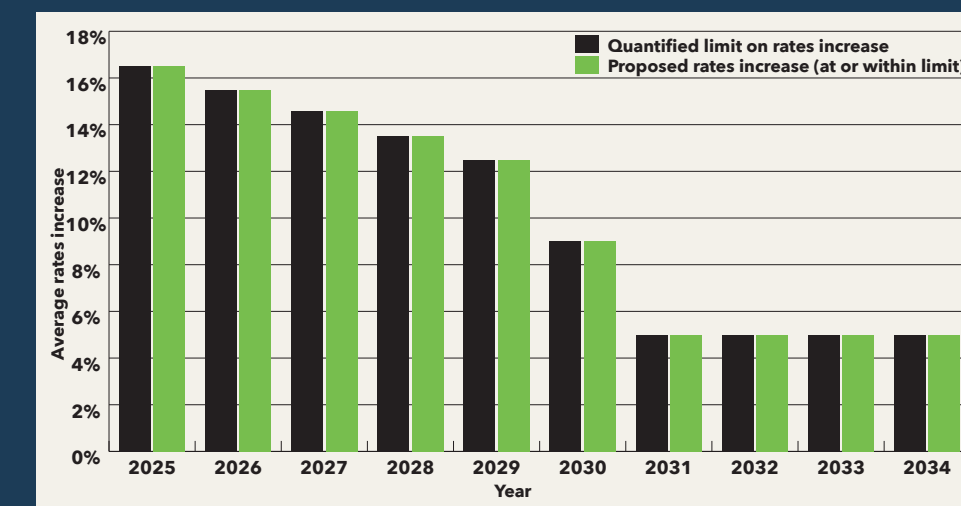
- Planned rates income equals or is less than each quantified limit on rates; and
- Planned rates increases equal or are less than each quantified limit on rates increases.

### Rates (income) affordability

Following an amendment to the Local Government Act 2002 in 2019, Council has not included a quantified limit on rates in the financial strategy for the 2024-34 Long-Term Plan.

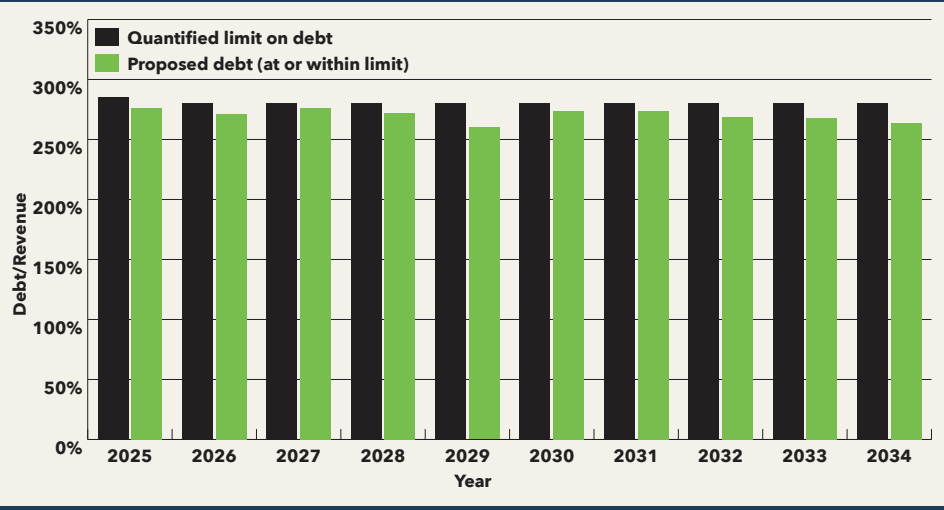
### Rates (increases) affordability

The following graph compares our planned rates increases with a quantified limit on rates increases contained in our 2024-34 Financial Strategy. The quantified limit is that average rate increases to existing ratepayers as adopted in the 2024-34 Long-Term Plan, and adjusted by any upward movement in LGCI, when compared with the rate assumptions adopted through the 2024-34 Long-Term Plan.



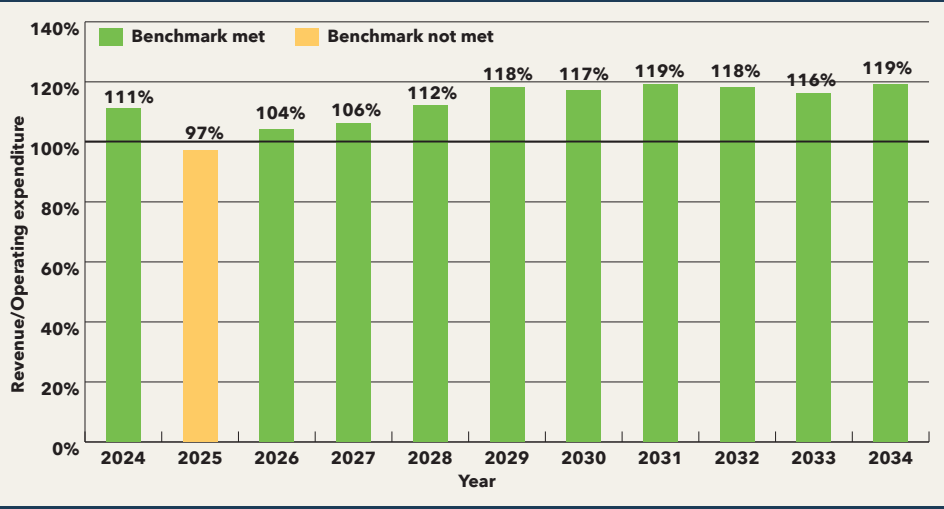
Debt affordability benchmark

We will meet the debt affordability benchmark if our planned borrowing is within each quantified limit on borrowing. The following graph compares our planned debt with a quantified limit on borrowing contained in the 2024-34 Financial Strategy. The quantified limit is that the debt to revenue ratio will remain below 285% in 2025 and 280% thereafter.



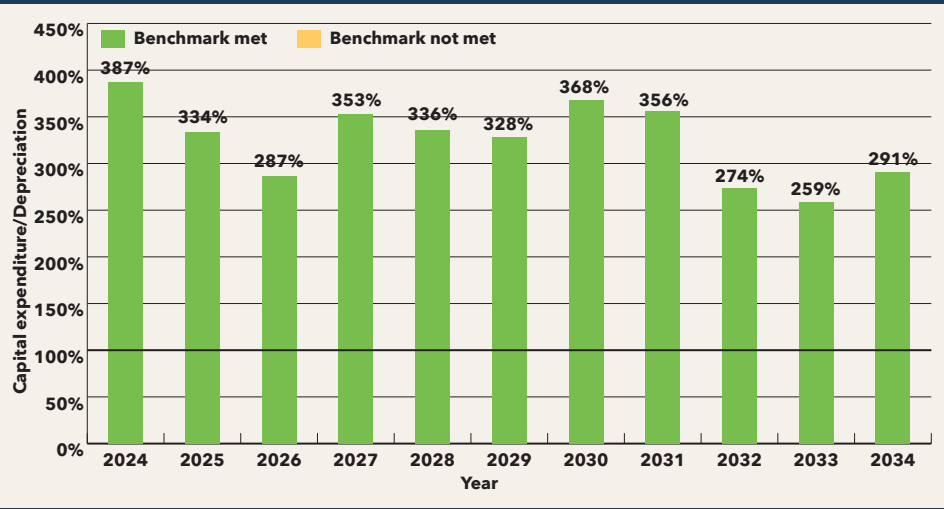
Balanced budget benchmark

The following graph shows our planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment). We meet the balanced budget benchmark if our planned revenue equals or is greater than our planned operating expenses.



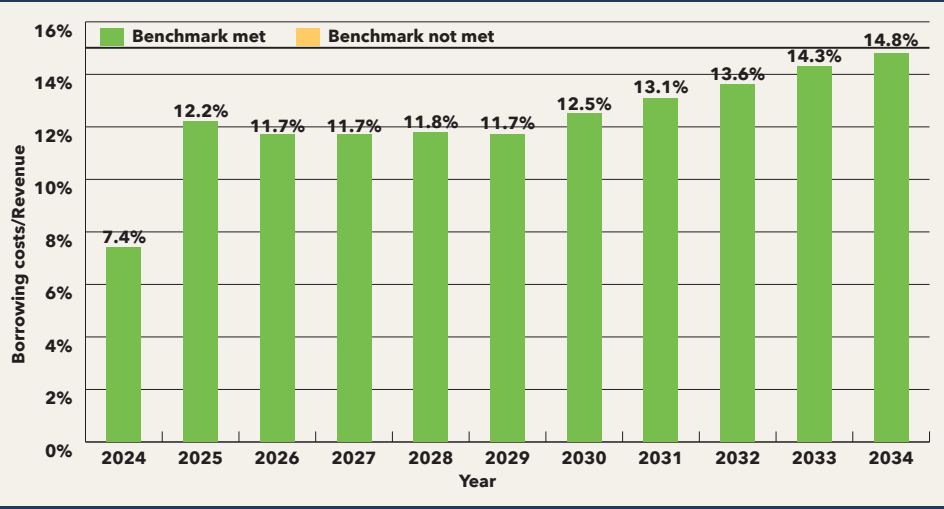
Essential services benchmark

The following graph shows our planned capital expenditure on network services as a proportion of expected depreciation on network services. We meet this benchmark if our planned capital expenditure on network services equals or is greater than the expected depreciation on our network services.



Debt servicing benchmark

The following graph displays our planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment). Because Statistics New Zealand projects that our population will grow faster than the national population is projected to grow, we will meet the debt servicing benchmark if our planned borrowing costs equal or are less than 15% of our planned revenue.





# Council Funding Impact Statement

Tauaakii paanga puutea a te  
Kaunihera

## The Funding Impact Statement is made up of three parts:

- Rating Information for 2024/25
- Rates Samples for 2024/25
- The Whole of Council Funding Impact Statement.

The Funding Impact Statement should be read in conjunction with our Revenue and Financing Policy and Rating Policy. These can be found on our website.

Figures in this statement include GST unless otherwise stated.

## Rating information for 2024/25

We set and assess these rates under the Local Government (Rating) Act 2002:

- General rate
- Uniform Annual General Charge (UAGC)
- Targeted rates include:
  - » Business Improvement District (BID)
  - » Central city
  - » Government compliance
  - » Pool safety inspection
  - » Service use water
  - » Service use wastewater
  - » Service use refuse
  - » Metered water
  - » Commercial and Other category non-metered water

Details of the rates revenue to be collected and the rating categories that will pay these rates are in this funding impact statement.

## General rate

A general rate is set and assessed on the capital value of all rateable land.

General rates are set on a differential basis on the categories of land identified below. The differential bases are the use to which the land is put, the provision or availability to the land of a service provided, the activities permitted, controlled, or discretionary for the area in which the land is situated and the rules to which the land is subject under the operative district plan, and the location of the land.

The objective of including differentials in the general rate is to achieve an appropriate distribution of the general rate, considering all factors we believe are relevant.

The total revenue sought is \$277,267,970.

The general rate is set and assessed on a differential basis as follows:

Source	Differential categories	Differential factor	Percentage of total general rates	Rate in the dollar of capital value (GST incl)	Rates revenue (GST incl)
General rate	Commercial	2.9765	34.53%	0.00869797	\$95,752,103
	BID Commercial	2.9765	7.14%	0.00869797	\$19,792,777
	Other	0.7400	1.84%	0.00216246	\$5,103,754
	Residential	1.0000	56.49%	0.00292224	\$156,619,336



General rate categories

General rate category	Description
Commercial	<p>All rating units:</p> <ul style="list-style-type: none"><li>i. used solely or principally for commercial or industrial purposes; or</li><li>ii. used solely or principally for commercial residential purposes, including, but not limited to, hotels, boarding houses, rest homes, motels, residential clubs, hospital care facilities, hostels, visitor accommodation. Commercial residential purposes are where a property is being provided for residential accommodation at a fee with the average length of stay not exceeding three months; or</li><li>iii. used as a chartered club, for any area used for restaurant, bar, or gaming machines; or</li><li>iv. used as a mixed-use development, for any area used commercially; or</li><li>v. where land is developed or under development for a commercial use; or</li><li>vi. where a commercial development is marketed for sale or lease, but where works have not yet commenced, whether-or-not wastewater services are currently available; or</li><li>vii. where vacant land is within any District Plan zone that is predominantly used for commercial or industrial purposes; or</li><li>viii. used as show homes; or</li><li>ix. where resource consents require the rating units can only be used for a commercial purpose; or</li><li>x. used as utility networks.</li></ul> <p>Rating Units that meet the definition above but are located in the Business Improvement District will be categorised as BID Commercial.</p>
BID Commercial	All rating units that meet the definition of Commercial above and are located within the Business Improvement District as shown on the ‘Business Improvement District (BID) and Central City areas map’ in Schedule one of the Rating Policy.
Other	<p>All rating units that do not meet the definition of Commercial or BID Commercial rating categories and where:</p> <ul style="list-style-type: none"><li>i. connection to our wastewater network is not available; and</li><li>ii. water supply is through a metered connection or connection to the council’s water network is not available.</li></ul>
Residential	<p>All rating units that do not meet the definition of Commercial, BID Commercial, or Other rating categories; or:</p> <ul style="list-style-type: none"><li>i. land under development intended for a residential use; or</li><li>ii. land where a proposed residential development is marketed for sale, whether-or-not water and wastewater services are currently available.</li></ul>

Land described in Part 2 Schedule 1 of the Local Government (Rating) Act 2002 (broadly speaking, land owned or used by societies for arts or sports) will be assessed at 50% of the residential rate (general rate, UAGC, and Government compliance rate) that applies to the land. This general rate revenue is included within the Residential category, and within the targeted rates revenue where applicable.

Uniform Annual General Charge

A Uniform Annual General Charge (UAGC) is set and assessed on all rateable land. The UAGC is set at \$749 per Separately Used or Inhabited Part of a rating unit (SUIP).

The total revenue sought from the UAGC is \$54,610,714.

Separately Used or Inhabited Part of a Rating Unit (SUIP)

An SUIP is every rating unit and, without limitation, every additional dwelling, commercial or community activity. This includes:

- a. any part or parts of a rating unit used or occupied by the ratepayer for more than one single use
- b. any parts, whether or not actually occupied at any particular time, which are used for rental (or other form of occupation) on an occasional or long-term basis
- c. vacant land and vacant premises offered or intended for use or habitation and usually used as such are defined as ‘used’.

For the purposes of clarity, every rating unit has a minimum of one SUIP.

As part of this definition, the list below sets out our intent in the application of SUIPs to rating units used for residential purposes:

- the second and each additional SUIP must have a separate bathroom, bedroom or living area and separate sink
- any part of a rating unit as described in a - c above that is inhabited by virtue of a tenancy, lease, license or other agreement on an occasional or long-term basis
- single dwelling with flat attached
- two or more houses, flats or apartments on one rating unit
- ancillary flat or detached dwellings (as defined in the District Plan)
- individually surveyed lots of vacant land on one Certificate of Title offered for sale separately or in groups; and
- residential accommodation rented individually per room. For a residential property to be classified as having additional SUIPs, each part must have a separate bathroom, bedroom or living area and separate sink.

As part of this definition, the list below sets out our intent in the application of SUIPs to rating units used for commercial activities:

- a commercial activity is any activity involving the exchange of goods or services for reward (whether for profit or not)
- any part of a rating unit as described in a – c above that is inhabited through a tenancy, lease, license or other agreement on an occasional or long-term basis
- commercial building where there are clearly defined vacant parts, advertised for lease or tenancy

- business premise with separate permitted residential activity
- home-based business (as defined in the District Plan)
- each use within a single rating unit involving a different activity conducted by a person, company, or organisation different to the ratepayer (i.e. a large store which has a café operating within it, where the café is a separate business entity)
- commercial building leased, or sub-leased, to multiple tenants
- a separate dwelling used for short-term accommodation
- commercial accommodation provided on a single rating unit for short-term stays (where average occupancy is limited as prescribed within the District Plan) will be one SUIP.

In addition to the primary use, the list below defines our intent in the application of SUIPs to rating units used as community activities:

- a community activity is any activity operated by an organisation (including clubs and societies)
- any activity meeting the definition of Schedule 1 of the Local Government Rating Act 2002.

## Targeted rates

We are not seeking or inviting lump sum contributions for targeted rates.

### Metered water rate

The rate is set and assessed for metered and restricted flow water supply to all rating units that are metered (as defined by Hamilton City Council's Water Supply Bylaw 2013).

The rate is:

- a fixed amount per connected meter, based on the nature of the connection, as follows:
  - i. \$518.40 for all metered rating units (except rating units receiving a restricted flow supply); and
  - ii. \$518.40 for rating units receiving a restricted flow supply.
- a charge per unit of water consumed or supplied on every metered connection in accordance with the following scale:
  - i. all metered rating units (except rating units receiving a restricted supply) - \$2.16 per kilolitre of water supplied after the first 60 kilolitres of consumption or supply per quarter; and
  - ii. rating units receiving a restricted flow supply - \$2.16 per kilolitre of water supplied after the first 60 kilolitres of consumption or supply per quarter.

The rate provides funding to the Water Supply activity. The total revenue sought is \$11,771,688.

### Commercial and Other category non-metered water rate

The rate is set and assessed on Commercial and Other category (as defined for the general rate) properties connected to the water network, but not provided with a metered connection. The rate is a fixed amount of \$518.40 per rating unit.

The rate provides funding to the Water Supply activity. The total revenue sought is \$297,562.

### Business Improvement District (BID) rate

The rate is set and assessed on all rating units defined within the BID Commercial General rate category and comprises both a fixed amount per SUIP and a rate in the dollar based on the Capital Value.

The Business Improvement District (BID) and Central City rating areas map is shown in Schedule 1 of the Rating Policy. The rate is:

- i. a fixed amount of \$252 per SUIP; and
- ii. a rate per dollar of capital value set at \$0.00003443.

The rate provides funding to the Growth activity. The total revenue sought is \$416,294.

### Central city rate

The rate is set and assessed on all rating units defined within the BID Commercial General rate category.

The Business Improvement District (BID) and Central City rating areas map is shown on Schedule 1 of the Rating Policy.

The rate is a fixed amount of \$124 per SUIP.

The rate provides funding to the Transport activity. The total revenue sought is \$166,750.

### Government compliance rate

The rate is set and assessed on the capital value of all rateable land in the city.

The rate is set on a differential basis on the categories of land identified below. The differential bases are the use to which the land is put, the provision or availability to the land of a service provided, the activities permitted, controlled, or discretionary for the area in which the land is situated and the rules to which the land is subject under the operative district plan, and the location of the land.

The rate provides funding to the Wastewater, Water Supply, Stormwater, and Growth activities. The total revenue sought is \$15,021,789.

The rate is set and assessed on a differential basis as follows:

Source	Differential categories	Differential factor	Percentage of total government compliance rates	Rate in the dollar of capital value (GST incl)	Rates revenue (GST incl)
Government compliance rate	Commercial	2.9765	34.53%	0.00047124	\$5,187,673
	BID Commercial	2.9765	7.14%	0.00047124	\$1,072,336
	Other	0.7400	1.84%	0.00011716	\$276,516
	Residential	1.0000	56.49%	0.00015832	\$8,485,263

Government compliance rate categories

Government compliance rate category	Description
Commercial	<p>All rating units:</p> <ul style="list-style-type: none"><li>i. used solely or principally for commercial or industrial purposes; or</li><li>ii. used solely or principally for commercial residential purposes, including, but not limited to, hotels, boarding houses, rest homes, motels, residential clubs, hospital care facilities, hostels, visitor accommodation. Commercial residential purposes are where a property is being provided for residential accommodation at a fee with the average length of stay not exceeding three months; or</li><li>iii. used as a chartered club, for any area used for restaurant, bar, or gaming machines; or</li><li>iv. used as a mixed-use development, for any area used commercially; or</li><li>v. where land is developed or under development for a commercial use; or</li><li>vi. where a commercial development is marketed for sale or lease, but where works have not yet commenced, whether-or-not wastewater services are currently available; or</li><li>vii. where vacant land is within any District Plan zone that is predominantly used for commercial or industrial purposes; or</li><li>viii. used as show homes; or</li><li>ix. where resource consents require the rating units can only be used for a commercial purpose; or</li><li>x. used as utility networks.</li></ul> <p>Rating Units that meet the definition above but are located in the Business Improvement District will be categorised as BID Commercial.</p>
BID Commercial	All rating units that meet the definition of Commercial above and are located within the Business Improvement District as shown on the ‘Business Improvement District (BID) and Central City areas map’ in Schedule one of the Rating Policy.
Other	<p>All rating units that do not meet the definition of Commercial or BID Commercial rating categories and where:</p> <ul style="list-style-type: none"><li>i. connection to our wastewater network is not available; and</li><li>ii. water supply is through a metered connection or connection to the council’s water network is not available.</li></ul>
Residential	<p>All rating units that do not meet the definition of Commercial, BID Commercial, or Other rating categories; or:</p> <ul style="list-style-type: none"><li>i. land under development intended for a residential use; or</li><li>ii. land where a proposed residential development is marketed for sale, whether-or-not water and wastewater services are currently available.</li></ul>



Land described in Part 2 Schedule 1 of the Local Government (Rating) Act 2002 (broadly speaking, land owned or used by societies for arts or sports) will be assessed at 50% of the residential rate that applies to the land. This Government compliance rate revenue is included within the Residential category.

Pool safety inspection rate

The rate is set and assessed on all rating units receiving a Council pool inspection.

The rate is a fixed amount of \$79 per rating unit.

The rate provides funding to the Regulatory and Safety activity. The total revenue sought is \$216,200.

Service use category

Service Use Category means rating units that are defined by the use of the land, for the purpose of charging water, wastewater and refuse collection, set and assessed as targeted rates.

Service Use Category rating units are provided with one or more of these services and are used:

- i. as a reserve under the Reserves Act 1977
- ii. for conservation, wildlife management or preservation purposes and not for private pecuniary profit and accessible to the public
- iii. by us for:
  - public garden, reserve, or children playground

- games and sports
  - public hall, athenaeum, museum, gallery or similar institution
  - public baths, swimming baths and sanitary convenience.
  - cemeteries or crematorium
- iv. by the Queen Elizabeth the Second National Trust
  - v. by the Royal Foundation of the Blind, except as an endowment
  - vi. by or for an education establishment, special school or other institution under s159(1) of the Education Act 1989
  - vii. by a district health board for health and health related services
  - viii. solely and principally as a place of religious worship, Sunday or Sabbath school or other form of religious worship and not for private pecuniary profit
  - ix. as Maaori meeting house that is Maaori freehold land not exceeding 2ha
  - x. as railway or for the loading and unloading of goods or passengers from trains
  - xi. for the free maintenance or relief of persons in need, not exceeding 1.5 hectares.

Where there is a community, sporting or cultural activity on Council reserve land, and the activity is subject to a lease agreement as defined within our Community Occupancy Policy, these targeted rates will apply.

Upon application, we extend the rating treatment of the Service Use Category to rating units which are operated by not for profit organisations, whom provide benefits to the wider community

and where there is no private pecuniary gain. Refer to the Rates Remissions and Postponements Policy for criteria.

Service use water rate

The rate is set and assessed on properties defined as Service Use Category and which are connected to our water network but are not provided with a metered connection.

The rate is a fixed amount of \$518.40 per SUIP.

The rate provides funding to the Water Supply activity. The total revenue sought is \$79,772.

Service use refuse rate

The rate is set and assessed on properties defined as Service Use Category and which are provided with refuse collection service.

The rate is a fixed amount of \$223 per SUIP.

The rate provides funding to the Rubbish and Recycling activity. The total revenue sought is \$39,165.

Service use wastewater rate

The rate is set and assessed on properties defined as Service Use Category and which are connected to the wastewater network. The rate is:

- i. a rate per dollar of land value set at \$0.00080722; and
- ii. a rate per dollar of capital value set at \$0.00033941.

The rate provides funding to the Wastewater activity.

The total revenue sought is \$2,081,641.

Inspection of Rating Information Database

In accordance with the Local Government (Rating) Act 2002, the District Valuation Roll and Rates Records are available for public inspection at the Council Offices, 260 Anglesea Street, Hamilton, between the hours of 7:45 am and 5.00 pm on all business days of the week.

Rating base

Total land value for 2024/25 is \$40,362,371,000.

Total capital value for 2024/25 is \$73,095,013,000.

The projected number of rating units for the following ten years are:

2024/25	65,106	2029/30	69,764
2025/26	66,023	2030/31	70,733
2026/27	66,941	2031/32	71,718
2027/28	67,840	2032/33	72,682
2028/29	68,807	2033/34	73,693

2024/25 Rates – sample properties

General rate differential category	Separate parts (SUIPs)	2021 capital value	2023/24 RATES					2024/25 RATES					Total rates change (\$)	Total rates change (%)
			Uniform Annual General Charge	General rates	Other rates	Government compliance rate	Total rates	Uniform Annual General Charge	General rates	Other rates	Government compliance rate	Total rates		
Residential (median)	1	830,000	643	2,082	0	113	2,838	749	2,425	0	131	3,306	468	16.5%
Residential (5th percentile)	1	500,000	643	1,254	0	68	1,965	749	1,461	0	79	2,289	324	16.5%
Residential (95th percentile)	1	1,475,000	643	3,700	0	200	4,543	749	4,310	0	234	5,293	750	16.5%
Residential	1	2,000,000	643	5,017	0	272	5,932	749	5,844	0	317	6,910	979	16.5%
Residential (with pool)	1	1,000,000	643	2,508	0	136	3,287	749	2,922	79	158	3,909	621	18.9%
Residential	4	1,200,000	2,572	3,010	0	163	5,745	2,996	3,507	0	190	6,693	948	16.5%
Residential	12	2,950,000	7,716	7,400	0	401	15,517	8,988	8,621	0	467	18,076	2,559	16.5%
Other	1	830,000	643	1,541	0	83	2,267	749	1,795	0	97	2,641	374	16.5%
Other (with pool)	1	1,000,000	643	1,856	0	101	2,600	749	2,162	79	117	3,108	508	19.5%
Other	1	1,800,000	643	3,341	0	181	4,165	749	3,892	0	211	4,852	687	16.5%
Other	1	12,000,000	643	22,274	0	1,207	24,124	749	25,950	0	1,406	28,104	3,980	16.5%
Commercial (median)	1	1,075,000	643	8,026	0	435	9,104	749	9,350	0	507	10,606	1,502	16.5%
Commercial (5th percentile)	1	500,000	643	3,733	0	202	4,578	749	4,349	0	236	5,334	755	16.5%
Commercial (95th percentile)	1	8,910,000	643	66,523	0	3,604	70,770	749	77,499	0	4,199	82,447	11,677	16.5%
Commercial	1	830,000	643	6,197	0	336	7,176	749	7,219	0	391	8,359	1,184	16.5%
Commercial (no water meter)	1	1,000,000	643	7,466	468	405	8,982	749	8,698	518	471	10,437	1,455	16.2%
Commercial	4	2,785,000	2,572	20,793	0	1,127	24,492	2,996	24,224	0	1,312	28,532	4,041	16.5%
Commercial	10	25,955,000	6,430	193,782	0	10,499	210,711	7,490	225,756	0	12,231	245,477	34,766	16.5%
BID Commercial (median)	1	1,075,000	643	7,625	401	413	9,082	749	9,350	413	507	11,019	1,937	21.3%
BID Commercial (5th percentile)	1	500,000	643	3,546	382	192	4,764	749	4,349	393	236	5,727	963	20.2%
BID Commercial (95th percentile)	1	8,910,000	643	63,197	658	3,424	67,922	749	77,499	683	4,199	83,129	15,208	22.4%
BID Commercial	1	830,000	643	5,887	393	319	7,242	749	7,219	405	391	8,764	1,522	21.0%
BID Commercial (no water meter)	1	1,000,000	643	7,093	867	384	8,987	749	8,698	410	471	10,329	1,342	14.9%
BID Commercial	4	2,785,000	2,572	19,753	1,555	1,070	24,951	2,996	24,224	1,600	1,312	30,132	5,181	20.8%
BID Commercial	10	25,955,000	6,430	184,093	4,511	9,974	205,008	7,490	225,756	4,654	12,231	250,130	45,123	22.0%

The rates are GST inclusive

Prospective Whole of Council Funding Impact Statement

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Sources of Operating Funding</b>	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
General rates, uniform annual general charges, rates penalties	233,227	276,506	324,299	377,285	434,510	496,435	549,283	585,397	623,872	664,557	708,418
Targeted Rates	22,525	26,166	29,682	33,850	38,449	44,043	49,309	53,646	58,029	61,507	65,576
Subsidies and grants for operating purposes	21,788	10,854	11,022	11,709	11,806	12,274	12,437	13,509	13,318	13,726	13,873
Fees and charges	50,927	51,141	55,597	61,014	65,686	68,545	73,545	76,542	80,340	83,479	86,250
Interest and dividends from investments	6,228	12,267	12,482	12,725	12,863	12,965	13,235	13,459	13,587	13,798	14,002
Local authorities fuel tax, fines, infringement fees, and other receipts	6,658	7,034	7,254	6,872	7,128	7,417	7,627	7,851	8,046	7,766	8,456
<b>Total Operating Funding (A)</b>	<b>341,352</b>	<b>383,969</b>	<b>440,336</b>	<b>503,456</b>	<b>570,443</b>	<b>641,680</b>	<b>705,437</b>	<b>750,403</b>	<b>797,192</b>	<b>844,831</b>	<b>896,575</b>
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	260,523	291,362	305,311	331,671	347,016	365,794	379,088	399,802	415,371	432,748	447,937
Finance Costs	32,208	55,746	60,485	68,006	75,649	84,335	94,433	107,059	117,108	126,894	140,039
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding (B)	292,731	347,108	365,795	399,677	422,665	450,129	473,521	506,861	532,479	559,642	587,976
<b>Surplus/(Deficit) of Operating Funding (A - B)</b>	<b>48,622</b>	<b>36,860</b>	<b>74,541</b>	<b>103,779</b>	<b>147,778</b>	<b>191,551</b>	<b>231,915</b>	<b>243,543</b>	<b>264,713</b>	<b>285,189</b>	<b>308,599</b>
<b>Sources of Capital Funding</b>											
Subsidies and grants for capital expenditure	81,155	64,545	70,796	69,477	63,644	72,366	42,966	61,359	58,958	41,688	46,626
Development and financial contributions	36,605	21,174	28,485	38,417	52,625	57,514	55,954	58,657	58,861	63,249	60,813
Increase (decrease) in debt	142,092	212,247	145,613	193,882	140,828	123,265	192,182	169,718	79,672	68,074	114,635
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total Sources of Capital Funding (C)</b>	<b>259,852</b>	<b>297,967</b>	<b>244,894</b>	<b>301,776</b>	<b>257,097</b>	<b>253,145</b>	<b>291,102</b>	<b>289,734</b>	<b>197,492</b>	<b>173,010</b>	<b>222,074</b>
<b>Application of Capital Funding</b>											
Capital Expenditure:											
- to meet additional demand	144,432	172,025	160,455	202,636	199,835	241,534	301,172	290,778	210,304	197,206	273,974
- to improve the level of service	90,823	60,524	47,320	57,201	51,463	36,611	45,289	53,719	60,644	58,015	48,671
- to replace existing assets	74,709	101,834	109,289	142,980	151,051	161,472	172,099	182,420	189,337	201,832	203,484
Increase (decrease) in reserves	(2,544)	(3,233)	(390)	(1,333)	(197)	3,164	1,070	3,153	108	(1,917)	143
Increase (decrease) of investments	1,055	3,676	2,760	4,070	2,723	1,914	3,387	3,206	1,811	3,064	4,400
Total Applications of Capital Funding (D)	308,474	334,827	319,435	405,555	404,875	444,696	523,017	533,277	462,205	458,199	530,673
<b>Surplus/(Deficit) of Capital Funding (C - D)</b>	<b>(48,622)</b>	<b>(36,860)</b>	<b>(74,541)</b>	<b>(103,779)</b>	<b>(147,778)</b>	<b>(191,551)</b>	<b>(231,915)</b>	<b>(243,543)</b>	<b>(264,713)</b>	<b>(285,189)</b>	<b>(308,599)</b>
<b>Funding Balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Council Controlled Organisations

## Ngaa Whakahaere a te Kaunihera

We are involved with and represented in a number of organisations to support the realisation of our vision for Hamilton City. Council Controlled Organisations (CCOs) are any organisation in which one or more local authorities control 50% or more of the voting rights or appoint 50% or more of the directors.

We have an interest in the following CCOs:

- Co-Lab,
- New Zealand Local Government Funding Agency Ltd,
- Waikato Regional Airport Limited and its subsidiaries, Hamilton & Waikato Tourism Ltd, Titanium Park Ltd and Waikato Regional Airport Hotel Ltd.

The following tables explain what these organisations do, our objectives in regard to ownership, nature and scope of activities, key performance targets and outcomes. We also have interests in Council Organisations details of which are available on our website.

We manage and monitor our investment in CCOs by reviewing statement of intents, six month and annual reports at our Finance and Monitoring Committee.

### Co-Lab

Ownership	13.72% SDVS shares, 37.5% WRTM Service shares and 17.8% WRAPS shares equating to 16.02% of the total weighted value of issues shares. The balance of shares is owned by other Local Authorities in the Waikato Region. Council has only one voting right out the 12 voting Local Authorities.	
Representation (total members)	1(6) - Co-Lab has six Directors, with five Directors each representing a shareholder Council, as well as an Independent Chair.	
Significant policies and objectives	To make a regional leadership contribution and seek opportunities to operate more efficiently by participating with the region's local authorities on shared services, particularly in respect of information collection and management, with the aim of reducing the cost of those activities to the community at large.	
Nature and scope of activities	<ul style="list-style-type: none"><li>• Shared Valuation Data Service</li><li>• Regional Asset Technical Accord</li><li>• Waikato Regional Transportation Model</li><li>• Waikato Building Consent Group</li><li>• Future Proof</li><li>• Energy Management</li></ul>	<ul style="list-style-type: none"><li>• Joint Procurement Initiatives</li><li>• Light Detection and Ranging Technology</li><li>• Waikato Regional Aerial Photography Service</li><li>• Aligned Resource Consent Planning</li><li>• Regional Infrastructure Technical Specifications</li><li>• Local Government Contractor Health &amp; Safety Pre-qualification Scheme</li></ul>

#### Key performance targets

- Prioritise and develop business cases for opportunities, including measurable benefits (projected savings/increased revenue to councils of at least \$300K), that are supported by 75% of councils.
- Develop opportunities and deliver projects within agreed budgets (target of 90%) and timelines (target of 80%).
- Ensure projects realise their expected benefits by monitoring measurable benefits and reporting on a six-monthly basis.

Audit & Risk Committee undertake an assessment of projects following implementation for \$200K+ projects, within 15 months, and 90% of quantifiable benefits are realised.

- Ensure existing services are meeting the needs of 80% of councils.
- Foster and promote cross-council collaboration and networking to share a target of four ideas per annum, on improving efficiencies and best practice.

Financial forecasts to be achieved:	2025	2026	2027
Earnings before interest, taxation & depreciation (EBITDA)	(\$1.0M)	(\$0.2M)	\$0.1M
Net surplus / (deficit) before tax	(\$1.0M)	(\$0.2M)	(\$0.1M)
Total assets	\$2.4M	\$2.3M	\$2.2M
Total capital funds	\$1.2M	\$0.9M	\$0.9M



New Zealand Local Government Funding Agency Limited (LGFA)

Ownership	8.3%
Representation (total members)	1(31) - There are currently 31 shareholders comprising of the New Zealand Government at 20% and 30 local councils at 80%
Significant policies and objectives	Council's main objective for ownership in LGFA is to access shared funding at better rates and for more flexible terms.
Nature and scope of activities	LGFA will raise debt funding either domestically and/or offshore in either NZ dollars or foreign currency and provide debt funding to New Zealand Local Authorities and CCOs, and may undertake any other activities considered by the Board to be reasonably related or incidental to, or in connection with, that business. The LGFA will only lend to local authorities that enter into all the relevant arrangements with it (Participating Local Authorities) and comply with the LGFA's lending policies.

Key performance targets

- Statement of Corporate Intent, Interim Report and Annual Report is presented to the CCO Subcommittee.
- Financial forecasts, based on the draft Statement of Corporate Intent, to be achieved as follows:

Financial forecasts to be achieved:	2025	2026	2027
Comprehensive income			
Net interest income	\$28.3M	\$28.3M	\$27.0M
Issuance and on-lending costs	\$4.1M	\$4.2M	\$4.3M
P&L	\$15.1M	\$13.1M	\$10.1M
Dividend	(\$2.0M)	(\$2.0M)	(\$2.0M)
Financial Position			
Total assets	\$24,465M	\$27,244M	\$28,823M
Total LG loans	\$22,086M	\$24,456M	\$26,053M
Total Equity	\$130M	\$141M	\$149M
Shareholders Funds/Total assets	2.6%	2.6%	2.7%

Performance targets to be met or exceeded as follows:

- LGFA's total operating income for the period to:
- 30 June 2025 will be greater than \$29.8M
  - 30 June 2026 will be greater than \$29.8M
  - 30 June 2027 will be greater than \$28.5M

LGFA's annualised issuance and operating expenses for the period to:

- 30 June 2025 will no more than \$14.6M
- 30 June 2026 will no more than \$16.6M
- 30 June 2027 will be no more than \$18.4M

Total lending to participating local authorities at:

- 30 June 2025 will be at least \$24,465M
- 30 June 2026 will be at least \$27,244M
- 30 June 2027 will be at least \$28,823M

Waikato Regional Airport Limited (WRAL) and its Subsidiaries, Hamilton & Waikato Tourism Ltd, Titanium Park Ltd and Waikato Regional Airport Hotel Ltd

Ownership	50%
Representation (total members)	0(4)
Significant policies and objectives	Council’s main objective in the ownership of WRAL (and its subsidiaries) is to support and provide economic growth to our community which can benefit from the opportunities WRAL provides.
Nature and scope of activities	<ul style="list-style-type: none"><li>Operate an efficient and compliant airport.</li><li>Enhance the traveller experience.</li><li>Maintain a viable aero nautical business.</li><li>Maximise revenue diversification through non-aeronautical business opportunities.</li></ul>

Key performance targets

- Financial performance targets be achieved as follows:

Financial forecasts to be achieved:	2025	2026	2027
Consolidated company forecast:			
Earnings before interest, taxation & depreciation (EBITDA) excluding land sales	\$6.0M	\$7.0M	\$8.0M
EBITDA including land sales	\$9.0M	\$20.0M	\$20.0M
Net profit before tax	\$2.6M	\$13.0M	\$14.0M
Net operating cash flow	\$4.0M	\$5.0M	\$6.0M
Total debt	\$39.0M	\$50.0M	\$50.0M
Parent Company operations only:			
Percentage of non- landing charges revenue	60%	60%	60%
Interest cover	3.0x	3.0x	3.0x

Non-financial performance targets:

Health, safety, and wellbeing

- Zero Work Safe notifiable accidents/injuries
- Operate a workplace that fosters employee wellbeing and improving organisational culture, as measured by the Employee Engagement Survey.

Aeronautical compliance

- To maintain the Airport Certification Standards as required by the Civil Aviation Authority.
- Ensure airport is operationally available for all scheduled passenger services.

Maintain a viable aeronautical business

- Assist airlines to identify opportunities to increase flight schedules and passenger numbers.
- Identify and activate new development opportunities within the general aviation sector.
- Position and protect the airport as an efficient, cost-effective international port.
- Remain collaborative with local authorities and central government agencies for joint infrastructure and transport initiatives.

Property

- Compete detailed design for Stage One of the Northern Precinct Development.
- Complete ecological management plan and commence development of ecological habitat compensation site.

Climate Change Response

- Reduce Group electricity purchases by at least 20% on 2024 levels (measure in kWh used) due to the solar farm development.
- Advance application for Level 4+ accreditation to the Airport Council International’s Airport Carbon Accreditation programme.
- Reduce landfill waste through reduced usage of non-recyclable single-use materials and improved sustainable material usage in construction.

# Revenue and Financing Policy

## Kaupapahere Moni Whiwhi me te Whai Puutea

### Ko te Puutaketanga | Purpose

1.

The policy outlines the choices Hamilton City Council (Council) has made in deciding the appropriate sources of funding for operating and capital expenditure from those sources listed in the Local Government Act 2002 (LGA). The Policy is a requirement under s102(2)(a) of the LGA along with s103(2)(a)-(j) which notes the sources referred to in s103(1) of the LGA. The policy illustrates Council’s compliance with LGA s101(3) which sets out the factors Council must consider in making these decisions. A comprehensive analysis of how Council has complied with this section of LGA s101(3) is included in the Funding Needs Analysis.
2.

Deciding the best way to fund Council activities is complex. Complying with legislation takes account of many factors including, but not limited to, the following:

- Legal
  - Efficiency
  - Transparency
  - Social
  - Equity
  - Accountability
  - Competition

- Cost
  - Business
  - Affordability
  - Intergenerational equity
  - Strategic alignment
  - Impact of change
  - Benefit

### Ko te Whaanuitanga | Scope

3.

This Policy applies to all funding decisions made at Council.

### Ko ngaa Whakamaaramatanga | Definitions

Term	Definition in this Policy
DC	means development contribution. It is a one-off charge imposed on new developments. It contributes to the growth-related cost of our infrastructure network and supports the city’s long-term growth.
UAGC	means Uniform Annual General Charge. Is a rate set as a fixed amount per SUIP. The UAGC modifies the impact of rating on a city-wide basis.
SUIP	Means separately used or inhabited part of the rating unit as defined by Council in the Long Term Plan

### Ko ngaa Tikanga Whakahaere Kaupapahere | Principles of Policy

4.

The following guiding principles will be applied when considering our use of funding sources:

a)

Council will adopt a prudent Financial Strategy which supports its current credit rating.

b)

The everyday costs of running the city will be met from everyday revenues.

c)

Council will fund maintenance and renewals as per approved Asset Management Plans.

d)

Growth cells will be completed to an approved level of service.

- e)

Council should explore external funding options for new discretionary projects whenever possible.
- f)

When a private benefit can be identified, and it is efficient to collect the revenue user charges will be considered.
- g)

Growth will pay for growth.
- h)

Asset sale proceeds will be used to pay down debt.
- i)

The main source of our everyday revenue will be general rates.
- j)

Targeted rates could be used to fund the council portion of new projects where the costs of these activities can be easily identified.
- k)

Rates certainty will be considered.
- l)

Affordability of rates will be considered.
- m)

Rates increases will consider Local Government inflation and interest cost levels to ensure a prudent financial position is maintained.

5.

Balancing these principles can be challenging at times. Council must use its judgement in assessing many options in the development of budgets or acquisition of assets and the choice of funding sources to enact these.



Ko ngaa Tikanga | Policy

Funding sources for operating costs

- 6. Operating costs are the everyday spending on services Council provides. This includes contributions to the wear and tear of assets used (depreciation), interest charged on borrowing for capital projects and overhead costs.
- 7. We must consider the funding for each activity individually. Some activities may be best funded by user charges, such as swimming pool admission fees, others with targeted rates, such as a Business Improvement District Rate, and others from the general rate, such as road maintenance.
- 8. The funding sources for operating costs are described in the following sections.

User charges (s 103(2)(c) under the LGA 2002 fees and charges)

- 9. User charges are applied to services where it is identified there is a benefit to an individual or group. User charges are a broad group of fees charged directly to an individual or entity and includes:
  - Entry fees
  - Service charges
  - Hire
  - Rent, lease, licences for land and buildings
  - Permits
  - Regulatory charges
  - Fines and penalties

- Connection fees
- Disposal fees
- Deposits
- Private works
- Memberships
- Planning and consent fees
- Statutory charges
- Retail sales

- 10. The price of the service is based on a number of factors, including:
  - The cost of providing the service;
  - The estimate of the users’ private benefit from using the service;
  - The impact of cost on encouraging/discouraging behaviours;
  - The impact of cost on demand for the service;
  - Market pricing, including comparability with other councils;
  - The impact of rates subsidies if competing with local businesses;
  - Cost and efficiency of collecting the user charge;
  - The impact of affordability on users;
  - Statutory limits; and
  - Other matters as determined by the Council.

- 11. Council’s ability to charge user charges is limited by various statutes and regulations. As a general rule, fees for statutory functions should be set at no more than the cost of providing the service. In some cases, legislation sets the fees at a

level that is below cost and in other cases, where provided by legislation (e.g. the Waste Minimisation Act 2008) fees may be set at greater than the cost of providing the service. Council considers it appropriate to incorporate overhead charges when determining the cost of providing a service.

- 12. Where goods or services are sold commercially, and taking into consideration legislative limitations, Council’s preference is to charge a market price. This includes leases, rents and licences for land and buildings.
- 13. Fees and charges may be set at any time and are reviewed annually. A list of current fees and charges is maintained on our website.
- 14. Revenue from user charges is allocated to the activity which generates the revenue.

Grants, sponsorship and subsidies (s 103(2)(i) under LGA 2002 grants and subsidies)

- 15. Grants, sponsorship and subsidies are used where they are available. Many of these types of income are regular and predictable and can therefore be budgeted for.
- 16. Council expects to continue to receive substantial subsidies from central government or its agents for road maintenance.

Other income

- 17. Council receives a distribution of local authorities fuel tax. Fuel Tax is allocated to the transportation activity and is used to fund operating costs of maintaining roads.

- 18. Some other types of income are unexpected or unpredictable and may not be able to be prudently budgeted (e.g. reparation payments, civil defence and other reimbursements, legal settlements and insurance claims).

Investment income (s 103(2)(d) under the LGA 2002 interest and dividends from investments)

- 19. Council’s approach to investments is documented in its Investment and Liability Management Policy. These investments generate income such as dividends, interest, and rents.
- 20. Investment income funds the activity that owns the asset. The investment income is used to fund the operating costs of the activity.

Development contributions, financial contributions under the Resource Management Act 1991 (RMA) and environmental contributions under the Natural and Built Environment Act 2023 (NBA), proceeds from the sale of assets and lump sum contributions

- 21. Generally, Council does not collect revenue from these funding sources to fund operating costs.
- 22. Development Contributions revenue funds the interest cost on debt for growth-related capital projects.

Reserve funds (s 103(2)(j) under the LGA 2002 any other source)

- 23. Council maintains a small number of cash-funded reserve funds. Some of these reserve funds may be used to meet

operating costs (e.g. cemetery maintenance). Generally, reserve funds are used for the purposes that they were created for.	funding required from general rates or targeted rates for each activity in the Funding Needs Analysis, as required by section 101(3)(a).
<b>Borrowing (s 103(2)(e) under the LGA 2002 borrowing)</b>	
24. Borrowing is generally undertaken at a whole of Council level subject to constraints on rates increases and debt levels set by the Financial Strategy.	29. Council may choose to establish targeted rates to fund operating costs.
25. Council generally plans to fund all cash operating costs from sources other than borrowing. However, in specific circumstances, where Council decides it is prudent to do so, it may fund some operating costs from borrowing.	30. Further information on rates can be found in clauses 55-58 and 71-91 of this policy as well as the Rating Policy, Rates Remissions and Postponements Policy and Rates Funding Impact Statement.
<b>Regional fuel taxes under the Land Transport Management Act 2003 (s 103(2)(ia) under LGA 2022)</b>	<b>Summary of sources of funding for operating costs by activity</b>
26. A regional fuel tax provides additional funds to a region to pay for transport projects that would not otherwise be funded. Under the legislation, a regional fuel tax: applies to petrol and diesel, not CNG or LPG, and may be charged up to a maximum rate of 10 cents per litre, plus GST, for a maximum of 10 years. This tax is not being applied to the Waikato Region and is not a source of operating revenue for Council.	31. Council will apply the funding source preferences noted above to each activity in its Funding Needs Analysis. Table 1 shows the degree to which (expressed as a range) each funding source is used to fund operating costs following the LGA s101(3)(a) assessment.
<b>Rates</b>	32. This s101(3)(a) assessment may be modified by the s101(3)(b) assessment. The latter assessment requires Council to consider the overall impact of any allocation of liability for revenue needs on the community. Council's consideration of s101(3)(b) is included later in this policy.
27. Having appropriately exhausted all other funding sources, we fund all remaining operating expenses from rates. For many activities this is the main funding source.	33. The ranges in Table 1 are expressed as a percentage of the revenue required to fund each activity and are indicative only. They may change over time as a result of changes in expenditure requirements. It is possible that actual funding sources may differ from budgeted funding sources.
28. The above matters are all considered when determining the	

### Funding sources for capital costs

34. Capital costs are those costs associated with the purchase and improvement of assets and for the repayment of debt. The funding sources for capital costs are described in the sections that follow.

### User charges

35. User charges are not often used for capital costs as individual user contributions would generally be too large to be affordable. Borrowing and charging users annually for financing costs (interest and principal) via rates is often a more affordable method of collecting user contributions for capital costs.

36. Council charges for capital works that are solely for private benefit (e.g. a network extension to a single dwelling) or where capital works are undertaken outside of Asset Management Plans at the request of individuals (e.g. a rural seal extension for dust suppression).

### Grants, subsidies, and other income

37. Council relies on significant subsidies for capital works relating to the transport activity. Grants and subsidies may be available for other activities from time to time. Other income can be from many and varied sources and is unlikely to be predictable enough to budget for in advance. Other income used to fund capital costs could include bequests, insurance claims, and legal settlements.

38. Council relies on significant grant funding for capital works from the Infrastructure Acceleration Fund (IAF). The funding will be used for critical infrastructure projects to facilitate further development in the area - including a new water reservoir and pump station, local waters upgrades and improvements.

39. Grants, subsidies and other income are used wherever they are available.

### Development contributions

40. Council collects development contributions (DCs) to fund capital costs necessary to service growth, in accordance with the Development Contributions Policy (DC Policy).

41. DCs are applied on an activity and catchment basis, as identified by the DC Policy. Projects identified in the DC Policy may be either completed projects (with debt yet to be repaid from future development contributions) or future projects planned in the period for which DCs may be collected.

42. Most contributions receipted are used to repay development contributions debt and interest on that debt. A portion may pay for capital expenditure in the year it is receipted, depending on projects.

43. It is important to note that, in addition to the requirements of sections 103 and 101(3), the DC Policy describes funding matters in more detail as required by section 106(2)(c).

Table 1: Summary of funding sources by activity s.101(3)(a) only

Activity	General Rates	Targeted Rates	Fees and User Charges	Subsidies and Grants	Other	Borrowing
Customer Services						
Aquatics	✓	x	✓	x	✓	x
Libraries	✓	x	✓	✓	✓	x
Customer	✓	x	✓	x	x	✓
Governance						
Democracy Services	✓	x	✓	x	x	✓
Mayor Office	✓	x	x	x	x	✓
Mayoral Support Services	✓	x	x	x	x	✓
Growth						
Planning Guidance	✓	x	✓	x	x	✓
Growth Funding & Analytics	✓	x	x	x	x	✓
Sustainable Communities	✓	✓	x	x	x	✓
Strategic Property	✓	x	✓	x	✓	✓
Urban & Spatial Planning	✓	✓	✓	x	x	✓
Parks & Recreation						
Cemetery & Crematorium	✓	x	✓	x	✓	x
Community Facilities	✓	x	x	x	✓	x
Nursery & Natural Areas	✓	x	✓	x	x	✓
Parks Assets	✓	x	✓	x	✓	x
Parks Contracts	✓	x	x	x	x	x
Parks Service Delivery	✓	x	✓	x	x	✓
Partnerships, Communication & Maaori						
Amorangi Maaori	✓	x	x	x	x	✓
Communication & Engagement	✓	x	x	x	x	✓
Community Partnerships, Funding & Events	✓	x	✓	x	x	✓
Partnerships, Communication & Maaori	✓	x	x	x	x	✓
Rubbish & Recycling						
Resource Recovery	✓	✓	✓	✓	✓	✓

Range name	Range	Key				
Unlikely	0%	x				
Minimal	0% - 20%	✓				
Low	20% - 40%	✓				
Moderate	40% - 60%	✓				
High	60% - 80%	✓				
Most	80% - 100%	✓				
All	100%	✓				
Activity	General Rates	Targeted Rates	Fees and User Charges	Subsidies and Grants	Other	Borrowing
Regulatory & Safety						
Animal Control	✓	x	✓	x	✓	✓
Building Control	✓	✓	✓	x	x	✓
City Safety Operations	✓	x	✓	✓	x	✓
Civil Defence & Emergency	✓	x	x	x	x	✓
Environmental Health Control	✓	x	✓	x	x	✓
Liquor Licensing	✓	x	✓	x	x	✓
Stormwater						
Stormwater	✓	✓	✓	x	✓	x
Transport						
Transport Centre	✓	x	x	✓	✓	x
Transportation Network	✓	x	✓	✓	✓	✓
Urban Transport	x	✓	✓	x	✓	✓
Venues, Tourism and Events						
Claudelands Events Centre	✓	x	✓	x	✓	x
H3 Management	✓	x	✓	x	x	✓
Hamilton Gardens	✓	x	✓	x	✓	x
Museum	✓	x	✓	✓	✓	x
Stadia	✓	x	✓	x	✓	x
Te Kaaroro (Hamilton Zoo)	✓	x	✓	✓	✓	x
Theatres	✓	x	x	x	x	✓
Tourism & Events	✓	x	x	x	x	✓
Venues, Tourism & Events	✓	x	x	x	x	✓
Visitor Services & Products	✓	x	x	x	x	✓
Wastewater						
Wastewater	✓	✓	✓	x	✓	x
Water Supply						
Water Supply	✓	✓	✓	x	✓	x

**Financial contributions under the Resource Management Act 1991 (RMA) and environmental contributions under the Natural and Built Environment Act 2023 (NBA), proceeds from the sale of assets and lump sum contributions**

44. Council collects financial and environmental contributions to avoid, remedy or mitigate adverse effects on the environment as conditions to resource consents. The requirements for these contributions are outlined in the Operative and Proposed Hamilton District Plan. Council receives most contributions as revenue by the vesting of assets although some may be paid directly to us.

**Proceeds from the sale of assets**

45. From time to time assets are disposed of. Usually these are low value items and the revenue is received by the activity that owns the assets.
46. Council holds some higher value assets for investment purposes which, although not budgeted for, could be sold. Unrestricted proceeds from the sale of these assets would be used to repay debt, unless otherwise resolved by Council. Restricted revenues would be placed in the appropriate reserve fund and used for the purpose required by the document that imposes the restriction (e.g. Municipal Endowments reserve).

**Reserve funds**

47. We maintain some reserve funds for capital projects and will approve the use of the funds when a project meets the specific criteria for accessing the reserve.

**Borrowing**

48. Council must borrow to fund its asset programme. The amount of borrowing available is restricted by the Financial Strategy debt limits.
49. Borrowed funds, both the principal and interest components, are generally repaid by future rates.
50. Borrowing spreads the cost of a project over a longer period of time, smoothing changes in rates and ensuring that future ratepayers who will enjoy the benefit of long-lived assets contribute to their costs.
51. Council will budget to borrow from the Housing Infrastructure Fund (HIF) in the 2024-34 Long-Term Plan to fund some capital expenditure on growth related infrastructure. This loan is treated the same as other borrowing except that it is interest free for 10 years from the date each loan is drawn down. At the end of the 10 years the loan is required to be repaid and/or refinanced by new borrowing that is subject to interest.

**Lump sum contributions**

52. When undertaking a major project, Council has the option to seek lump sum contributions to the capital cost of the project from those who are identified in the “capital project funding plan”. Lump sum contributions are provided for in the Local Government (Rating) Act 2002 and have restrictions placed on how they are used. Where a lump sum payment option is proposed ratepayers may choose to pay the lump sum or not. If not, the rating unit will be liable to pay any targeted rate set to recover the loan costs.
53. Generally, Council does not plan to seek lump sum contributions.



**Regional fuel taxes under the Land Transport Management Act 2003 (S 103(2)(ia))**

54. A regional fuel tax provides additional funds to a region to pay for transport projects that would not otherwise be funded. Under the legislation, a regional fuel tax: applies to petrol and diesel, not CNG or LPG, and may be charged up to a maximum rate of 10 cents per litre, plus GST, for a maximum of 10 years. This tax is not being applied to the Waikato Region and is not a source of capital revenue for Council.

**Rates**

55. Rates are mostly used to fund everyday expenses including depreciation and interest costs related to borrowing.
56. Each year, Council calculates its operating cash surplus which determines the amount of rates funding available to fund capital projects or debt repayment. The greatest portion of this rates funding is allocated to pay for depreciation (which is a non-cash operating cost). These funds are used to fund capital replacement and/or renewal projects.
57. A portion of rates funds the capital (principal) repayments of debt.
58. Council may establish targeted rates to fund specific capital projects. Targeted rates are more likely to be considered where a benefit can be linked to an identifiable individual or group, either arising from the use of the asset or as a consequence of a decision. For clarity, this may include the growth portion of any project or groups of projects that are unable to be funded from a DC Policy.

**Potential future funding sources**

**Infrastructure Funding and Financing Act (IFF)**

59. The IFF, which was enacted in August 2020, enables Council to access a new off-balance sheet funding mechanism to support the delivery of infrastructure projects.
60. Council has not yet negotiated any IFF deals, as such, the 2024-34 Long-Term Plan does not reflect any potential off-balance sheet funding arrangements.

**Strategic Land Agreements**

61. Hamilton City Council is working with neighbouring Councils on Strategic Land Agreements which may result in boundary reorganisation. An agreement with Waikato District Council has been finalised covering land around Hamilton currently in the Waikato District Council area. Council is also working with Waipa District Council to establish a similar agreement. Strategic Land Agreements are intended to provide a degree of certainty around the future expansion of Hamilton and the transfer of land to the City from the District Councils.
62. Strategic Land Agreements outline a clear process to initiate a transfer of land and include financial principles for any land transfer. Financial considerations will be reviewed and reported to the relevant Committee if and when parcels of land are considered for transfer.
63. Once transferred to the City, rates will be set by Hamilton City Council, based on the rating system at that time. Hamilton City Council would also assume responsibility for the direct costs to provide services to the land.

**Summary of sources of funding for capital costs by activity**

64. As described in the Financial Strategy, Council has a challenge to manage growth, affordable rates increases and debt. To achieve the appropriate balance between these variables Council will take the following approach:
- a. Council will set the annual rate increase;
  - b. The existing rating base plus an estimate for growth determines the rates income;
  - c. Activity operating revenue and expenditure budgets are determined, within the rate income constraint;
  - d. An amount is budgeted for development contributions payments, which is set aside to fund growth projects or growth debt and interest, as determined by the DC Policy;
  - e. The net cash operating costs is determined (net of cash revenue budgets);
  - f. This leaves the funded portion of operating costs. A small amount may be held in a cash funded reserve; otherwise the funds are available for capital costs. This amount largely represents rate funded depreciation but may include operating surpluses from some activities and accounting provisions not held in reserve funds. This funding is not held by specific activities and is available to fund any capital costs; and
  - g. Council will then set the limit on debt, which determines the maximum debt funding available for capital costs.

65. This process is intended to result in the following funding sources being available to fund capital costs:
- Cash from general rates, for use on all activities;
  - Cash from targeted rates, for example for use on the Business Improvement District grant
  - Cash from development and financial/environmental contributions, for growth projects and related interest costs;
  - Cash from grants and subsidies, targeted to capital projects; and
  - Cash from borrowing.
66. Council will use the following guidelines when considering the funding of capital projects:
- All projects are first funded from grants, subsidy or other income, which are budgeted as operating revenues;
  - Growth related projects for network infrastructure to meet increased demand are funded from DCs, as allowed for under the DC Policy;
  - Reserve funds for other purposes are considered. We have a small number of cash funded reserves available for capital costs projects;
  - Targeted rating options may be considered; and
  - Projects that have exhausted previous funding sources are funded from general rates and/or debt.
67. A single project may have a mix of each of the above funding options.

68. Whenever Council resolves to fund a separate project, it will consider the sources of funds above, the Revenue and Financing Policy and LGA section 101(3) to determine an appropriate funding policy for that project. Generally, Council will resolve the funding in setting the budget for the project at the time it is proposed in an Annual Plan or Long-Term Plan.

**Overall funding consideration**

69. Council is required by LGA s101(3)(b) to consider the overall impact of the allocation of liability for revenue needs on the community. This allows Council, as a final measure, to modify the overall mix of funding that would otherwise apply after the s101(3)(a) analysis.
70. The following applications have been made:
- a. The Financial Strategy has the guiding financial principle that those who benefit from growth pay a fair share of the cost of that growth. Growth drives both operating and capital costs. Council will use all available funding sources to ensure that those who benefit from or create growth contribute an appropriate share towards the costs of providing infrastructure to meet the demands of that growth. This includes financial/environmental contributions, development contributions, user charges and general and targeted rates.
  - b. Council has made the following adjustments to targeted rates:
    - i. A pool safety inspection rate has been introduced.
  - c. Council considers the benefits of services associated with the development of land are realised from the time the development is started.
  - d. Council may waive or discount fees and charges where it is considered appropriate to do so. Some matters considered in deciding whether it is appropriate to waive fees are for social reasons, the promotion of events and facilities, commercial reasons, due to poor service or to minimise risk.

- e. Council may remit rates where it considered appropriate to do so and as allowed for in the Rates Remissions and Postponements Policy. These policies address social matters as well as adjusting rates for benefits that differ for some rates assessments (e.g. additional or no provision of some services).
- f. Council may use accounting provisions and reserve funds to spread the costs of activities over multiple years to smooth the cost to users and ratepayers.
- g. Council may modify the allocation of liability for growth related network infrastructure projects when considering the matters required by s106 of the LGA, in the DC Policy.
- h. Council is required by LGA section 102(3A)(a) that the Revenue and Financing Policy supports the principles set in in the Preamble to Te Ture Whenua Maori Act 1993. The Council will take the principles into account when considering funding decisions.

**Rates**

71. Council’s final consideration of funding by rates comes:
- a. After considering how other funding sources will be used to fund operating and capital costs;
  - b. After that has been applied to activities in the Funding Needs Analysis; and/or
  - c. After being adjusted for the overall funding considerations.

72. The following section outlines the Revenue and Financing

Policy requirements that are used to set rates. To have a full understanding of rates they should be read with regard to the analysis above and in conjunction with the Rating Policy, Funding Impact Statement and Rates Resolution.

**General rates**

73. The general rate will be set on the basis of capital value.
74. A Uniform Annual General Charge (UAGC) will be set on each separately used or inhabited part (SUIP) of all rating units.
75. The Council has determined in its Funding Needs Analysis that all or part of the following activities should be funded from the general rate and the UAGC:
- Amorangi Maaori
  - Animal Control
  - Aquatics
  - Building Control
  - Cemetery & Crematorium
  - City Safety Operations
  - Civil Defence & Emergency
  - Claudelands Events Centre
  - Communication & Engagement
  - Community Facilities
  - Community Partnerships, Funding & Events
  - Customer
  - Democracy Services
  - Environmental Health Control
  - Growth Funding & Analytics

- H3 Management
- Hamilton Gardens
- Libraries
- Liquor Licencing
- Mayor’s Office
- Mayoral Support Services
- Museum
- Nursery & Natural Areas
- Park (Assets & Contracts)
- Parks Service Delivery
- Partnerships, Communication & Maaori
- Planning Guidance
- Resource Recovery
- Stadia
- Stormwater
- Strategic Property
- Sustainable Communities
- Te Kaaroro (Hamilton Zoo)
- Theatres
- Tourism & Major Events
- Transport Centre
- Transportation Network
- Urban & Spatial Planning
- Urban Transport
- Venue, Tourism & Major events
- Visitor Services & Products
- Wastewater
- Water Supply

76. Council differentiates the general rate into four differential rating categories based on one or more of the uses to which the land is put, the provision or availability to the land of a service provided, the activities permitted, controlled, or discretionary for the area in which the land is situated and the rules to which the land is subject under the operative district plan, and the location of the land.

The categories are:

- Residential;
- Commercial;
- BID Commercial; and
- Other.

77. The BID Commercial category will increase to be the same as the Commercial category from 2024/25, meaning commercial properties in the central city will pay the same General rate and Government Compliance rate as commercial properties elsewhere in the city.

78. The full definition of these categories is contained in the Funding Impact Statement.

79. The general rate differential factors will be calculated as shown in the Funding Impact Statement.

80. In setting the differential categories, and the differential factors, Council considers the requirements of the LGA and a number of other considerations, including:

- The activities funded by the general rate and the s101(3) considerations for the activities;
- The impact of any change, or rate of change to the differential;

- The views of those impacted by the differentials;
- Other reasonable options, and the advantages and disadvantages of those options; and
- The overall impact of the differential on ratepayers.

**Uniform Annual General Charge (UAGC)**

81. The level of the UAGC will be determined based on the overall impact of rates to individual ratepayers and categories. There is no direct allocation of any activity nor is there a calculation methodology for the determining the UAGC amount.

**Targeted rates**

**Government compliance rate**

82. A Government compliance targeted rate was introduced to fund additional costs in the Council’s water services activities as well as the cost of changing the District Plan as a result of legislation introduced by central government.
83. The Government compliance targeted rate has been implemented to clearly identify and explain additional costs associated with water services and changes to the District Plan.
84. The Government compliance targeted rate is applied to all rateable land on the basis of capital value, and differentiated on the same basis as the general rate.
85. The differential bases are outlined in the Council Funding Impact Statement.

**Pool safety inspection rate**

86. A pool safety inspection rate was introduced to replace the current three yearly fee with a targeted annual rate to be administratively efficient for the triennial inspections.
87. Pools are required to inspected for safety compliance every 3 years. Council considered all funding sources available and identified that charging a targeted rate would be more efficient. The targeted rate will replace the fees being charged through fees and charges.
88. For more information on the rate refer to the Rating Policy, Funding Impact Statement and Rates Resolution.

**Other targeted rates**

89. Council collects other targeted rates either to fund activities as identified in the Funding Needs Analysis or as a result of overall funding considerations.



Table 2: Targeted rate types

Name	Activities funded	Basis for rate
Central City	Transport activity.	Fixed amount per Separately Used or Inhabited Part of a Rating Unit (SUIP). A SUIP is defined in the Council Funding Impact Statement.
Business Improvement District (BID)	Growth activity.	Fixed amount per SUIP and a rate per dollar of capital value for all properties in the BID area.
Government Compliance	Wastewater, Water Supply, Stormwater, and Growth activities.	Applied to all rateable land on the basis of capital value, and differentiated on the same basis as the general rate.
Metered water supply	Water Supply activity.	Fixed amount per water connection to rateable land supplied with water for land with a water meter or a restricted flow supply and a charge per unit of water consumed or supplied.
Commercial and Other Category Non-metered Water Supply	Water Supply activity.	Fixed amount per rating unit with a water connection but without a meter.
Service Use water	Water Supply activity.	Fixed amount per SUIP for connected land used for certain purposes as defined in the Funding Impact Statement.
Service Use refuse	Rubbish and Recycling Activity	Fixed amount per SUIP for connected land used for certain purposes as defined in the Funding Impact Statement.
Service Use wastewater	Wastewater activity.	A rate per dollar of land value and a rate per dollar of capital value for connected land used for certain purposes as defined in the Funding Impact Statement.
Pool safety inspection	Regulatory and Safety activity.	Fixed amount per rating unit for all rating units receiving a Council pool inspection.

- 90. Council is currently phasing out the Central City targeted rate over 2 years.
- 91. Council may introduce new targeted rates when setting rates in any year as documented in the relevant year’s Funding Impact Statement and Rates Resolution.

Ko te Aroturukitanga me te Whakatinanatanga | Monitoring and Implementation

- 92. Implementation of the policy will be monitored by the Chief Financial Officer.
- 93. Performance against this policy will be monitored and reported.
- 94. The policy will be reviewed in response to any issues that may arise, every three years, at the request of Council or in response to changed legislative and statutory requirements (whichever occurs first).

Ko ngaa Tohutoro | References

- 95. The Local Government Act 2002. The policy is a requirement under s102(2)(a) of the LGA along with s103(2)(a)-(j) which notes the sources referred to in s103(1) of the LGA.
- 96. Funding Needs Analysis, as required by s101(3) of LGA, provides the background and analysis to explain the funding decisions Council has made. It is guided by

the funding principles and choices of funding sources documented in the Revenue and Financing Policy.

- 97. The DC Policy provides further analysis, as required by s106(2)(c) of the LGA. This explains why Council has chosen to use DCs to fund the capital costs needed to meet increased demand for infrastructure.
- 98. The Investment and Liability Management Policy places restrictions on the use of the proceeds from asset sales.
- 99. The Rating Policy and Rates Remissions and Postponements Policy further clarifies funding requirements by documenting matters not included in the Funding Impact Statement, rates resolutions or this Revenue and Financing Policy. It includes detailed definitions and maps for rating areas.
- 100. The Funding Impact Statement is included in each Long-Term Plan and Annual Plan as required by clauses 15 or 20 of schedule 10 of the LGA. This statement shows the results of the detailed rates calculation for the first year of the 2024-34 Long-Term Plan.
- 101. The Preamble to Te Ture Whenua Maori Act 1993 includes the principles that the policy must support as required by s102(3A)(a) of the LGA.
- 102. Together the above documents form the necessary components to lawfully charge under the LGA for Council’s revenue requirements. Council must also comply with other legislation regarding the setting of some fees and charges and the Local Government (Rating) Act 2002 for the setting of rates.



# Summary of our significance and engagement policy

Whakaraapopototanga o taa maatou  
kaupapahere hira me te koorerorero tahi

## What is a significance and engagement policy?

The Local Government Act 2002 (LGA) requires us to have a Significance and Engagement Policy (the Policy).

This Policy provides clear guidance for the community about:

- how we decide if a decision or proposal is significant
- when, and to what degree, the community can expect to be engaged on a decision or proposal.

### When and how does this Policy apply?

Every formal decision we make will take this Policy into account. The Policy is applied in a two-step process:

1. determine the level of significance
2. determine the level of engagement and approach to be taken (if any).

### How is significance assessed?

The level of significance of a proposal or decision is identified by assessing the impact of the decision against eight key considerations.

After assessing the proposal or decision against the key considerations, we decide if the level of significance is low, medium or high as follows:\*

- if it triggers four or more of the key considerations under the highly significant column, the level of significance will likely be classified as high.

- If it triggers five or more of the key considerations under the low significance column, the level of significance will likely be low.
- If the level of significance is not classified high or low as above, then the level of significance will likely be considered moderate.

### How do we decide the level of engagement to be carried out?

The level of engagement on a proposal or decision is guided by the level of significance:

- A high level of significance will mean a high level of engagement and we will develop an appropriate engagement approach to reflect the high significance.
- A medium level of significance will mean a medium level of engagement. In these cases, we will decide whether, and to what extent it is appropriate to engage with the community.
- If the level of significance is low, we are not required to engage.

At any time, we may choose to engage at a higher level than required by the Policy but not at a lower level.

We will apply Principles of Consultation (s82 of the LGA) and consider the communities preferences when deciding the engagement approach.

\* the full policy can be found on our website under Policies, bylaws and legislation.

Can we make a decision that is inconsistent with this Policy?

If we choose to make a decision significantly inconsistent with the Policy, we are obligated by section 80 of the LGA to:

- make the inconsistency clear;
- explain the reasons for the inconsistency; and
- explain how we plan to address the discrepancy.

Key consideration Does the proposal or decision mean...	Highly significant	Moderately significant	Low significance
A service which is part of the Council's significant activities will...	Start or stop.	Change significantly.	Change in a minor way or not at all.
There will be a transfer of ownership or control of strategic assets to or from the Council?	If yes, a major transfer.	If yes, a minor or insignificant transfer.	No transfer.
There will be financial consequences in the financial year of the proposal/decision that are unbudgeted operating cost or capital costs in the Long-Term Plan that are...	Greater than 10% of total expenses and/or greater than 1% of total assets.	Greater than 5% but less than 10% of total expenses and/or greater than 0.5% but less than 1% of total assets.	Less than 5% of total expenses and/or less than 0.5% of total assets.
The ability to reverse the decision will be...	Highly difficult.	Moderately difficult.	Easy.
The decision in regard to prior decisions is...	Significantly inconsistent.	Consistent but with some differences.	Consistent.
The public will have a...	High level of interest.	Moderate levels of interest.	Low levels of interest.
There will be...	A large proportion of the community impacted.	A subgroup or groups within the community impacted.	An individual household or person impacted.
The degree of impact on the people affected by the decision will be...	High.	Moderate.	Low.



# Auditor's report

He whakaaro taatari kaute

## Auditor's report



To the readers:

### Independent Auditor’s report on Hamilton City Council’s 2024-34 Long-term plan

I am the Auditor-General’s appointed auditor for Hamilton City Council (the Council). The Local Government Act 2002 (the Act) requires the Council’s Long-term plan (plan) to include the information in Part 1 of Schedule 10 of the Act. Section 94 of the Act requires an audit report on the Council’s plan. Section 259C of the Act requires a report on disclosures made under certain regulations. I have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 4 July 2024.

#### Opinion

**In our opinion:**

- the plan provides a reasonable basis for:
  - o long-term, integrated decision-making and co-ordination of the Council’s resources; and
  - o accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 189 to 191 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

In accordance with clause 45 of Schedule 1AA of the Local Government Act 2002, the consultation document on the Council’s plan did not contain a report from the Auditor-General. The consultation document is therefore unaudited. Our opinion on the plan does not provide assurance on the consultation document or the information that supports it.

Our opinion on the plan also does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

Emphasis of matters

Without modifying our opinion, we draw attention to the following matters.

Risks associated with limited debt headroom

Page 121 outlines that the Council’s financial strategy includes maintaining debt at levels close to its LGFA borrowing limits, leaving minimal available debt headroom over the 10 years of the plan. Page 125 outlines the risks associated with this strategy, which include the Council having less ability to fund unforeseen events. If unplanned operating and capital costs had to occur, the Council may reprioritise and reduce planned spending on capital projects and intended levels of service.

Uncertainty over inflation projections

Pages 138 to 140 outline the high level of uncertainty over the Council’s assumed inflation projections. The Council has taken a risk averse approach to potential inflationary pressures due to the limited available debt headroom. Should actual inflation be lower than assumed, the Council will use surpluses to repay debt. Should actual inflation increase, the Council will review the appropriateness of rates, operating and capital spend to mitigate the risk of breaching the debt limit.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General’s Auditing Standards and the International Standard on Assurance Engagements 3400 The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council’s systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council’s financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council’s infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the Council’s forecasts to replace existing assets are consistent with its approach to replace its assets, and reasonably take into account the Council’s knowledge of the assets’ condition and performance;
- the information in the plan is based on materially complete and reliable information;

- the Council’s key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council’s activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council’s intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

We are responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. We do not express an opinion on the merits of the plan’s policy content.

## Independence and quality management

We have complied with the Auditor-General's independence and other ethical requirements, which incorporate the requirements of Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board. PES 1 is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

We have also complied with the Auditor-General's quality management requirements, which incorporate the requirements of Professional and Ethical Standard 3 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements (PES 3) issued by the New Zealand Auditing and Assurance Standards Board. PES 3 requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

In addition to the audit of the plan, we have carried other engagements that are of an assurance nature and therefore compatible with the independence requirements. Other than these engagements we have no relationship with or interests in the Council or any of its subsidiaries.



**Clarence Susan, Audit New Zealand**  
**On behalf of the Auditor-General, Tauranga, New Zealand**



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