

# ANNUAL PLAN 2001/02

& Financial Management Policy



**Hamilton City Council**  
Te kaunihera o Kirikiriroa

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# From His Worship The Mayor and The Chief Executive

June 2001

It is with excitement and assurance that we present to you Council's annual plan for the 2001/02 year. It details Council's significant policies, strategies, operating plans and finances. The significant activities section embodies the projects and actions Council is proposing to undertake for the year, what the cost of service is and how we plan to measure the achievement of our targets.

Council has budgeted income from general rates of \$63.3m (2000/01 \$60.8m). This increase represents an average increase of 2.74 per cent over the 2000/01 year to all existing ratepayers. The proposed level of increase is reasonable especially when measured against the number of large-scale projects, which are planned for the city.

The financial management policy is comprehensively outlined in a separate section at the end of the plan. It details Council's long-term financial strategy, funding policy, investment policy, borrowing management policy and rating policy.

The highlights in the significant activities section have been shaped from public consultation, staff expertise and through public forums like this annual plan process.

For the first time, this year Council published a four-page supplement of the draft annual plan in the April issue of City News. It included a Freepost submission form and notes when public meetings were being held. Another first this year was the targeting of public meetings to people's areas of interest. For example, there were sector presentations focusing on community, economic/development, older persons, Maori, and the environment in addition to meetings in the west, east and south wards where matters of local interest were discussed.

Key projects in this plan include:

- year two of the upgrade of the Pukete wastewater secondary treatment plant (\$2.8m)
- western wastewater interceptor upgrade (\$0.7m)
- Seddon Road upgrade (\$0.5m)
- land purchase requirements associated with the Wairere Drive/Resolution Drive extension (\$1.2m)
- construction of the Cobham Drive/Hamilton Gardens entranceway (\$1m)
- year one of a three-year programme to redevelop Claudelands Park Reserve grounds (\$0.7m)
- year-three of an eight year redevelopment at Hamilton Lake Domain (\$0.6m)
- construction of changing rooms and toilets at Discovery Park (\$0.5m)
- construction of a car park and access way at Minogue Park (\$0.3m)
- improvements to cycling facilities (\$450,000), and
- a grant to the Crime Prevention Trust to construct a dedicated 24-hour monitoring facility (\$100,000).

This is the last year of a three-year tax deductibility adjustment for commercial/industrial, multi-unit and large rural properties (which shifts approximately \$2.2 million to residential and small rural properties). Council has introduced a new differential category for inner city apartments within the CBD, which will be rated on the same basis as residential properties, but excludes the cost of household waste collection. As Council cannot provide a collection service to these properties, a separate differential category has been established.

We have welcomed the involvement people have made in the process. Public submissions and comments on the plan have been important and we thank you for having your say in the city.



Russ Rimmington  
Mayor, Hamilton City Council



Tony Marryatt  
Chief Executive, Hamilton City Council

# Nā Te Rangatira me Te Kaiwhakahaere o Te Kaunihera o Kirikiriroa

## Te Marama o Pipiri, 2001

Kua tau te whakaaro ki te whakatakoto i te taura mō te Māhere-ā-Tau a te Kaunihera mō tēnei tau e piki ake nei, te tau 2001/02. Kei roto i te Māhere nei e takoto ana ngā ture whakahaere matua a te kaunihera, āna rautaki, ngā māhere whakahaere me ngā āhuatanga pūtea. Ko te wāhanga e kīa ana, ko te Wāhanga mō Ngā Mahi Matua, hei kōnei ka kitea ngā mahi e whakaarongia ana e te kaunihera te whakatutuki mō te tau, arā, kia tirohia te utu mō ngā ratonga me te whakarite i te huarahi e mōhio ai te kaunihera me pēhea e taea ai te kī, kua tutuki ngā whāinga.

Kua oti i te kaunihera te whakawehe mai i tētahi pūtea i ngā rēti whānui, \$63.3 miriona (2000/02 \$60.8m) te rahi. He 2.74 paiheneti mō te tau 2000/01 te whakapikitanga atu i pā mai ki ngā kaiutu rēti katoa. He pai noa iho te nui o tēnei whakapikitanga atu nā te nui o ngā mahi rarahi kua whakatauhia mō te tāonga nui o Kirikiriroa.

Kei te pito o te Māhere-ā-tau te Ture Whakahaere-ā-Pūtea e noho motuhake ana. E kōrero ana tēnei wāhanga mō te Māhere Roa a te kaunihera ki te taha rautaki pūtea, te Ture Whakahaere mō te Tuku Pūtea, Te Ture Whakahaere mō te Penapena Moni me te Moni Whakatārewa me te Ture Whakahaere mō ngā Rēti.

Ko ngā mīharotanga i roto i te wāhanga mō ngā Mahi Matua, i puta mai i ngā huihui o te hunga e noho ana ki Kirikiriroa, i ngā kaimahi ūmanga, a, mā roto mai anō hoki i ngā huihui whānui pēnei i te huarahi mō te whakatakoto i te māhere nei. Ki tā te ture, kua wātea te Māhere-ā-Tau ki te hunga whānui ki te arohaehae me te tuku kōrero mōna i mua atu i te paunga o te kōtahi marama. Kōnei te wā tuatahi i tāngia ai he āpitianga ki te Māhere-ā-Tau e te kaunihera, kātahi ka tukuna ki roto i te Nuipepa o te Tāone Nui i te marama o Paenga-Whāwhā. I roto kē i a ia he Kōpaki-Tuku Kōrero kore-utu me ngā kōrero e mea atu ana āhea tū mai ai ngā huihui mō te hunga whānui. Tāpiri ki tēnei kātahi anō ka whakatūhia ngā huihui e hāngai ana ki te kaupapa ā tēnā me tēnā tangata.

Hai taura, i tū kē mai ētahi whakaaturanga e hāngai pū ki te pāporitanga, ki te mahi whakawhanake ohaoha, te hunga kaumātua, te iwi Māori me te taiao. I tū anō hoki ētahi huihui ki te hauāuru, ki te rāwhiti me te hau tonga ki reira kōrerorero ai mō ngā take o āua takiwā.

Kei roto i te Māhere Taura nei ngā Mahi Nui e whai ake ana:

- Tau Tuarua o te whakapaipai i te Whare Tuku wai paruparu (\$2.8m)
- Te Whakapaipai i te ngongo wai paruparu ki te hauāuru (\$0.7m)
- Ngā Mahi whakapaipai i te huarahi o Seddon (\$0.5m)
- Ngā mahi hoko whenua e pā ana ki te huarahi o Wairere/Resolution he mahi whakawhānui (\$1.2m)
- Te Hanga i te huarahi o Cobham/Te Tomokanga ki Ngā Māra o Kirikiriroa (\$1m)
- Te Tau Tuatahi o te Māhere Toru Tau te roa, he whakapai ake i te Wāhi Tākaro o Claudelands (\$0.7m)
- Te Tau Tuatoru o te Māhere Waru Tau te roa, he whakapai i te Roto o Kirikiriroa (\$0.6m)
- Te Hanga whare tīni kākahu me ngā wharepaku ki Discovery Park (\$0.5m)
- Hanga i tētahi tūnga motukā me te tomokanga i te Pāka o Minogue (\$0.3m)
- Te Whakapaipai i ngā taputapu paihikara (\$450,000), me te
- Te Rōpū Ārai Tūkinotanga ka whakatūhia he hunga tūtei rua tekau mā whā hōra (\$100,000).

Kōinei te tau whakamutunga mō te tango taake e pā ana ki ngā wāhi ohaoha/hangahanga, whare tini me ngā whenua rahi kei tua whenua (he āhua \$2.2 miriona taara i nekehia mai i te tāone ki ngā kāinga tua whenua). Kua whakatau te kaunihera ki te whakauru mai he Wāhanga Whakarerekētanga mō ngā whare iti kei roto i te tāone i te waenga tonu o te CBD e noho ana. Ka rētihia ēnei momo whare kia ōrite ki ngā rēti mō ngā whare o waho atu o waenganui o te tāone ēngari kua whakakorehia te utu mō te kohikohi i ngā para i tō kāinga. Nā te mea, kīhai e taea e te kaunihera te kohikohi para i ēnei kāinga kua rerekē te Wāhanga Whakarerekētanga kua waihanga mō rātou. He Māhere ōkawa te Māhere-ā-Tau ēngari kāore anō i whakatau tūturu ngā mahi matua me ngā mahi whakawhanake.

Kua wātea te Māhere nei ki a koe ki te tuku kōrero mai ki te tautoko ki te whakahē rānei. He mea nui ngā whakaaro me ngā kōrero kua tukuna mai e koutou mō te Māhere-ā-Tau nei, ka mutu, e mihi nui ana mātou ki a koutou katoa i whakaputa mai ai i ō koutou mō Kirikiriroa, tō koutou tāone nui.



Russ Rimmington  
Te Tumuaki o te Kaunihera o Kirikiriroa



Tony Marryatt  
Rangatira Kaiwhakahaere o Te Kaunihera  
Whakahaere o Kirikiriroa

## Council Members

### Elected By All Residents

His Worship The Mayor



**Russ Rimmington**  
ph. 838 6976

### East Ward Councillors



**Peter Bos**  
ph. 838 2210



**Jody Garrett**  
ph. 853 5234



**Alison Mallett**  
ph. 838 0769  
ext. 903

### West Ward Councillors



**Ted Armstrong**  
ph. 838 6766



**Brian Impson**  
ph. 838 6653



**Dave Macpherson**  
ph. 021 477 388



**Garry Mallett**  
ph. 838 0769  
ext. 902



**Grant Thorburn**  
ph. 834 6462

### South Ward Councillors



**Brian Farrell**  
ph. 843 4847



**Steve McLennan**  
ph. 021 727 850



**Pippa Mahood**  
ph. 856 3218



**Jocelyn Marshall**  
ph. 834 3374



**Grant Thomas**  
ph. 843 5594



## Council Organisation

**Mayor Of Hamilton**  
Russ Rimmington

**Deputy Mayor**  
Brian Impson

### Council Committees

**Economic And Audit**  
Chairperson Cr Garry Mallett

**Statutory Management**  
Chairperson Cr Ted Armstrong

**Works And Services**  
Chairperson Cr Grant Thorburn

**Strategic Planning And Policy Co-ordination**  
Chairperson Cr Alison Mallett

**Social And Community**  
Chairperson Cr Dave Macpherson

**District Plan Hearings**  
Chairperson Cr Steve McLennan

### Management Executive



From Left to Right: Philip Burton, Sue Duignan, Mike Theelen, Tony Marryatt, Mike Garrett, Sally Davis, Graeme Fleming.

**General Manager Marketing**  
Philip Burton

- Marketing and Communication
- Events Sponsorship
- Economic Development Communication

**General Manager Community Services**  
Sue Duignan

- City Parks
- Community Support
- Leisure Facilities
- Libraries and Museum
- Parks and Gardens

**General Manager Strategic**  
Mike Theelen

- Strategic/District Plan
- Sustainable Environment
- Iwi Liaison

**Chief Executive**  
Tony Marryatt

**General Manager Corporate**  
Mike Garrett

- Finance and Administration
- Human Resources
- Information Management
- Property Management
- Risk Management

**General Manager Works And Services**  
Sally Davis

- Design Services
- Roads and Traffic
- Utilities
- Water Treatment Station and Wastewater Treatment Plant
- Water, Drainage and Refuse

**General Manager Environmental Services**  
Graeme Fleming

- Animal Care and Control
- Building Control
- Business Support
- Environmental Health
- Parking Enforcement
- Planning Guidance

### Advisors

**Auditor**  
Audit New Zealand, Hamilton

**Solicitors**  
Swarbrick Dixon, Barristers and Solicitors, Alexandra Street, Hamilton

**Bankers**  
Bank of New Zealand, Victoria Street, Hamilton

Looking over Hamilton Gardens to the city, circa 1990.

# HAMILTON CITY



## Hamilton City

Hamilton is New Zealand's fourth largest urban area. It is strategically located on the banks of the majestic Waikato River, in the heart of the fertile Waikato plains. Almost half of all New Zealand's residents live within a 135 kilometre radius of the city; yet Hamilton offers a lifestyle with all the advantages of a thriving city, without the stress and congestion experienced by its Auckland neighbour.

The earliest settlers were Maori from the Tainui canoe. They called the area Kirikiriroa– "long strip of cultivated land". Formal European settlement was established on 24 August 1864, when Captain William Steele disembarked from the gunboat 'Rangiriri' and established the first redoubt near today's Memorial Park.

Settlements grew, and road linkage with Auckland was established in 1867, with the rail link completed a decade later. However, the river remained the most important means of transport for some time.

The name Kirikiriroa was dropped in favour of Hamilton, in honour of a Captain John Hamilton, a Crimean and Waikato war veteran and commander of the 'Esk', who was killed at Gate Pa in 1864. The Borough of Hamilton was established on 27 October 1877, with a population of 1245. Sixty-eight years later, on 13 December 1945, Hamilton became a city with 20,000 citizens.

Over the years, the city boundary has continued to expand to accommodate the growing demand for residential and commercial/industrial development. There have been ten extensions to the boundary since the borough was established in 1877, the most recent being in November 1989. The city has increased in size from its original 752 hectares to its current 9400 hectares.

Today, Hamilton is a vibrant, progressive, growing city, with a population estimated at 117,000. It is the centre of New Zealand's dairy industry, and has a strong technology-based, research and development capability. With its wide range of cafes and bars, educational facilities, and recreational opportunities, the city offers an attractive lifestyle and environment that few, if any, other cities in New Zealand can match.

## Sister Cities

Like many cities throughout the world, Hamilton participates in Sister City programmes on the basis that international understanding can be enhanced by people-to-people links at city level. Hamilton has formal links with three cities:

- Saitama City (sitāmā), Saitama Prefecture, Japan

Saitama city was officially established on 1 May 2001. Urawa and its neighbours Omiya and Yono joined together to form the new city. It is Japan's tenth largest city with a population of 1,030,000, is located 24kms north of Tokyo and is the capital of the Saitama Prefecture (province). Like Hamilton, Saitama city is a river city. It is situated on the Ara River. Saitama is considered to be the third most important area in Japan in terms of art and culture and has a wide range of light industry.

The sister city relationship was formalised on 14 May 1984.

- Wuxi, Jiangsu Province, China

Wuxi (woo-sh) has a population of 1,060,000. It is located south west of Jiangsu Province on the Yangtze Delta, 128kms west of Shanghai and 183kms east of Nanjing, the provincial capital.

Bordering on Taihu Lake in the south and against Huishan Mountain in the west, Wuxi is the second largest city in Jiangsu Province and is one of the 15 key economic cities out of 245 cities in China.

Wuxi, known as land of rice and fish, is an ancient city with a history that dates back over 3000 years. Textiles, electronics and light industry are its key industries, as well as a flourishing tourism and commercial market.

The sister city relationship was formalised on 15 July 1986.

- Sacramento, California, USA

Sacramento's population in 2002 is expected to be 509,901. The city is located on the western seaboard of the United States of America. It is the capital city of California. Traditionally, the regional economy has been supported mainly by government and agriculture, however, a recent surge in growth is the result of a more diversified economy with substantial retail, service, and manufacturing interests.

Biotechnology, agriculture and tourism are key elements shared by both Sacramento and Hamilton. The sister city relationship was formalised on 25 May 1989.



Hamilton city from Whitiara Bridge.

## OUR VISION

## Our Vision

### From Hamilton's Strategic Plan, 1999-2019: People, Partnerships, Progress

*Spread along the banks of the mighty Waikato River, Hamilton enjoys a unique and beautiful setting amidst intricate gullies, lakes and rolling farmland, with fertile soils and a temperate climate. It has a distinctive character, based on its natural history as well as the human history forged by those who have been here before us—both tangata whenua and European settlers.*

*What we see and feel around us today is the legacy of the way our forebears interacted with this environment and used its resources. And we in our turn are creating a future legacy that our descendants will inherit. It's an awesome responsibility.*

*That's why thousands of Hamiltonians have taken time to pause and look around them, to carefully consider the way we live and the long-term effects of our lifestyles, and to think about the state of the environment and the culture we want to pass on to our children. This is the vision we share for our city...*

We see Hamilton making the best of all its natural advantages by looking after the river and lakes, preventing pollution and protecting the city's native bush, gullies and treescape. We foresee a city with calm, open spaces for people to enjoy, and room for native wildlife to move back in—blending the city's development sympathetically with nature.

Our vision is for a city where economic development sits comfortably alongside social and cultural activity, where the environment, education, arts, culture and business blend together to create a high quality of life for all Hamilton people. It's also a place where our dreams for the future are grounded in respect for our past heritage.

We see a place of harmony and peace where people are free from fear, and can move about freely and safely. We see a developing city supported by investment in services and facilities for healthy urban living, a range of clean and efficient transport options, and strengthened links between the Waikato River and the land.

This future Hamilton is a vital, energetic place offering an abundance of arts and cultural experiences, recreational and leisure activities. People of all ages find new opportunities from the many choices available in education. Our vibrant city centre is a place where people love to gather, surrounded by the sounds of street performers, birds and laughter. It's a stimulating, happy and healthy environment that celebrates and nourishes all facets of life.

We see a city that reflects the aspirations of its people. Partnership with tangata whenua plays a fundamental role in the city's evolution, while the diverse cultural traditions are valued for the richness they bring to our communities. In our neighbourhoods there's a feeling of pride, and enthusiasm for participating in shaping life in the city.

Hamilton is a place that people love and are proud of, a great place to raise children and grandchildren. Our vision is one of connections, where all spheres of life contribute in balance and equity to our community's well-being—a vision to make Hamilton even more special, and to provide the environment and resources to keep it that way.



Shoppers take time out for coffee at the newly refurbished Centre Place shopping centre.

## INTRODUCTION TO THE ANNUAL PLAN

### Hamilton City Council's Mission And Goals

The Council's mission statement sets out the purpose of the organisation, or 'why we exist'. The five goals outline the key contributions which Council makes to the city, and form the basis for Council's significant activities.

The mission statement adopted by Council in October 1996 is:

To work in partnership with the people of Hamilton to meet the needs of the community, by providing quality services and sustainably managing the city's natural and physical environment according to the principles of Agenda 21.

#### Goals

1. To promote an environment which encourages the development of a quality of life aimed at meeting community needs and expectations.
2. To ensure the provision and maintenance of essential services in an efficient and effective manner in response to existing and future requirements.
3. To obtain and administer the financial resources necessary for the cost effective management of the city.
4. To develop an effective and efficient corporation that is responsive, responsible and accountable to the community.
5. To develop a positive climate which encourages development opportunities to achieve a sound economic base for the city.



## Annual Plan 2001/02

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This Annual Plan includes all of the significant activities of Hamilton City Council. It is a way for Council to communicate its plans for the coming year to the public, and for the public to respond to these plans.

Every local authority is required by the Local Government Act 1974 to prepare an Annual Plan for the coming financial year, and to make it freely available for inspection. One month is available for the public to make submissions. Council considers the submissions before adopting its approved Annual Plan and confirming the rates for the next financial year by way of a Special Order.

This Plan includes information about policies, actions and funding.

- It outlines the significant policies and objectives for the coming financial year.
- It describes the kind of activities to be undertaken (including likely costs and how they will be funded).
- It identifies the measures that will gauge Council's performance.

Any significant changes from the previous Annual Plan's policies, objectives, activities and performance measures are explained. The plan also includes a financial forecast for the coming financial year.

After the end of the financial year Council publishes an Annual Report, usually in November in each year. The report contains audited accounts for the previous financial year. The Annual Report compares the performance measures set out in the Annual Plan with the results that were actually achieved.

## Financial Management Policy

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**An outline of Council's Financial Management Policy is included at the end of this Annual Plan.**

Council's Financial Management Policy comprises its:

- Long-Term Financial Strategy
- Funding Policy
- Investment Policy
- Borrowing Management Policy
- Rating Policy.

Every local authority is required by the Local Government Act 1974 to develop a Financial Management Policy. Council adopted its Financial Management Policy in 1999, and this was printed in full in the 1999/00 Annual Plan.



An audience enjoys a show by the river at Hamilton Gardens Summer Festival.

## SIGNIFICANT POLICIES AND REVIEWS

### Rates

Hamilton City Council has retained the land value rating system for the 2001/02 rating year.

In setting the budget for the 2001/02 year Council has approved an overall increase in the total Council rate take of 4.14 per cent, with 2.74 per cent of this being payable by existing ratepayers.

More detail on the rating system is provided in Section 6.0 of the Financial Management Policy section of this Annual Plan.

The rating differential between property sectors, as outlined in Section 6.0 has been amended for the 2001/02 financial year for three reasons:

1. Council resolved to change the method of calculating the tax benefit adjustment for commercial/industrial, multi-unit and large rural properties in the 1999/00 financial year. This tax benefit adjustment is being phased in over a three-year period, with this being the third and final year of this adjustment.
2. The change in values across property sectors has resulted in a land value movement adjustment between the sectors, which changes the rates required from the different categories of properties.
3. An adjustment to exclude inner city apartments (rated residential) from the rating of household waste collection costs because these properties do not receive a household waste collection service.

### Investment Policy And Borrowing Management Policy

Hamilton City Council has reviewed its Investment Policy and Borrowing Management Policy during the 2000/01 financial year. These policies now recognise that Council is a net borrower for the foreseeable future. As a result the policies now provide mechanisms for consolidating investment funds and external debt, allowing Council to concentrate on managing the overall net debt position.

Through the revised policies, Council has:

- Permitted the use of special and reserve investment funds for internal borrowing, which reduces debt, while establishing committed standby lines of credit to be drawn upon when the special and reserve funds are required. An interest charge is still passed to the special and reserve funds representing the cost of internal borrowing.
- Introduced a debenture trust deed that will provide Council with the ability to borrow from any funding source as per its Investment Policy and Borrowing Management Policy by issuing secured stock. The adoption of the Debenture Trust Deed will provide Council with much greater flexibility in the raising and management of its debt and will allow it to take advantage of opportunities to minimise the cost of debt when they arise.

## Strategic Plan

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Hamilton city's first Strategic Plan (adopted in February 1997) was revised in 1999. It covers the period 1999-2019.

The revised Plan is divided into two parts: the community's view of what they wish to see happen, and details of Council's Long-Term Financial Strategy which outlines projected spending on projects over the next 20 years.

One of the Plan's key themes is the concept of sustainable development, which is central to Agenda 21. Agenda 21 recognises that global issues need to be addressed locally and that local people need to be involved in decision-making.

The revised Strategic Plan sets a framework for the sort of city Hamiltonians want to work, live and play in. It is a vision, which attempts to provide a direction for Hamilton's long-term sustainable development.

The Plan also contains a set of 29 sustainability indicators developed by the community. Information for these indicators is currently being gathered, and will be reported on this year.

The Strategic Plan is to be reviewed during the 2001/02 financial year. This will focus on Part 2 of the Strategic Plan, which outlines Council's response to the Strategic Plan's vision and goals.

## District Plan

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The Resource Management Act 1991 requires Council to have a District Plan. The purpose of the District Plan is to encourage the sustainable use of the city's natural and physical resources, and to provide for the social, cultural and economic well-being of the community.

The District Plan governs the management and mitigation of the effects of land use in the city. Land subdivision, environmental noise and activities on the surface of the water are also controlled through the Plan.

The Proposed District Plan was adopted by Council in 1999 and 782 submissions were received after the Plan was publicly notified. Hearings on the submissions commenced at the end of 2000. The hearing of submissions will be completed by August with the intention, by Council, that decisions on the submissions will be made in October this year.

## Consultation Policy And Community Consultation Guidelines

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Council recognises that community consultation is a key principle of Agenda 21. Council also has direct consultation responsibilities as a Treaty of Waitangi partner.

In December 1999, Council adopted a Consultation Policy and Community Consultation Guidelines with the objective to ensure that the community has meaningful input into the development, consideration and decision-making on any significant project, process or policy undertaken by Council. Through the policy, Council will:

- Identify and promote the use of best practice approaches for consultation which ensures that community input is meaningful, transparent, fair and honest.
- Ensure that any proposed significant project, process or policy initiative will incorporate into its project design a consultation programme which identifies the scope, scale, proposed methods and reporting mechanisms to be used.
- Follow Council's Community Consultation Guidelines in determining an appropriate consultation process.
- Regularly review and audit the effectiveness of its approaches and be innovative in the use of new and improved methodologies.



## Economic Development Strategy

Council will this year continue implementing the city's Economic Development Strategy of making Hamilton a world centre of life sciences.

The establishment of the Economic Development Forum in 2000/01 will enable further progress towards this goal. The Forum, made up of key city stakeholders and with continued support from Council, will promote the strengths and advantages of the Hamilton region in an effort to foster and attract economic development, particularly in the area of life sciences. In addition, the Forum will identify and support key projects, which have the potential to make a difference to the economic development of the city.

## Hamilton's Integrated Transport Strategy (HITS)

A long-term approach to the city's transport planning is being implemented. Hamilton's Integrated Transport Strategy (HITS) looks at likely development and traffic growth over the next 20 years, and seeks to ensure people will still be able to choose from a range of transport options including cars, walking, cycling and travel by bus.

A range of actions by Council and other agencies is outlined in the Implementation Plan. Actions taken so far include:

- The opening of a new Transport Centre
- The adoption of a Cycling in Hamilton 2000 Strategy.

Other transport policy areas identified for attention under HITS include arterial road planning, a pedestrian strategy and a parking strategy.

## Community Development Plan

The Community Development Plan sets out goals and strategies for the 2000-2006 years, to address the well-being of people in our growing city communities. The plan enables Council and the community to work together to address a range of social issues. The plan includes strategies to:

- Build community infrastructure through community centres, information and resources, housing, and employment
- Build community strengths through neighbourhood development, partnerships, policy and planning, research, economic development, safety, arts and culture, recreation and leisure, and education
- Build social equity and advocate for tangata whenua, youth, older people and ethnic groups.

The Community Development Plan includes a framework for the development of social policy. Some of the policies already in place, after community consultation and adoption by Council, include the Youth Policy, and Older Persons Policy. These policies are supported by Action Plans that are updated annually.

## Recreation And Leisure Plan 1998-2001

The Recreation and Leisure Plan 'People Creating an Active Community' developed by a Community Advisory Panel will be reviewed during 2001. The review process will rely on consultation with the community and community representation on the review steering group.

The Plan includes strategies to:

- Meet the recreation and leisure needs of city residents
- Identify gaps in provision and plans to address them
- Identify opportunities for partnerships between Council and other organisations
- Create a framework for Council decision-making on resource allocation in support of recreation and leisure activity.

The Plan adopts a wide definition of recreation and leisure, which includes participation by amateurs and professionals in sport, fitness, arts, crafts, hobbies, cultural expression, social interaction, events, entertainment or simply relaxation.

## Waste Management Plan

Hamilton's Waste Management Plan focuses on minimising and disposing of solid waste produced in the city in an environmentally and culturally acceptable way.

In doing this Council expects:

- Waste to be reduced
- Widespread use of low-impact, non-hazardous processes and products
- Disposal of Hamilton's solid waste to have minimal environmental impact and be consistent with kaitiakitanga (guardianship)
- Waste to be recognised as a resource and re-used wherever possible.

The Waste Management Plan, developed through an extensive community consultation process, has six key themes: education, cleaner production, economic instruments, kerbside collection, a resource park and vermicomposting.

Council will further investigate a range of waste management strategies when considering responses to a Request for Proposals for Refuse services in August 2001.

## Energy Strategy

Council's Energy Strategy focuses on how Council uses energy and has three key aims:

- The efficient use of energy
- Increased utilisation of renewable energy sources
- The uptake of new technologies to use fossil fuels as efficiently as possible.

In doing this, Council expects to lower energy costs, reduce greenhouse gas emissions, and support the vision of Hamilton's Strategic Plan of a more sustainable Hamilton.

In 2001/02 energy management teams are to be established across Council, which will focus on implementing Council's energy strategy. Energy audits of facilities will continue and energy efficiency initiatives will be carried out as they are identified.

In June Council and its energy manager were presented awards by Minister of Energy, Pete Hodgson, at the Energy-Wise Awards 2001 in Wellington.

Council won a Highly Commended award in the Public Sector section for its diverse energy management programme, which the judges said is well integrated in the Council's planning and policy structure. The energy manager received the Outstanding Energy Manager of the Year Award.

## Civil Defence Emergency Management Plan

Hamilton is at risk from a range of hazards, natural and man made that, in the worst situation, will profoundly affect the community. Protecting the community is an inherent responsibility of local government.

The Civil Defence Act (1983) and its amendments require Council to have a Civil Defence Emergency Management Plan. The purpose of the plan is to detail the various policies, principles, concepts and procedures to underpin a fully comprehensive emergency management capability.

The plan has an effective life of three years and addresses the following matters:

- |            |  |
|------------|--|
| Reduction: | Risk analysis and mitigation strategies  |
| Readiness: | Emergency planning, training and public awareness  |
| Response:  | Activities taken immediately before, during or after an emergency that can save lives, minimise property damage and improve recovery                                 |
| Recovery:  | Activities that stabilise the affected community, assure life support systems are operational, and longer-term actions for community rehabilitation and restoration. |



A front-of-house staff member helps a customer.

## INTERNAL POLICIES

### Equal Employment Opportunities Plan For 2001/02

#### Our Commitment

Hamilton City Council is committed to the principle of equal opportunity in the recruitment, employment, training and promotion of its employees. The organisation will provide a welcoming, positive environment. Council will implement a purposeful programme of action to ensure its activities and services are carried out with an awareness of, and an intent to eliminate discrimination in the areas of: race, ethnic or national origin, gender, disability, religion, marital status, family responsibilities, sexual orientation or age.

Equal Employment Opportunity (EEO) makes good business sense. EEO is about good management practices, valuing and encouraging diversity, developing our human resource and attracting the best people to our jobs.

The following actions contribute to our commitment to EEO:

- **Selecting the best person for the job**  
All recruitment and selection procedures are based on EEO principles and everyone involved in recruitment is aware of the procedures to be followed. All recruitment and selection procedures are reviewed and audited annually against the EEO policy
- **Profiling our workforce**  
Utilising the statistical data we collect to profile the organisation and develop strategies to address any emerging issues
- **Developing staff**  
EEO awareness and bicultural training programmes are offered to staff.
- **Membership of the EEO Trust**  
Liaison and networking with other EEO Trust members allows ongoing access to ideas and actions which promote and endorse EEO. The EEO newsletter is widely distributed.

All activities are audited annually in-line with Council's Quality System Audit Programme.



## Organisational Development

Council is continuing to implement a programme of organisational development, which aims to assist the organisation to achieve its vision by becoming a world class organisation. To become world class, the principles of best practice will be incorporated at all levels of the organisation.

Application of best practice will have a positive impact on results such as revenue and expenditure, and bring other benefits through improvements in key organisational processes and improved customer and employee satisfaction.

Organisational development is specifically focused on developing best practice through the ongoing improvement of key organisational processes. Considerable work has been done to identify key areas for organisational development. From this the 'first XI' key actions have been defined and Corporate Action Plans developed. The 'first XI' target customer focus, information management development and human resource best practice, which have been identified as priority areas for development.

## Information Management

The programme of modernising Council's information technology is continuing. These projects will enable information to be accessed by customer services staff and enhance Council's ability to improve customer service. Key projects include:

- An upgrade of Council's Geographic Information System, to enable customer services staff to access all property related information from a single system; and
- The implementation of a new corporate wide Asset Management System to support the management of infrastructure assets and customer service functions.

The new technology platform will take advantage of internet computing to deliver information to all Council units and eventually to the community—similar to the way the library catalogues can now be accessed from the Internet.

## Quality Management

Council is ISO 9002 certified. The emphasis of forthcoming quality initiatives will be on simplifying and standardising quality systems, procedures and documentation across the organisation.

The quality system supports the organisational development initiatives, providing a framework from which key areas can be identified for development or improvement activity.

## Staffing

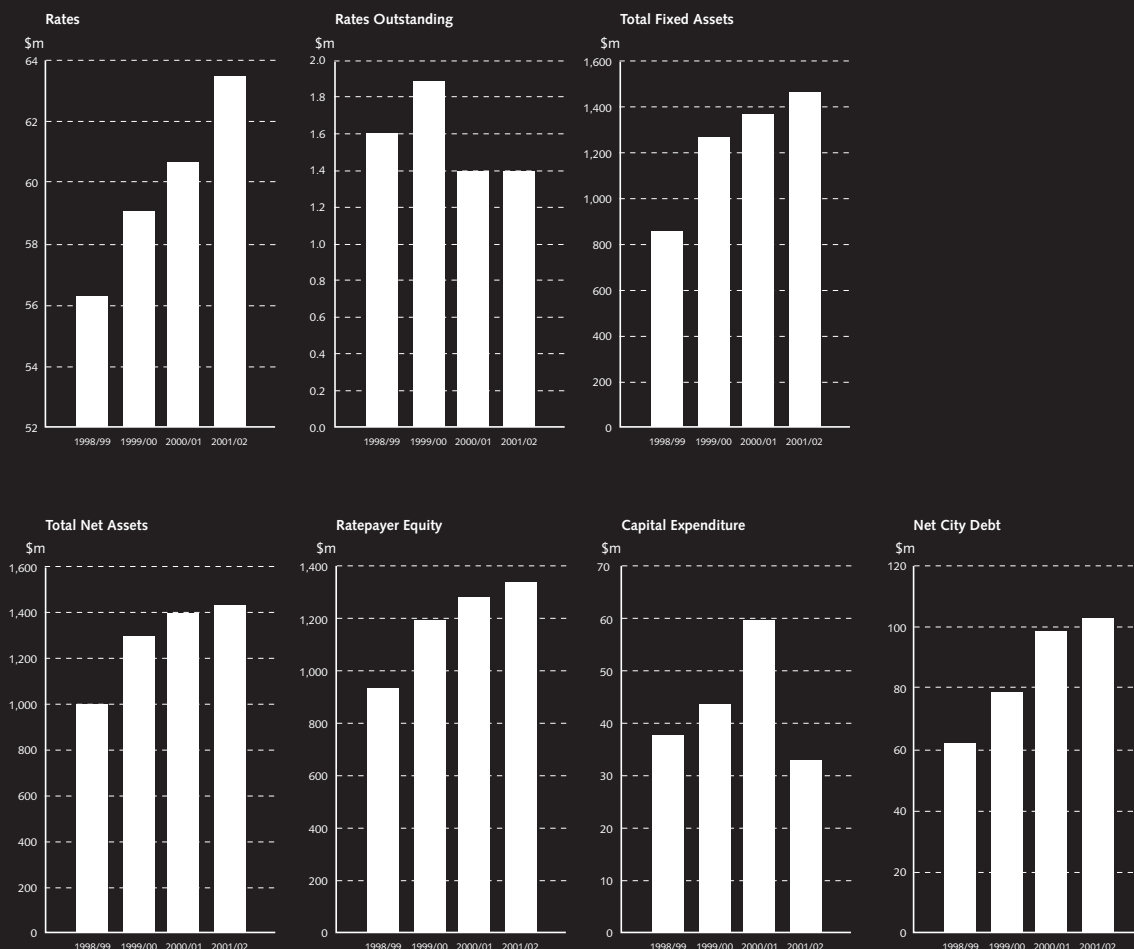
For the 2001/02 financial year, budget provision has been made for 611 permanent full-time equivalent staff positions.

## Health And Safety Management

Council is continuing its commitment to the prevention and management of workplace injury and illness. Active involvement by managers, supervisors and other dedicated personnel, in recovery, rehabilitation and workplace-based return to work programmes is a standard approach to business.

Council's health and safety management approach is focused on having robust systems in place, the involvement of all staff in decision-making and the setting of realistic and achievable goals to ensure a safe and healthy working environment.

# FINANCIAL OVERVIEW

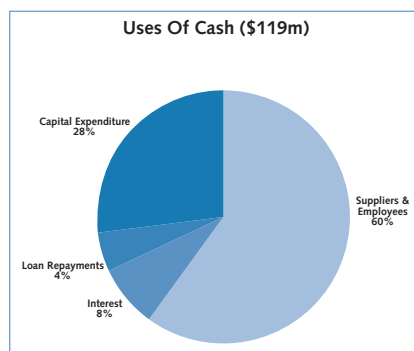
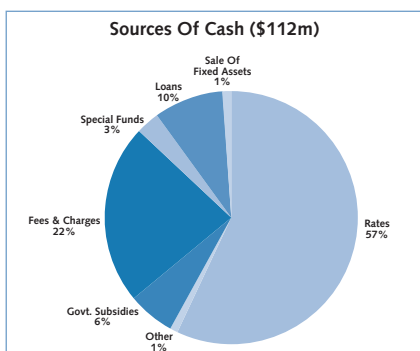


For the 2001/02 financial year, Council has budgeted income from general rates of \$63.3m (2000/01 \$60.8m). This makes up 44% of the Council's total budget of \$143m. Rates income has increased by 4.14% over the 2000/01 year. Taking account of growth in the city's rating base, this represents an average rate increase of 2.74% to existing Hamilton ratepayer. Based on the annual budget for 2000/01, rates (excluding Environment Waikato rates) on the average value Hamilton home will be around \$1,180, that is about \$23 a week.

Compared to 2000/01, total significant net operating expenditure increased by \$6.3m to \$70.5m and capital expenditure decreased by \$25.6m to \$33.8m. The reduction in capital expenditure is due mainly to the construction work on the Pukete wastewater secondary treatment plant, which is nearing completion and the grant to the stadium project, which was paid in the 2000/01 budget year.

The interest cost incurred in servicing the city debt will be \$9.0m (2000/01 \$8.5m), which is a \$0.5m increase on 2000/01 levels. The overall level of net city debt will increase by \$7.4m to \$104.4m for the 2001/02 financial year. Council has budgeted \$8.0m for internal borrowing from special funds and other cash, which when included makes the net city debt position \$112.4m.

A number of significant capital expenditure projects are planned during the 2001/02 financial year. These include the first year of a three year strategic land purchase programme (\$3.0m), year-two of the upgrade of the Pukete wastewater secondary treatment plant (\$2.8m), the western wastewater interceptor upgrade (\$0.7m), the development of Horotiu landfill (\$0.7m), arterial roading works on Mill Street (\$2.3m), Seddon Road upgrade (\$0.5m), the land purchase requirements associated with the Wairere Drive/ Resolution Drive extension (\$1.2m), the construction of the Cobham Drive/Hamilton Gardens entranceway (\$1.0m), the first year of a three-year programme to redevelop Claudelands Reserve grounds (\$0.7m), redevelopment at Hamilton Lake Domain (\$0.6m), the construction of changing rooms and toilets at Discovery Park (\$0.5m) and the construction of a car park and access way at Minogue Park (\$0.3m).



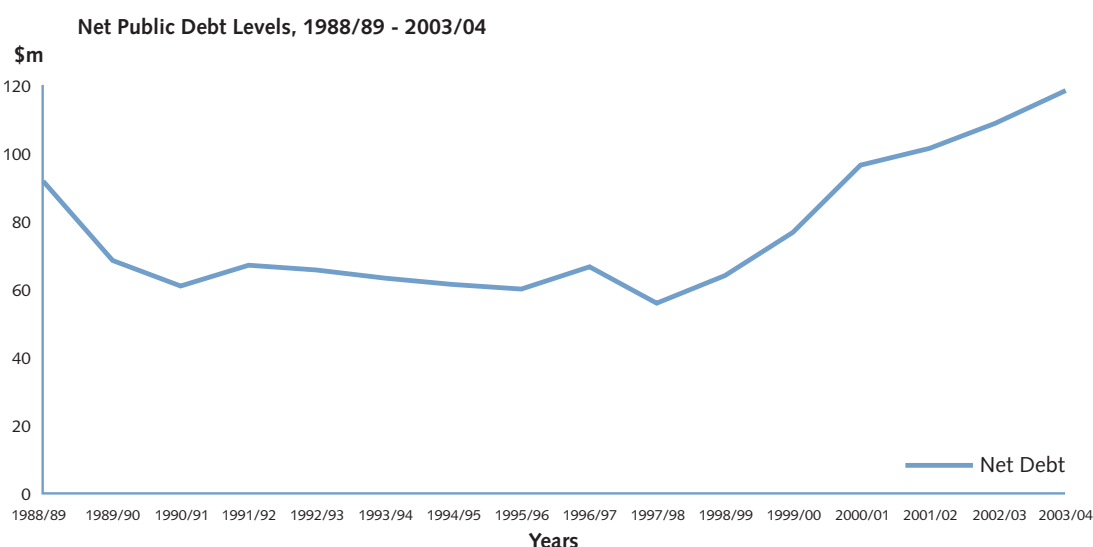
Overview	1998/99	1999/00	2000/01	2001/02
Rates Revenue	\$56.3 m	\$58.9 m	\$60.8 m	\$63.3 m
Rates Outstanding	\$1.6 m	\$1.9 m	\$1.4 m	\$1.4 m
Total Fixed Assets	\$871.1 m	\$1,278.4 m	\$1,363.7 m	\$1,419.1 m
Total Net Assets	\$992.3 m	\$1,302.9 m	\$1,392.8 m	\$1,429.1 m
Ratepayers Equity	\$917.6 m	\$1,204.7 m	\$1,296.7 m	\$1,320.4 m
Capital Expenditure	\$37.8 m	\$43.8 m	\$59.4 m	\$33.8 m
City Debt Repayable in One Year	\$2.5 m	\$3.1 m	\$5.6 m	\$5.5 m
Net City Debt	\$63.3 m	\$77.1 m	\$97.0 m	\$104.4 m

Financial Indicators	1998/99	1999/00	2000/01	2001/02
Current Ratio	1.25 : 1	1.03 : 1	0.83 : 1	0.35 : 1
Quick Ratio	1.09 : 1	1.22 : 1	1.28 : 1	0.68 : 1
% Rates Outstanding to Rate Income	2.3%	1.7%	1.6%	2.2%
Net City Debt per Rateable Property	\$1,541	\$1,812	\$2,248	\$2,324
Net City Debt per Capita	\$543	\$658	\$819	\$872
Net City Debt as % of Rating Revenue	112%	130%	160%	165%
Net City Debt as % Total Ratepayers Equity	6.4%	7.5%	7.5%	7.9%
Interest Repayment as % of Rating Revenue	10.3%	11.4%	14.0%	14.2%
Loan Principal Repayment as % of Rating Revenue	6.8%	5.6%	9.2%	8.8%

## City Debt

The public debt graph shows the level of city debt from 1988/89 to 2003/04. Council has three key financial performance targets for the management of city debt. These are:

- The total cost of servicing the city interest payments shall not exceed 15% of rating income for that year.**  
Total interest costs met from rating revenue in 2001/02 are \$9.0m.  
Based on rating income of \$63.3m, the proportion absorbed in debt servicing is 14.2%.
- The repayment of debt shall not be less than 4% of rating income for that year.**  
Contractual commitments to provide for loan repayment in 2001/02 are \$5.5m. Thus the provision for repayment of debt in 2001/02 is 8.8%.
- The total (net) city debt shall not exceed 8.5% of total ratepayers equity.**  
Council's proposed net city debt as at 30 June 2002 is \$104.4m, compared with ratepayer equity of \$1,320.4m. Thus, the target has been met at 7.9%. If internal borrowing of \$8.0m is included, the net city debt position for the same period is \$112.4m and the net city debt to ratepayers' equity ratio is 8.5%.





Hamilton has a network of beautiful river walkways.  
**SIGNIFICANT ACTIVITIES**



## Guide to the Significant Activities

The Significant Activity identifies the cost centre for this area of Council's activity. In the Annual Plan, all Council operations are organised into 14 Significant Activities.

Major projects and important capital works planned for the coming year.

This graph shows the results of the two most recent Annual Residents Surveys, which is one of the main methods Council uses to find out what residents think of Council's operations. Approximately 700 residents are interviewed by telephone to obtain ratings which are used in many of the Annual Plan performance measures.

These are the proposed cost centre accounts for this Significant Activity, for the next three years. The table shows how much revenue and expenditure is budgeted for each of the operational activities in the cost centre.

This chart illustrates how the cost of service is funded for this Significant Activity, for 2000/01 and 2001/02. This is one of the operational activities undertaken by Hamilton City Council.

A brief description of the activity.

Key objectives for this activity relating to one or more of the Council's goals.

Each performance measure relates to one or more of the objectives, and is intended to be measurable, significant and easy to understand. They do not cover every single action planned for the activity in the coming financial year.

Taking a closer look at Hamilton Zoo.

### ENVIRONMENT

#### Highlights

##### Hamilton Zoo

Hamilton Zoo, as part of its conservation focus and to encourage an appreciation of animals in their natural environment, is planning future development of six-hectares of land acquired for this purpose.

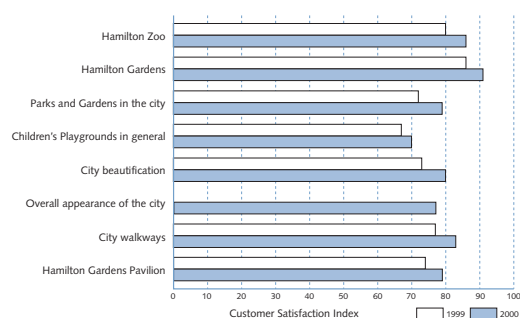
The concept for the new land includes a Savannah exhibit where various African hoof-stock cohabit together in a six-hectare enclosure. Design will also consider the needs of customers with features such as meandering boardwalks, ponds, bridges and viewing huts.

##### Hamilton Gardens

The final stage of the Italian Renaissance Garden will be completed this year, adding to the notable collection of themed gardens at Hamilton Gardens. The completed garden is scheduled to open to the public in June 2002. Work will also begin on the infrastructure required to support future gardens in the enclosed area set aside for the themed gardens.

#### Annual Residents Survey Data

User satisfaction with Council facilities and services in 1999 and 2000

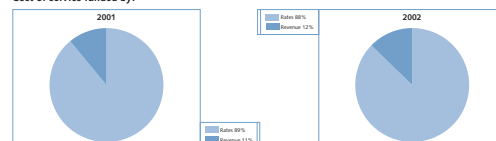


#### Environment

Cost of service for the year ending 30 June 2002 in \$000s

Budget 2001	Budget 2002	Budget 2003	Budget 2004
<b>EXPENDITURE</b>			
3,119 Parks and Gardens	3,633	3,765	3,924
63 Grounds and Buildings	63	63	63
1,547 City Beautification	1,613	1,606	1,612
1,245 Hamilton Zoo	1,387	1,393	1,405
1,460 Hamilton Gardens	1,609	1,616	1,614
574 Sustainable Environment	646	597	600
<b>8,008 TOTAL EXPENDITURE</b>	<b>8,951</b>	<b>9,040</b>	<b>9,218</b>
<b>Less REVENUE</b>			
348 Domain Board Rents	492	558	590
464 Zoo Admission Fees	452	452	452
85 Hamilton Gardens Income	89	89	89
8 Sundry Revenue	8	8	8
<b>905 TOTAL REVENUE</b>	<b>1,041</b>	<b>1,107</b>	<b>1,139</b>
<b>7,103 NET COST OF SERVICE</b>	<b>7,910</b>	<b>7,933</b>	<b>8,079</b>
<b>3,026 CAPITAL EXPENDITURE</b>	<b>3,154</b>	<b>2,616</b>	<b>3,489</b>

#### Cost of service funded by:



#### Hamilton Zoo

##### Description

Hamilton Zoo provides the city with a recreation and leisure facility, a conservation base, and an educational experience. It also assists economic development through tourism and visitor attraction.

Hamilton Zoo is committed to the ongoing development of a high quality, modern, zoological garden with relevant programmes that emphasise conservation, education, and recreation. It will continue to encourage an appreciation of wildlife and the living world, delivered in a context that encourages family participation and provides value for money.

##### Objectives

- To provide a facility and programmes that meets the expectations of user groups and customers. (Goal 1)
- To maintain a standard of animal husbandry and housing that meets or exceeds contemporary standards. (Goal 1)

##### Performance Measures

- User satisfaction measure for Hamilton Zoo maintained at 86 or greater, as measured by Council's 2002 Annual Residents Survey. (Obj. 1)
- The performance objectives of the contract with the Ministry of Education were met resulting in acceptance of tendered milestone reports. (Obj. 1)
- Usage measure for Hamilton Zoo maintained at 43% or greater, as measured by Council's 2002 Annual Residents Survey. (Obj. 1)
- Received no non-compliance reports from audits carried out by the Ministry of Agriculture and Forestry and maintained a licence status as an 'A' grade zoo. (Obj. 2)



Taking a closer look—an Ostrich at Hamilton Zoo.

## ENVIRONMENT

### Highlights

#### Hamilton Zoo

Hamilton Zoo, as part of its conservation focus and to encourage an appreciation of animals in their natural environment, is planning future development of six-hectares of land acquired for this purpose.

The concept for the new land includes a Savannah exhibit where various African hoof-stock cohabit together in a six-hectare enclosure. Design will also consider the needs of customers with features such as meandering boardwalks, ponds, bridges and viewing huts.

#### Hamilton Gardens

The final stage of the Italian Renaissance Garden will be completed this year, adding to the notable collection of themed gardens at Hamilton Gardens. The completed garden is scheduled to open to the public in June 2002. Work will also begin on the infrastructure required to support future gardens in the enclosed area set aside for the themed gardens.

#### Environmental Education

Having completed the development of its EnviroSchools Programme, Council will initiate further programmes to equip specific target groups identified in its Environmental Education Strategy, with the knowledge and skills to work successfully for a sustainable city.

#### Lake Domain Redevelopment

Redevelopment of the Hamilton Lake Domain will continue into the third year of an eight-year programme. Funding of \$589,000 this year is for further upgrading of the children's playground and the first stage of the Lake Rotorua Esplanade Walkway and associated landscape restoration.

#### Riverside Walkways

Hamilton's riverside walkway network will be extended this year with reserve funding of \$534,000 to complete construction of a walkway from Arcus Street to Awatere Avenue. This will link existing walkways and complete the walk alongside the St Andrews Golf Course. Work on this part of the project began in 2000/01. Also, a programme to increase the number of signs on walkway paths will be initiated.

#### Community Tree Planting

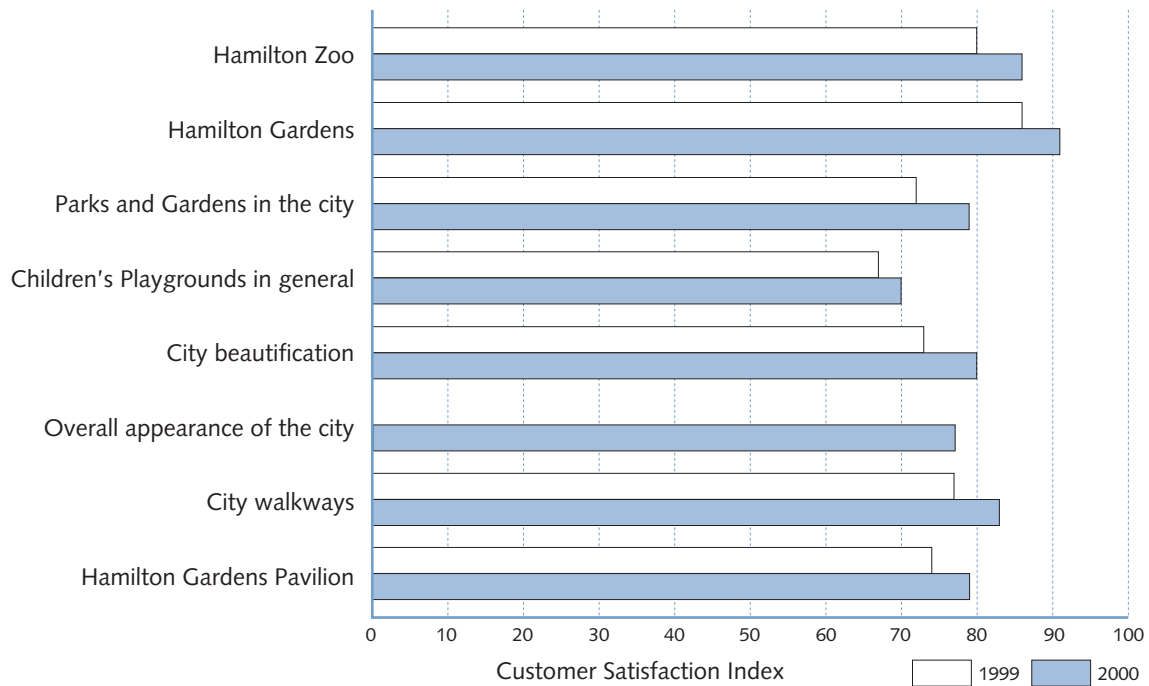
Protecting and enhancing the city's distinctive parks, gardens and reserves will continue this year, in Council's community planting programmes. At least 60 community-based groups will take part, planting more than 20,000 trees and shrubs, provided by Council, on public reserves across the city.

#### Claudlands Park

The development of Claudlands Park (formerly the Claudlands Showgrounds) as a public park will start with the removal of road frontage fences, establishment of lawns and landscaping. The park will be developed over a period of three years in accordance with the Claudlands Park Management Plan.

## Annual Residents Survey Data

### User satisfaction with Council facilities and services in 1999 and 2000

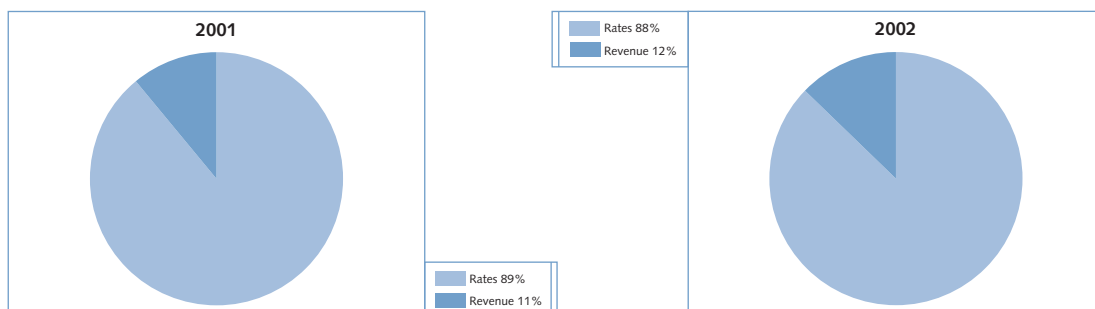


## Environment

### Cost of service for the year ending 30 June 2002 in \$000s

Budget 2001		Budget 2002	Budget 2003	Budget 2004
<b>EXPENDITURE</b>				
3,119	<b>Parks and Gardens</b>	3,633	3,765	3,924
63	Grounds and Buildings	63	63	63
1,547	Hamilton Domain Board	1,613	1,606	1,612
1,245	<b>City Beautification</b>	1,387	1,393	1,405
1,460	Hamilton Zoo	1,609	1,616	1,614
574	Hamilton Gardens	646	597	600
8,008	<b>Sustainable Environment</b>	8,951	9,040	9,218
	<b>TOTAL EXPENDITURE</b>			
<b>Less REVENUE</b>				
348	Domain Board Rents	492	558	590
464	Zoo Admission Fees	452	452	452
85	Hamilton Gardens Income	89	89	89
8	Sundry Revenue	8	8	8
905	<b>TOTAL REVENUE</b>	1,041	1,107	1,139
7,103	<b>NET COST OF SERVICE</b>	7,910	7,933	8,079
3,026	<b>CAPITAL EXPENDITURE</b>	3,154	2,616	3,485

### Cost of service funded by:





## Hamilton Zoo

### Description

Hamilton Zoo provides the city with a recreation and leisure facility, a conservation base, and an educational experience. It also assists economic development through tourism and visitor attraction.

Hamilton Zoo is committed to the ongoing development of a high quality, modern, zoological garden with relevant programmes that emphasise conservation, education, and recreation. It will continue to encourage an appreciation of wildlife and the living world, delivered in a context that encourages family participation and provides value for money.

### Objectives

1. To provide a facility and programmes that meets the expectations of user groups and customers. (Goal 1)
2. To maintain a standard of animal husbandry and housing that meets or exceeds contemporary standards. (Goal 1)

### Performance Measures

1. User satisfaction measure for Hamilton Zoo maintained at 86 or greater, as measured by Council's 2002 Annual Residents Survey. (Obj. 1)
2. The performance objectives of the contract with the Ministry of Education were met resulting in acceptance of tendered milestone reports. (Obj. 1)
3. Usage measure for Hamilton Zoo maintained at 43% or greater, as measured by Council's 2002 Annual Residents Survey. (Obj. 1)
4. Received no non-compliance reports from audits carried out by the Ministry of Agriculture and Forestry and maintained a licence status as an 'A' grade zoo. (Obj. 2)

## Parks And Gardens (including playgrounds)

### Description

The Parks and Gardens activity provides for the contractual operation and administration of developed and undeveloped passive recreational land, managed for prescribed environmental objectives. Council uses a mix of internal and external contracts, the outputs of which are monitored and audited to ensure the provision of quality services for the community within the resources available. Hamilton's Strategic Plan, the Council's District Plan, and various reserves management plans set out the rationale for, and methods by which, parks and gardens are acquired and maintained, and long-term development plans established.

### Objectives

1. To provide and maintain a natural urban setting for the people of Hamilton. (Goal 1)
2. To contribute towards meeting the recreational needs of the community through the provision and maintenance of parks, reserves and other forms of open space, and facilities on them. (Goal 1)

### Performance Measures

1. Completed Stage 2 of the riverside walkway from Arcus Street to Awatere Avenue, within budget, by 30 June 2002. (Objs. 1 & 2)
2. Developed Claudelands Park to a standard suitable for public open space in accordance with Claudelands Park Management Plan. (Objs. 1 & 2)
3. User satisfaction measure for parks and gardens in general maintained at 79 or greater and for children's playgrounds in general at 70 or greater, as measured by Council's 2002 Annual Residents Survey. (Obj. 2)

## Hamilton Gardens

### Description

Hamilton Gardens, including the Pavilion, provides a high quality visitor and events venue that enhances the quality of life of residents and promotes the image of Hamilton. The Gardens are the most popular visitor destination in the city, and host more than 1000 events each year. The Gardens' development programme is supported by sponsorship, employment initiative programmes, and widespread public involvement.

### Objectives

1. To develop and maintain standards of presentation and service at Hamilton Gardens and the Pavilion which fulfil the community's expectations. (Goal 1)

2. To develop Hamilton Gardens within budget to provide a high quality visitor and events venue in accordance with the Hamilton Gardens Management Plan. (Goal 1)

### Performance Measures

1. User satisfaction measure for Hamilton Gardens maintained at 91 or greater, as measured by Council's 2002 Annual Residents Survey. (Obj. 1)
2. Continued implementation of the Hamilton Gardens development programme through completion of Stage 4 of the Italian Renaissance Garden and start of infrastructure in the enclosed area for the themed gardens by 30 June 2002. (Obj. 2)

## City Beautification

### Description

This activity enhances the city's image by providing, developing, and maintaining beautification areas around the city, including trees within open spaces, parks, streets, and traffic island plantings. Maintenance is carried out by a mix of internal and external contracts.

### Objectives

1. To meet the community's wishes (expressed in Hamilton's Strategic Plan) for the maintenance and enhancement of beautification areas and amenity trees within the city. (Goal 1)
2. To ensure that all the city's fountains are refurbished and operating efficiently. (Goal 1)
3. To involve the community in the establishment of urban vegetation on public open space through the Community Planting Programme. (Goal 1)

### Performance Measures

1. User satisfaction measure for city beautification maintained at 80 or greater, as measured by Council's 2002 Annual Residents Survey. (Obj. 1)
2. Planted 32,000 new trees and shrubs during the 2001/02 financial year. (Obj. 1)
3. Planted trees on public open space with the involvement of not less than 60 community organisations, adjacent property owners and interested stakeholders. (Objs. 1 & 3)
4. Completed the Waikato Museum of Art and History fountain refurbishment within budget, so as to be operating efficiently by 30 June 2002. (Obj. 2)

## Sustainable Environment

### Description

This activity includes environmental education, waste reduction, Festival of the Environment and Keep Hamilton Beautiful. The key focus is to firstly address and resolve local environmental issues through collective community action, and secondly to promote urban sustainability through community education and the implementation of Council policy.

### Objectives

1. To increase knowledge and awareness of environmental issues amongst target groups identified in Council's Environmental Education Strategy. (Goal 1)
2. To encourage the ecological restoration of privately owned land within the city boundary. (Goal 1)

3. To support sustainable community environments through community programmes and the distribution of grants. (Goal 1)

### Performance Measures

1. Developed an adult environmental education programme, in accordance with Council's Environmental Education Strategy by 30 June 2002. (Obj. 1)
2. Developed a programme to implement the use of Council's Gully Restoration Guidelines by private landowners by 30 June 2002. (Obj. 2)
3. Membership of the Hamilton Community Environmental Programme increased by 20% by 30 June 2002. (Obj. 3)



Water supply pipes on Norton Road being replaced with new long-lasting PVC pipes.

## WATER SUPPLY

### Highlights

#### Rototuna Urban Growth

Development of the Rototuna water supply reticulation trunks will continue this year, with funding of \$200,000 allocated. This ongoing project ensures the development of essential water supply infrastructure to meet the demands of residential growth and expansion in the city's northern area.

#### Water Treatment Station Backwash Water

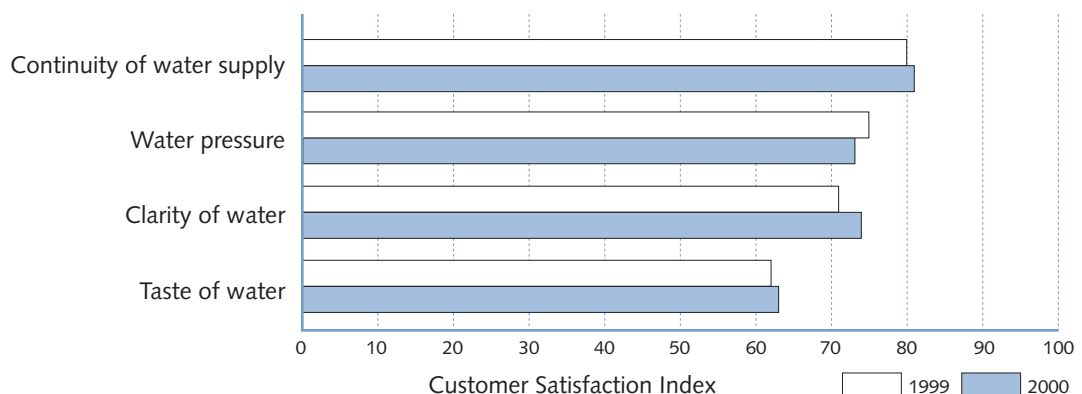
Subject to final resource consent conditions (the existing backwash water consent expires in October 2001) Council proposes to implement a new disposal system that may include settling tanks and a pumping station, by June 2002.

#### Water Supply Upgrades In Elevated Areas

A requirement to upgrade the water supply pressure has been identified in a number of Hamilton's elevated areas, including Newcastle, Houchens, Hillcrest and Mahoe. Investigative work and an improvement programme will continue this year.

### Annual Residents Survey Data

#### User satisfaction with Council facilities and services in 1999 and 2000

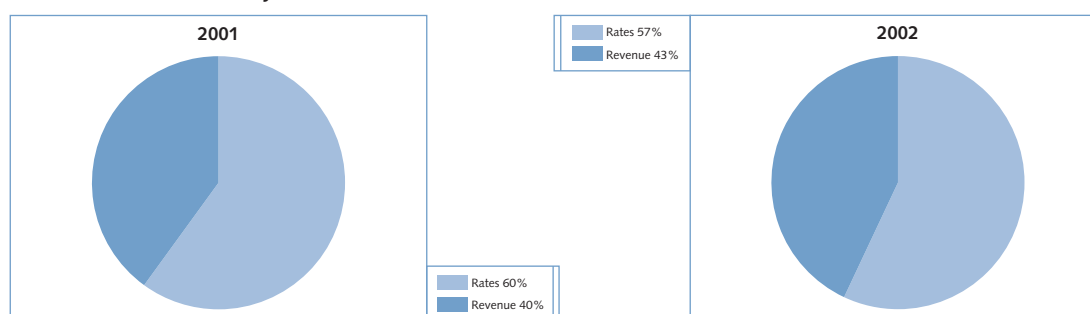


## Water Supply

### Cost of service for the year ending 30 June 2002 in \$000s

Budget 2001		Budget 2002	Budget 2003	Budget 2004
	<b>EXPENDITURE</b>			
3,124	Network Maintenance	3,195	3,155	3,227
2,958	Treatment Station and Reservoirs	2,589	2,684	2,881
6,082	<b>TOTAL EXPENDITURE</b>	5,784	5,839	6,108
	<b>Less REVENUE</b>			
2,305	Sale of Water by Meter	2,401	2,401	2,401
103	Damage Repairs & Service Relocation	65	65	65
2,408	<b>TOTAL REVENUE</b>	2,466	2,466	2,466
3,674	<b>NET COST OF SERVICE</b>	3,318	3,373	3,642
3,514	<b>CAPITAL EXPENDITURE</b>	1,983	1,894	3,963

### Cost of service funded by:



### Description

This activity consists of water treatment, storage, and distribution through the operation and maintenance of the water treatment and pumping stations, reservoirs, boosters and over 892km of reticulation network. Quality, pressured water, which meets the 2000 New Zealand Drinking Water Standards, provides potable (drinkable) water and fire protection to the community and is delivered to some 41,000 premises, servicing more than 117,000 persons.

### Objective

1. To maintain a continuous supply of potable (drinkable) water with adequate supplies for urban fire fighting. (Goal 2)

### Long-Term Objectives

1. To implement the city's Water Future Development Plan 1997, to ensure the quality, capacity and security of the city's water supply. (Goals 1 & 2)
2. To complete upgrading the water pipe network to meet the standards set out in the Hamilton City Development Manual by 2010. (Goal 2)

### Performance Measures

1. Maintained a water supply that meets the New Zealand Drinking Water Standards 2000. (Obj. 1)
2. Retained the Ministry of Health's grading of the city's water treatment station operation at 'A', and the city's water pipe network system at 'a', as assessed by the Ministry every three years. (Obj. 1)
3. User satisfaction measures for continuity of supply maintained at 80 or greater, water pressure at 75 or greater, clarity of water at 73 or greater, and for taste of water at 62 or greater, as measured by Council's 2002 Annual Residents Survey. (Obj. 1)
4. Provided customers with new water connections within 20 working days of application and payment, or by a later date as specified by the customer, in 90% of cases. (Obj. 1)
5. Maintained a reliable water supply to all consumers, including emergencies and scheduled works, accounting for less than 738,000 unplanned customer minutes out of service. (Obj. 1)
6. The construction of a backwash water system at the Water Treatment Station completed by 30 June 2002. (Obj. 1)
7. Flows and pressures complied with the standards set out in the Hamilton City Development Manual. (Obj. 1)
8. The water reticulation network upgraded and extended by 10km within budget by 30 June 2002. (Long-Term Objs. 1 & 2)





The new digester buildings under construction at the Wastewater Treatment Plant.

## WASTEWATER

### Highlights

#### Wastewater Treatment Plant Upgrade

Work will continue this year on the construction of secondary treatment facilities at the wastewater plant at Pukete. Council will spend \$2.8 million this year to complete and commission the upgrade. The upgraded facility will provide secondary treatment with ultraviolet disinfection, which will significantly improve the quality of discharged wastewater. Scheduled completion for this stage of the project is October 2001.

#### Pipe Network Condition

Work will continue on determining the condition of existing pipes and manholes that make up the wastewater network. The results of these investigations will be used to determine the rate of deterioration and anticipated lifespan of the pipe network. A programme of remedial works will then be implemented.

#### Western Wastewater Interceptor

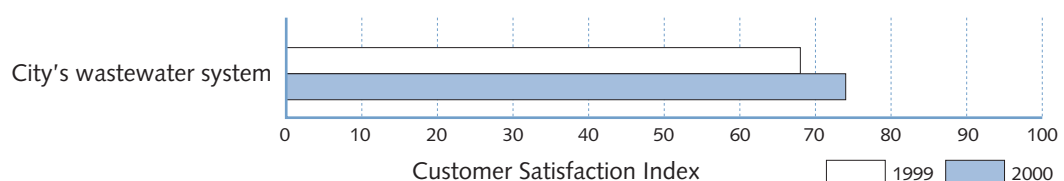
Work will continue on upgrading the Western Wastewater Interceptor to Council's design standards.

#### Rototuna Wastewater Trunk

Development of the Rototuna wastewater reticulation trunks will continue, ensuring the wastewater network keeps up with residential growth and development in the area.

### Annual Residents Survey Data

#### User satisfaction with Council facilities and services in 1999 and 2000

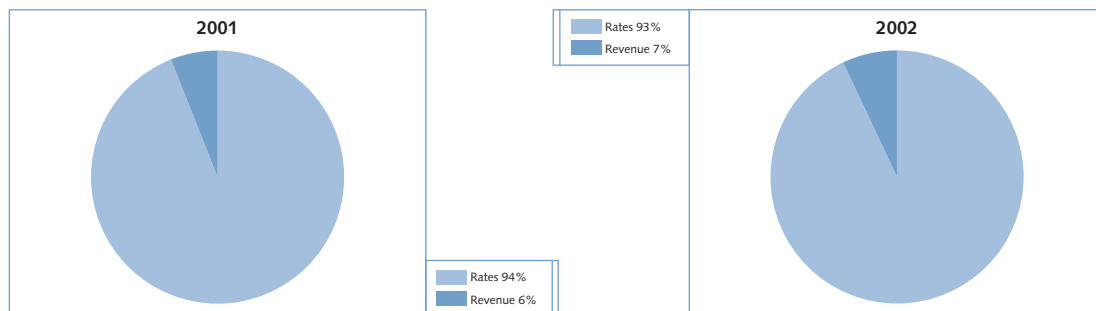


## Wastewater

### Cost of service for the year ending 30 June 2002 in \$000s

Budget 2001		Budget 2002	Budget 2003	Budget 2004
	<b>EXPENDITURE</b>			
4,130	Network Maintenance	4,290	4,404	4,468
4,855	Wastewater Treatment Plant	5,739	5,668	5,787
8,985	<b>TOTAL EXPENDITURE</b>	10,029	10,072	10,255
	<b>Less REVENUE</b>			
532	Trade Waste Fees	700	700	700
10	Other Fees	15	15	15
542	<b>TOTAL REVENUE</b>	715	715	715
8,443	<b>NET COST OF SERVICE</b>	9,314	9,357	9,540
19,789	<b>CAPITAL EXPENDITURE</b>	4,543	2,947	2,590

### Cost of service funded by:



### Description

The wastewater reticulation network provides for protection of public health by collecting wastewater and waterborne wastes. These wastes are transported through the network to the Wastewater Treatment Plant, where they are treated prior to discharge to the Waikato River. The network includes 698km of pipes ranging from 100mm to 1800mm in diameter, 13,107 manholes, 110 pumping stations, and five major wastewater bridges.

### Objectives

1. To continue to develop the wastewater network to provide for growth of the city. (Goal 1)
2. To accept, convey, treat, and dispose of all wastewater from the city, in accordance with the Council's resource consent, efficiently and without nuisance. (Goals 1 & 2)
3. To maintain the integrity of the wastewater reticulation network and pumping stations. (Goal 2)

### Performance Measures

1. Completed the next stage of wastewater trunk mains to serve the Rototuna growth area by 30 June 2002. (Obj. 1)

2. Customers provided with new wastewater connections within 20 working days of application and payment, or by a later date as specified by the customer, in 90% of cases. (Obj. 1)
3. Year 3 of a 9-year programme to upgrade the Wastewater Treatment Plant completed within the budget of \$2.8 million by 30 June 2002. (Objs. 1, 2 & 3)
4. No more than 60 wastewater blockages per 100km of reticulation network per year. (Obj. 2)
5. User satisfaction measure for the city's wastewater system maintained at 68 or greater, as measured by Council's 2002 Annual Residents Survey. (Obj. 2)
6. The second stage of the upgrade of the Western Wastewater Interceptor completed by 30 June 2002. (Obj. 3)
7. Provided an annual report to Environment Waikato by 30 September 2002, which raised no major concerns regarding compliance with the Wastewater Treatment Plant's resource consents for the year ended 30 June 2002. (Obj. 3)



A stormwater grate holds the interest of a Paddington's kindergarten toddler in Nawton.

## STORMWATER

### Highlights

#### Stormwater Upgrading

Council will continue upgrading Hamilton city's stormwater system to lessen the effects of flooding on roads and private property. Upgrading work will be undertaken in Kakanui Ave, Nevada and Steele Roads to reduce localised flooding.

#### Rototuna Urban Growth

Development of the Rototuna stormwater reticulation system will continue, ensuring the stormwater network keeps up with the urban growth and development in the area.

#### Network Pipe Upgrades

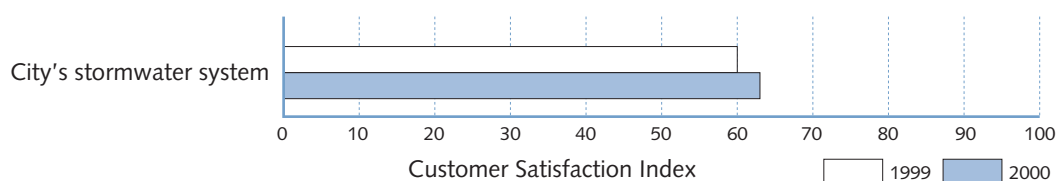
The programme of upgrading the stormwater pipe network in association with roading projects will continue during the year.

#### Environment Waikato Resource Consents

All existing Environment Waikato resource consents to discharge stormwater to natural waterways expire in October 2001. Applications have been lodged with Environment Waikato to renew these consents. Ongoing consultation and work on development of a city-wide stormwater management plan are to continue throughout the year.

### Annual Residents Survey Data

#### User satisfaction with Council facilities and services in 1999 and 2000

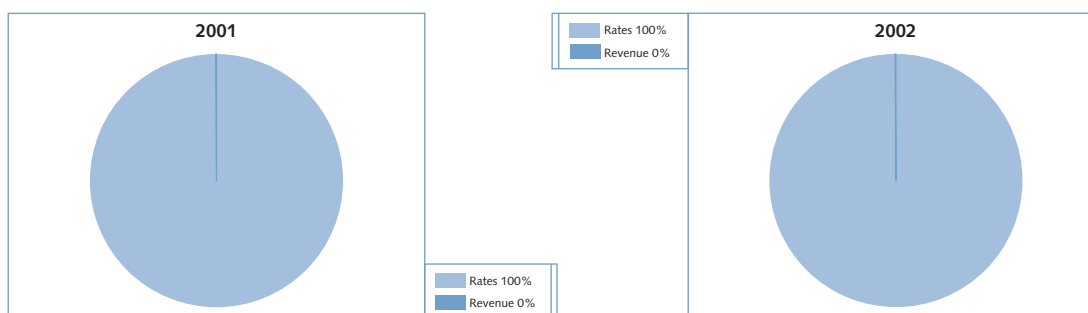


## Stormwater

### Cost of service for the year ending 30 June 2002 in \$000s

Budget 2001		Budget 2002	Budget 2003	Budget 2004
	<b>EXPENDITURE</b>			
3,791	Network Maintenance	4,047	4,121	4,132
3,791	<b>TOTAL EXPENDITURE</b>	4,047	4,121	4,132
	<b>Less REVENUE</b>			
5	Pipe Survey Fees	3	3	3
3,786	<b>NET COST OF SERVICE</b>	4,044	4,118	4,129
1,395	<b>CAPITAL EXPENDITURE</b>	1,495	1,855	1,900

### Cost of service funded by:



### Description

The stormwater network is provided for protection of both public health and property, and includes all public piped drains and watercourses within the city. It includes 547km of piping ranging from 225mm to 2300mm in diameter, 10,163 manholes, and 86km of open drains. The network collects stormwater runoff to minimise flooding, and transports it to the city's major watercourses, lakes or the Waikato River.

### Objectives

1. To minimise flooding and facilitate development within the city by providing stormwater and land drainage to all urban areas to the standards set out in the Hamilton City Development Manual. (Goals 2 & 5)
2. To ensure that Hamilton City's stormwater resource consent conditions are complied with. (Goal 2)

### Performance Measures

1. Year 5 of the 20-year Rototuna stormwater programme completed by 30 June 2002. (Obj. 1)
2. Customers provided with new stormwater connections within 20 working days of application and payment, or by a later date as specified by the customer, in 90% of the cases. (Obj. 1)
3. Ensured that all new stormwater vested in the city complies with the standards set out in the Hamilton City Development Manual. (Obj. 1)
4. The open drain cleaning programme completed by 30 June 2002. (Obj. 1)
5. No major concerns raised by Environment Waikato around stormwater consent compliance. (Obj. 2)





Compost from the Hamilton Organic Recycling Centre.

## REFUSE

### Highlights

#### Landfill Development And Control

Hamilton City Council provides essential refuse services including household refuse collection, operation of the Refuse Transfer Station and the Horotiu Landfill. This year Council will continue to fill Stage 4 of the Horotiu landfill and prepare the final stage, to enable filling later this year.

#### Closed Refuse Disposal Sites

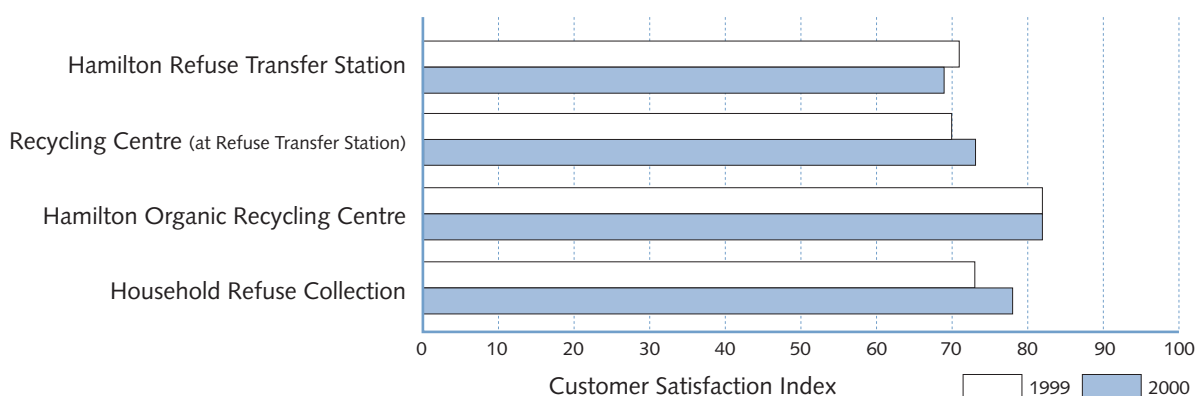
Resource consent applications for the control of discharges from three closed sites are expected to be heard by Environment Waikato this year. Works to prevent gas migration at Rototuna have been completed.

#### Delivery Of Refuse Services

Council will consider medium to long-term proposals for refuse collection, transfer, disposal and minimisation, recognising that the Horotiu landfill will close no later than 31 December 2006. A Request for Proposals was advertised publicly in February 2001, and the responses will be considered by Council in August 2001.

### Annual Residents Survey Data

#### User satisfaction with Council facilities and services in 1999 and 2000

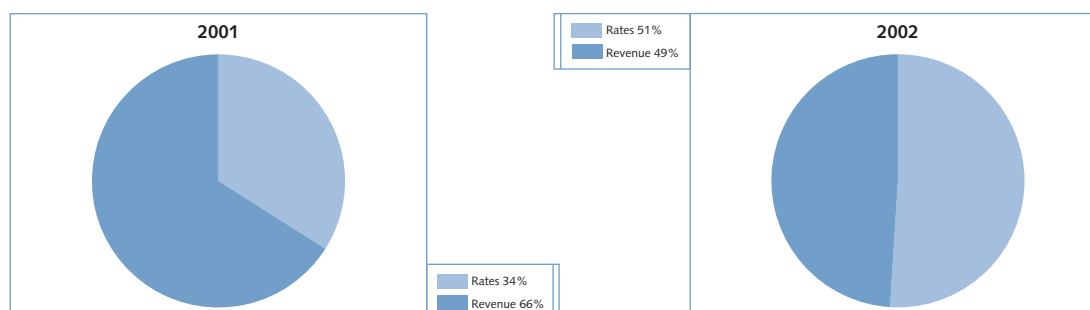


## Refuse

### Cost of service for the year ending 30 June 2002 in \$000s

Budget 2001		Budget 2002	Budget 2003	Budget 2004
	<b>EXPENDITURE</b>			
1,916	Household Collection	1,971	1,960	1,960
1,960	Transfer Station	1,808	1,805	1,794
5,298	Horotiu Landfill	5,026	3,872	3,583
237	Management Old Landfill Sites	291	304	306
102	Organic Recycling Centre	108	107	109
9,513	<b>TOTAL EXPENDITURE</b>	9,204	8,051	7,752
	<b>Less REVENUE</b>			
1,413	Transfer Station Fees	1,084	1,084	1,084
4,865	Landfill Fees	3,429	3,317	3,355
41	Organic Recycling Centre Rent	41	41	41
6,319	<b>TOTAL REVENUE</b>	4,554	4,442	4,480
3,194	<b>NET COST OF SERVICE</b>	4,650	3,609	3,272
2,904	<b>CAPITAL EXPENDITURE</b>	1,348	880	110

### Cost of service funded by:



### Description

This activity provides for the essential services of household refuse collection for over 40,000 residential properties, and the operation of the Refuse Transfer Station (including the recycling centre), Hamilton's Organic Recycling Centre and the Horotiu Landfill. The landfill accepts waste from various sources in Hamilton city and the neighbouring districts.

### Objective

1. To plan, manage, and administer all refuse operations in an efficient, cost-effective, and environmentally-sensitive way, including refuse collection and disposal, refuse transfer, bulk haulage, recycling, and hazardous waste disposal. (Goals 1, 2 & 4)

### Performance Measures

1. Satisfied 90% of requests relating to non-collection of household refuse within 24 hours. (Obj. 1)
2. Hamilton's Organic Recycling Centre, Refuse Transfer Station, and landfill facilities operated every day, except New Year's Day, Good Friday and Christmas Day. (Obj. 1)
3. User satisfaction measures for the Refuse Transfer Station maintained at 70 or greater, for the Hamilton Organic Recycling Centre at 80 or greater, and for household refuse collection at 75 or greater, as measured by Council's 2002 Annual Residents Survey. (Obj. 1)
4. Annual reports provided to Environment Waikato and Waikato District Council by 30 September 2002, which raised no major concerns regarding compliance with the Horotiu Landfill's resource consents for the year ended 30 June 2002. (Obj. 1)
5. Recovered at least 18,000 tonnes of waste for recycling through kerbside paper collection, recycling centre operations and greenwaste composting at Hamilton's Organic Recycling Centre. (Obj.1)



Victoria/Alma Streets roundabout.

## ROADS AND TRAFFIC

### Highlights

#### Cycling

Council has allocated \$450,000 to improve cycling facilities in the city. This allocation is for priority projects throughout the city, identified in consultation with cycling working parties and Council's Cycling Advisory Group.

In addition, it is estimated that at least another \$300,000 will be invested in cycling facilities in this year's roading programmes and projects.

#### Street Lighting

Council has allocated more than \$300,000 to improve street lighting throughout the city. The programme continues work to improve arterial road lighting as well as local road and amenity lighting.

#### Seddon Road Upgrade

This year will see the upgrading of Seddon Road between the Old Boys Rugby Club and Goldsmith Street. The project includes significant earthworks, new carriageway, footpath, and street lighting.

#### Cobham Drive/Hamilton Gardens Entrance

Council will provide funding to improve access to Hamilton Gardens. Council has been working with Transit New Zealand to develop projects that will improve safety at both the Grey Street and Hungerford Crescent entrances. Funding has been set aside for a feasibility study and preliminary works in 2002/03, and construction of a pedestrian underpass 2003/04 to be sited between the Hungerford Crescent and Grey Street entrances.

#### Minor Safety Improvements

Council has allocated \$277,000 for minor safety improvement work around the city. This project forms part of an ongoing programme to address traffic safety problems.

#### Dey Street Local Area Traffic Management

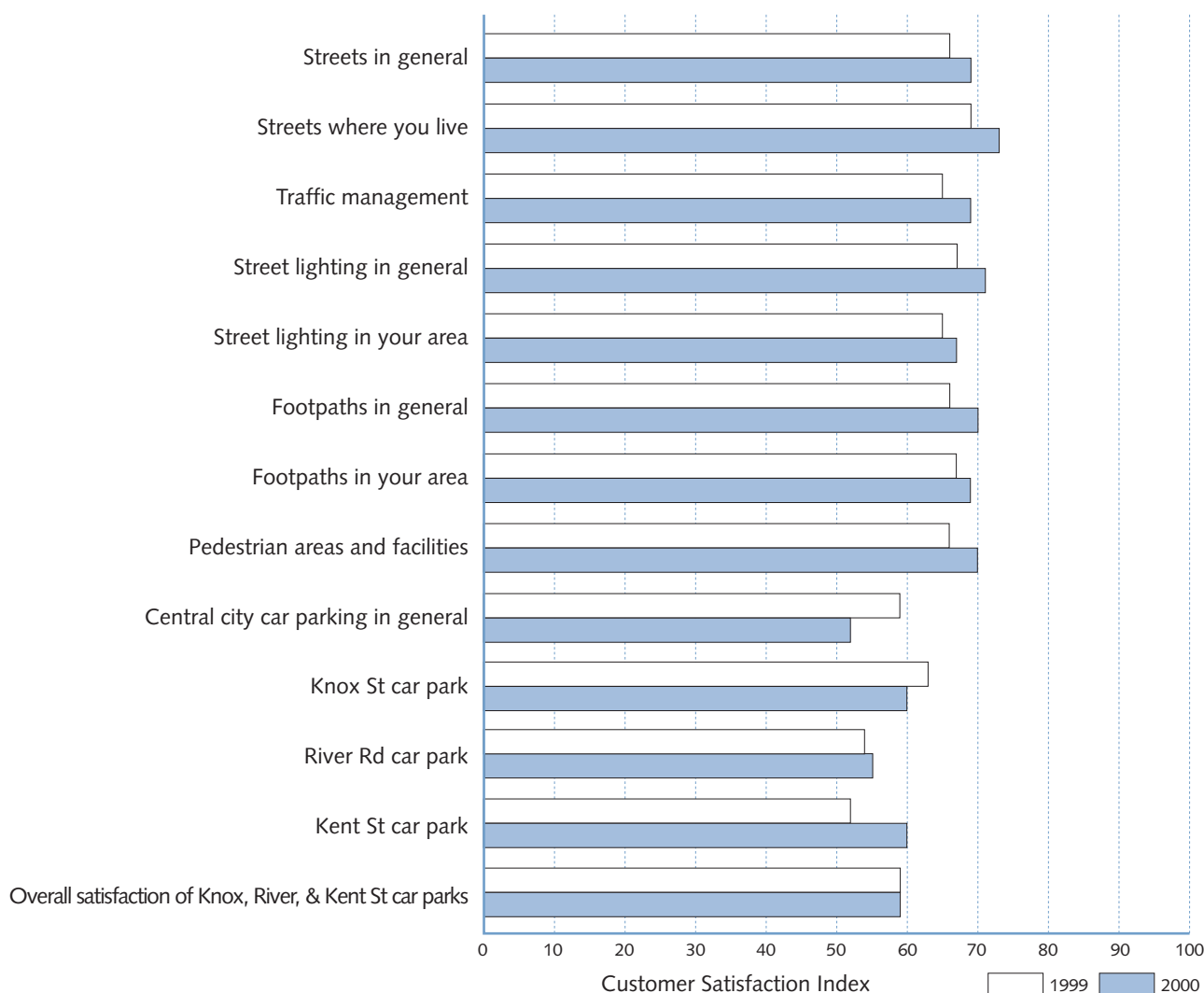
Council has allocated \$70,000 to slow traffic and improve safety in Dey Street between Cambridge Road and Clyde Street. Council will use traffic calming devices to address a long-standing local traffic management issue.

#### Whitiora Bridge

Council has major maintenance works planned for Whitiora Bridge including the repair and replacement of the deck joints, resurfacing of the road, and the raising of the north barrier fence to provide increased safety for cyclists.

## Annual Residents Survey Data

### User satisfaction with Council facilities and services in 1999 and 2000



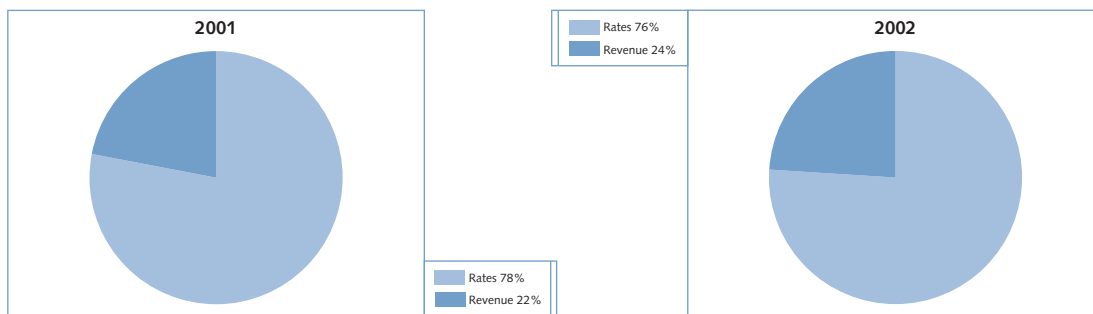
## Roads and Traffic

### Cost of service for the year ending 30 June 2002 in \$000s

Budget 2001		Budget 2002	Budget 2003	Budget 2004
	<b>EXPENDITURE</b>			
8,840	Carriageways Maintenance	9,392	9,890	9,974
2,785	Traffic Services	1,894	1,918	1,933
1,108	Street Lighting	1,632	1,663	1,690
3,371	Footpaths, Cycleways and Verges	3,390	3,462	3,509
1,113	Network Management	909	886	885
184	Road Safety Programme	210	210	210
411	Hamilton Transport Centre	313	320	328
1,201	Parking Enforcement	1,250	1,246	1,246
227	Central Area Off-Street Parking	191	180	236
19,240	<b>TOTAL EXPENDITURE</b>	19,181	19,775	20,011
	<b>Less REVENUE</b>			
1,837	Transfund Subsidy	2,195	2,237	2,258
93	Contributions	92	92	92
87	LTSA for Safety Programmes	108	108	108
198	Hamilton Transport Centre Rents	138	141	144
	<b>Parking</b>			
506	Meter Receipts	515	515	515
545	Infringements	545	545	545
714	Fines and Court Recoveries	781	781	781
181	Off-Street Parking Fees	204	204	204
4,161	<b>TOTAL REVENUE</b>	4,578	4,623	4,647
15,079	<b>NET COST OF SERVICE</b>	14,603	15,152	15,364
14,203	<b>CAPITAL EXPENDITURE</b>	12,869	10,666	10,985



### Cost of service funded by:



## Road Network Management

### Description

This activity provides for the professional and technical work involved in providing ongoing management of the city's roading network. It includes policy development, forward planning, development control, road safety co-ordination, and various systems management.

### Objectives

1. To carry out the road network management function in an efficient and effective manner, to meet the needs of the community. (Goals 1, 2 & 5)
2. To carry out all subsidised works in accordance with the National Roding Plan (NRP) agreement with Transfund. (Goal 4)

### Performance Measures

1. Achieved a 75% satisfaction rating for acknowledgement of, and response to, requests for service, as measured by the Roads and Traffic Unit's monthly feedback surveys. (Obj. 1)
2. Processed all engineering designs for subdivision applications within 20 working days. (Obj. 1)
3. Satisfactorily achieved all the performance measures contained within the National Roding Plan (NRP) agreement with Transfund. (Obj. 2)

## Carriageways

### Description

This activity provides for general maintenance, cleaning, resealing, bridge maintenance, rehabilitation and construction of the carriageway component of roading projects. All of the work is carried out by external contractors, covering approximately 527km of sealed carriageways, 3km of unsealed carriageways, 1031km of kerb and channel, and 52 traffic bridges, large culverts, pedestrian bridges and underpasses.

### Objectives

1. To construct, improve and maintain a network of roads adequate for the movement of vehicles and people in a safe and efficient manner. (Goals 1, 2 & 5)

2. To improve riding quality (smoothness) in conjunction with the carriageway maintenance and renewal reseal programmes. (Goal 1)

### Long-Term Objective

1. To maintain an 11-year (average) reseal cycle for all carriageways within the city. (Goals 1 & 2)

## Performance Measures

1. Maintenance work completed by 30 June 2002, in accordance with contract specifications, which provide quality control and criteria for cleaning, kerb and channel repairs, and minor road maintenance. (Obj. 1)
  2. Capital works programme completed within budget by 30 June 2002, in accordance with contract specifications which provide quality control including:
    - Investigation and design of Hukanui Road between Callum Brae Drive and Thomas Road. (Obj.1)
    - Investigation and design of Brymer Road between Highgrove Drive and Baverstock Road. (Obj.1)
    - Upgrading of Seddon Road to urban standards across the gully between Hamilton Old Boys Rugby Club and Goldsmith Street. (Obj.1)
  - Construction of Mill Street between Tristram Street and Hall Street. (Obj.1)
  3. User satisfaction measures for streets throughout the city maintained at 70 or greater and for streets around here at 73 or greater, as measured by Council's 2002 Annual Residents Survey. (Obj. 1)
  4. The smooth travel exposure on Hamilton roads maintained at 93% \*or better. (Obj. 2)
  5. Between 2 and 5km of carriageway refurbishment completed by 30 June 2002. (Obj. 2)
  6. Between 38 and 47km of reseals/resurfacing to maintain an average 11-year reseal cycle (Long-Term Obj. 1) completed by 30 June 2002. (Obj. 2)
- \* Smooth travel exposure monitors what per cent of total vehicle kilometres are traveled on smooth roads. The smoothness is measured in NAASRA counts.

## Traffic Facilities

### Description

This activity provides for improvement and day-to-day operation and maintenance of roadmarking, safety fences, traffic islands, traffic signals, signs, street lighting, bus shelters, and various road safety activities. All of the work over the 530km of roads is carried out by external contractors, covering 43 signal-controlled intersections, approximately 12,050 traffic signs (including those on State Highways), 12,400 streetlights, and 100 bus shelters.

### Objectives

1. To provide, improve and maintain the city's traffic facilities and traffic management systems. (Goal 2)
2. To optimise the safety and efficiency of the road network. (Goal 2)

### Performance Measures

1. User satisfaction measures for traffic management maintained at 70 or greater, for street lighting throughout the city at 70 or greater, and for street lighting around here at 67 or greater, as measured by Council's 2002 Annual Residents Survey. (Obj. 1)
2. Year 4 of the 12-year programme to upgrade street lights within the budget of \$0.3m completed by 30 June 2002. (Obj. 1)
3. Maintenance work completed by 30 June 2002, in accordance with contract specifications, which provide quality control and criteria for roadmarking, street signage, traffic facilities and the street light network at current (or better) condition. (Objs. 1 & 2)

## Footpaths, Cycleways And Verges

### Description

This activity provides for improvement and maintenance of the city's footpaths, cycleways, and verges. It includes general maintenance, resurfacing, cleaning, litter collection and rehabilitation of footpaths, landscape maintenance, and vegetation control. All work is externally tendered and covers nine pedestrian/cycle underpasses, 827km of footpaths, and 16.6km of cycleways.

### Objectives

1. To ensure that berm areas are maintained to an acceptable standard. (Goal 1)
2. To construct, improve and maintain a network of footpaths and cycleways to provide for the safe movement of pedestrians and cyclists. (Goals 1 & 2)
3. To continue with development of the cycleway network throughout the city. (Goals 1 & 2)

### Performance Measures

1. Completed a minimum of 3.9km of footpath refurbishment, 0.6km of new footpath construction and 31km of footpath resurfacing by 30 June 2002. (Obj. 1)
2. Maintenance work completed by 30 June 2002, in accordance with contract specifications which provide quality control and criteria for ensuring that footpaths, cycleways and verges remain in their current state (or better) condition. (Objs. 1 & 2)
3. User satisfaction measures for footpaths in general throughout the city maintained at 70 or greater, for footpaths around here at 70 or greater, and for pedestrian facilities at 70 or greater, as measured by Council's 2002 Annual Residents Survey. (Objs. 1 & 2)
4. User satisfaction measure for cycle facilities and support for cycling throughout the city rated at 40 or greater, as measured by Council's 2002 Annual Residents Survey. (Obj. 3)

## Parking Facilities

### Description

This activity involves management of the city's off-street parking facilities. There are currently 1034 off-street parking spaces provided within the city in the Knox Street, River Road, and Kent Street car parks.

### Objective

1. To provide, maintain and manage the city's parking facilities to ensure the availability of public parking in a safe and efficient manner, in accordance with Council policies. (Goal 1)

### Performance Measure

1. User satisfaction measure for off-street parking maintained at 59 or greater, as measured by Council's 2002 Annual Residents Survey. (Obj. 1)

## Parking Enforcement

### Description

The purpose of this activity is to provide on-street parking control, removal of abandoned vehicles, enforcement of heavy motor vehicle parking regulations, and the control and promotion of safety on the Waikato River. Parking officers also, in the course of their duties, give aid and assistance to the public where appropriate or requested.

### Objectives

1. To contain or prevent illegal parking of vehicles on roads, to achieve public safety and availability of parking spaces within the city. (Goals 1, 2 & 4)
2. To limit the number of motor vehicles that are unlicensed, without valid evidence of inspection, or have unsafe tyres. (Goal 1)

### Performance Measures

1. Achieved a turnover of parking space in the inner city area that is better than or equal to, the time limits set for these areas as measured by a standard annual survey of parking turnover. (Obj. 1)
2. Maintained a paid before prosecution rate for parking regulation offences better than 84%. (Obj. 1)
3. Limited the number of motor vehicles defective in display of a valid licence, evidence of inspection, or both to less than 4% two or more months overdue: as measured by a standard survey conducted annually during normal working hours of the Parking Enforcement Unit. (Obj. 2)



Garden Place.

## HEALTH, ORDER AND SAFETY

### Highlights

#### Planning Management

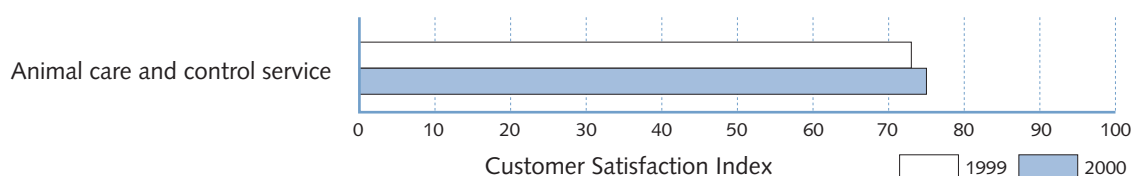
This will be the second year Planning Guidance will be operating under new regulations to support the effective operation of the Resource Management Act 1991. The regulations allow staff to issue infringement notices to deal with minor infringements of the Act without resorting to court action. Penalties range from \$300 to \$1000, depending on the seriousness of the offence. These regulations are intended to complement the other powers available to local authorities, such as Abatement Notices and Enforcement Orders.

#### Animal Care And Control Centre Partnership

The Animal Care and Control Unit and the local branch of the SPCA have settled well into the new premises. Public interest and feedback on the centre has been overwhelming. Both organisations continue to be committed to promoting responsible pet ownership through educational programmes and by working with existing and new pet owners to ensure awareness and compliance with legislative requirements. Both the unit and SPCA have a strong and successful focus on finding responsible new owners for unclaimed animals.

### Annual Residents Survey Data

#### User satisfaction with Council facilities and services in 1999 and 2000



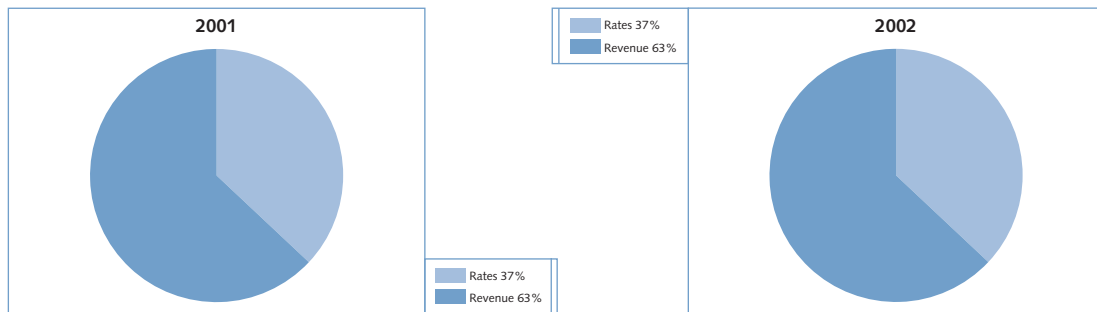


## Health, Order And Safety

Cost of service for the year ending 30 June 2002 in \$000s

Budget 2001		Budget 2002	Budget 2003	Budget 2004
	<b>EXPENDITURE</b>			
2,139	Building Control	2,430	2,413	2,405
784	Environmental Health	860	802	798
1,084	Planning Guidance	1,125	1,114	1,112
693	Animal Care and Control	773	764	760
4,700	<b>TOTAL EXPENDITURE</b>	5,188	5,093	5,075
	<b>Less REVENUE</b>			
1,724	Building Control Fees and Charges	1,924	1,924	1,924
344	Environmental Health Fees and Licences	386	386	386
516	Planning Guidance Fees	585	585	585
361	Dog Licences, Fees and Fines	393	393	393
2,945	<b>TOTAL REVENUE</b>	3,288	3,288	3,288
1,755	<b>NET COST OF SERVICE</b>	1,900	1,805	1,787
0	<b>CAPITAL EXPENDITURE</b>	12	0	0

Cost of service funded by:



## Building Control

### Description

The purpose of this activity is to work with people to safeguard public health and maintain public safety by educating and fairly applying laws relating to the construction and maintenance of new and existing buildings.

### Objectives

1. To receive and process all building consents and project information memoranda within statutory timeframes and to achieve compliance with the Building Act 1991. (Goal 1)
2. To receive and process all land information memoranda in compliance with the Local Government Official Information and Meetings Act 1987. (Goal 2)

### Performance Measures

1. Processed 100% of all building consents in accordance with the Building Regulations 1992 within the following timeframes after receiving an application:
  - Buildings up to \$500,000–10 working days. (Obj. 1)
  - Buildings over \$500,000–20 working days. (Obj. 1)
2. Audited 100% of the fire safety records of all buildings identified as high risk on Council's compliance schedule matrix by 30 June 2002. (Obj. 1)
3. Inspected all buildings subject to a building consent after notice that the work was ready for inspection within the following timeframes:
  - Commencement of construction–2 working days. (Obj. 1)
  - All other construction–1 working day. (Obj. 1)
4. Processed 100% of all project and land information memoranda within 10 working days of receiving an application. (Objs. 1 & 2)

## Planning Guidance

### Description

To provide planning advice and make recommendations, including receiving and processing applications for land use and subdivision consents, and to monitor compliance with the Hamilton City District Plan and the Resource Management Act 1991.

### Objectives

1. To ensure that all new subdivisions and existing land uses in the city meet standards and comply with the Hamilton City District Plan. (Goal 1)
2. To provide planning and land subdivision interpretation and advice to ensure that resource consent applications are dealt with in an efficient, consistent, fair, and expeditious manner within the statutory framework. (Goals 1 & 5)

### Performance Measures

1. All resource consent applications and certificates processed within the statutory time limits of the Resource Management Act 1991. (Obj. 1)
2. Inspected and effectively monitored at least 50 resource consents per month during 2001/02. (Obj. 1)
3. A minimum of 45% of costs for resource consents recovered through fees and charges. (Objs. 1 & 2)
4. Maintained 90% acceptance of resource consent recommendations made by staff to Council's Statutory Management Committee; and 90% of cases taken to the Environment Court and supported by staff are successful. (Obj. 2)

## Animal Care And Control

### Description

The purpose of this activity is to achieve good dog control, a reduction in litter, and compliance with general Council bylaws, by using education and enforcement techniques.

### Objectives

1. To maximise dog registration, minimise dog attacks, and promote effective dog ownership. (Goal 1)
2. To respond to litter offences and take appropriate action to deter further incidents. (Goal 1)
3. To detect offences against the Council's bylaws (e.g., skateboarding, advertising signs, merchandise displays, buskers, mobile shops in public places), and identify overgrown and overhanging vegetation. (Goal 1)

### Performance Measures

1. Recovered 60% of costs for animal care and control activity through fees and charges. (Obj. 1)
2. User satisfaction measure for animal care and control services maintained at 75 or greater, as measured by Council's 2002 Annual Residents Survey. (Obj. 1)
3. Completed a minimum of 30 animal care and control presentations within the community by 30 June 2002 in conjunction with the requirements of the Education Plan contained within the Dog Control Policy 1997. (Objs. 1 & 2)
4. Responded to urgent requests for services involving public safety within one hour of receipt and to all routine requests for service within 48 hours, as measured by Council's complaints system. (Objs. 1, 2 & 3)

## Environmental Health

### Description

The purpose of this activity is to protect and promote public health by undertaking monitoring, inspection and enforcement of standards in regard to all food premises, licenced premises, hairdressers, drinking and pool water quality; to investigate any incidences of communicable diseases; to licence, inspect and monitor premises storing hazardous substances; to control noise pollution; to carry out environmental noise monitoring; and to investigate contaminated sites.

### Objectives

1. To optimise the safety of all food manufactured, prepared, packed, stored, handled by, or sold from, food establishments in Hamilton city. (Goal 1)
2. To operate a reasonable system of control over the sale and supply of liquor to the public, with the aim of contributing to a reduction in liquor abuse, so far as that can be achieved by legislative means. (Goal 1)
3. To minimise noise emission and take enforcement action where required. (Goal 1)
4. To licence and inspect industrial and trade premises where dangerous goods are stored. (Goal 1)

### Performance Measures

1. Approximately 1700 inspections of food premises completed during 2001/02 in accordance with regulations under the Health Act 1956 and Council's monthly inspection schedules. (Obj. 1)
2. The average risk factor for food businesses maintained at no more than +5% of the currently recorded average risk factor of 5.4, derived from Council's risk assessment programme. (Obj. 1)
3. Approximately 200 inspections of licenced premises completed during 2001/02 in accordance with regulations under the Sale of Liquor Act 1989 and Council's monthly inspection schedules. (Obj. 2)
4. All complaints regarding excessive noise investigated within 30 minutes of the time of complaint. (Obj. 3)
5. Approximately 600 inspections of premises storing dangerous goods completed during 2001/02 in accordance with regulations under the Dangerous Goods Act 1974 and Council's monthly inspection schedules. (Obj. 4)



Ferrybank Reserve by the Waikato River.

## COMMUNITY SUPPORT

### Highlights

#### Community Centres

Hamilton City Council is committed to building strong communities by encouraging people to participate in and contribute to local neighbourhoods. Funding of \$400,000 in the coming year is allocated for the establishment of new or improved community centres with significant projects at Pukete and Nawton, which will provide a place for neighbourhood communities to work together on local initiatives and support strategies.

#### Child and Family Policy

Hamilton City Council currently has two social policies: the Older Persons Policy and the Youth Policy. This year a Child and Family Policy will be designed and published. The policy will aim to support children and their families and encourage their participation in city and community life.

#### Hamilton Youth Council

Hamilton City Council is committed to youth participation in city and civic activities. The Youth Council, comprising about 15, 13-25 year olds, will be supported to initiate youth events and projects and provide a 'youth perspective' for Council activities.

#### Newstead Cemetery Chapel

Council this year will spend \$405,000 to complete the upgrade of the existing chapel at Newstead Cemetery. Renovation work includes a new external portico, increasing the seating capacity, carpeting, a new toilet block and adapting the altar to enable disability access.

#### Emergency Management

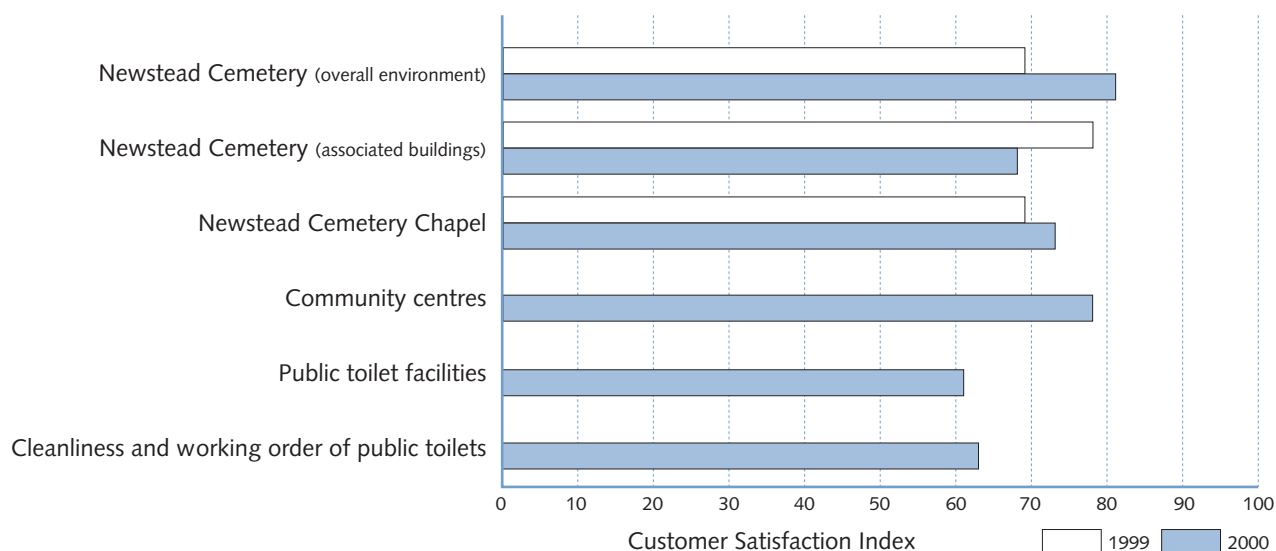
Emergency response and recovery will be greatly improved with the establishment of a new Emergency Operations Centre to service both Hamilton city and the central Waikato area as a result of proposed legislative changes from central government. Further resources have also been allocated in supporting day-to-day operational funding to underpin the new fully comprehensive emergency management framework.

#### 24-Hour Monitoring Facility

Making Hamilton a safer place, is a goal of Council's safer Hamilton plan. \$100,000 has been made available for the construction of an all hours monitoring facility. The Crime Prevention Trust will staff and operate the facility so that the CBD camera network can be monitored 24-hours a day.

## Annual Residents Survey Data

### User satisfaction with Council facilities and services in 1999 and 2000

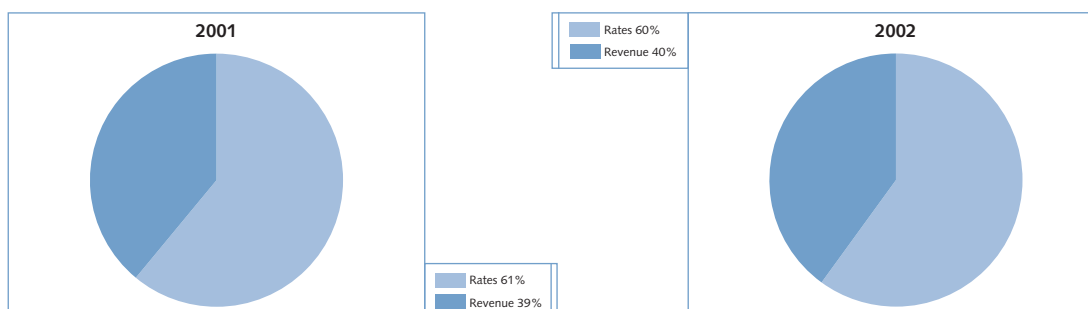


## Community Support

### Cost of service for the year ending 30 June 2002 in \$000s

Budget 2001		Budget 2002	Budget 2003	Budget 2004
	<b>EXPENDITURE</b>			
656	Community Development	840	931	911
870	Community Centres	822	836	849
55	Safer Communities	21	21	21
	<b>Community Assistance</b>			
755	Community Assistance Grants	893	1,311	784
140	Hillary Commission Grants	140	140	140
70	Creative NZ Grants	70	70	70
400	Youth Programme	433	436	439
1,817	Housing Services	1,546	1,544	1,542
1,684	Employment Initiatives	1,722	1,715	1,714
233	Emergency Management	387	526	522
764	Cemeteries and Crematorium	921	889	887
391	Toilets	469	476	482
7,835	<b>TOTAL EXPENDITURE</b>	8,264	8,895	8,361
	<b>Less REVENUE</b>			
51	Community Assistance	51	51	51
140	Hillary Commission	140	140	140
70	Creative NZ	70	70	70
1,350	Housing Services Rents	1,440	1,440	1,440
803	Employment Initiatives Subsidies	799	799	799
0	Emergency Management contributions	136	277	277
596	Cemeteries and Crematorium Fees	609	609	609
38	Sundry Income	36	36	36
3,048	<b>TOTAL REVENUE</b>	3,281	3,422	3,422
4,787	<b>NET COST OF SERVICE</b>	4,983	5,473	4,939
457	<b>CAPITAL EXPENDITURE</b>	866	376	536

### Cost of service funded by:





## Community Development Services

### Description

The Community Development Programme promotes the well-being and safety of people through research, policy setting, funded service contracts, facilities provision and government partnerships. It manages five community contracts for neighbourhood workers, and operates two large community facilities: one for older persons, the other in the Enderley community. It supports and provides funds to five community houses and provides a co-ordinator to support ethnic communities. In partnership with central government, it funds and supports the Safer Communities Council.

### Objectives

1. To strengthen communities by supporting community groups, neighbourhood development and the establishment and development of Community Centres. (Goal 1)
2. To increase support to Hamilton's children by advancing access to community services and activities, advocating children's needs and issues and the distribution of resources. (Goal 1)
3. To work in partnership with the Safer Hamilton Community Council to promote, establish and support crime prevention initiatives in the community. (Goal 1)

### Performance Measures

1. Implemented year two Community Development Team objectives from the six-year Community Development Plan by 30 June 2002. (Obj. 1)
2. \$400,000 allocated to identified Community Centre projects in accordance with the Community Centre Implementation Plan and Policy by 30 June 2002. (Obj. 1)
3. The Hamilton city-wide profile giving city demographics is updated, published and available to the public by 30 June 2002. (Obj. 1)
4. A community house is operational in the southeast area by 30 June 2002. (Obj. 1)
5. A new Council social policy to support children and their families produced and published by 30 June 2002. (Obj. 2)
6. Safer Hamilton Community Council provides two, six monthly performance reports to Council to show its goals are on target. (Obj. 3)

## Youth Services

### Description

The Youth Services programme encourages youth participation in the city. It includes provision and management of the Youth Zone facility, monitoring of five youth worker contracts, and funding and monitoring of After-School Activities programmes and holiday programmes.

### Objective

1. To strengthen the provision of services, activities, resources and programmes to Hamilton's youth/rangatahi and children/tamariki. (Goal 1)

### Performance Measures

1. Hamilton Youth Council initiated two projects by 30 June 2002. (Obj. 1)
2. The number of Council funded After-School Activities Programmes increased from eight to nine by 30 June 2002. (Obj. 1)
3. An evaluation is conducted on the effectiveness of neighbourhood youth workers by 30 June 2002, as specified in the Community Development Plan. (Obj. 1)

## Community Assistance

### Description

Funds from Creative New Zealand, the Hillary Commission and Council are dispersed to community organisations and projects annually.

### Objective

1. To enhance the provision of services in the community through the allocation of funds to community organisations. (Goal 1)

### Performance Measure

1. Distributed approximately \$404,000 of small grants in accordance with Council Policy and the programme's criteria by 30 June 2002. (Obj. 1)

## Housing Services

### Description

Council provides and maintains affordable housing for older persons. It has 452 single or double units in 26 locations around the city. While the units are predominantly for older persons, approximately 5% are for persons with disabilities. All tenants must meet income and asset criteria.

### Objectives

1. To provide well-maintained and safe living environments for tenants. (Goals 1 & 2)
2. To provide an affordable housing service that meets the needs of customers, yet is 94% cost-recoverable. (Goals 2 & 4)

### Performance Measures

1. Responded to 100% of maintenance calls by prioritising and alerting the Property Management Unit within two days. (Obj. 1)
2. The number of Neighbourhood Support Groups in Council housing complexes is maintained at 90% or greater in 2001/02. (Obj. 1)
3. Recovered 94% of costs with rents below the market rate for matched accommodation. (Obj. 2)
4. Provided all tenants with up-to-date information on community services via the visiting programme of two personal visits and one other contact in addition to three newsletters posted by 30 June 2002. (Obj. 2)
5. Achieved 85% customer satisfaction with Council's housing services as measured by the 2002 Annual Tenants Survey. (Obj. 2)

## Employment Initiatives

### Description

The Employment Initiatives programme facilitates people into employment through training and project-based work experience. The programme is a co-operative one between the Department of Work and Income, Hamilton City Council and the community. It completes projects, which are of benefit to communities and the environment in Hamilton.

The Stop Graffiti programme has a two-way approach to the problem of graffiti in the city. The Police, Youth Aid, courts and Child Youth and Family Services make referrals to the programme. The programme is designed to rehabilitate and motivate the participants.

### Objectives

1. To enable Employment Initiatives participants to gain employment through participation in Council's training and work experience programme. (Goal 1)
2. To structure and deliver employment and training programmes, which attract external funding. (Goals 3 & 4)

3. To operate the Stop Graffiti programme and to include a life skills training component for young people who are referred to the programme. (Goals 1 & 5)

### Performance Measures

1. Ensured that a minimum of 50 participants in the programme over the twelve month period ending 30 June 2002 move into stable employment. (Obj. 1)
2. Provided 15 Council sponsored Community Work projects before 30 June 2002. (Objs. 1 & 2)
3. Achieved 50% of the funding for the programmes from sources other than Hamilton City Council. (Obj. 3)
4. 100% of participants in the Stop Graffiti programme completed their community service hours and 60% progressed to youth training programmes. (Obj. 3)

## Emergency Management

### Description

The purpose of Emergency Management is to prepare strategies, programmes and plans that will minimise, reduce or eliminate the impact of the consequences of a disaster.

Under the new proposed Civil Defence and Emergency Management legislation, Hamilton City Council will become a key member of the new regional Civil Defence Emergency Management Group. This will have a significant impact on Council's emergency response and recovery procedures. The changes will create a framework for the development of a more robust emergency response system throughout the central Waikato. A cluster of neighbouring local authorities comprising Waikato, Waipa, Otorohanga, Waitomo and Hamilton city form the Waikato Valley Emergency Operating Area (WVEOA) which will be combined under a common hazardscape. Hamilton City Council will be the administering authority for the combined area and the lead response agent for any significant regional emergency events.

### Objectives

1. To ensure response and recovery plans are prepared by Emergency Management and are continuously reviewed. (Goals 1 & 2)
2. To maintain public awareness of the need for emergency preparedness for the city. (Goals 1 & 2)
3. To negotiate and develop service level requirements with WVEOA member organisations. (Goals 1 & 2)

### Long-Term Objectives

1. To develop a fully integrated, comprehensive, emergency management system for Hamilton city. (Goals 1 & 2)
2. To develop partnerships with all other emergency response agencies that will support Council's response to and recovery from any declared emergency event. (Goals 1 & 2)

### Performance Measures

1. Developed Standard Operating Procedures for emergency response and recovery plans by 30 June 2002, and maintained ISO 9002 registration. (Obj. 1)
2. Attained 30% public awareness of the need to be self-reliant in the event of a disaster, as measured by Council's 2002 Annual Residents Survey. (Obj. 2)
3. Service requirements agreed with WVEOA members by March 2002. (Obj. 3)
4. Emergency Management staff participated in all of the city's emergency planning meetings with key stakeholders. (Objs. 1 & 2 and Long-Term Objs. 1 & 2)
5. Contact with at least 50 groups, organisations, or schools regarding emergency preparedness established by 30 June 2002. (Long-Term Obj. 2)

## Cemetery And Crematorium

### Description

Hamilton Park Cemetery and Crematorium provides burial, cremation, ash memorialisation and chapel services within a supportive environment that reflects the varied cultural, economic and social needs of the local community.

### Objectives

1. To provide a burial and cremation service to the people of Hamilton and the Waikato region. (Goal 2)
2. To maintain the cemetery facilities and environment to the satisfaction of customers. (Goal 1)
3. To implement the year-three goals and objectives in the nine-year Cemetery Management Plan. (Goal 4)

### Performance Measures

1. All requests for cremation and burial were accommodated in accordance with legal requirements and Council's bylaw. (Obj. 1)
2. User satisfaction rating for the overall environment at Newstead Cemetery maintained at 75 or greater, as measured by Council's 2002 Annual Residents Survey. (Obj. 2)
3. Customer service monitoring programme implemented by 30 June 2002. (Obj. 2)
4. Chapel refurbishment completed by 30 June 2002. (Obj. 3)

## Toilets

### Description

This activity provides toilets which are physically accessible and appropriately located, and designed, built, cleaned and maintained to a high standard. There are currently 50 facilities located throughout the city, ranging from semi-automated toilets (e.g., Frankton Village and Hamilton Gardens), to sports park amenity blocks, to small toilet blocks on neighbourhood parks. They are operated and serviced through external contracts.

### Objectives

1. To provide well-serviced facilities in accordance with NZS 4241: Public Toilets that meet the community's needs and expectations. (Goals 1 & 2)

2. To develop new facilities in areas where the public identifies a need. (Goal 2)

### Performance Measures

1. User satisfaction measure for public toilet facilities maintained at 61 or greater, as measured by Council's 2002 Annual Residents Survey. (Obj. 1)
2. A semi self-cleaning unisex toilet constructed within budget to service the St Andrews-Pukete walkway operational by March 2002. (Obj. 2)



Learn to swim classes are popular at Waterworld.

## RECREATION AND LEISURE

### Highlights

#### Waikato Stadium

The Waikato Stadium development will come into Hamilton City Council ownership following the completion of the main part of the project. The project involves an extensive upgrade of Rugby Park and WestpacTrust Park. The total development is \$28.9 million with major contributions from Hamilton City Council (\$9 million), Trust Waikato (\$7.5 million) and WEL Energy Trust (\$6.1 million). The policy direction for Waikato Stadium will be set by a community based management committee.

#### Dey Street North Reserve

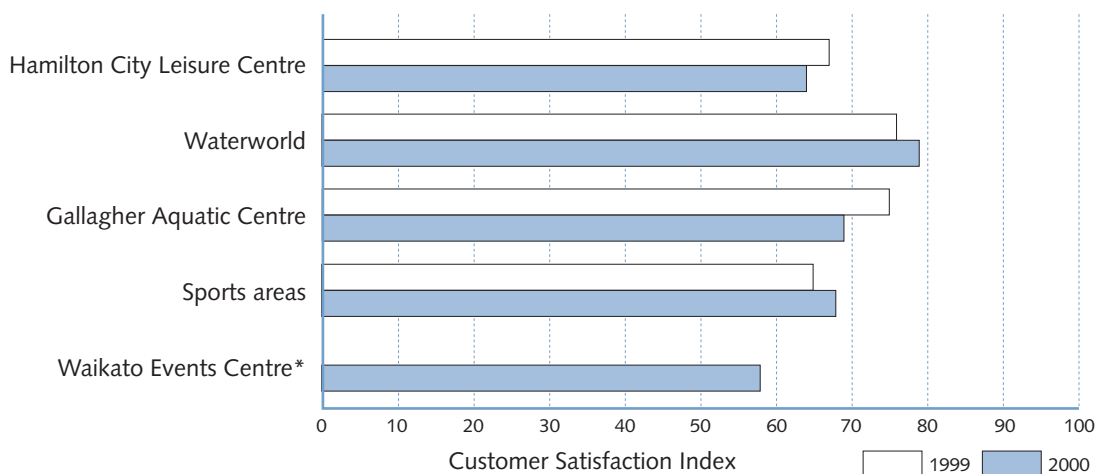
A section of the East Town Belt north of Old Farm Road will be developed as a city-community sports park with amenities to service the local neighbourhood establishing in the adjacent 'Sherwood Park' residential area.

#### Discovery Park Changing Rooms

Sports people will enjoy new changing rooms and toilets at the Discovery Drive frontage of the park. The recently developed park will cater for both local and city-wide demand for sports fields.

### Annual Residents Survey Data

#### User satisfaction with Council facilities and services in 1999 and 2000



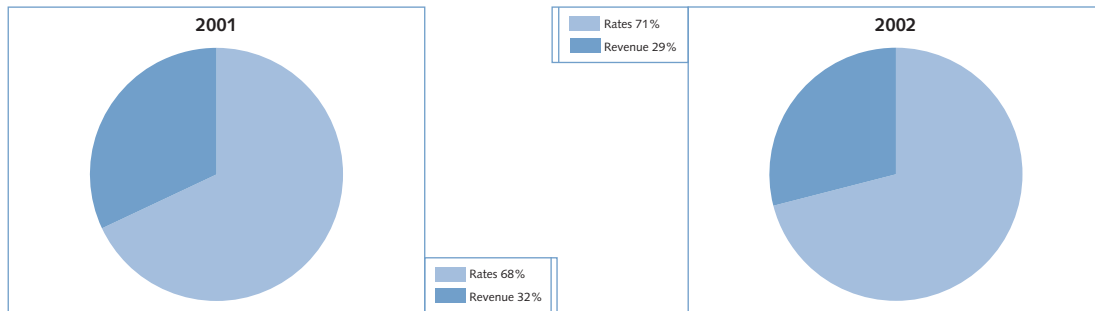


## Recreation And Leisure

### Cost of service for the year ending 30 June 2002 in \$000s

Budget 2001		Budget 2002	Budget 2003	Budget 2004
	<b>EXPENDITURE</b>			
214	Hamilton City Leisure Centre	190	190	189
	<b>Swimming Facilities</b>			
3,674	Swimming Pools	3,855	3,871	3,872
62	Grants-Other Pools	45	45	45
312	Community Halls & Leased Buildings	323	320	319
952	Waikato Events Centre	1,385	1,146	1,481
70	Waikato Stadium and WestpacTrust Park	1,832	2,037	2,031
	<b>Sports Areas</b>			
1,582	Grounds and Buildings	1,982	1,977	2,016
6,866	<b>TOTAL EXPENDITURE</b>	9,612	9,586	9,954
	<b>Less REVENUE</b>			
1,472	Pools Admission Fees	1,493	1,493	1,493
48	Community Halls & Leased Buildings	48	48	48
603	Waikato Events Centre	581	581	581
0	Waikato Stadium and WestpacTrust Park	574	1,018	1,097
88	Sports Areas Rents	88	88	88
2,211	<b>TOTAL REVENUE</b>	2,784	3,228	3,307
4,655	<b>NET COST OF SERVICE</b>	6,828	6,358	6,647
9,567	<b>CAPITAL EXPENDITURE</b>	1,258	3,662	857

### Cost of service funded by:



## Hamilton City Leisure Centre

### Description

The Hamilton City Leisure Centre provides high quality, affordable health, fitness, sport and leisure programmes and activities. The facility also provides an auditorium available for hire for sporting events. The Centre is managed under contract to Council by the YMCA (Metro Y Auckland).

### Objectives

1. To provide, maintain, and promote the facility and equipment, to encourage a range of recreational activities. (Goal 1)
2. To ensure provision of a range of quality and affordable health, fitness, sport and leisure programmes and services in response to identified community needs. (Goal 1)

### Performance Measures

1. Monitoring and evaluation of the management contract with Metro Y reveals contract compliance and satisfactory performance rating of the contractor. (Obj. 1)
2. Achieved a patronage total that is equal to the average of the previous three years. (Objs. 1 & 2)
3. User satisfaction measure for the Hamilton City Leisure Centre maintained at 67 or greater, as measured by Council's 2002 Annual Residents Survey. (Obj. 2)
4. Maintained certification of the independent ISO quality system developed by Metro Y. (Obj. 2)

## The Waikato Events Centre (Claudelands)

### Description

The Waikato Events Centre operates on a commercial basis providing facilities and equipment that are hireable in terms of time and space to provide commercial and community benefits towards economic development and recreational opportunity.

### Objectives

1. To optimise the use of the Centre's facilities and services. (Goal 1)
2. To improve the aesthetics and ambience of the complex. (Goal 1)

### Performance Measures

1. Maintained income turnover at existing base of \$535,000. (Obj. 1)
2. Usage measure for the Waikato Events Centre maintained at 64% or greater, as measured by Council's 2002 Annual Residents Survey. (Objs. 1 & 2)
3. Developed a business plan for the Waikato Events Centre as required under the Reserves Act Management Plan by 30 June 2002. (Objs. 1 & 2)

## Swimming Facilities

### Description

This activity provides, operates and funds swimming facilities throughout the city, to provide safe exposure to family orientated water-based education for a community that is geographically remote from natural coastal water features.

The activity encourages an appreciation of water safety education through Learn To Swim and Swim Safe programmes, while also addressing intergenerational needs through related health and fitness programming.

The needs of a range of aquatic sports clubs and associations are also met by ensuring training opportunities exist within the programme.

### Objectives

1. To operate and maintain swimming facilities for the safety and health of users, to balance recreational, competitive, teaching/coaching, and therapeutic uses, and to promote ongoing efficiencies and programme development. (Goal 1)
2. To provide and promote educational water safety and recreational programmes. (Goal 1)
3. To ensure optimum use of swimming facilities to meet community needs. (Goal 1)

## Performance Measures

1. Achieved 580,000 visits at city funded pools in the year ending 30 June 2002. (Obj. 1)
2. User satisfaction measures for Waterworld maintained at 79 or greater and for the Gallagher Aquatic Centre at 75 or greater, as measured by Council's 2002 Annual Residents Survey. (Obj. 2)
3. Usage measure for Waterworld maintained at 51% or greater and for Gallagher Aquatic Centre at 15% or greater, as measured by Council's 2002 Annual Residents Survey. (Obj. 2)
4. Instructed the Swim Safe programme to ten schools, which cannot attend current facilities by 30 June 2002. (Obj. 3)

## Community Halls And Leased Buildings

### Description

This activity provides and maintains halls and Council-owned buildings leased for the cultural, social and recreational needs of the community. These halls provide venues for a diverse range of community-based activities, including clubs, indoor sports, band practice, arts and theatre.

Community halls include: Old St. Peters Hall, Fairfield Hall, Tomin Road Hall, and Frankton Hall. Leased buildings include: Pukete Farm Park House, 50 Pembroke Street, Riverlea Theatre, Ward Park Arts Centre, Yendell Park and 9 Pembroke Street.

### Objective

1. To provide and service minor halls and leased buildings, in order to enable a wide range of recreation, leisure and community activities in the city. (Goal 1)

### Performance Measure

1. Maintained a 30% occupancy rate for community halls and 100% for leased buildings during 2001/02. (Obj. 1)

## Sports Areas

### Description

This activity provides areas for formal and informal sport. Land is acquired primarily through the provisions of the District Plan, is developed through external contracts and maintained through a mix of internal and external contracts. These contracts are reviewed and audited annually. Regular liaison with users ensures the best possible service is delivered to the community within the resources available.

### Objectives

1. To consult with users and the wider community to determine requirements for active recreation, through regular liaison meetings and contact with users. (Goal 1)
2. To meet the community's need for active recreational opportunities through the development and maintenance of sports areas. (Goal 1)
3. To review Council's Recreation and Leisure Plan. (Goal 1)

### Performance Measures

1. Assessed user needs by meeting with summer sports codes before September 2001, and with winter sports codes before April 2002. (Obj. 1)
2. User satisfaction measure for sports areas maintained at 68 or greater, as measured by Council's 2002 Annual Residents Survey. (Obj. 1)
3. Changing rooms and toilets provided at Discovery Park by 31 March 2002, as part of the continuing programme of sports area development. (Obj. 2)
4. The Recreation and Leisure Plan reviewed by 28 February 2002. (Obj. 3)



The Meteor Theatre.

## ARTS AND CULTURE

### Highlights

#### Theatre Facilities Upgrade

This year will see the completion of part two of the Founders Theatre Upgrade Project as funded in the 2000/01 Annual Plan. This will provide increased office and foyer space, improved signage, décor and lighting for the foyer and restaurant with an exciting new facade.

#### After-Hours Book Drop Installation

In response to ongoing requests from library customers Council has allocated \$50,000 capital funding to install after-hours book drop facilities at Central, Chartwell, Dinsdale, Glenview, Hillcrest and St Andrews libraries. This will enable customers to return books outside of normal working hours.

#### City And Community Archive

Council acknowledges its statutory responsibility for the care and preservation of archives of significance to the city by funding the appointment of a city archivist. This appointment will enable important planning to take place with Council and the community to establish an archive in the next two financial years (with capital expenditure of \$210,000).

#### Museum Programme And Facilities

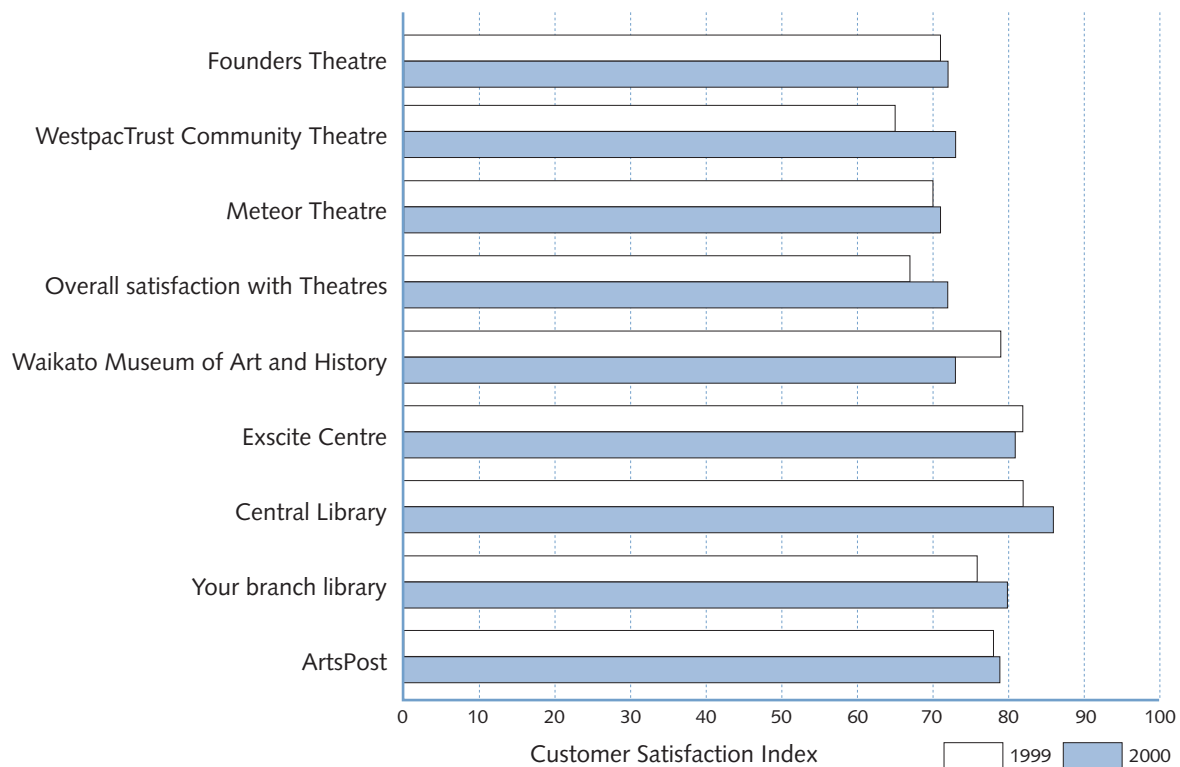
The Museum has embarked on a challenging and exciting programme of organisational reforms to establish it as a leading regional institution with a high national profile and an international reputation.

To this end the Museum intends to research and develop at least one national touring exhibition a year. In the 2001/02 year it will plan 'An Anthology of New Zealand Design'. While there have been several exhibitions on particular design aspects in New Zealand there has not been a comprehensive survey. This will be the first in New Zealand and will be of interest to a wide-ranging audience. The exhibition project will be launched at the Design Institute of New Zealand 'Best' Awards to be shown at the Waikato Museum of Art and History in October 2001.

In keeping with the Museum's commitment to making the collection more available to the public, it intends to increase the number of shows based on the collection.

## Annual Residents Survey Data

### User satisfaction with Council facilities and services in 1999 and 2000

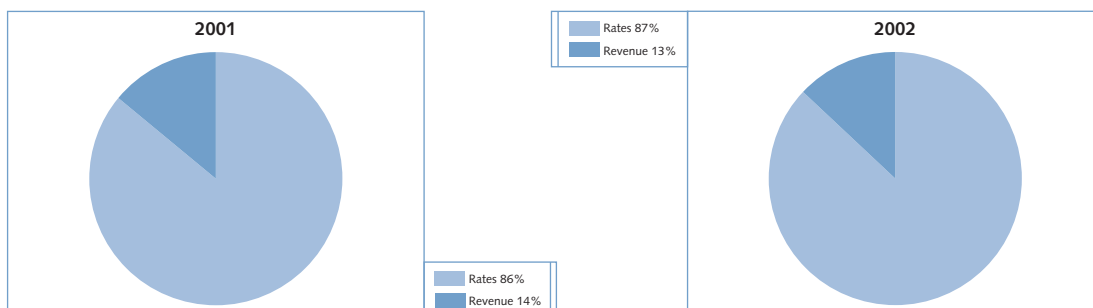


## Arts And Culture

### Cost of service for the year ending 30 June 2002 in \$000s

Budget 2001		Budget 2002	Budget 2003	Budget 2004
<b>EXPENDITURE</b>				
1,394	Theatre Services	1,768	1,824	1,874
2,809	Waikato Museum of Art and History	2,983	2,969	2,960
203	ArtsPost	213	212	210
640	Exscite	615	613	611
5,531	Libraries	5,955	6,020	6,091
10,577	<b>TOTAL EXPENDITURE</b>	11,534	11,638	11,746
<b>Less REVENUE</b>				
517	Theatres	534	536	536
138	Waikato Museum of Art and History	118	118	118
4	ArtsPost	4	4	4
179	Exscite	174	174	174
653	Library Fees and Charges	653	653	653
1,491	<b>TOTAL REVENUE</b>	1,483	1,485	1,485
9,086	<b>NET COST OF SERVICE</b>	10,051	10,153	10,261
2,246	<b>CAPITAL EXPENDITURE</b>	981	2,647	1,045

### Cost of service funded by:





## Hamilton Theatre Services

### Description

Theatre Services provide the city with the management and operation of three dissimilar live performance venues, being Founders Theatre, WestpacTrust Community Theatre and The Meteor, in a quality, affordable and accessible manner, to enhance the recreation and cultural environment of the city. These venues cater for a diverse range of entertainment from community presentations to commercial and professional events using a range of spaces within the venues. Theatre Services also provide specialised theatre equipment and professional services for the presentation of events within the community.

### Objectives

1. To provide quality performance facilities and services to meet the needs of live performance and events in Hamilton, through the management of three performance venues served by centralised management and ticketing systems. (Goal 1)
2. To protect ratepayers' investment by undertaking annual maintenance and compliance checks of theatre operational equipment, as specified by electrical regulations and mechanical safety codes of practice. (Goal 2)
3. To increase TICKETEK business levels. (Goals 2 & 4)

### Performance Measures

1. 'As expected or better' rating for overall quality of service delivery by clients maintained for all venues at 92% or greater in 2001/02 as measured by performance reports. (Obj. 1)
2. Combined percentage occupancy days for all Theatre Services venues of 50% achieved for 2001/02. (Obj. 1)
3. Installation and commissioning of new lighting equipment and a cyclorama backdrop at WestpacTrust Community Theatre by October 2001. (Obj. 1)
4. User satisfaction measure for theatres maintained at 72 or greater, as measured by Council's 2002 Annual Residents Survey. (Objs. 1 & 3)
5. Combined total patronage for Theatre Services venues of 135,000 was achieved for 2001/02. (Objs. 1 & 3)
6. Checked 100% of inventory of operational equipment at all Theatre Services venues by 30 June 2002. (Obj. 2)
7. Booking office income maintained at \$101,000 or greater in 2001/02. (Obj. 3)

## Libraries

### Description

The city offers library services at the Central Library in Garden Place and at five satellite libraries located at Chartwell, Dinsdale, Glenview, Hillcrest, and St Andrews. The libraries provide a range of books and other materials that enhance the recreational, educational and cultural environment of the city. The libraries contribute significantly towards the intellectual and commercial development of the city, by assisting people with lifelong, informal learning through the use of its lending and information resources and services. In addition to core reference and information services, extensive use is made of the libraries by the community for social and recreational reasons.

### Objectives

1. To enhance services to customers by providing after-hours book drop facilities at all libraries. (Goal 1)
2. To actively care for, preserve and make available archives of significance to the city's heritage. (Goals 1, 2 & 4)

3. To maintain and develop a libraries environment that delivers excellent resources and services to customers. (Goals 1 & 2)

### Performance Measures

1. After-hours book drops installed at all libraries by 30 June 2002. (Obj. 1)
2. Professional archivist appointed to City and Community Archives position by 30 June 2002. (Obj. 2)
3. Library material issues maintained at 1.5 million items in 2001/02. (Obj. 3)
4. Active registered borrowers maintained at 60,000 in 2001/02. (Obj. 3)
5. Visits to the Central Library maintained at 450,000 in 2001/02. (Obj. 3)
6. User satisfaction measure for the Central Library maintained at 86 or greater and for satellite libraries at 80 or greater, as measured by Council's 2002 Annual Residents Survey. (Obj. 3)

## Waikato Museum Of Art And History

### Description

The Waikato Museum of Art and History, Te Whare Taonga o Waikato, enriches the recreational, intellectual and cultural life of the city by providing a broad-based programme of exhibitions with associated activities and professional services for the benefit and enjoyment of people of all ages.

The Museum's collections focus on the growth and development of the city and the Waikato region, and constitutes a major part of our national cultural heritage.

ArtsPost (a community arts facility) and the Exscite Science Centre are also part of the Museum organisation and operation.

### Objectives

1. To increase the number of temporary exhibitions that draw on the Museum's resources. (Goal 1)
2. To complete a management plan for Beale Cottage including the refurbishment and use of the building and the development of the garden. (Goal 1)
3. To research and develop at least one national touring exhibition. (Goals 1 & 4)
4. To increase the usage of the Waikato Museum of Art and History. (Goals 1 & 4)

### Performance Measures

1. Exhibitions and projects based on the collection increased by 50% over the previous year. (Obj. 1)
2. Management plan for Beale Cottage completed by October 2001. (Obj. 2)
3. Garden Project for Beale Cottage completed by June 2002. (Obj. 2)
4. National touring exhibition opened at the Waikato Museum of Art and History by June 2002. (Obj. 3)
5. Usage measure for the Waikato Museum of Art and History increased from 46% to 57%, as measured by Council's 2002 Annual Residents Survey. (Obj. 4)
6. Feasibility study completed to provide public access to the Museum's collection by 30 June 2002. (Obj. 4)
7. User satisfaction measure for the Waikato Museum of Art and History increased from 73 to 79, as measured by Council's 2002 Annual Residents Survey. (Obj. 4)

## ArtsPost

### Description

ArtsPost is a community arts facility adjacent to the Waikato Museum of Art and History. Its purpose is to encourage, support and promote the arts in Hamilton.

The ArtsPost building contains: a community meeting room; an Artist in Residence Studio; art studios leased by the Waikato Society of Arts School of Art (WSA); the ArtsPost Galleries (operated by contract with the Waikato Society of Arts and volunteers); and the leased office of the Hamilton Community Arts Council (HCAC) which administers funding from Creative New Zealand.

ArtsPost is jointly administered by a management committee of representatives from the Waikato Museum of Art and History (Libraries and Museum), the Waikato Society of Arts and the Hamilton Community Arts Council.

### Objectives

1. To provide a venue that is appropriate for use by arts groups in the community and to oversee the leases and gallery operating contracts. (Goal 1)
2. To manage the Artist in Residence Programme in co-operation with other venture partners. (Goals 1 & 4)

### Performance Measures

1. The leases and gallery agreement reviewed by August 2001. (Obj. 1)
2. User satisfaction measure for ArtsPost maintained at 79 or greater, as measured by Council's 2002 Annual Residents Survey. (Obj. 1)
3. Sponsorship received for at least one Artist in Residence by June 2002. (Obj. 2)

## Exscite

### Description

The Exscite Science Centre, adjacent to the Waikato Museum of Art and History, exists to promote and popularise science and technology.

### Objectives

1. To promote and popularise science and technology through a medium of changing interactive displays. (Goals 1 & 5)
2. To provide science and technology-based education workshops to pre-school, primary and secondary students. (Goal 1)

### Performance Measures

1. User satisfaction measure for Exscite maintained at 81 or greater, as measured by Council's 2002 Annual Residents Survey. (Obj. 1)
2. Participation in Exscite's approved public programmes maintained at 12,000 for the year ending 30 June 2002. (Objs. 1 & 2)
3. Usage measure for Exscite increased from 29% to 32%, as measured by Council's 2002 Annual Residents Survey. (Obj. 3)



Novotel Tainui Hotel.

## PARTNERSHIP WITH MAORI

### Highlights

A significant partnership exists between Council and Maori in the city.

Te Runanga o Kirikiriroa (TEROK) is an organisation representing Maori living in Hamilton. Council recognises TEROK represents Hamilton Maori on Article III issues of the Treaty of Waitangi.

A joint committee comprising the Mayor, two Councillors and TEROK's Executive Committee, has been established to allocate funding for Maori projects. This committee is charged with allocating the \$75,000 and monitoring progress of the funded projects. Council also receives policy advice and service assistance on a wide range of issues affecting the Maori community.

Of particular significance in this relationship is the opportunity to increase Maori community participation in Council projects. The evolutionary nature of this relationship will ensure that the needs of the Maori community are more effectively addressed, through increased participation in policy development and decision-making.

Council also recognises Nga Mana Toopu o Kirikiriroa (NAMTOK) as the representative of Waikato iwi with regard to natural and physical resource management issues under the Resource Management Act 1991.

### Maori Representation Working Party

Council and TEROK have established a joint working party to examine electoral options with the aim of improving Maori representation on Council after the 2004 local authority elections.

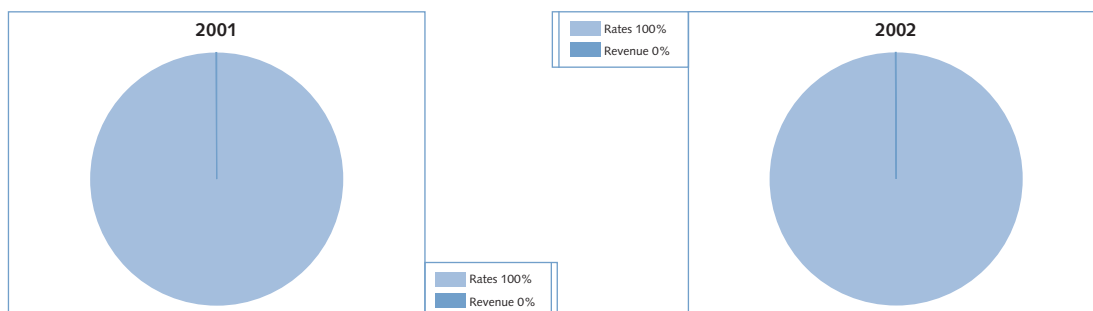
The working party is due to report to Council in October 2001.

## Partnership with Maori

### Cost of service for the year ending 30 June 2002 in \$000s

Budget 2001		Budget 2002	Budget 2003	Budget 2004
	<b>EXPENDITURE</b>			
	Grants			
173	Maori Development	172	172	172
0	Maori Projects	75	75	75
173	<b>TOTAL EXPENDITURE</b>	247	247	247
173	<b>NET COST OF SERVICE</b>	247	247	247
0	<b>CAPITAL EXPENDITURE</b>	0	0	0

### Cost of service funded by:



### Description

In recognition of the principles of the Treaty of Waitangi, Council makes a contribution to the Maori community by way of assistance with Maori development. In recognition of Kingitanga, Council acknowledges the status of tangata whenua and regularly consults with them through Te Kauhanganui.

Council is in partnership with Te Runanga o Kirikiriroa, which embodies a commitment by both parties to work toward a strong community for all people. The partnership provides for the operation of a Joint Committee (comprising representatives of Council and the Runanga) to allocate funding to, and monitor, Maori projects funded by Council. Council also contracts the provision of services and policy advice on urban Maori issues through Te Runanga o Kirikiriroa.

### Objective

1. To promote and strengthen the partnership between Council and tangata whenua. (Goals 1 & 4)

### Performance Measures

1. The distribution of the Maori projects fund by Te Runanga o Kirikiriroa monitored six monthly. (Obj. 1)
2. An orientation programme completed by Te Runanga o Kirikiriroa with Councillors on the Treaty of Waitangi, local history, Te Reo, and marae protocol by 1 April 2002. (Obj. 1)
3. The outcome of a joint working party of Council and Te Runanga o Kirikiriroa on Maori representation/electoral options presented to Hamilton City Council by 31 September 2001. (Obj. 1)



The Mayoral Wing.

## REPRESENTATION AND CIVIC AFFAIRS

### Highlights

#### District Plan

The Proposed District Plan was adopted in 1999 by Council and 782 submissions were received after the Plan was publicly notified. Hearings on the submissions commenced at the end of 2000. The hearing of submissions will be completed by August with the intention, by Council, that decisions on the submissions will be made in October this year.

#### Internet Website

The Hamilton City Council website ([www.hcc.govt.nz](http://www.hcc.govt.nz)) provides a significant opportunity for effective communication with Hamilton residents. Council will continue to make key documents and information increasingly available online.

#### Elections

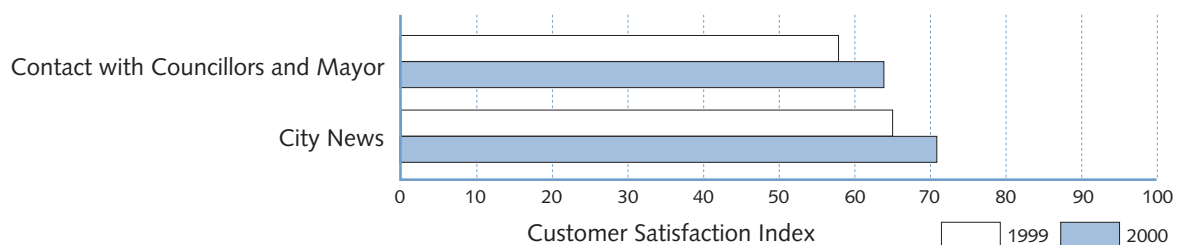
Local government elections are being held this year. There will be important communication with residents including a campaign to explain the election process and the publication of details of each candidate. Hamilton City Council will be managing the election process for the mayor and councillors of Hamilton City Council, elected members of the Waikato District Health Board representing Hamilton city, and elected members of Environment Waikato (Waikato Regional Council) representing Hamilton city.

#### Consultation Policy and Guidelines

A key principle of sustainable development is that communities should be actively involved in decision-making processes, especially those that will determine their future. Council's Policy and Guidelines for Community Consultation were adopted in December 1999, and staff training on their application will be ongoing. This policy contributes to a consistently high standard of community consultation and the adoption of new approaches as they become available.

### Annual Residents Survey Data

User satisfaction with Council facilities and services in 1999 and 2000



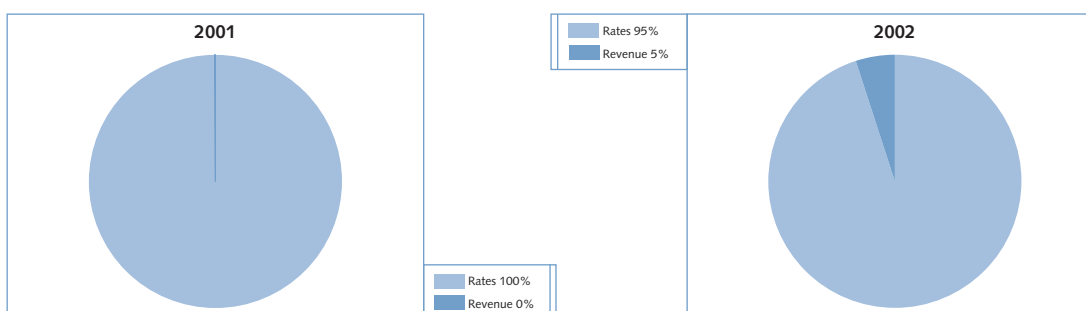


## Representation And Civic Affairs

### Cost of service for the year ending 30 June 2002 in \$000s

Budget 2001		Budget 2002	Budget 2003	Budget 2004
	<b>EXPENDITURE</b>			
0	Elections	362	7	7
2,094	Councillor Services	2,299	2,218	2,204
1,564	Mayoral Services	1,690	1,622	1,610
20	Sister Cities Programme	20	40	20
3,678	<b>TOTAL EXPENDITURE</b>	4,371	3,887	3,841
	<b>Less REVENUE</b>			
0	Elections	226	7	7
3,678	<b>NET COST OF SERVICE</b>	4,145	3,880	3,834
0	<b>CAPITAL EXPENDITURE</b>	0	0	0

### Cost of service funded by:



### Description

Effective communication is essential for responsible local government, enabling Council to represent the best interests of the community, and to inform residents about its activities. This activity provides for the costs of Council's democratic and decision-making processes, including elected members remuneration, meetings, public consultation, communication and civic functions. Provision is also made for conducting any elections, as well as maintenance of the electoral roll.

### Objectives

1. To keep the public informed about Council and city activities. (Goal 4)
2. To maintain the democratic process of local government as required by legislation. (Goal 4)
3. To support the implementation of Council's Policy and Guidelines for Community Consultation. (Goals 1 & 4)
4. To issue decisions on submissions to the Proposed District Plan. (Goal 4)

### Performance Measures

1. Council's free publication City News distributed to all households 11 times per year. (Obj. 1)
2. User satisfaction rating for City News maintained at 71 or greater, as measured by Council's 2002 Annual Residents Survey. (Obj. 1)
3. Staff training programme for effective community consultation carried out by 30 June 2002. (Objs. 1, 2 & 3)
4. Annual Plan, Annual Report and District Plan produced in compliance with legislative requirements. (Obj. 2)
5. The October 2001 triennial elections undertaken within all legislative requirements and the preliminary results declared on the day that voting closed. (Obj. 2)
6. Decisions issued on submissions to the Proposed District Plan by October 2001. (Obj. 4)



Live camera shot of Victoria Bridge.

## ECONOMIC DEVELOPMENT AND MARKETING

### Highlights

#### Economic Development Strategy

Council will this year continue implementing the city's Economic Development Strategy of making Hamilton a world centre of life sciences.

The establishment of the Economic Development Forum in 2000/01 will enable further progress towards this goal. The Forum, made up of key city stakeholders and with continued support from Council, will promote the strengths and advantages of the Hamilton region in an effort to foster and attract economic development particularly in the area of life sciences. In addition, the Forum will identify and support key projects, which have the potential to make a difference to the economic development of the city.

#### Promotion Of Hamilton

Council intends to build on a significant resource promoting Hamilton to the rest of New Zealand, which was developed in 2000/01, namely the new camera image of Hamilton city, which is used as the 'live' shot of the city on national breakfast television.

It is intended to use this image in additional ways to promote Hamilton, including making the image available on the Hamilton City Council website ([www.hcc.govt.nz](http://www.hcc.govt.nz)) so that the image can be widely viewed.

#### Events Sponsorship

Events continue to make an important contribution to both the economic and cultural well-being of the city. The Events Sponsorship Fund provides up to \$400,000 to support 'icon' events as well as developing or attracting significant new events. This activity also funds community banners, event banners and street banners which enhance the city's image.

#### Visitor Information Centre

The new premises for Hamilton's central city Visitor Information Centre, at the Hamilton Transport Centre, has given additional exposure and impetus for this Council owned service. Council will continue to build on the benefits of the new location by working with Tourism Waikato (which runs the Visitor Information Centre under contract).

### Annual Residents Survey Data

#### User satisfaction with Council facilities and services in 1999 and 2000

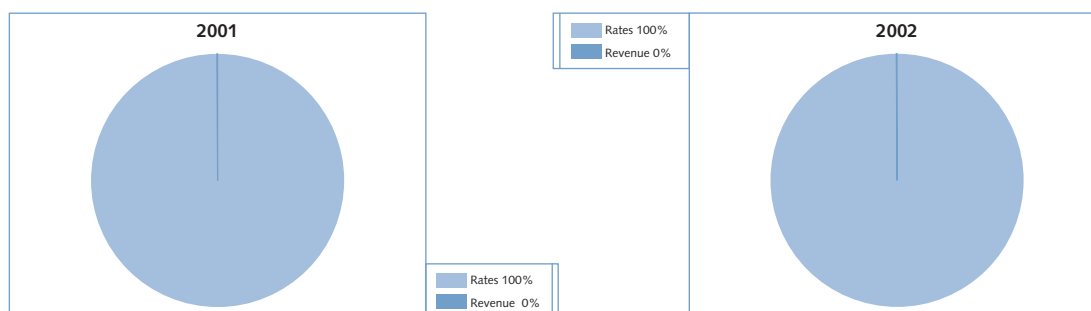


## Economic Development And Marketing

### Cost of service for the year ending 30 June 2002 in \$000s

Budget 2001		Budget 2002	Budget 2003	Budget 2004
	<b>EXPENDITURE</b>			
	<b>Grants</b>			
218	Enterprise Hamilton	218	218	218
351	Tourism Waikato	357	357	357
400	Events Sponsorship Fund	350	350	350
63	Economic Development Forum	62	62	62
0	Hamilton City Banners	50	50	50
50	City Promotion	0	0	30
1,082	<b>TOTAL EXPENDITURE</b>	1,037	1,037	1,067
1,082	<b>NET COST OF SERVICE</b>	1,037	1,037	1,067
0	<b>CAPITAL EXPENDITURE</b>	0	0	0

### Cost of service funded by:



### Description

Marketing and economic development are key components in creating a positive image for Hamilton, positioning the city as a great place to live, work and play, and producing economic and cultural benefits for the community. This area of activity supports Council's commitment to economic development and marketing programmes, which assist the organisation to achieve its strategic goals.

### Objectives

1. To support, assist and contribute towards the funding of approved organisations, to enable them to assist Council achieve its goal of developing a sound economic base for the city. (Goal 5)
2. To support, assist or contribute towards city events which have an economic benefit, create a strong and vibrant city, and grow as icons of the city over time. (Goal 5)
3. To provide regular information to existing and potential business stakeholders on economic indicators in Hamilton city. (Goal 5)

### Performance Measures

1. Worked with the Economic Development Forum to implement a specific project to communicate the economic development strategy (making Hamilton a world centre of life sciences) before June 2002. (Obj. 1)
2. Allocated at least 20% of the Event Sponsorship Fund to the growth or development of significant 'icon' events for the city before 30 June 2002. (Obj. 2)
3. Produced two six-monthly calendars which promote Hamilton events to tourism, events business and overseas markets, and a monthly publication which lists events in the city and is available from all Council facilities. (Obj. 2)
4. Usage of the Hamilton City Council website at 10%, of people with internet access, as measured by Council's 2002 Annual Residents Survey. (Obj. 3)
5. Hamilton city economic indicators monitoring information distributed quarterly and made available on the internet by 31 December 2001. (Obj. 3)



Hamilton's latest strategic facility—the Hamilton Transport Centre.

## PROPERTY MANAGEMENT

### Highlights

Council purchased a new building through the Municipal Endowment fund which is leased to Carter Holt Harvey for a period of ten years and is achieving a 10% net return. The building is unique to Hamilton as it has a high stud facility that incorporates new pallet stacking technology that improves the efficiency of the distribution of product. The tenant has made a considerable investment in the technology, which is believed to be the first of its type in this area. Carter Holt Harvey manufactures all their bathroom tissue at the Te Rapa plant and this facility was part of the upgrade of their local plant. The facility is helping to lead the trend in distribution technology, and helping to make Hamilton a preferred distribution location.

#### Transport Centre

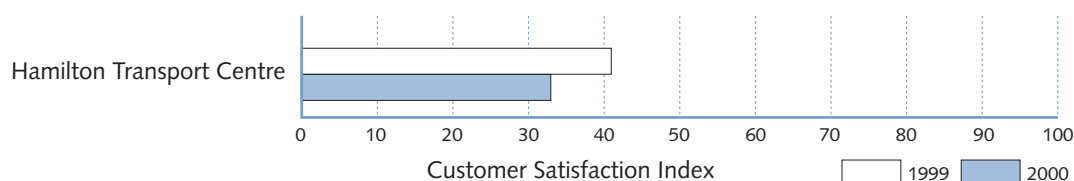
The new \$7.3m Hamilton Transport Centre opened on 8 January 2001. The Property Management Unit is responsible for day-to-day management of the centre, in liaison with the Waikato Regional Council (Environment Waikato). Determination of the city bus routes and the location of bus stops is undertaken by Environment Waikato.

#### Property Investment

Additional purchases made for the Municipal Endowment fund in the last year have been a building in Te Rapa, leased to the National Bank, and a building in Kaimiro Street leased to Steel and Tube.

### Annual Residents Survey Data

User satisfaction with Council facilities and services in 1999 and 2000

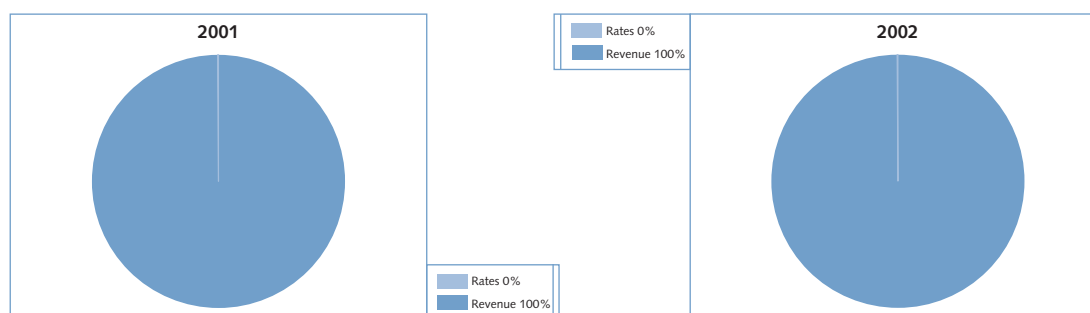


## Property Management

### Cost of service for the year ending 30 June 2002 in \$000s

Budget 2001		Budget 2002	Budget 2003	Budget 2004
	<b>EXPENDITURE</b>			
1,342	Administration, Repairs, Maintenance	1,257	1,207	1,164
1,342	<b>TOTAL EXPENDITURE</b>	1,257	1,207	1,164
	<b>Less REVENUE</b>			
3,802	Revenue	3,948	4,135	4,101
(2,460)	<b>NET REVENUE OF SERVICE</b>	(2,691)	(2,928)	(2,937)
0	<b>CAPITAL EXPENDITURE</b>	0	0	0

### Cost of service funded by:



### Description

The Property Management Unit manages more than 350 city properties for Council and citizens of Hamilton for investment and other strategic purposes. The unit is required to have regard for the orderly development of the city, as well as the community interest and the strategic planning requirement of the city.

The Domain Endowment Fund is used for the improvement, development and creation of reserves and the Municipal Endowment Fund for commercial purchases, both of which are required to be invested in property in order to maximise the return to the city.

Properties range from small perpetual leases, Council owned and occupied buildings, Council owned and leased buildings and stakes in significant city developments.

The Unit now carries out the management of all Council properties in-house.

### Objectives

1. To manage properties owned and occupied by Council in a manner, which enables essential services to be delivered efficiently and effectively. (Goals 2 & 4)

2. To provide safe and healthy buildings by ensuring that they comply with the Building Act 1991. (Goal 2)
3. To manage the Endowment Fund properties to provide a return specified by the Endowment Fund Policy. (Goals 3 & 5)
4. To provide an efficient, multi-modal transport centre for the people of Hamilton and for visitors. (Goals 1 & 2)

### Performance Measures

1. Developed asset maintenance plans for significant properties and planned maintenance for Council's properties based on funds allocated in the Annual Plan 2001/02. (Obj. 1)
2. Ensured statutory compliance with the Building Act 1991 in respect of all Council owned buildings for the year ending 30 June 2002. (Obj. 2)
3. Achieved a gross return of 8.9% on Endowment Fund properties, a 5% gross return from ground leases, and an investment growth of 3% for the portfolio for the year ending 30 June 2002. (Obj. 3)
4. User satisfaction measure for the Hamilton Transport Centre of 60 or greater, as measured by Council's 2002 Annual Residents Survey. (Obj. 4)





Rugby Park under development. Workmen on the far side are constructing the foundations for the new stadium grandstand.

## FINANCIALS

### Significant Interest In Other Activities

#### Waikato Regional Airport Ltd (Local Authority Trading Enterprise)

Waikato Regional Airport Ltd replaced the Airport Authority in 1989.

The airport is a public utility, providing transportation facilities essential to the region. The objective of the airport company is to operate a successful commercial business, providing safe, appropriate and efficient services for the transportation of people and freight in and out of the port of Hamilton.

The Council holds 50% of the airport company's shares. The remaining shares are owned by Otorohanga, Matamata-Piako, Waikato and Waipa District Councils.

The company reported an operating surplus after taxation of \$559,000 for the 1999/00 financial year.

Council has budgeted for a nil dividend return for the 2001/02 financial year (1999/00 nil dividend).

Performance targets set for the operation of the airport and results are:

- Operating surplus after tax to average shareholders' funds  
Target 8.3%, (1999/00, 8.5%)
- Operating surplus before taxation and interest to total assets  
Target 9.6%, (1999/00, 9.0%)
- Operating surplus after taxation to total assets  
Target 4.1%, (1999/00, 4.1%)
- Operating surplus before taxation and interest to average shareholders' funds  
Target 19.5%, (1999/00, 18.3%)
- Percentage of non-landing charges revenue to total revenue  
Target 72.2%, (1999/00, 74.6%)
- Total liabilities to shareholders' funds  
Target 50:50, (1999/00, 49:51).

For more information on the activities of the Waikato Regional Airport Ltd, contact Barry O'Connor, Chief Executive, Airport Road, RD2, Hamilton.

### **Hamilton Riverview Hotel (Shareholding in a Joint Venture)**

---

In May 1998, Council entered into a joint venture agreement for the purpose of developing a Hotel and Conference Centre on a site bounded by Victoria Street, Alma Street and the Waikato River in Hamilton.

Council holds 42% of the shares in the Hamilton Riverview Hotel venture. Tainui Development Ltd and AAPC NZ Pty Limited hold the remaining shares.

Council has budgeted for a nil dividend return for the 2001/02 financial year (1999/00 nil dividend).

For more information on the activities of Hamilton Riverview Hotel Ltd, contact Ken Cunningham, Property Manager, Hamilton City Council, Private Bag 3010, Hamilton.

### **Pirongia Mountain Afforestation Committee (Local Authority Trading Enterprise)**

---

Council holds 25.6% shareholding in a joint venture, which manages a forest reserve on Pirongia Mountain.

Otorohanga District Council and Waipa District Council hold the remaining shares.

The purpose of the joint venture is to manage the reserve for the benefit of the joint venture partners, as well as to ensure access to the reserve for recreational users and to preserve the integrity of the area as a sound water catchment.

Council has budgeted for a nil return and nil contribution to the joint venture for the 2001/02 financial year (1999/00 nil dividend and nil contribution).

For more information on the activities of the Pirongia Mountain Afforestation Committee, contact Deborah Fredrick, Project Accountant, Waipa District Council, Private Bag 2402, Te Awamutu.

### **Bus Hire Joint Venture (Interest in a Joint Venture)**

---

Council consented to the sale and purchase of Newmans Coach Lines Ltd's share of the joint venture to Hamilton Buses Ltd.

The 50% joint venture commenced operations on 21 May 1993. Hamilton City Buses Ltd undertakes the joint venture's marketing and hire functions, while Council carries out the accounting function.

Council's interest in the buses operated by the joint venture is protected by a performance bond entered into with Hamilton City Buses Ltd.

Council has resolved to sell its share of the Bus Hire Joint Venture and as a result Council has budgeted for a nil dividend return for the 2001/02 financial year (1999/00, \$15,000).

For more information on the activities of the Bus Hire Joint Venture, contact Ken Cunningham, Property Manager, Hamilton City Council, Private Bag 3010, Hamilton.

### **Hamilton Properties Ltd (Local Authority Trading Enterprise)**

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Hamilton Properties Ltd is 100% owned by Council. Hamilton Properties Ltd is no longer trading. Council has retained this as a non-operating company, with the view to utilising its tax losses in the future.

For more information on the activities of Hamilton Properties Ltd, contact Ken Cunningham, Property Manager, Hamilton City Council, Private Bag 3010, Hamilton.

# Variations Between The 2001/02 Annual Plan And The Approved 1999/00 Long-Term Financial Strategy And Policies

A number of variations exist between the 2001/02 Annual Plan, which differ from the Long-Term Financial Strategy (LTFS) and Financial Management Policies; published in full in the 1999/00 Annual Plan. An abbreviated version of the LTFS and Policies is reprinted in the Financial Management Policy Section of this document.

Significant variations are outlined below.

## Long-Term Financial Strategy

### 1. Consolidated Statement of Financial Performance

Variations of at least \$400,000 for the 2001/02 financial year are listed below, together with the reasons.

Service	LTFS Net Expenditure	Plan Net Expenditure	Variation
<b>Wastewater</b>	\$7,031,000	\$9,314,000	\$2,283,000 increase
Interest has increased by \$1.726m due to a change in method of allocation. Interest on the loan for the secondary treatment upgrade is now allocated to wastewater and not spread over all Council assets as in the LTFS. In addition, costs have increased for the operation of the upgraded wastewater treatment plant.			
<b>Refuse</b>	\$4,014,000	\$4,650,000	\$636,000 increase
A decrease in refuse transfer station revenue due to lower patronage than assumed in the LTFS.			
<b>Carriageways</b>	\$11,091,000	\$8,244,000	\$2,847,000 decrease
A decrease in depreciation due to changes in estimation of useful lives of assets.			
<b>Traffic</b>	\$3,633,000	\$2,516,000	\$1,117,000 decrease
An increase in Transfund subsidy of almost \$1 million which was included in carriageways in the LTFS.			
<b>Housing Services</b>	\$591,000	\$106,000	\$485,000 decrease
A decrease due to property charges that have decreased and increased revenue.			
<b>Waikato Events Centre</b>	\$0	\$804,000	\$804,000 increase
New item specifically identified for disclosure and not included in the LTFS in the current form.			
<b>Waikato Stadium and WestpacTrust Cricket Park</b>	\$70,000	\$1,258,000	\$1,188,000 increase
New item specifically identified for disclosure and not included in the LTFS in the current form.			
<b>Representation and Civic Affairs</b>	\$3,365,000	\$4,145,000	\$780,000 increase
The primary reason for the change is due to the changes in the basis of allocation of support services.			
<b>Property Management</b>	-\$3,151,000	-\$2,691,000	\$460,000 decrease
Rent revenue from property investments not at levels anticipated in the LTFS.			

## Other Variations

Other variations to the Statement of Financial Performance for the 2001/02 financial year are listed below, together with the reasons.

	LTFS	Plan	Variation
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<b>Total General Revenues</b>	\$63,608,000	\$66,144,000	\$2,536,000 increase
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An increase to Total General Revenues of \$2.536m due to additional rates required to support the work programme, additional revenue from special and sinking fund interest and additional petrol tax revenue offset by a nil dividend return from Council's shareholding in the Hamilton Riverview Hotel.

<b>Revenue Assigned to Asset Development</b>	\$11,448,000	\$30,185,000	\$18,737,000 increase
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Total Revenue Assigned to Asset Development has increased by \$18.737m due to the balance of ownership of the Waikato Stadium transferred to Council as vested assets offset by income from infrastructural levies and subdivision reserves being less than anticipated.

<b>Surplus for the Year</b>	\$7,130,000	\$25,863,000	\$18,733,000 increase
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Movements in the Cost of Significant Activities, Total General Revenues and Revenue Assigned to Asset Development (explained above), have contributed to the increased Surplus for the Year.

## 2. Public Debt

	LTFS	Plan	Variation
--	------	------	-----------

	\$106,585,000	\$104,439,000	\$2,146,000 decrease
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Major reasons for the variation in the net public debt are special funds, cash and operating cash of \$8m which has been transferred from term investments to offset public debt as part of the internal borrowing programme, additional loan principal repayments of \$2.222m and further net borrowings of \$8.076m for projects (in 2001/02 these are: Resolution Dr-project R11, Mill St upgrade-project 22, E1 land purchase-project 311, Seddon Rd upgrade-project R28, Cobham Dr/Hamilton Gardens entranceway-project N297, emergency management groups-project R36, western wastewater interceptor upgrade-project 178, strategic land purchase programme-project 370).

## 3. Special and Capital Projects

In preparing the Annual Plan, changes have been made to the list of projects identified in the Long-Term Financial Strategy. Projects and years affected are shown below.

Some projects have been brought forward or deferred; new projects have been added. The funding sources of some projects have altered and additional costs or savings incurred. Refer to the Forecast Capital Expenditure Statement in the Annual Plan, Financial Statements section, for cost estimates.

## Projects Brought Forward

No.	Project	LTFS	Plan
22	Mill St (Tristram to Hall St)	02/03-03/04	01/02
23b	Baverstock Rd carriageway construction (incl. with Brymer Rd)	00/01-02/03	01/02-03/04
53	Newstead cemetery chapel	04/05	01/02
63	Land purchase (reserves)	01/02,03/04	02/03-03/04
71a	Hamilton Lake Domain redevelopment	02/03	01/02-06/07
99	Horotiu landfill raised levels and reinstatement	02/03-03/04	02/03
103	Rototuna landfill gas migration control	00/01-02/03	01/02
145	Pukete wastewater secondary treatment	99/00-03/04	01/02-02/03
		05/06-07/08	05/06-07/08
172	Network wastewater upgrades enabling infill development	02/03	01/02-02/03
176	Assessment of wastewater trunk and interceptors	02/03-04/05	01/02-02/03

## Projects Deferred

No.	Project	LTFS	Plan
9	Refuse recycling programme (C)	00/01-01/02	-
10	Wairere Dr-NE circular	02/03-04/05	02/03-05/06
13	Hukanui Rd carriageway construction	01/02-02/03	01/02-02/03
27	Te Kowhai Rd carriageway improvements	00/01	02/03
28	Street upgrade: Seddon St	99/00-00/01	01/02
28	Street upgrade: Weka St	00/01	01/02-02/03
28	Street upgrade: Pukete Rd	02/03	04/05
30	Hamilton West cemetery	00/01-01/02	04/05
35	All hazards risk assessment	00/01	-
36	Emergency management groups	00/01-02/03	01/02
48	Hamilton urban growth strategy	00/01	01/02
50	Call centre	99/00-00/01	01/02-02/03
78	Claudlands Reserve grounds development	01/02-02/03	01/02-03/04
79	Waitawhiriwhiri esplanade walkway development	00/01	04/05
88	Amenity lighting on parks	00/01-01/02	01/02
107	Sports areas and park development-Minogue Park	01/02-02/03	01/02,03/04
110	Contribution to indoor stadium	01/02	02/03
112	Kahikatea Park changing rooms & toilet facilities	02/03	04/05
113	Investigate stormwater options for Ruakura land	00/01-01/02	03/04-04/05
118	Dominion/Brymer Rd stormwater trunk	00/01-02/03	01/02-03/04
122	Callum Brae stormwater	99/00-00/01	02/03
141	Sustainable building development	00/01-01/02	01/02-02/03
159	Lake Domain Dr traffic safety improvements	00/01	02/03
164	TERRA 21 project wastewater effluent land	00/01-03/04	03/04
168	Far eastern wastewater interceptor	00/01-05/06	02/03-07/08
171	Wastewater interceptor and trunk in future growth cells	03/04-18/19	04/05-18/19
179	Investigate water supply options for Ruakura	01/02	04/05
209	Upgrade water supply in new and existing areas	02/03	01/02, 03/04
210	City rural restricted water supply	02/03	01/02, 03/04
215	Council and community archives	01/02-02/03	02/03-03/04
218	Mystery Creek seating	00/01	01/02
227	Russian bell tower	00/01	01/02

## New Projects

No.	Project	LTFS	Plan
249	Frankton carriageway upgrading	-	01/02
250	Carriageway advance funding developer commitments	-	03/04
251	Carriageway area wide treatment	-	01/02-03/04
254	IT asset management	-	01/02-03/04
255	IT computer system upgrade	-	01/02-03/04
260	Willoughby closed landfill	-	02/03
264	Peacockes structure plan	-	02/03
266	Rotokauri structure plan	-	01/02
274	Repayment of advance funding to Tainui Development Ltd	-	02/03-03/04
276	Energy efficiency fund	-	01/02-03/04
281	Pavement deterioration modelling	-	01/02-03/04
282	Bridge resurfacing	-	01/02-02/03
283	Bridge feature lighting	-	01/02-03/04
287	Refuse old sites management	-	01/02
297	Cobham Dr/Hamilton Gardens entranceway	-	01/02
301	Economic development forum grant	-	01/02-02/03
107	Sports areas and park development: Dey St	-	02/03



156	Toilets: Minogue Park	-	01/02-02/03
310	Impounding stock trailer	-	01/02
311	E1 land purchase for eastern arterial route	-	01/02
312	Land purchase beside Ruakura	-	01/02
313	Whitiara bridge joints	-	01/02
314	Norton Rd shape correction	-	01/02
315	Cemeteries feasibility reception lounge	-	01/02
316	Feasibility west cemetery	-	01/02
317	Fence west cemetery	-	01/02
318	Self-bunding chemical store Duke St	-	01/02
319	Chairs: Celebrating Age Centre	-	01/02-03/04
320	HR/leadership best practice processes	-	02/03
321	Review of customer processes/database	-	02/03
322	GIS integration	-	01/02-02/03
323	Data capture	-	01/02
324	Internet development	-	02/03
325	Cobham Dr pedestrian/cyclist underpass	-	01/02
326	Recreation and leisure plan	-	01/02
327	Building management system upgrade	-	01/02
328	Waikato Events Centre asbestos removal	-	02/03
329	Sealing of customer area at HORC	-	02/03
330	Renew RTS compactor hopper liners	-	01/02
331	Horotiu pump replacement	-	01/02-03/04
332	St Andrews car park	-	01/02
333	Jansen Park pedestrian link	-	01/02
334	Development impact study: TeAwa-o-Kata Paki	-	01/02
335	Hamilton District plan monitoring	-	01/02-03/04
336	Hamilton District alternative methods programme	-	01/02-03/04
337	Swimming pool safety rails	-	01/02
338	Painting learners pool	-	01/02
339	Swimming pool septum replacements	-	01/02
340	Waterworld renewals	-	01/02
341	Gallagher Aquatic centre renewals	-	01/02
342	Wastewater treatment plant special projects	-	01/02-03/04
343	Wastewater storage investigation at pump station	-	01/02
344	Thomas Rd water supply trunkmain to St James	-	01/02
345	Mighty River Power resource consent	-	01/02
346	Water treatment station special projects	-	01/02
347	Zoo playground equipment	-	01/02
348	Zoo panda exhibit	-	01/02
354	Garden Place fountain refurb.-feasibility study	-	01/02
355	Garden Place fountain refurb.-filter	-	01/02
356	Indian Community Centre grant	-	02/03
357	Crime Prevention Trust grant	-	01/02
358	Frankton Bowling Club grant	-	01/02
359	Hamilton City Gymnastics grant	-	02/03
360	Driver Training Centre grant	-	02/03
361	Hamilton Gardens Medici court	-	01/02
362	Hamilton Gardens water quarry	-	01/02
363	Purchase Marist Rugby Club assets	-	03/04
364	Riverside walkways signposting	-	01/02-03/04
365	Fencing contribution for properties beside accessways	-	01/02-03/04
366	Chamber upgrade	-	01/02
367	Changing facilities at Dey St	-	03/04
370	Strategic land purchase programme	-	01/02-03/04
371	Cobham Dr underpass	-	02/03-03/04

#### 4. Statement of Financial Position

The estimated financial position of Council at the beginning of the 2001/02 financial year has been restated in accordance with S.223(d)4(a) of the Local Government Act 1974 to better reflect the anticipated balances of assets, liabilities and equity.

## Funding Policy

### Cost Recovery Ratio

The cost recovery ratio is the portion of total expenditure for a service/activity that is recovered by revenue.

The cost recovery ratio for some services differs from that set in the Funding Policy. In this respect, while it is recognised that these changes represent a departure from the Financial Management Policy (FMP), Council proposes to address the issue by undertaking a review of the Policy in 2002/03.

For a complete listing of the cost recovery ratio, see Appendix 7.6 of the Financial Management Policy.

**1. Services most affected by an increase (by at least 10%) are listed below, together with the reasons.**

Service	LTFS	Plan	Variation
<b>Road Safety Programmes</b>	0%	51%	51%
New item specifically identified for disclosure. Previously included in Road Network Management services.			
<b>Planning Guidance</b>	41%	52%	11%
Additional recoveries to cover costs involved in service delivery.			
<b>Housing Services</b>	71%	93%	22%
Additional recoveries as a result of an increase in rental charges. Reduction in property management charges due to a change in the allocation of costs based on indemnity values.			
<b>Emergency Management</b>	2%	35%	33%
New recoveries from other local authorities to support the newly established Waikato Valley Emergency Operating Area.			
<b>Waikato Events Centre</b>	0%	42%	42%
New item specifically identified for disclosure. Previously included in Sports Areas.			
<b>Waikato Stadium and WestpacTrust Cricket Park</b>	0%	31%	31%
New recoveries to support a new service.			

**2. Services most affected by a reduction (by more than 2%) are listed below, together with the reasons.**

Council also recognises that for certain services funding has declined below the approved FMP recovery ratio and this constitutes a breach of S.122C of the Local Government Act 1974. This means that not all operating expenditure is being funded as planned in the FMP, and that other services must subsidise these activities where the breach has occurred.

The recovery shortfall for each service for the three years of the Annual Plan is disclosed in the following table. The majority of the movements are considered minor. Council has resolved not to recover these shortfalls. Eight services account for 97% of the total shortfall. These services are highlighted in the table. Council's position in relation to these shortfalls for the 2001/02 financial year is outlined below.

Service	Year 2001/02	Year 2002/03	Year 2003/04	Total
Hamilton Zoo	-83,000	-98,000	-99,000	-280,000
Water Supply	0	-59,000	-184,000	-243,000
Footpaths	-136,000	-139,000	-141,000	-416,000
Hamilton Transport	-107,000	-109,000	-112,000	-328,000
Community Development	-85,000	-90,000	-90,000	-265,000
Community Assistance Prog	23,000	-77,000	40,000	-14,000
Cemeteries and Crematorium	-47,000	-18,000	-18,000	-83,000
Community Halls and Leased Buildings	-75,000	-74,000	-74,000	-223,000
Sport Areas	-397,000	-396,000	-404,000	-1,197,000
Waikato Museum	-153,000	-152,000	-152,000	-457,000
<b>Total</b>	<b>-1,060,000</b>	<b>-1,212,000</b>	<b>-1,234,000</b>	<b>-3,506,000</b>

Services most affected (by more than 2% of the reduction in funding measured against rates subsidy and other revenue), are listed below, together with the reason why funding has declined, the amount of non-funding for the first year of the Annual Plan and the operational impact of the reduced funding.

Service	LTFS	Plan	Variation	Amount of Non-Funding
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<b>Hamilton Zoo</b>	39%	33%	6%	\$83,000
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Reason:

Funding has declined due to a reduction of the income target and increased costs associated with the new exhibits. It has not been recovered from user charges because Council did not consider that an entry fee increase is achievable in the current market.

The operational impact:

The unrecovered portion to be funded from the general rate, resulting in a cost recovery ratio of 33% (39% FMP).

<b>Footpaths and Verges</b>	4%	0%	4%	\$136,000
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Reason:

Costs have increased and the activity no longer attracts Transfund subsidy. It has not been recovered from user charges because Council considered it impractical to recover costs from users.

The operational impact:

The unrecovered portion to be funded from the general rate, resulting in a cost recovery ratio of 0% (4% FMP).

<b>Transport Centre</b>	78%	44%	34%	\$107,000
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Reason:

This is a new facility and operating costs have been revised to meet new requirements. Revenue has decreased and the new facility received a reduced maintenance subsidy from Environment Waikato. It has not been recovered from user charges because Council did not consider an increase to existing tenants was achievable in the current market.

The operational impact:

The unrecovered portion to be funded from the general rate, resulting in a cost recovery ratio of 44% (78% FMP).

<b>Community Development</b>	7%	2%	5%	\$85,000
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Reason:

Increased operating costs, which have not been recovered from user charges because Council considered that it would be inequitable to recover the costs from users when the services have been set up specifically to support them.

The operational impact:

The unrecovered portion to be funded from the general rate, resulting in a cost recovery ratio of 2% (7% FMP).

<b>Cemeteries and Crematorium</b>	71%	66%	5%	\$47,000
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Reason:

Increased direct operating costs associated with the improved facilities and the impact of one-off projects has affected the recovery ratio. Council has increased user charges to contribute to the higher costs.

The operational impact:

The unrecovered portion to be funded from the general rate, resulting in a cost recovery ratio of 66% (71% FMP).

<b>Community Halls</b>	38%	15%	23%	\$75,000
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Reason:

Funding has declined due to a transfer of lease income from Community Halls to the Property Management Unit. It has not been recovered from user charges because Council did not consider it was fair and equitable to increase the facility hire charges as this would have an impact on the users' ability to pay and would not achieve Council's goal of promoting community development.

The operational impact:

The unrecovered portion to be funded from the general rate, resulting in a cost recovery ratio of 15% (38% FMP).

<b>Sports Areas</b>	24%	4%	20%	\$397,000
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Reason:

Waikato Events Centre revenue is now disclosed separately and this has affected the cost recovery ratio.

The operational impact:

The unrecovered portion to be funded from the general rate, resulting in a cost recovery ratio of 4% (24% FMP).

<b>Waikato Museum (incl. Exscite)</b>	12%	8%	4%	\$153,000
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Reason:

Funding has declined due to the elimination of entry fees, the transfer of rental income from the Waikato Museum to the Property Management Unit and the reallocation of the Exscite budget from the Libraries to the Museum. It has not been recovered from user charges because Council considered that the re-introduction of entry fees would be inappropriate.

The operational impact:

The unrecovered portion to be funded from the general rate, resulting in a cost recovery ratio of 8% (12% FMP).

## Investment Policy And Borrowing Management Policy

Hamilton City Council has reviewed its Investment Policy and Borrowing Management Policy during the 2000/01 financial year. These policies now recognise that Council is a net borrower for the foreseeable future. As a result the policies now provide mechanisms for consolidating investment funds and external debt, allowing Council to concentrate on managing the overall net debt position.

Through the revised policies, Council has:

- Permitted the use of special and reserve investment funds for internal borrowing, which reduces debt, while establishing committed standby lines of credit to be drawn upon when the special and reserve funds are required. An interest charge is still passed to the special and reserve funds representing the cost of internal borrowing.
- Introduced a debenture trust deed that will provide Council with the ability to borrow from any funding source as per the Investment Policy and Borrowing Management Policy by issuing secured stock. The adoption of the Debenture Trust Deed will provide Council with much greater flexibility in its raising and management of its debt and will allow it to take advantage of opportunities to minimise the cost of debt when they arise.

## **Rating Policy**

Council has approved the introduction of a new differential category for inner city apartments within the Central Business District, which will be rated on the same basis as residential properties, but excludes the cost of household waste collection as Council cannot provide a collection service to these properties.

Council has also now given definitions to the categories of properties that are classified as non-rateable, namely education, churches (places of worship), community and sporting, and cultural organisations. An income test has also been introduced for sporting and cultural organisations, which determines the level of rate rebate provided.

## **Changes in Policies, Objectives, Activities and Performance Measures**

There have been no significant changes between the funding policies, objectives and the performance measures specified in the 2001/02 Annual Plan and those in the 1999/00 Annual Plan relating to 2001/02, except as outlined above.



# Financial Statements

## Statement of Accounting Policies for the year ended 30 June 2002

### Reporting Entity

Hamilton City Council is a territorial local authority as defined in the First Schedule of the Local Government Act 1974 (the Act). The financial statements are presented in accordance with the requirements of Section 223E of the Act and the accounting standards and guidelines of the Institute of Chartered Accountants of New Zealand.

The financial statements cover all the activities of Hamilton City Council and its 100% owned LATE, Hamilton Properties Limited.

### Measurement Base

The general accounting principles recognised as appropriate for the measurement and reporting of results and financial position have been applied on an historical cost basis, modified by the revaluation of certain fixed assets.

### Accounting Policies

The following accounting policies, which materially affect the measurement of results and financial position have been applied:

#### 1. Consolidation

The results of Hamilton Properties Ltd have been consolidated using the purchase method. The company's balance date is 30 June 2002. Corresponding assets, liabilities, revenues and expenses are added together on a line-by-line basis. All significant inter-entity transactions are eliminated on consolidation.

#### 2. Equity Accounting

The results of Waikato Regional Airport Limited, Pirongia Mountain Afforestation Committee, Bus Hire Joint Venture 1993 and Hamilton Riverview Hotel Limited (Novotel Hotel), a joint venture company, have been reflected in the Financial Statements on an equity accounting basis. This method shows the share of surpluses/deficits in the Statement of Financial Performance and the original investment updated for the share of post-acquisition increases/decreases in net assets in the Statement of Financial Position.

#### 3. Revenue Recognition

Rates revenue is recognised when levied. Water billing revenue is recognised on an accrual basis with unread meters at year end accrued on an average usage basis. Transfund roading subsidies are recognised as revenue upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

Other grants and bequests, and assets vested in the Council-with or without conditions-are recognised as revenue when control over the assets is obtained.

#### 4. Goods and Services Tax

The financial statements have been prepared exclusive of GST with the exception of receivables and payables, which are stated with GST included. Where GST is irrecoverable as an input tax then it is recognised as part of the related asset or expense.

#### 5. Taxation Expense

Income tax expense is charged in the Statement of Financial Performance in respect of the current year's surplus, after allowing for permanent differences.

Deferred taxation is determined on a comprehensive basis using the liability method. Deferred tax assets attributable to timing differences or income tax losses are recognised only when there is virtual certainty of realisation.

## 6. Fixed Assets, Investment Properties and Properties Intended for Resale

These assets consist of:

### Operational Assets

These include land, buildings, improvements, passive recreation assets (such as library books), plant and equipment, and motor vehicles.

### Restricted Assets

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

### Infrastructural Assets

These are the fixed utility systems owned by Council. Each asset type includes all items that are required for the network to function.

### Valuation

All assets are valued at historic cost, except the following:

*Land and Buildings.* Infrastructural and Community Assets land were revalued by Beca Valuations Limited at net current value effective 1 July 1998. Infrastructural and Community Assets buildings were revalued by Beca Valuations Limited at depreciated replacement cost effective 1 July 1998. The land under roads has been brought to account by determining the total land area and multiplying this by an average city land value determined from an analysis of recent land sales. All other land and buildings are revalued at government valuation every three years with the most recent government revaluation being carried out by Quotable Value New Zealand effective 1 September 1998. Quotable Value New Zealand has certified that this valuation is appropriate for financial reporting purposes. The next revaluation of infrastructural and community assets is to be calculated, effective 1 July 2001.

*Infrastructural and Community Assets* (other than land and buildings described above) were valued at depreciated replacement cost by Beca Valuations Limited as at 1 July 1998. The utility asset valuations reflect a 'green fields' methodology approach, although an allowance has been included for the reinstatement of pavements where pipelines are routed under footpaths or roads. Resource and discharge consents are included in Infrastructural Assets but recorded at cost.

*Investment Properties* are revalued annually at net current value by an independent registered valuer. The result of the revaluation is credited or debited to the investment property reserve. Where this results in a debit balance in the reserve, this balance is expensed in the Statement of Financial Performance.

*Properties Intended for Resale* have been valued at lower of cost or net realisable value.

*Work in Progress.* All costs associated with the development of land and buildings and other assets are initially capitalised as work in progress. On completion, the total cost of the project is transferred to the appropriate asset class.

*Library books* were valued by Council's professionally qualified library staff at 30 June 1992. Subsequent purchases were expensed in the Statement of Financial Performance until 30 June 1998. From 1 July 1998 purchases of library books have been capitalised and depreciated in the Statement of Financial Performance.

*Vested Assets.* Certain infrastructural assets and land have been vested in Council as part of the subdivisional consent process. The vested reserve land has been valued at the latest appropriately certified government valuation or at a mutually agreed market value or at a value determined through arbitration. Vested infrastructural assets have been based on the actual quantities of infrastructural components vested and current 'in the ground' cost of providing identical services.

*Zoo animals* are valued at estimated replacement cost by the zoo manager.

*Museum collections and the library collection* (New Zealand Room) are heritage assets and have not been valued as they are not readily tradeable or replaceable.

*Plant and equipment* (office furniture) is recorded at valuation. The valuation was performed by Curnow Tizard at 30 June 1996. All other plant and equipment is recorded at cost.

Additions between valuations are recorded at cost. Changes on revaluation of assets are included in the appropriate asset revaluation reserve.

## 7. Depreciation

Depreciation is provided on a straight-line basis at rates, which will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

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

• Buildings	40–100 years
• Reservoirs and Other Water-retaining Structures	31–118 years
• Plant and Vehicles	3–15 years
• Furniture, Fittings and Equipment	5–10 years
• Office Equipment	5–10 years
• Library Books	14 years
• Computers (excluding software)	3–5 years
• Bridges and Culverts	32–112 years
• Roads	
top surface (seal)	2–22 years
pavement (basecourse)	30–109 years
earthworks	not depreciated
drainage	80–109 years
shoulders/feathers	25–63 years
culverts	50–112 years
footpaths (concrete) (FPC)	40–66 years
footpaths (bitumen) (FPB)	25–63 years
footpaths (paving) (FPPA)	25–40 years
kerbs	80–109 years
signs	10–11 years
street lights	25–29 years
bridges	19–99 years
traffic signals	6–44 years
barriers	15–29 years
bus shelters, arterial signs & parking meters	11–27 years
verge, embankment & retaining walls	67–70 years
traffic islands	67–91 years
• Wastewater Reticulation	
pipes	53–107 years
manholes	54–83 years
treatment plant	5–57 years
bridges	107 years
pump-stations	13–77 years
• Stormwater systems	
pipes	75–112 years
manholes, cesspits	57–71 years
service connections & outlets	81 years
• Water Reticulation	
pipes	19–94 years
butterfly valves	50–57 years
treatment plant	4–109 years
meters	12–20 years
• Resource and discharge consents	7–10 years

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

- Land
- Investment properties
- Properties intended for resale
- Work in progress and assets under construction
- Zoo animals.

Any work undertaken on infrastructural assets to reinstate or add to the service potential is capitalised.

## **8. Investments**

All investments are stated at cost, except for shares in other organisations, which are at the lower of cost or net realisable value.

The Pirongia Mountain Afforestation Joint Venture investment was revalued at 30 June 2000, based on a valuation of the forest by forestry consultants PL Tempest and Associates Ltd.

## **9. Employee Entitlements**

Provision is made in respect of the liability for annual leave, long service leave and retirement gratuities.

The provision for annual leave and long service leave has been calculated on an actual entitlement basis at current rates of pay. The provision for retirement gratuities has been calculated on an actuarial basis bringing to account what is likely to be payable in the future in respect of service that employees have accumulated up until 30 June 2002.

## **10. Leases**

Operating lease payments, where the lessor effectively retains all the risks and benefits of ownership of the leased item, have been expensed.

## **11. Post-Closure Costs**

Council as owner of several landfill sites has a legal obligation to provide ongoing maintenance and monitoring services after closure. Expenditure is expensed at the time it is incurred. A reserve has been established with annual contributions, to ensure funds are available to meet the cost of Horotiu landfill aftercare.

## **12. Equity**

*Accumulated Funds* comprise accumulated surpluses over the years.

*Revaluation Reserves* comprise accumulated revaluation increments/decrements.

*Restricted Reserves* are those funds subject to external restrictions accepted as binding by Council, which may not be revised by Council without reference to the courts or a third party.

*Council Created Reserves* are formally imposed designations of public equity that indicate Council's intention to use a certain level of resources for a special purpose.

## **13. Accounts Receivable**

Accounts receivable are stated at expected realisable value after providing for doubtful and uncollectable debts.

## **14. Mortgage Assets**

Mortgages are held over a number of properties. These mortgages are valued at cost.

## **15. Inventories and Work in Progress**

Inventories are valued at the lower of cost (determined on a first-in-first-out basis) and net realisable value. Work in progress is valued at the lower of cost and net realisable value.

## **16. Foreign Currency**

Foreign currency transactions have been converted into New Zealand dollars at the rate of exchange at the date of the transaction. Gains or losses on exchange have been recognised in the Statement of Financial Performance.

## 17. Statement of Cash Flows

*Cash* comprises cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which Council invests as part of its day-to-day cash management.

*Operating activities* include cash received from all income sources of Council and cash payments made for goods and services. Agency transactions (for example, the collection of Regional Council rates) are recognised as receipts and payments in the Statement of Cash Flows as they flow through Council's bank account.

*Investing activities* are those activities relating to the acquisition and disposal of non-current assets.

*Financing activities* comprise the change in equity and debt capital structure of Council.

## 18. Cost of Service Statements

The Cost of Service Statements report the costs and revenues relating to the significant activities of Council.

*Expenditure* includes an allocation of support services and an allocation of interest.

- Support services are those activities, which are not considered to be direct services to the public and are allocated across the significant activities on a basis, which reflects usage of the support services. Included in the allocation for support services is an allocation of the business unit surpluses/deficits. These are allocated where possible on a usage basis.
- Interest is allocated to the significant activity on the basis of buildings and infrastructural assets employed for each item in the Cost of Service Statements except for water, wastewater and refuse where specific loans raised for those activities are allocated entirely to the significant activity.

## 19. Financial Instruments

Council is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, investments, debtors, creditors and loans. All financial instruments are recognised in the Statement of Financial Position and all revenues and expenses in relation to financial instruments are recognised in the Statement of Financial Performance.

All financial instruments are shown at their estimated fair value except for loans, which are recorded at cost, and those items covered by a separate accounting policy.

## 20. Prospective Financial Information

The financial information contained within this document is prospective financial information in terms of accounting standard FRS 29. The purpose for which it has been prepared is to enable ratepayers, residents and any other interested parties to obtain information about the expected future financial performance, position and cash flow of Hamilton City Council for the 2001/02 financial year.

In relation to that standard, the financial information for the 2001/02 financial year is considered to be a 'forecast', while the financial information relating to subsequent years is considered to be a 'projection'. The financial information contained within the 2001/02 Annual Plan differs from the Long-Term Financial Strategy developed in the 1999/00 Annual Plan, which is presented in Appendices 7.1-7.4. Any significant changes between the 2001/02 Annual Plan and the Long-Term Financial Strategy are explained in Variations Between the 2001/02 Annual Plan and the Approved 1999/00 Long-Term Financial Strategy and Policies note. The actual results achieved for the 2001/02 financial year are also likely to vary from the information presented, and may vary materially depending upon the circumstances that arise during the period.

The following assumptions have been made in preparing this plan:

- Interest rates on new loans raised during the 2001/02 year will be 7.2%
- Interest rates on new loans raised during the 2002/03 year will be 7.4%
- Interest rates on new loans raised during the 2003/04 year will be 7.4%
- Interest earned on funds invested will be 7.0%.

These assumptions are subject to the normal volatility of financial markets.

76% of borrowed funds are subject to fixed interest charges. Over a full year period, the sensitivity to a 0.5% change in interest rates on borrowed funds that are not subject to fixed interest charges would be \$222,000.

Total funds invested are expected to average approximately \$6.995 million throughout the year, giving a sensitivity in interest earnings to a 0.5% change in interest rates of \$35,000 over a full year.

### **Changes in Accounting Policies**

There have been no changes in accounting policies. All policies have been applied on a basis consistent with the previous Annual Plan.

### **Borrowing Needs and Programme**

Section 223D of the Local Government Act requires Council to include in its Annual Plan details of its borrowing needs and borrowing programme, in detail for the year of the plan and in general terms for the next two years.

Total new borrowing programmed for the 2001/02 financial year is \$16.066 million, \$10.168 million for 2002/03 and \$7.035 million for 2003/04. The form that borrowing will take and the way in which it will be issued to the market will depend upon market conditions. In this plan, Council has assumed that the interest rate on new debt raised during 2001/02 will be 7.2% p.a. After allowing for debt repayment, refinancing of maturing debt and movements in sinking funds held, Council's net debt will increase by \$14.521 million in 2001/02, increase by \$6.67 million in 2002/03 and increase by \$3.311 million in 2003/04.

Funding the payment of interest is treated in the same way as the funding of any other costs associated with an activity of Council. Hence, for example, debt servicing related to water supply will be met through the same funding mechanisms as other costs related to water supply. All other Council services are treated in the same way. Debt principal is repaid from refinancing of existing loans, utilisation of sinking funds and retiring of investments.



# Consolidated Forecast Statement Of Financial Performance

For year ending 30 June 2002 in \$000s

Net Expenditure 2001	Services Provided	Note	Govt Grants and Subsidies	Ordinary Revenue	Total Revenue	Gross Expenditure 2002	Net Expenditure 2002	Net Expenditure 2003	Net Expenditure 2004
	<b>Significant Activities</b>								
7,103	Environment		40	1,001	1,041	8,951	7,910	7,933	8,079
3,674	Water Supply		0	2,466	2,466	5,784	3,318	3,373	3,642
8,443	Wastewater		0	715	715	10,029	9,314	9,357	9,540
3,786	Stormwater		0	3	3	4,047	4,044	4,118	4,129
3,194	Refuse		0	4,554	4,554	9,204	4,650	3,609	3,272
15,079	Roads and Traffic		2,373	2,205	4,578	19,181	14,603	15,152	15,364
1,755	Health, Order and Safety		0	3,288	3,288	5,188	1,900	1,805	1,787
4,787	Community Support		1,009	2,272	3,281	8,264	4,983	5,473	4,939
4,655	Recreation and Leisure		0	2,784	2,784	9,612	6,828	6,358	6,647
9,086	Arts and Culture		79	1,404	1,483	11,534	10,051	10,153	10,261
173	Partnership with Maori		0	0	0	247	247	247	247
3,678	Representation and Civic Affairs		0	226	226	4,371	4,145	3,880	3,834
1,082	Economic Development and Marketing		0	0	0	1,037	1,037	1,037	1,097
(2,460)	Property Management		0	3,948	3,948	1,257	(2,691)	(2,928)	(2,937)
64,035	<b>TOTAL</b>	1	3,501	24,866	28,367	98,706	70,339	69,567	69,871
170	Sundry Expenditure						127	127	127
64,205	<b>TOTAL</b>		3,501	24,866	28,367	98,706	70,466	69,694	69,998
	<b>General Revenues</b>								
60,782	Rates - excluding Environment Waikato						63,299	64,731	65,687
(88)	Rates Remissions						(88)	(88)	(88)
610	Rates Penalties and Service Charges						640	640	640
850	Petrol Tax						900	900	900
1,177	Investment Income	2					1,393	976	907
63,331	<b>TOTAL GENERAL REVENUES</b>						66,144	67,159	67,946
	<b>Revenue Assigned To Asset Development</b>								
3,682	Government Capital Subsidies and Grants						3,380	1,788	1,803
3,720	Other Capital Contributions	3					1,919	1,695	1,707
4,125	Contributions - Fixed Assets Vested						24,886	4,125	23,625
11,527	<b>TOTAL REVENUE ASSIGNED TO ASSET DEVELOPMENT</b>						30,185	7,608	27,135
10,653	<b>Surplus From Operations Before Tax</b>						25,863	5,073	25,083
13	Income Tax Paid						0	0	0
10,640	<b>SURPLUS FOR THE YEAR</b>						25,863	5,073	25,083

## Consolidated Forecast Statement Of Movements In Equity

For year ending 30 June 2002 in \$000s

Budget 2001		Budget 2002
1,263,547	<b>Opening Equity</b>	1,296,746
10,640	Net Surplus (Deficit) for 2001/02	25,863
22,559	Other Increases (Decreases) in Funds	(2,238)
33,199	<b>TOTAL RECOGNISED REVENUES AND EXPENSES FOR THE YEAR</b>	23,625
1,296,746	<b>CLOSING EQUITY</b>	1,320,371

## Consolidated Forecast Statement Of Financial Position

For year ending 30 June 2002 in \$000s

Budget 2001		Budget 2002
1,296,746	<b>RATEPAYERS' EQUITY</b>	1,320,371
	<b>CURRENT ASSETS</b>	
10,000	Accounts Receivable and Prepaid Expenditure	7,000
330	Inventories	350
9,089	Short-Term Investments	1,614
40	Mortgages and Short-term Advances	30
7,000	Current Portion of Property Intended for Resale	0
26,459	<b>TOTAL CURRENT ASSETS</b>	8,994
	<b>Current Liabilities</b>	
900	Bank Balances Overdrawn	300
1,700	Employee Entitlements	2,500
11,000	Accounts Payable and Income in Advance	10,000
17,026	Current Portion Public Debt	12,595
30,626	<b>TOTAL CURRENT LIABILITIES</b>	25,395
(4,167)	<b>TOTAL WORKING CAPITAL</b>	(16,401)
	<b>Non Current Assets</b>	
23,395	Long-Term Investments	13,766
1,000	Property Intended for Resale	0
175	Mortgages and Long-Term Debtors	100
1,351,360	Fixed Assets, Work in Progress and Deferred and Development Expenditure	1,385,078
30,000	Investment Properties	34,000
1,405,930	<b>TOTAL NON-CURRENT ASSETS</b>	1,432,944
	<b>Non-Current Liabilities</b>	
1,300	Employee Entitlements	1,300
103,717	Term Liabilities	94,872
105,017	<b>TOTAL NON-CURRENT LIABILITIES</b>	96,172
1,296,746	<b>NET ASSETS</b>	1,320,371

# Consolidated Forecast Statement Of Cash Flows

For year ending 30 June 2002 in \$000s

Budget 2001		Budget 2002
	<b>Operating Activities</b>	
	<b>Cash will be provided from:</b>	
60,694	Rates-excluding Environment Waikato	63,211
610	Rates Penalty Income and Service Charges	640
850	Petrol Tax	900
3,037	Government Operating Subsidies and Grants	3,501
24,800	Fees Rents and Charges	24,866
75	Interest on Investments	32
1,062	Interest on Special and Sinking Funds	1,346
3,682	Government Capital Subsidies and Grants	3,380
2,799	Special Fund Receipts	1,356
40	Other Income	15
97,649		99,247
	<b>Cash will be applied to:</b>	
59,222	Direct Operating Costs	70,564
8,473	Interest Paid	9,000
13	Income Tax Paid	0
67,708		79,564
29,941	<b>NET CASHFLOW FROM OPERATING ACTIVITIES</b>	19,683
	<b>Investing Activities</b>	
	<b>Cash will be provided from:</b>	
2,175	Sale of Fixed Assets	1,079
921	Other Capital Contributions	563
3,096		1,642
	<b>Cash will be applied to:</b>	
428	Investments Made	466
59,446	Capital Expenditure	33,809
59,874		34,275
(56,778)	<b>NET CASHFLOW FROM INVESTING ACTIVITIES</b>	(32,633)
	<b>Financing Activities</b>	
	<b>Cash will be provided from:</b>	
31,656	Loans Uplifted	10,993
	<b>Cash will be applied to:</b>	
5,628	Loan repayments	4,918
26,028	<b>NET CASHFLOW FROM FINANCING ACTIVITIES</b>	6,075
(809)	<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	(6,875)
8,998	Plus Opening Cash Balance 1 July 2001	8,189
8,189	<b>CLOSING CASH BALANCE 30 JUNE 2002</b>	1,314
	<b>Reconciliation of balances to Consolidated Forecast Statement of Financial Position</b>	
9,089	Short-Term Investments at call	1,614
(900)	General Bank	(300)
8,189	<b>CLOSING CASH BALANCE 30 JUNE 2002</b>	1,314

# Forecast Capital Expenditure Statement

For year ending 30 June 2002 in \$000s

Budget 2001	Project No	Expenditure 2002	FUNDED BY					Funding Source	Expenditure 2003	Expenditure 2004
			Reserves	Loans	Subsidies	Revenue	Depreciation			
City Environment Zoo										
Savanna design	214	22					22			
Shelters	214	16					16			
Postmortem room	214	12					12			
Zoo development programme	214								170	229
Playground equipment	347	6					6			
Asset Renewal	289	43					43		20	20
Hamilton Gardens										
Development	47	200	200					SR CO	215	220
Medici Court	361	51				51				
Water Filter	362	30					30			
Russian Bell Tower	227	25					25			
City Beautification										
Fountain Refurbishment	5	15					15			20
Garden Place fountain filter	355	2					2			
Asset Renewal	290	10					10		10	10
Parks and Gardens										
Land purchase for reserves	63								200	200
Land Acquisition and Esplanade Reserves	65	20	20					SR	20	20
Mangaiti Stream	65	120	120					SR		
Kirikiriroa Stream	65								120	120
Hammond Park	65	60	60					SR		
Sandford Park	65								70	
Pukete Farm Park	65									40
Hamilton Lake Domain redevelopment	71	589	364				225	DE	464	250
Delamere Esplanade Res Development	74	82					82		53	42
Structures refurbishment programme	76	32					32		6	36
Riverbank stability: Memorial Park	77	140					140			
Riverbank stability: Awatere Ave	77								120	
Riverbank stability: Swarbrick Landing	77									180
Claudlands Reserve grounds development	78	700	300				400	DE	900	780
Walkway: St Andrews Golf Course to Ann St	79	356					356			
Walkway: Golf Course to Ann St Stage 2	79	178	128				50	SR		
Walkway: Waitawhiriwhiri Stream	79									115
Walkway: Te Hikuwai to Pukete Footbridge	79									190
Taitua Arboretum carpark and paths	80	75					75			
Taitua Arboretum development	80								72	128
New Recreation equipment programme	83	75					75		75	75
Nursery upgrade & improvements	84	12					12		5	
Boatramp Development	85									32
Carpark mtc Roose Commerce & Ham Gardens	86	48					48			
Carpark mtc Innes Common & Hamilton Gardens	86								14	
Carpark mtc Melville Park & Ham Gardens	86									31
Amenity lighting on parks	88	113					113			
Cobham Bridge pedestrian/cyclist underpass	325	27					27			
Claudlands Reserve building (ex Marist)	363									665
Riverside walkways signposting	364	13					13			
Asset Renewal: Cobham Drive depot	291	2					2		2	2
Asset Renewal	236	80					80		80	80
3,026	Total City Environment	3,154	1,192	0	0	51	1,911		2,616	3,485
Water Supply										
Customer connections to the network	180	140				140		UC	140	140
Rototuna water supply trunkmains	181	200	130				70	IR	600	100
Nawton trunk watermains	182								76	
WTS sludge disposal	183	370					370			
Contribution for increasing pipe size in subdivisions	184	20					20		20	
Water network new mains	187	441				10	431	UC	441	541
Water network pipe mains renewal	189	200					200		200	250
Water network fitting renewals	191	346					346		350	355
WTS ozonation	195									2,410
Replacement of water meters	205	35					35		35	35
Reservoir shutoff controls	207	32					32		32	32
Upgrade water supply in elevated areas	209	75					75			75
City rural restricted supply	210	25				12	13	UC		25
Treatment Station fluoride monitoring	346	29					29			
3,514	Total Water Supply	1,913	130	0	0	162	1,621		1,894	3,963
Wastewater										
TERRA 21 project wastewater effluent land	164									295
Pukete wastewater secondary treatment	165	2,823		2,823					87	
Customer connections to network	166	150				150		UC	150	150
Far eastern interceptor	168								900	1,000
Contributions for increasing pipe sizes in subdivisions	169	70					70		50	
Rototuna wastewater trunks	170	280					280		280	50
WWTP asset management upgrades	173	115					115		350	455
Replace & upgrade pumps, electrical equipment	174	150					150		150	150
Network upgrade to subdivision standard	175	205					205		215	255
Western wastewater interceptor upgrade	178	750		750						
19,768	Total Wastewater	4,543	0	3,573	0	150	820		2,182	2,355
Stormwater										
Customer connections to network	114	200				200		UC	200	200
Renewal of stormwater discharge consents	115	80					80			
Stormwater impact mitigations	116	80					80		220	220
Contribution for increasing pipe sizes in subdivisions	117	70					70		40	
Dominion/Brymer Rd stormwater trunk	118	160					160		210	210
Rototuna/Flagstaff stormwater trunk	119	400	400					IR	300	350
Callum Brae stormwater	122								250	
Renewal stormwater reticulation network	127	60					60		150	380
Upgrade stormwater network to prevent flooding	128	235					235		275	330
Stormwater upgrades associated with road works	129	210					210		210	210
1,395	Total Stormwater	1,495	400	0	0	200	895		1,855	1,900

Budget 2001	Project No	Expenditure 2002	FUNDED BY					Funding Source	Expenditure 2003	Expenditure 2004
			Reserves	Loans	Subsidies	Revenue	Depreciation			
<b>Refuse</b>										
Horotiu landfill stage 6	98	700	700					HR		
Horotiu landfill raised levels & reinstatement	99								770	
Horotiu landfill gas flares	101									100
Willoughby closed landfill	260								50	
HORC vehicle area sealing	329								50	
Renew RTS compactor hopper liners	330	30					30			
Horotiu pump replacement	331	10	10					HR	10	10
Willoughby gas management	287	400					400			
<b>2,904 Total Refuse</b>		<b>1,140</b>	<b>710</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>430</b>		<b>880</b>	<b>110</b>
<b>Roads And Traffic</b>										
Carriageways										
Wairere Dr to Tramway Rd	10								20	180
Wairere Dr land purchase	11	1,191		1,191					1,116	
Hukanui Rd (Callum Brae to Thomas)	13	60					60		970	
Sylvester Rd	14								250	
Gordonton Rd (Crosby Rd to Thomas Rd)	15								160	1,000
Carriageways shape correction	17	405			198		207	T	410	415
Carriageways reseals	17	1,981			872		1,109	T	2,003	2,266
Subdivision construction contribution	18	120					120		120	120
Rototuna/Rotokauri continuing growth	19	25	12				13	IR		
Miscellaneous land purchases	21	100					100		240	100
Mill St (Tristram to Hall St)	22	2,300		1,173	1,127			T		
Eastern arterial (E1) land purchase	311	440		440						
Brymer Rd/Baverstock Rd	23	75					75	T	500	420
Colombo/Ellis St	24									25
Te Kowhai Rd improvements	27								100	
Weka St upgrade	28	20					20		320	
Riverlea Rd upgrade	28								100	650
Seddon Rd upgrade	28	450		300	150			T		
Norton Rd shape correction	314	50			24		26	T		
Kerb and channel replacement	239	625			135		490	T	625	625
Frankton upgrading	249	26					26			
Area-wide treatment	251	353			155		198	T	356	291
Bridge resurfacing	282	200			88		112	T	200	
Whitiora bridge joints	313	250			110		140	T		
Land purchase beside Ruakura	312	204	126				78	IR		
Cobham Drive/Hamilton Gardens	297	1,000		1,000						
Traffic										
Traffic services minor safety improvements	157	277			62		215	T	280	283
Lake Domain Dr	159								200	
London/Norton/Tristram	159									150
Local area traffic management	159	30					30		100	100
Dey St LATM	159	70					70			
Amenity lighting	160	10					10		10	10
Non-subsidised lighting	160	300					300		300	300
Subsidised lighting renewal	160	322			137		185	T	322	322
CBD improvements	161	150					150		150	150
Traffic signal controller	162								50	
Traffic signal renewal	241	75			33		42	T	75	75
Street furniture	242	40					40		40	40
Street sign renewal	243	176			77		99	T	176	176
Safety barriers renewal	293	25			10		15	T	25	25
Bus shelters	163	17			7		10	T	17	52
Parking										
CBD Parking	60									500
Meters	61	80					80		25	25
Footpaths and Cycleways										
Footways & verges shape correction	43	364					364		368	371
Footways & verges resurfacing	43	523					523		528	534
Cycleway construction	44	450			195		255		205	205
New footpath construction	45	50					50		50	50
Litter bins	245	35					35		35	35
Cobham Dr underpass	371								220	730
<b>13,799 Total Roads and Traffic</b>		<b>12,869</b>	<b>138</b>	<b>4,104</b>	<b>3,380</b>	<b>0</b>	<b>5,247</b>		<b>10,666</b>	<b>10,225</b>
<b>Health, Order And Safety</b>										
Animal Care and Control										
Horse float (stock impounding)	310	12					12			
<b>0 Total Health Order and Safety</b>		<b>12</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12</b>		<b>0</b>	<b>0</b>
<b>Community Support</b>										
Toilets										
St Andrews/Pukete walkway	156	130					130			
Minogue Park	156	20					20		240	
Hamilton Gardens	156								130	
Riverside walkway	156									130
Cemeteries and Crematorium										
Newstead Cemetery Chapel	53	308					308			
Community Development										
Community neighbourhood development	33	400					400			400
Celebrating Age Centre chairs	319	8					8		6	6
<b>457 Total Community Support</b>		<b>866</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>866</b>		<b>376</b>	<b>536</b>
<b>Recreation and Leisure</b>										
Sports Areas										
Dey St North Development	107								340	
Dey St North changing facilities	367									330
Minogue Park Development	107	340	340					SR		340
New skateboard facilities	111									90
Changing rooms: Discovery Park	112	440					440			
St Andrews Park car park	332	140					140			
Jansen Park pedestrian link	333	40					40			
Contribution to indoor stadium	110								3,000	
Asset Renewal	288	12					12		12	12

Key to Sources of Funding	
Horotiu Reserve	HR
Infrastructural Reserve	IR
Domain Endowment Reserve	DE
Subdivisional Reserve	SR
Transfund	T
User Charges	UC
Contributions	CO
Asset Sales	AS



# Notes to the Accounts

## All Notes in \$000s

### Note 1: Cost of Support Services for year ending 30 June 2002

Budget 2001	Services Provided	Total Revenue	Direct Operating Cost	Net Direct Operating Cost	Interest on Public Debt	Depreciation	Net Cost of Service		
							2002	2003	2004
513	Chief Executive	0	507	507	0	0	507	507	507
91	Internal Audit	0	95	95	0	0	95	95	95
2,616	Finance and Administration	674	3,522	2,848	0	2	2,850	2,656	2,656
123	Information Management	4,457	4,781	324	0	119	443	294	236
722	Human Resources	0	872	872	0	0	872	808	808
62	Risk Management	0	101	101	0	0	101	101	101
(4)	Property Management	8,974	3,709	(5,265)	2,340	2,631	(294)	(291)	(218)
1,385	Strategic	30	1,497	1,467	0	2	1,469	1,384	1,279
846	City Marketing	14	919	905	0	1	906	903	903
399	Works and Services Administration	30	454	424	0	0	424	414	404
643	Corporate Administration	0	623	623	0	0	623	623	623
197	Environmental Services Administration	0	202	202	0	0	202	202	202
311	Community Services Administration	0	323	323	0	0	323	323	323
495	Remuneration increase allowance		650	650	0	0	650	650	650
8,399	<b>TOTAL</b>	14,179	18,255	4,076	2,340	2,755	9,171	8,669	8,569
8,399	Total Cost of Support Services						9,171	8,669	8,569
(630)	Less Support Services Allocated to Business Units						(896)	(834)	(819)
116	Business Unit (Surplus)/Deficit						(67)	(111)	(109)
7,885	<b>ALLOCATED TO SIGNIFICANT ACTIVITIES</b>						8,208	7,724	7,641
2,345	<b>CAPITAL EXPENDITURE</b>						5,300	3,884	3,204

Council's current policy relating to Business Unit operations is to allocate surpluses and deficits across the Significant Activities. Section 20A of the Transit NZ Act requires Council to separately disclose those activities which receive funding from Transfund. Council understands that the purpose of this requirement is to clearly show Government support to Council's programme from the Land Transport Fund. This note discloses the Council activities or functions which receive funding, either directly or indirectly from this fund.

#### Transfund Funded Activities Are:

Business Unit	Function	Objective
Roads and Traffic	Professional Services for the management of the roads and traffic assets.	To provide cost-effective professional services for the management of the streets assets.
Design Services	Professional services contract for investigation, reporting and design work.	To provide a timely, cost effective and quality service which will contribute to the success of the client in its service to the community.

Budget 2001	In House Professional Services For TNZ	Other Activities	Allocated to Significant Activities	Total Revenue	Direct Operating Cost	Support Services Depreciation	Total Expenditure	Net Cost Of Service		
								2002	2003	2004
0 Roads and Traffic	504	1,319	(7)	1,816	1,674	142	0	1,816	0	0
0 Design Services	302	1,891	(12)	2,181	2,010	167	4	2,181	0	0
0 <b>TOTAL TRANSFUND FUNDED BUSINESS UNITS</b>	806	3,210	(19)	3,997	3,684	309	4	3,997		
0 City Parks		4,934	(16)	4,918	4,613	305	0	4,918	0	0
0 Utilities Works		2,866	(13)	2,853	2,701	152	0	2,853	0	0
0 Nursery		485	(2)	483	472		11	483	0	0
0 Parks and Gardens		1,178	0	1,178	1,178		0	1,178	0	0
0 Water, Drainage and Refuse		2,042	(17)	2,025	1,895	130	0	2,025	0	0
0 <b>TOTAL BUSINESS UNITS</b>	806	14,715	(67)	15,454	14,543	896	15	15,454	0	0
0 <b>CAPITAL EXPENDITURE</b>									0	0

## Note 2: Investment Income

Budget 2001		Budget 2002
18	Bus Hire Joint Venture	0
7	Pirongia Mountain Afforestation	0
15	N.Z.L.G.I.C.	15
75	Investment Interest	32
1,062	Special and Sinking Fund Interest	1,346
1,177	<b>TOTAL INVESTMENT INCOME</b>	1,393

## Note 3: Cash Contributions

Budget 2001		Budget 2002
110	Wastewater Connections	150
200	Stormwater Connections	200
141	Water Connections	140
22	Contribution to New Watermains	22
0	Hamilton Gardens Medici Court	51
100	Lake Domain Redevelopment	0
48	Beale Cottage Garden	0
100	River Esplanade Feature Lighting	0
200	Excite Air Conditioning	0
921	Capital contributions	563
703	Infrastructural levies: Roading	426
83	Infrastructural levies: Water	24
171	Infrastructural levies: Wastewater	65
693	Infrastructural levies: Stormwater	146
800	Sub Division Reserves: Residential	475
250	Sub Division Reserves: Industrial	150
50	Sub Division Reserves: Commercial	25
49	Cemetery Income	45
2,799	Special fund income	1,356
3,720	<b>TOTAL CASH CONTRIBUTIONS</b>	1,919

## Note 4: Transfers From Reserves

Budget 2001		Budget 2002
1,394	Subdivisional Reserves	1,532
0	Crown Endowment Reserve	171
45	Domain Endowment Reserve	0
2,000	Horotiu Landfill Reserve (capital)	710
1,917	Infrastructural Reserves (capital)	738
5,356	Capital transfers from reserves	3,151
50	Infrastructural Reserves (operating)	50
136	Housing Maintenance Reserve	0
0	Horotiu Landfill Reserve (operating)	1,049
734	Loan interest reserve	397
6,276	<b>TOTAL TRANSFERS FROM RESERVES</b>	4,647

## Note 5: Transfers To Reserves

Budget 2001		Budget 2002
2,799	Special Fund Contributions	1,356
1,062	Special and Sinking Fund Interest	1,346
188	Horotiu Landfill Aftercare Reserve	270
190	Horotiu Landfill Reserve	0
75	Stormwater Damage Reserve	75
0	Waikato Stadium Reserve	71
50	Disaster Recovery Reserve	50
4,364	<b>TOTAL TRANSFERS TO RESERVES</b>	3,168

## Note 6: External Consultants

Costs for external consultants (comprising legal and professional fees) have been incorporated as follows:

Budget 2001		Budget 2002
144	Chief Executive's Office	210
176	Community Services	300
96	Corporate	100
80	Regulatory	110
271	Works and Services	250
767	<b>TOTAL EXTERNAL CONSULTANTS</b>	970

## Projects Not Funded

While the merit of the projects, listed in the table below, is recognised, Council's financial resources do not allow these projects to proceed this year.

Some will be considered for funding in subsequent years, while for others, Council will endeavour to find an alternative funding source or pursue partnerships with other organisations.

Projects listed below are identified as operating and maintenance (M), capital (C) and renewal (R). The project number refers to projects identified in the Strategic Plan.

Projects not included in the Strategic Plan list of Projects Not Funded, are identified by 'N'.

### Projects Not Funded In \$000s

Significant Activity	Project Description	Project No.		TOTAL COST (Year 1-3)		
				2001/02 1	2002/03 2	2003/04 3
<b>Arts &amp; Culture</b>						
Theatres	Replace piano	N349	C	190		
<b>Carriageways</b>						
Carriageways	Power line under grounding	N350	M	300	300	300
<b>Community Development</b>						
Community Development	Desert Spring Ministry-grant	N351	M	25		
<b>Economic Development</b>						
Economic Development	Millennium Esplanade-vehicle & pedestrian access	232	C	150	5,350	
<b>Hamilton Gardens</b>						
Hamilton Gardens	Hamilton Gardens pavilion extension	N253	C	95		
Hamilton Gardens	Hamilton Gardens pavilion extension O& M impact		M	3	3	3
<b>Events</b>						
Events	Christmas festive decorations	5	C	150	15	15
Events	Christmas float	6	M	1	1	1
<b>Libraries and Museum</b>						
Libraries and Museum	Additional development programme	7	M	80	80	80
<b>Museum</b>						
Museum	Beale Cottage-Historian/artist in residence	N285	M	47	47	
Museum	Beale Cottage-Living history activities	N286	C	42		
Museum	Beale Cottage-Living history activities O& M impact		M		85	75
<b>Sports Areas</b>						
Sports Areas	Covered netball court	12	C	300		
Sports Areas	Hamilton Rollerskating Club-rink roof	N368	M	225		
<b>Strategic</b>						
Strategic	Development of community action plan	N265	M	10	10	
<b>Sustainable Environment</b>						
Sustainable Environment	Costing environmentally sound waste management	N352	M	30		
<b>Swimming</b>						
Swimming	New swimming facilities (two)	23	C		3,000	
Swimming	New swimming facilities (two) O& M impact		M			260
<b>Theatres</b>						
Theatres	Founders Theatre curtain renewal	N246	R	29		
<b>Traffic</b>						
Traffic	Bridge handrails	158	C	85	62	
Traffic	Millennium Design-roading development	233	C	100	1,240	
Traffic	Millennium Bridge	234	C			500
Traffic	Te Rapa Road under grounding cable	N271	C	2,000	2,000	
<b>Zoo</b>						
Zoo	Chimpanzee exhibit	N279	C	550		
Zoo	Chimpanzee exhibit O& M impact		M		12	
Zoo	Playground equipment	N353	C		6	
<b>Total</b>				<b>4,412</b>	<b>12,211</b>	<b>1,234</b>

## Fees And Charges

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Council charges fees and makes other charges for many services that it provides and for use of some of the facilities that it operates and maintains.

**Charges are included for the following:**

Air discharge permits

Building consents

Building inspections and warrants of fitness

Bylaw fees (e.g., signs on footpaths, hawkers, mobile shops, tables and chairs on footpaths)

Hire of community facilities (e.g., Hamilton Gardens Pavilion, community halls, Founders Theatre, Council and library meeting rooms)

Dangerous goods application and licencing fees

Dog registration

Drainage (including wastewater and stormwater connections and inspection fees for subdivisional works)

Food premises registration

Funeral directors and mortuaries registration

Hairdressers' registration

Hamilton Zoo entry fees

Horotiu landfill

Interment and cremation fees

Land use consents and monitoring

Library rentals

Liquor licencing application fees

Museum hire fees

Offensive trades registration

Parking

Proposed changes to the District Plan

Project (PIM) and land information (LIM) memoranda

Purchase and maintenance of cemetery plots

Refuse transfer station

Requirements for alterations to Designations under the RMA

Roads and traffic (including reserved parking spaces and installation vehicle crossings)

Sale of statistics

Waikato Events Centre

Water (including water connection fees and special meter readings)

Waterworld entry fees

Full details of these fees and charges are available on request from the Finance and Administration Unit, first floor, Council offices, Garden Place.

# Hamilton City - A Profile

A selection of comparisons (as at 30 June)	2000	2001
POPULATION <sup>1</sup> (usually resident in Hamilton)	118,200 (June est)	117,000 (June 01 est)
HOUSING (number of permanent private dwellings)	40,608 (June est)	41,055 (Mar 01)
EMPLOYMENT <sup>2</sup>	59,240 (Feb 00)	50,240 (Feb 00)
BUSINESSES	9,198 (Feb 00)	9,198 (Feb 00)
ENVIRONMENT		
Number of parks and gardens	120 (465 hectares)	122 (593 hectares)
Number of sports areas (NB. Duke St Park no longer included)	58 (450.4 hectares)	57 (425 hectares)
Number of play areas	74	75
Number of swimming pools	3	3
Walkways in parks and reserves	39km	44km
Number of street trees	24,000	25,000 (est)
INFRASTRUCTURE		
Traffic Bridges Over Waikato River	6	6
Number of Bridges <sup>3</sup>	42	52
Length of Streets (road centreline length)	524km	530km
Length of Footpaths	798km	827km
Length of Cycleways <sup>4</sup>	9km	16.6km
Length of Wastewater Pipes	681km	698km
Length of Stormwater Pipes	540km	547km
Length of Open Stormwater Drains	87km	86km
Length of Water Pipes	878km	892km
REFUSE DISPOSAL (tonnes deposited at the Horotiu Landfill)		
City	91,273	77,104
Other areas	39,987 <sup>5</sup>	18,242
RATING DATA		
Rating system	land value	land value
Rateable properties	44,126	44,944 (July 01)
Rateable land value	\$3,297m	\$3,321m (July 01)
Rateable capital value	\$8,702m	\$8,546m (July 01)
Date of city revaluation	1 Sept 1998	1 Sept 2000
NET PUBLIC DEBT	\$108.3m	\$104.4m
YEARS OF RATE REVENUE TO REPAY PUBLIC DEBT	1.78 years	1.6 years
RATES REVENUE	\$60.8m	\$63.3m

1. The June 2000 estimate of 118,200 people from Statistics New Zealand was released in November 2000 and was based on results from the 1996 Census of Population and Dwellings.  
The June 2001 figure of 117,000 is an estimate based on provisional results from the March 2001 Census of Population and Dwellings and advice from Statistics New Zealand.  
Prior to the 2001 Census, the June 2001 projection for Hamilton (medium option) was 119,800.
2. Full-time equivalents, i.e., (full-timers work 30 hours or more per week, part-timers work less than 30 hours per week).
3. 'Bridges' includes traffic bridges, large culverts, and pedestrian bridges/underpasses.
4. Includes on-road and off-road cycling facilities.
5. Includes waste from Tauranga District. Waste from Tauranga District ceased to be deposited at the Horotiu Landfill on 30 June 2000.



Hamilton has an excellent range of well kept playgrounds.

# FINANCIAL MANAGEMENT POLICY

The Long-Term Financial Strategy and Policies summarised in this document are extracted from the detailed Financial Management Policy printed in the 1999/00 Annual Plan. There have been no changes to the Long-Term Financial Strategy in the 2001/02 Annual Plan.

## Contents

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2.0	Long-Term Financial Strategy	page 3
3.0	Funding Policy	page 7
4.0	Investment Policy	page 12
5.0	Borrowing Management Policy	page 15
6.0	Rating Policy	page 23
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# Financial Management Policy

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## 1.0 Background

Council approved its Financial Management Policy and Long-Term Financial Strategy in 1999/00 as part of the 1999/00 Annual Plan. Copies of the full Policy and Strategy are available on request from Hamilton City Council.

As required by Section 223D(3) of the Local Government Act 1974, the following pages provide an outline of Council's Long-Term Financial Strategy, Funding Policy, Investment Policy and Borrowing Management Policy.

Key financial data from the Financial Management Policy have been included in the Appendices of this Annual Plan.

The Financial Management Policy and Long-Term Financial Strategy will be next reviewed as part of the 2002/03 Annual Plan process.

## 2.0 Long-Term Financial Strategy

### 2.1 Long-Term Financial Strategy

The Long-Term Financial Strategy addresses the financial requirements and considerations likely to affect Council, including infrastructural demands, which may arise from growth or to maintain existing investment in assets.

Since the Long-Term Financial Strategy was approved in 1999/00, changes have been made to some of the details to accommodate new circumstances and more recent information. Section 122U of the Local Government Act requires that any material differences between the Annual Plan and the Financial Management Policy must be identified. Variations between the 2000/01 Annual Plan and the Approved 1999/00 Long-Term Financial Strategy are listed in Council's 2000/01 Annual Plan. A further update for variations between the 2001/02 Annual Plan and the Approved 1999/00 Long-Term Financial Strategy is provided in this Annual Plan document.

The Long-Term Financial Strategy and related policies covers 20 years, from 1999/00 to 2018/19 and details the following:

- Reasons for Council engaging in its activities
- Estimated expenditure, including debt servicing and the decline in the service potential of assets
- Special and capital projects
- Sources of funding
- Cashflow projections for the period, including any planned asset sales
- Statement of financial position
- Commitments and contingencies
- Asset management plans
- Capital expenditure policy
- Funding policy
- Investment policy
- Borrowing management policy
- Rating policy.

### 2.2 Reasons For Activities

A full disclosure of the reasons why Council is engaged in its activities is included in the Approved 1999/00 Financial Management Policy. Briefly, the four reasons relate to:

Reason 1: Statutory obligation

Reason 2: Council's mission statement

Reason 3: Review of core functions

Reason 4: Hamilton's Strategic Plan.

## 2.3 Expenditure

The cost of estimated expenses including debt servicing and depreciation of each activity or service is included in the cost of service statements. Council has confirmed that all significant activities are budgeted for and funded through the Annual Plan process.

The Consolidated Forecast Statement of Financial Performance is shown in Appendix 7.1.

## 2.4 Special And Capital Projects

Council is required to identify its major projects for the purpose of completing the Long-Term Financial Strategy and Funding Policy. Council has confirmed that all major projects are budgeted for and funded through the Annual Plan process.

## 2.5 Sources Of Funds

Funds to meet the cost of the estimated expenses will be contributed through a variety of sources. Each activity has been assessed to determine the appropriate method of funding.

Sources of funds are as follows:

- Rates: these cover the revenue shortfalls for all significant activities after any direct revenue earned from customer services has been applied
- Fees and Charges (user pays principle): these are utilised where the services can be quantified and the end customer readily identified
- Borrowing: used to fund capital and infrastructural developments or refinance existing assets
- Subsidies (including government grants): e.g., from third parties such as Transfund New Zealand
- Revenue and Other (including dividends and interest): contributions from associate and subsidiary companies as well as interest arising on investments
- Capital Sum (including sale of assets): these can be from any source, including proceeds from the sale of assets
- Financial and Reserve Contributions on Subdivision and Development: financial and reserve contributions under the District Plan do not constitute a funding mechanism in terms of the Local Government Act and so do not form part of this Funding Policy. However, the role of such contributions in the city's asset development needs to be recognised.

Council has confirmed that all significant activities are budgeted for and funded through the Annual Plan process.

## 2.6 Cashflow Projections

The statement of financial performance provides the basis of the cashflow projections for the period of the Long-Term Financial Strategy. The figures included are based on Hamilton's 1999-2019 Strategic Plan, and are consistent with the 1999/00 Annual Plan.

The cashflow has been prepared in a summarised format, which details how funds from operating, investing and financing activities will be utilised, consistent with the Long-Term Financial Strategy.

The Consolidated Forecast Cashflow Statement is shown in Appendix 7.2.

## 2.7 Statement Of Financial Position

The statement of financial position estimates the balances of reserves, investments, assets and debt, and also estimates the changes in equity over this period.

The figures included are based on Hamilton's 1999-2019 Strategic Plan, and are consistent with the 1999/00 Annual Plan.

The Consolidated Forecast Statement of Financial Position and Consolidated Forecast Statement of Movement In Equity are shown in Appendix 7.3 and 7.4.

## 2.8 Commitments And Contingencies

It has been assumed that all projects undertaken in any financial year are completed within the same financial year. There are therefore no outstanding contractual commitments for any individual year, which need to be provided for. Council has some future commitments to developers who have advance funded the development of infrastructure.

Council is at times requested to act as guarantor to loans raised by community organisations and sports clubs. Subject to meeting the Council's loan guarantor criteria, Council may agree to such guarantees only so long as the total annual contingent loan servicing charges of all such guarantees do not exceed a sum equivalent to 2% of the proceeds of the general rate for the preceding financial year.

While no specific community groups have been identified which might require loan guarantees in the future, an amount has been included that is based on the maximum of 2% of the general rates for the preceding financial year.

Council may be involved as defendant in various public liability and professional indemnity claims arising out of its normal operations. A portion of these claims may not be covered under specific insurance policies. Appendix 7.5 summarises the estimated contingencies based on known events. A general provision for events that have not yet occurred or been identified has been included.

Council is insured for 'civil disaster', 'replacement of buildings' and 'business interruption'. Infrastructural assets including bridges are not insured.

## 2.9 Asset Management Plans

In arriving at its Long-Term Financial Strategy, Council relied on Asset Management Plans, which were rewritten during 1999.

Council produced updated Asset Management Plans as at 31 July 2000, which were adopted by Council on 21 November 2000. The Plans identified the need for improvements in a number of areas, which will strengthen linkages with the Long-Term Financial Strategy.

As part of the initial development of the Asset Management Plans, Council undertook revaluation of its infrastructural assets. This revealed that the infrastructural assets were undervalued and the remaining economic lives of these assets were also understated. Infrastructural assets are next due to be revalued at 1 July 2001.

Asset Management Plans that have been developed are:

- City Beautification
- Halls and Leased Buildings
- Parks and Gardens
- Refuse Services
- Roads and Traffic
- Sports Areas
- Stormwater Services
- Public Toilets
- Wastewater Services
- Water Services

An outline of these Asset Management Plans is included in the Approved 1999/00 Financial Management Policy.

## 2.10 Capital Expenditure Policy

Council concluded that only major infrastructural developments (such as the provision of environmentally sustainable wastewater treatment and disposal, or a new water reservoir) or significant building developments (such as contributions to the proposed outdoor stadium and the development of a new transport centre) should be loan funded. Other developments (such as roading or stormwater) should be funded from rates or other means (subsidies, fees and charges, or reserves). Each case is however considered on its own merits.

Special consideration was given to the refuse activity, where there is an identified need for further development of the existing landfill. Here it was agreed that loan funding was appropriate, but that the debt servicing cost would be recovered through fees and charges rather than rates.

## 2.11 Performance Targets

The table below summarises the performance targets set for the Long-Term Financial Strategy.

Objective	Target
To maintain the direction specified in the Long-Term Financial Strategy.	Achieve the budgeted figures specified in the Annual Plan.
To manage the level of commitments and contingencies.	Total commitments do not exceed \$2,000,000.  Total contingencies do not exceed 2% of the general rate for the preceding financial year.

## 3.0 Funding Policy

This is an outline of the Funding Policy. The complete Policy is included in the Approved 1999/00 Financial Management Policy.

The Funding Policy is designed to ensure that the allocation of costs by function is met by the people or groups benefiting from the function. The Policy framework sets out a number of funding principles, modifying factors and funding mechanism options that the Council considers when establishing its Funding Policy.

Economic principles were used to analyse the benefits of each of Council's significant activities.

The appropriate funding mechanisms were applied to determine the most efficient manner for recovering expenditure.

The three-step funding process (incorporating funding principles, funding consideration and funding mechanism for analysing how to fund Council's significant activity expenditure) was included in the discussion for each analysis in the 1999/00 Annual Plan and Financial Management Policy.

### 3.1 The Three-Step Funding Process

Step one concerned the allocation of costs of activities based on economic principles. This step reaches a conclusion on apportionment of the relative public and private good characteristics of the activity. The theoretical funding mechanism is based on the apportionment or expenditure needs. These apportionments are represented by broad bands set at 25% intervals and are intended to be indicative.

Step two considered the form that any funding should take and whether any modification of the allocation determined by step one is required based on the following considerations: the interests of residents and ratepayers; fairness and equity; lawful policy; ease of adjustment.

Step three established how Council will fund expenditure in a way that achieves, or approximates the allocation of costs at step two. Due to the variability of a number of the activities, funding conclusions have been specified in terms of percentage ranges or in terms of planned targets.

The rate allocation table shown as Appendix 7.7 in the 1999/00 Annual Plan, showed the rate contribution from each property sector for each of the significant activities. This table was derived from the analyses described in the Approved 1999/00 Financial Management Policy.

#### Support Services and Business Units

Council did not consider it necessary to go through the three-step funding process for support services, as these costs are allocated across the significant activities covered in the funding analysis. A similar approach was adopted in respect of business units, for the reason that their costs are recovered through end-user activities and covered in the funding analysis.

### 3.2 Tax Deductibility Adjustment

Council determined that there is a difference in the burden of rates on business compared with residential ratepayers, resulting from the ability of businesses to claim tax deductions for rates. Firstly, an input tax credit can be claimed by a business for GST paid in respect of rates. This affects the commercial and large rural ratepayers. Secondly, businesses are able to claim rates paid as a tax deduction with respect to corporate income tax. This affects the commercial, multi-unit and large rural property sectors. Council concluded that the application of differential rates to the business community is appropriate to balance this disparity in the relative abilities of the business and residential sectors to pay.

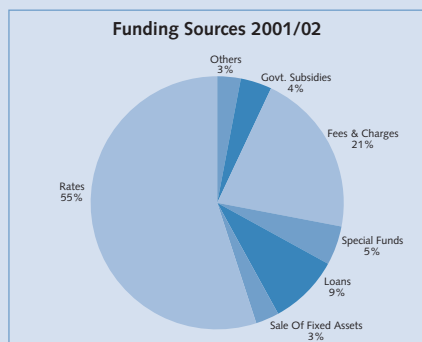
During the public consultation of the 1999/00 Annual Plan, Council considered an alternative method of calculating the value of the tax deductibility adjustment. It was generally considered that the alternative method was a way of achieving the outcome that Council desired.

In light of the impact of this change (which would shift approximately \$2.2 million on to residential and small rural properties), Councillors were concerned that this would have a significant impact on residential properties, particularly in the light of the impact of the revaluation. For this reason Council decided the new method for calculating the tax deductibility adjustment would be phased in over a three-year period to avoid sudden and significant impacts. The 2001/02 financial year is the third year of this three-year tax deductibility adjustment. The tax deductibility adjustment is applied as a step three consideration across all the significant activities.



### 3.3 Mix Of Funding Mechanisms For The City As A Whole

The Funding Policy is required to include a statement of the mix of funding mechanisms for the city as a whole and explanation of how the mix achieves the allocations decided on by Council. The proportional mix of funding mechanisms from the Long-Term Financial Strategy is outlined below. Note that this statement should be read in conjunction with the Consolidated Forecast Cashflow Statement shown in Appendix 7.2.



### 3.4 Performance Targets

The table below summarises the performance targets set for the Funding Policy.

Objective	Target
To maintain a mix of funding mechanisms to meet the total funding requirements of the city.	General rates do not exceed 55% of total revenue.
	Fees and charges comprise at least 20% of total revenue.
	Differentials on property sectors maintained to achieve the rate recovery specified in the Annual Plan.

### 3.5 Targeted Funding Sources And Mechanisms

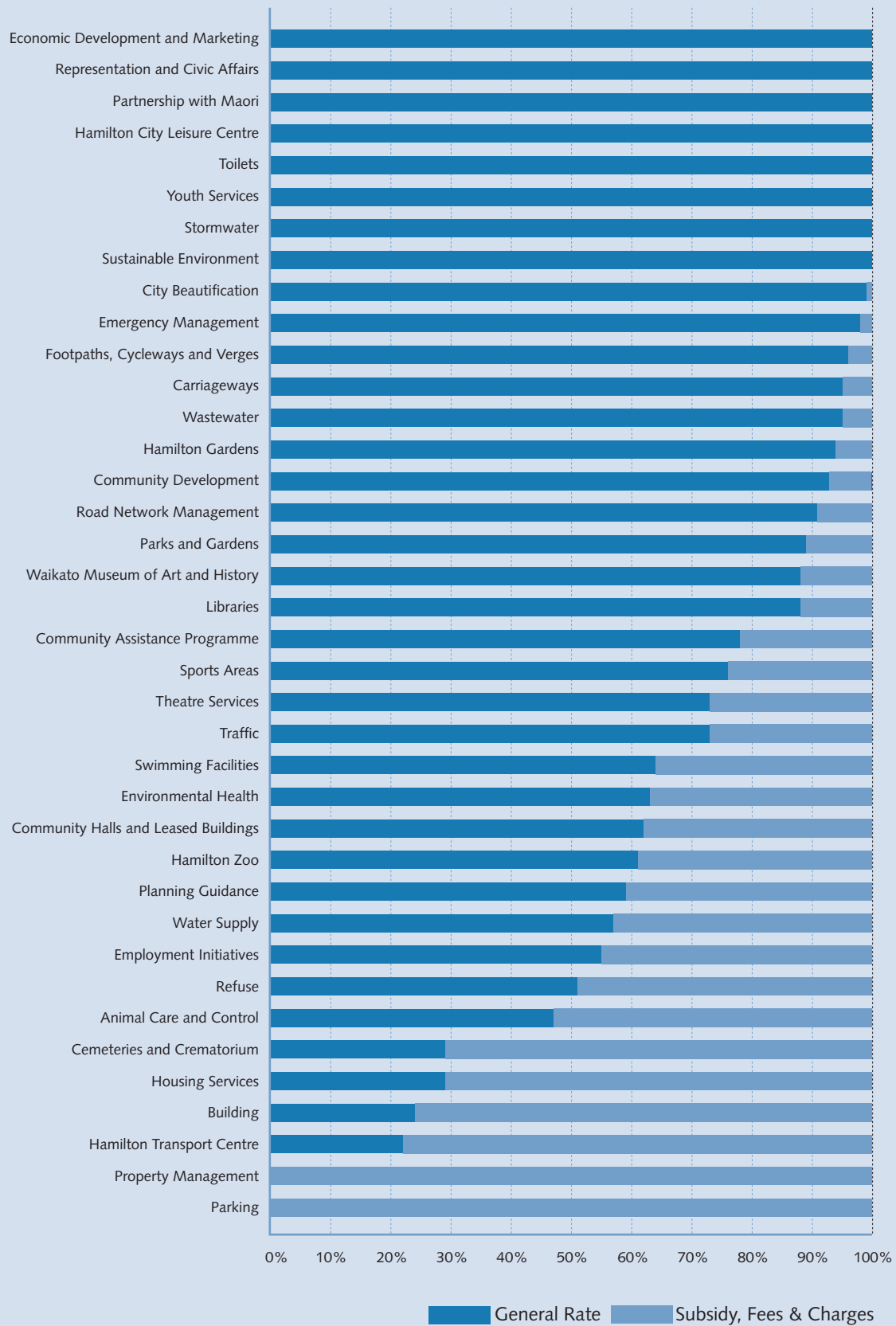
This table shows Council's decisions relating to funding mechanisms that are appropriate to each service as outlined in the Approved 1999/00 Funding Policy Section of the Financial Management Policy. Any significant variances between these funding sources and the actual funding sources for the 2001/02 Annual Plan presented in Appendix 7.6, are identified on the page titled 'Variations Between the 2001/02 Annual Plan and the Approved 1999/00 Long-Term Financial Strategy and Policies'.

Significant Activity/Service Output		Funding Sources and Mechanisms
<b>Environment</b>	<b>12%</b> <b>88%</b>	Fees and Charges General Rates
<b>Hamilton Zoo</b> Provision and management of the Zoo	39% 61%	Fees and Charges General Rates
<b>Hamilton Gardens</b> Maintenance and management of Hamilton Gardens and Pavilion	6% 94%	Fees and Charges General Rates
<b>Parks and Gardens</b> Maintenance and management of parks and green spaces	11% 89%	Fees and Charges General Rates
<b>City Beautification</b> Development and maintenance of beautification areas around the city including trees and traffic island plantings	1% 99%	Fees and Charges General Rates
<b>Sustainable Environment</b> Promotion of environmental education, waste reduction, Festival of the Environment and Keep Hamilton Beautiful	100%	General Rates

<b>Water Supply</b> Water abstraction, storage and distribution through the operation of water treatment, pumping stations, reservoirs and boosters	<b>43%</b> <b>57%</b>	Fees and Charges General Rates
<b>Wastewater</b> Wastewater reticulation and treatment	<b>5%</b> <b>95%</b>	Fees and Charges General Rates
<b>Stormwater</b> Operation and maintenance of stormwater assets including public piped open drains and water courses	<b>100%</b>	General Rates
<b>Refuse</b> Collection and disposal of refuse, operation of Refuse Transfer Station and Horotiu Landfill	<b>49%</b> <b>51%</b>	Fees and Charges General Rates
<b>Roads and Traffic</b>	<b>19%</b> <b>81%</b>	Subsidy, Fees & Charges General Rates
<b>Road Network Management</b> Professional and technical work involved in providing ongoing management of the city's roading network	9% 91%	Subsidy General Rates
<b>Carriageways</b> General maintenance, cleaning resealing, bridge maintenance and construction, rehabilitation and construction of the carriageway component of roading	5% 95%	Subsidy General Rates
<b>Traffic</b> Operation and maintenance of roadmarking, safety fences, traffic islands, signs, street lighting, bus shelters and other road safety activities	27% 73%	Subsidy General Rates
<b>Footpaths, Cycleways and Verges</b> Maintenance of the city's footpaths, cycleways and verges including resurfacing, cleaning and vegetation control	4% 96%	Subsidy General Rates
<b>Hamilton Transport Centre</b> Management of the Transport Centre and planning for future development of the facility	78% 22%	Fees/Subsidy General Rates
<b>Parking</b> Provision of on-street and off-street parking, removal of abandoned vehicles and enforcement of heavy motor vehicle regulations	100%	Fees and Charges
<b>Health, Order and Safety</b>	<b>58%</b> <b>42%</b>	Fees and Charges General Rates
<b>Building</b> Applying laws relating to the construction and maintenance of new and existing buildings	76% 24%	Fees and Charges General Rates
<b>Planning Guidance</b> Planning advice, receiving and processing applications for land use and subdivision consents, and to monitor compliance with the Hamilton District Plan and Resource Management Act 1991	41% 59%	Fees and Charges General Rates
<b>Animal Care and Control</b> Dog control and bylaws	53% 47%	Fees and Charges General Rates
<b>Environmental Health</b> Monitoring, inspection and enforcement of standards in regard to all food premises, hairdressers, drinking and pool water quality, inspections of premises storing hazardous substances and the control of air and noise pollution	37% 63%	Fees and Charges General Rates
<b>Community Support</b>	<b>36%</b> <b>64%</b>	Subsidy, Fees & Charges General Rates
<b>Community Development</b> Provision and management of community neighbourhood workers, community facilities, community houses and support to ethnic communities	7% 93%	Subsidy General Rates

<b>Youth Services</b> Provision and management of Youth Zone facility, youth workers and funding and monitoring of after-school care and holiday programmes	100%	General Rates
<b>Community Assistance Programme</b> Management of the dispersal of funds from Creative NZ, the Hillary Commission and Council to the community	22% 78%	Subsidy General Rates
<b>Housing Services</b> Provision of affordable housing for older and less-abled persons	71% 29%	Fees and Charges General Rates
<b>Employment Initiatives</b> Facilitation of people's entry into employment through training and project-based work experience	45% 55%	Subsidy General Rates
<b>Emergency Management</b> Management of emergency management strategies, programmes and plans that underpin, reduce or eliminate the impact of the consequences of a disaster in Hamilton	2% 98%	Subsidy General Rates
<b>Cemeteries and Crematorium</b> Provision and maintenance of burial and cremation of deceased persons	71% 29%	Fees and Charges General Rates
<b>Toilets</b> Provision of toilet facilities throughout the city	100%	General Rates
<b>Recreation and Leisure</b>	<b>30% 70%</b>	Fees and Charges General Rates
<b>Hamilton City Leisure Centre</b> Provision of a centre promoting affordable fitness, sport and leisure programmes and activities	100%	General Rates
<b>Swimming Facilities</b> Provision and operation of swimming facilities throughout the city	36% 64%	Fees and Charges General Rates
<b>Community Halls and Leased Buildings</b> Provision of halls and Council-owned facilities leased for cultural, social and recreational needs	38% 62%	Fees and Charges General Rates
<b>Sports Areas</b> Maintenance and development of areas for sport	24% 76%	Fees and Charges General Rates
<b>Arts and Culture</b>	<b>14% 86%</b>	Subsidy, Fees & Charges General Rates
<b>Theatre Services</b> Management and operation of three dissimilar live performance facilities	27% 73%	Fees and Charges General Rates
<b>Libraries</b> Public library services at the central library and five branch libraries	12% 88%	Fees and Charges General Rates
<b>Waikato Museum of Art and History</b> Provision and management of arts and cultural programmes and exhibitions	12% 88%	Fees/Subsidy General Rates
<b>Partnership with Maori</b> Contribution to the Maori community by way of assistance with Maori development	100%	General Rates
<b>Representation and Civic Affairs</b> Provision for Council's democratic process, including elected members remuneration, meetings, public consultation, communication, civic functions, elections and maintenance of electoral roll	100%	General Rates
<b>Economic Development and Marketing</b> Contributions to Enterprise Hamilton and Tourism Waikato and other economic development and marketing programmes	100%	General Rates
<b>Property Management</b> Management of Council properties and Domain and Municipal funds required to be invested in property	100%	Fees and Charges

## Targeted Sources of Funding as Outlined in the Approved 1999/00 Financial Management Policy



## 4.0 Investment Policy

### 4.1 Objectives

The objectives of the investment policy are consistent with Council's objectives and with the Strategic and Annual Plans as they relate to the Act.

They encompass the following:

1. To maximise interest income on investments approved within the policy, by profiling the investment portfolio to gain from favourable market movements and to protect against adverse movements
2. To manage short-term cashflows in an efficient and prudent manner
3. To manage a level of liquidity sufficient to meet both planned and unforeseen cash requirements
4. To invest only in approved financial securities and maturity time periods permitted by the policy
5. To have an adequate monitoring and reporting process to ascertain existing risk position and to measure performance levels against a predetermined benchmark
6. To operate a conservative approach to ensure protection of Council's assets
7. To establish investment and control practices and procedures to prevent unauthorised transactions
8. To establish an accurate cashflow forecasting model/schedule to increase efficiency in Council's investment decision-making.

### 4.2 General Policy

#### 4.2.1 Management structure and responsibilities

The management structure involves the formation of a Treasury Management Staff Committee, which reports to Council through the Economic and Audit Committee. Further information regarding the composition and duties of the Treasury Management Staff Committee are contained in Council's Treasury Policy and Operating Manual.

#### 4.2.2 Acquisition of new investments

Council has adopted a conservative approach to its fiduciary duty to ratepayers. It will generally rely on proven investments (such as cash) but may invest in shares or property where specified criteria are met. These criteria are outlined in Section 4.2.7 (below). Council has established a level of \$2,500,000 to identify significant issues, which require public consultation.

#### 4.2.3 Cash investments

Council's general, special or reserve funds will, as far as practicable, be spread by institution and instrument, having particular consideration to the type of fund being invested, the fund's cashflow requirements, interest rates available, and the risk of default.

#### 4.2.4 Trust funds

Any funds held by Council that are subject to a form of trust deed will be administered according to the conditions of the appropriate trust deed.

#### 4.2.5 Special funds and reserve funds

From time to time, Council establishes special funds or reserve funds. These funds or reserves are usually used for specific purposes and will be accounted for according to the conditions set out at the time of establishing the fund or reserve (or as amended by Council resolution). Liquid assets will not be required to be held against special funds, instead, such commitments to future specified releases will be covered by a committed standby line of credit in the form of a committed credit facility. Such a facility will be for an amount equivalent to the maximum special fund release commitments over a 12-month period and, as in the nature of the facility, will be reviewed annually.

Accounting entries representing monthly interest accrual allocations will be made using the lower of:

1. Council's average weighted cost of funds for that period
  2. Weighted average 90-day bank bill bid rate for that period.
- Such a mechanism is subject to a Council resolution, which will supersede previous Council resolutions pertaining to the funding of specific special funds.

#### **4.2.6 Sinking funds**

Council is no longer required to use sinking funds as a mechanism for loan repayments. Where practical, Council will actively pursue the cessation of contributions to existing sinking funds. Accordingly, the existing sinking funds established pre 1 July 1998, will run down over their attributable life to zero.

A statement of sinking funds is prepared annually by the Sinking Fund Commissioner (Public Trust).

Given that Council will be a net borrower for the remaining life of the existing sinking funds, the sinking funds should be invested in short-term financial instruments and the investment return contracted with the Sinking Fund Commissioner will be maturity matched with equivalent borrowings. This will negate any interest rate gap risk that occurs when Council borrows at higher rates compared to the investment rate achieved by sinking funds. Such matched borrowings should be netted from the projected 'net debt level' as defined in section 5.2.2.

#### **4.2.7 Investments in shares, property and other**

Council may, by specific resolution, make investments (or sell, or dispose of such investments) in companies, local authority trading enterprises, joint ventures or other organisations, having regard to all relevant information including, but not limited to, the following:

- Investments to be in the best interest of the community
- Legislative authority to hold such investments
- The degree of equity interest or control able to be exercised
- Prudence
- The likely returns on the investment
- Other advantages as deemed appropriate by Council.

Investments are deemed to include loans and/or guarantees to community organisations.

Council will monitor its investments in companies and other institutions by reviewing half-yearly financial reports on performance.

#### **4.2.8 Specific investments**

Council considers its specific financial investments (listed below), as representing the best interests of the community and ratepayers. Council's exposure to risk would be that of any other financial shareholder. Specific investments include:

##### **Waikato Regional Airport Limited**

In December 1995, Council, along with four other Waikato local authorities, purchased the Crown's 50% shareholding in Waikato Regional Airport Ltd. This purchase increased Hamilton City Council's holding from 32% to 50%.

##### *Reason for the Council holding shares:*

The purpose of this shareholding is that the airport is considered to be a significant infrastructural asset, important to the economic health and growth of the region. In 1997, Council evaluated its shareholding in Waikato Regional Airport Ltd and elected to retain its interest at the existing level.

##### **NZLG Insurance Company**

This company evolved from the former Municipalities Insurance Co-op.

##### *Reason for the Council holding shares:*

As a member of this Co-op, Council was entitled to a shareholding related to the level of its premiums.

##### **Pirongia Mountain Afforestation Joint Venture**

The Council holds a 25.6% shareholding in a joint venture that manages a forest reserve on Pirongia Mountain.

##### *Reason for the Council holding shares:*

The purpose of the joint venture is to manage the reserve for the benefit of the joint venture partners, to ensure access to the reserve for recreational users, and to preserve the integrity of the area as a water catchment.

##### **Hamilton Riverview Hotel Ltd**

In May 1998, Council entered into a joint venture agreement for the purpose of developing a Hotel and Conference Centre on a site bounded by Victoria Street, Alma Street and the Waikato River in Hamilton.

Council holds 42% of the shares in the Hamilton Riverview Hotel venture. Tainui Development Ltd, AAPC NZ Pty Ltd and AAPC Ltd own the remaining shares.

##### **Investments Managed by external Investment Managers**

From time to time Council may decide to have specific funds managed by external investment managers.

Externally managed funds will be subject to specific contract conditions.



### 4.3 Hedging Interest Rate Risk

In accordance with Council's policy to manage the balance sheet on a net basis, Council will be a net borrower for the foreseeable future. All sinking funds and trust funds will be invested on a rolling 90-day basis in keeping with Section 5.2.2 of the Borrowing Management Policy. Any operating cashflow surpluses will be managed on a prudent cash management basis.

### 4.4 Approved Financial Instruments

A list of approved instruments can be found in Section 5.4 of the Borrowing Management Policy.

### 4.5 Counterparty Credit Risks

Counterparty credit risk is the risk that a party to a transaction will default on its contractual obligation. A counterparty credit risk is incurred whenever Council enters a transaction with a third party, which requires the third party to make a payment to Council. The degree of counterparty credit risk will vary according to the perceived creditworthiness of the counterparties.

Refer to Section 5.6 for the list of authorised counterparties, with whom management is authorised to transact.

### 4.6 Allowable Investment Instruments

For allowable investment instruments refer to Section 5.4.

### 4.7 Disposition Of Proceeds From Asset Sales

Any disposition of proceeds from the sale of assets (other than vehicles and light plant) must be used in the first instance to repay any outstanding borrowings, to reduce the overall debt of Council unless otherwise specifically authorised by Council. If the assets are subject to legislative restrictions, the proceeds are to be used in accordance with the provisions of the appropriate legislation.

### 4.8 Reporting

For reporting on the Investment Policy, the following reports will be completed and presented to the Economic and Audit Committee through each meeting cycle:

- Cashflow Summary
- Funding Summary
- Liquidity Report
- Return on Investments Report

### 4.9 Performance Targets

The table below summarises the performance targets set for the funding policy.

Objective	Target
To manage risks associated with the investments.	Investment policy complied with Section 4.3 of the investment policy.
To use the proceeds from the sale of assets to reduce the overall level of public debt.	Investment policy (Section 4.7) complied with.

## 5.0 Borrowing Management Policy

### 5.1 Objective

The objective of the borrowing policy is consistent with Council's objectives and with the Strategic and Annual Plans. It is:

- To achieve the lowest possible net borrowing costs achievable within the Treasury Policy parameters, by actively managing funding risk and interest rate exposures within the overall limit control of maximising benefits (from favourable interest rate movements) whilst having levels of protection in place against prolonged and significant adverse interest rate movements.

### 5.2 Interest Rate Exposure Policy

**The purpose of the interest rate exposure policy is to have a framework in place under which Council can actively manage its borrowings, within overall guidelines to spread and reduce risks. In this manner, Council has control on the level of financial market exposures, and can maintain a relative balance between such risk and other business investment risks that Council has in its normal course of business.**

The control limits cover both the underlying physical borrowing risks and the use of synthetic instruments that may be used to limit, reduce, eliminate and re-profile these physical risks.

#### 5.2.1 Currency borrowings

Borrowings can only be made in New Zealand dollars (see Section 122ZC of the Act).

#### 5.2.2 Net borrowings

Fixed/floating percentages are calculated on the 12-month projected net debt level based on Council's annual and strategic plan. Net debt is the amount of total debt net of liquid financial assets/investments (including sinking funds). This allows for pre-hedging in advance of projected physical drawdowns of new debt. When forecasts are changed, the amount of fixed rate cover in place may have to be adjusted to comply with the policy minimums and maximums.

#### 5.2.3 Fixed/floating mix

Fixed rate is defined as all debt with interest rate repricing beyond 12 months. It can be made up of fixed rate borrowings, interest rate swap contracts, swaptions, and caps, with more than 12 months to run. Interest rate caps with a rate more than 2% above market rates cannot be considered as fixed rate. Floating rate is defined as all debt with an interest rate repricing within 12 months.

To match the fixed nature of the income that Council generates, i.e., rates, the mix of fixed borrowings at any one time is to be 50% minimum and 95% maximum.

To spread the interest rate risk on the profile of borrowings, the following controls/guidelines have been established:

1-3 years	25% (min)-50% (max) of the Fixed Rate total
3-5 years	25% (min)-50% (max) of the Fixed Rate total
> 5 years	10% (min)-50% (max) of the Fixed Rate total.

The mix of floating borrowings at any one time is to be 5% minimum and 50% maximum.

To spread the interest rate risk on the re-borrowing of maturing financial securities, total floating borrowing maturities on a single day cannot exceed 20% of the total fixed and floating portfolio amount, except in instances to match known commitments on the day.

Call Market borrowings cannot exceed \$10 million.

Bank bill maturities and floating rate stock cannot exceed \$10 million on any one day.

#### 5.2.4 Debt servicing performance targets

- The total cost of servicing the city debt interest payments shall not exceed 15% of the rating income for that year.
- Repayment of debt shall not be less than 4% of rating income for that year. (For the purpose of calculating this performance target, any credit balances in sinking funds or debt repayment reserves will be deemed to be repayment.)
- The total (net) city debt shall not exceed 8.5% of total ratepayers' equity.

Information relating to the level of public debt and linkage to debt servicing performance targets has been applied to Council's Long-Term Financial Strategy for the next 19 years (Appendix 7.9).

### 5.3 Funding Risk

**Funding risk is the risk to Council of not having funding facilities spread over a reasonable period of years. The risks can be summarised as follows:**

1. If the majority of facilities are maturing at or around the same time, there is a risk that it is an unfavourable time to be renewing facilities in the market due to high pricing/margins from lenders.
2. If Council is having some difficulties by having all facilities maturing at one time, this may be detrimental to the ability to either renew the facilities or receive favourable conditions.
3. There is a danger of saturating the market if all the facilities are maturing at the same time and Council has access to only one type of funding, i.e., either bank funding or capital funding.

To spread this risk, it is prudent to have the total debt spread so that a certain proportion is maturing periodically.

Council's debt maturity profile will conform to the following range of control limits, expressed as a percentage of total debt:

Debt/Facilities maturing 0-1 years time	5%	to	50%
Debt/Facilities maturing 1-3 years time	12.5%	to	47.5%
Debt/Facilities maturing 3-5 years time	12.5%	to	47.5%
Debt/Facilities maturing 5 years and over	5%	to	47.5%

### 5.4 Approved Financial Instruments And Their Use

Dealing in interest rate products must be limited to financial instruments approved by Council.

Current approved interest rate instruments are as follows:

Category	Instrument
Cash management and borrowing	Bank overdraft  Committed cash advance and bank accepted bill facilities (term facilities) Uncommitted money market facilities Bond issuance Term Loans
Investments	Short term bank deposits Bank bills Bank certificates of deposit (CD's) Treasury bills Local Authority stock or State Owned Enterprise (SOE) bonds Corporate bonds Promissory notes/Commercial paper
Interest rate risk management	Forward rate agreements ('FRA's') on: <ul style="list-style-type: none"> <li>• Bank bills</li> <li>• Government bonds</li> </ul> Interest rate swaps including: <ul style="list-style-type: none"> <li>• Forward start swaps (start date &lt;24 months)</li> <li>• Amortising swaps (whereby notional principal amount reduces)</li> </ul> Interest rate options on: <ul style="list-style-type: none"> <li>• Bank bills (purchased caps and one for one collars)</li> <li>• Government bonds</li> </ul> Interest rate swaptions (purchased only)

Any other financial instrument must be specifically approved by Council on a case-by-case basis and only be applied to the one singular transaction being approved.

## 5.4.1 Definitions

### Interest Rate Swap Contract

An interest rate swap contract is an agreement between two parties (one party typically being a bank) to exchange interest rate obligations on an agreed notional principal amount for an agreed time period. There is no physical exchange of principal amounts.

### Forward Rate Agreement

A forward rate agreement is a contract between two parties whereby each party agrees to fix an interest rate for a specified contract period and a specified future date, based on an agreed notional amount. Neither party undertakes to lend or borrow a principal amount—it is only the obligation to make the interest payment that is agreed on.

### Options

#### *Interest Rate Option*

An interest rate option is a contract between two parties whereby the buyer pays the seller a premium for the right, but not the obligation, to enter into a transaction at an agreed interest rate for an agreed notional principal, maturing on an agreed date.

#### *Government Stock Option*

A Government stock option is a specialist contract whereby the party buying the option has the right, but not the obligation, to purchase or sell Government stock.

#### *Swaption*

A swaption is an agreement whereby the party buying the option has the right, but not the obligation, to enter into an interest rate swap contract.

Counterparties who sell these treasury management products will require Council to sign a Master Agreement that covers all the legal terms, conditions, rights, responsibilities and liabilities under the contract. Master Agreements protect both parties and cover all individual contracts entered between the counterparty and Council (these are normally confirmed by computer-generated confirmation letters only).

## 5.4.2 Financial Instrument Use and Delegated Limits

### Interest rate swap contracts

- Terms exceeding 10 years and transactions exceeding \$20 million are to be specifically authorised by the Chief Executive Officer.
- Transactions up to \$20 million are to be specifically authorised by the General Manager Corporate.
- Transactions up to \$10 million are to be specifically authorised by the Finance and Administration Manager.
- Net outstanding/open interest rate swap contracts cannot exceed 100% of total debt.
- Existing interest rate swap contracts may be closed out prior to maturity by cancellation with the same counterparty, or by an equal and opposite interest rate swap contract with another counterparty.

### Forward rate agreements

- Net outstanding/open forward rate agreement contracts cannot exceed 75% of floating rate debt.
- Refer to interest rate swap contracts for transaction limits.

### Interest rate options, government stock options and swaptions

- Net outstanding/open bank bill option contracts must be less than 18 months duration.
- Selling of interest rate options is only allowed as part of a combined strategy, including the simultaneous purchase of interest rate options with identical amount and maturity.
- Strike prices must be within 2% of current market interest rates.
- Open interest rate options, Government stock options and swaptions with strike rates >2% below current market rates cannot be counted as fixed rate cover.
- Refer to interest rate swap contracts for transaction limits.

## 5.5 Liquidity Policy

**The objective of the liquidity policy is to ensure adequate financial resources are available to Council to meet all obligations as they arise.**

The purpose of the Liquidity Policy is to analyse Council's cashflows, in both the short and long-term for all perceived requirements and contingencies, and arrangement of suitable sources of liquid resources.

### 5.5.1 Policy

Liquid resources are defined as:

- Unencumbered financial assets which can readily be converted to cash in a short space of time to the best interests of Council
- Undrawn committed or standby facilities, which can be accessed in a suitable timeframe.

There are three aspects to liquidity management:

- Short-term operational liquidity management, to be monitored and controlled through daily cash management activities
- Long-term operational liquidity management, to be monitored and controlled through long-term financial planning
- Contingency crisis management, to be monitored through the long-term and short-term planning process and arrangement of liquidity sources sufficient to meet worst-case scenarios.

Council requires a minimum level of surplus liquidity to meet unexpected cash expenditure or revenue shortfall. Liquidity should be flexible enough to manage the rate payment cycle.

Committed borrowing facilities will be maintained at 10% above the maximum 12-month forecast net debt amount and includes working capital. This is deemed to include the value and terms of credit from suppliers including leases, hire purchase and deferred payments agreements.

Council is not permitted to have borrowings from uncommitted bank facilities greater than unutilised committed bank facilities at any one point in time (i.e., used uncommitted facilities are not to exceed unused/available committed facilities).

## 5.6 Counterparty Credit Risks

**Counterparty credit risk is the risk that a party to a transaction will default on its contractual obligation. A counterparty credit risk is incurred whenever Council enters a transaction with a third party, which requires the third party to make a payment to Council. The degree of counterparty credit risk will vary according to the perceived creditworthiness of the counterparties.**

The qualifying criteria for lenders on the approved list are that they must meet a minimum credit rating criteria, where appropriate. The counterparty credit limits are as follows:

Credit/Issuer/Authorised Counterparty	Min Long-term Credit Rating	Investments max per credit (\$m)	Int Rate Risk management instrument max per credit (\$m)	Total max counterparty limit per credit (\$m)
<b>NZ Government</b>	<b>A -</b>	<b>Unlimited</b>	<b>None</b>	<b>Unlimited</b>
<b>State Owned Enterprises</b>	<b>A -</b>	<b>5.0</b>	<b>None</b>	<b>5.0</b>
<b>NZ Registered Banks</b>	<b>A -</b>	<b>10.0</b>	<b>10.0</b>	<b>15.0</b>
ANZ Banking Group	AA -	10.0	10.0	15.0
ASB Bank	A+	10.0	10.0	15.0
Bank of New Zealand	AA	10.0	10.0	15.0
Banque Nationale de Paris	A +	10.0	10.0	15.0
Deutsche Bank AG	AA	10.0	10.0	15.0
National Bank of New Zealand	AA	10.0	10.0	15.0
Westpac Banking Corporation	AA -	10.0	10.0	15.0
<b>Corporate Bonds</b>	<b>A -</b>	<b>2.0*</b>	<b>None</b>	<b>2.0</b>
Christchurch International Airport	A	2.0	None	2.0
Kiwi Dairy	A+	2.0	None	2.0
Ports of Auckland	AA-	2.0	None	2.0
NZ Dairy Board	A+	2.0	None	2.0
Auckland International Airport	A+	2.0	None	2.0
Telecom New Zealand	A+	2.0	None	2.0
Watercare	AA-	2.0	None	2.0
<b>Local Government Stock</b>	<b>A - (if rated)</b>	<b>5.0 **</b>	<b>None</b>	<b>5.0</b>
	<b>Unrated</b>	<b>2.0</b>	<b>None</b>	<b>2.0</b>
Local Authority Bond Trust	Unrated	2.0	None	2.0
Local Government Finance Corporation	Unrated	5.0	None	2.0
Members of Austraclear	N/A	None	None	None

\* Subject to a maximum of \$20m investment in corporate bonds/CP at any one point in time.

\*\* Subject to a maximum of \$25m investment in Local Government stock at any one point in time, including Local Government Finance Corporation and Local Authority Bond Trust.

The Chief Executive Officer must approve any changes to the above named counterparties.

In determining the usage of the above gross limits, the following product weightings will be used:

- Money Market, e.g., Bank Deposits–Transaction Notional x Weighting 100%
- Interest Rate Risk Management, e.g., swaps, FRA's–Transaction Notional x Maturity (years) x 4%.

Each transaction should be entered into a reporting spreadsheet and a monthly report prepared to show assessed counterparty actual exposure versus limits.

The Finance and Administration Manager on an ongoing basis should review ratings and in the event of material credit downgrades, this should be immediately reported to the General Manager Corporate and the Chief Executive Officer and assessed against exposure limits. Counterparties exceeding limits should be reported to Council.

#### Risk Management

To avoid undue concentration of exposures, a range of financial instruments must be used with as wide a range of counterparties as possible. The approval process to allow the use of individual financial instruments must take into account the liquidity of the market the instrument is traded in and re-priced from.



### 5.6.1 Committed bank facilities

To ensure the ongoing funding of Council, it is important that Council obtain committed bank facilities to ensure that sufficient funds can be called upon when required. This form of borrowing would usually be secured through the issuance of a security stock certificate under the Debenture Trust Deed.

A list of authorised counterparties is required. This list is approved by Chief Executive Officer and any additions or deletions to this list require approval.

### 5.6.2 Settlement risk

Counterparty risk is also incurred when a transaction is settled. Whenever there is a physical exchange of cash or securities, Council is at risk that the counterparty's cheque will not be honoured or the securities will not be legally transferred.

To avoid settlement risk, Council will require that all settlements are to be made by bank cheque or directed through Austraclear (a Reserve Bank operated facility), to an account in the name of Hamilton City Council. Austraclear is a real-time trade matching, transfer, clearance and settlement system for securities. Once ownership of the security and the ability to pay controls has been checked, the transfer is irrevocable. Transactions are not accepted by the system unless the paying member has sufficient credit provided by their banker within the system to allow the transaction to be completed.

There does still remain a bank-to-bank risk; hence counterparty limits need to be maintained. Transactions will only be entered into with those institutions on the approved counterparty list.

Council will apply to register as an Associate Member of Austraclear. Should the Hamilton City Council be approached by an investor who is not listed in the counterparty list, or is not a member of Austraclear, the General Manager Corporate has the delegated authority to approve such Counterparties on a transaction-by-transaction basis, with subsequent reporting to Council.

## 5.7 Debt Repayment Policy

**The objective of the debt repayment policy is to ensure that Council is able to repay debt on maturity with minimum impact on Council operations.**

The purpose of the debt repayment policy is to provide a framework by which Council can manage its financial commitments for debt, through the establishment and maintenance of financial reserves and a suitable debt maturity profile.

### 5.7.1 Policy

The borrowing policy is based on balance sheet funding, with all borrowings or debt deemed to be corporate debt. Repayment is described in Section 5.2.4. Repayments will be made from revenue. The cost of capital is to be spread over significant activities on the basis of the book value of buildings and infrastructural assets (excluding land values), except where Council has a separate rate, uniform annual charge or user pays charge for full or part cost recovery.

Funds derived from the disposition of assets (other than vehicles and light plant) are to be utilised for the purpose of repayment of debt as set out in Section 4.7.

## 5.8 Security Policy

**The objective of the security policy is to ensure that Council is able to provide suitable security to lenders and investors, while retaining maximum flexibility and control over assets. The purpose of the security policy is to establish a mechanism through which Council is able to monitor any security given.**

All of Council's loans and interest rate risk management instruments will be secured by way of a charge over Council's rates and rates revenue, or unsecured, or secured by way of charge over physical assets.

A charge on Council's rates and rates revenue will be granted in favour of a trustee. The trustee will hold the benefit of the charge for all parties to whom Council grants the benefit of the rates security under a debenture trust deed. Council will engage a trustee and a registrar and paying agent and advisors from time to time to act under the debenture trust deed.

Physical assets will be pledged only where:

- There is a direct relationship between the debt and the asset purchase or construction, e.g., operating lease, or project finance.
- Council considers a pledge of physical assets to be appropriate.
- The Finance and Administration Manager ensures that the required register of charges and any associated documents are provided, filed and kept in accordance with the Local Government Act 1974 and the Securities Act 1978.

## 5.9 Foreign Exchange Risk Management Policy

**Council does not incur large, ongoing, foreign exchange risks in a trading/operating sense, although regular foreign exchange transactions are made for the purchase of items such as library books, subscriptions and seeds. However, from time-to-time large 'one-off' imports such as the purchase of machinery do result in foreign exchange exposures.**

The policy is as follows:

- Council cannot borrow in foreign currencies (see Section 122ZC of the Act).
- All foreign exchange transactions must be reported to the Funds Accountant prior to the placement of a firm order/signing of sale and purchase contract.
- Imported items in the capital expenditure budget are to be costed at forward exchange rates applicable to the currency and expected time schedules of payments.
- Prior to the placement of a firm order/signing of sale and purchase contract, Council is not allowed to enter forward exchange contracts, but may purchase currency options as an insurance protection over the period leading up to the firm order. The option term may be no longer than three months. The purchase of the option is to be approved by the Finance and Administration Manager. If the order does not go ahead, the only loss is the premium paid up front in cash. If a forward contract is entered and the plant purchase does not take place, the potential loss on the unneeded forward contract is unlimited and unknown.
- Within seven days of an order being placed with an overseas supplier of \$10,000 or greater, a minimum of 75% of the foreign currency exposure is to be covered forward by way of forward exchange contracts. The remaining 25% may be left open to gain from any favourable trend in the market, but must be covered within three months of the firm order.
- All foreign currency forward contracts and option contracts are only to be entered into with banks on the approved counterparty list. Two competitive quotes are to be obtained on all individual transactions over \$50,000.
- The Funds Accountant will decide whether or not to cover transactions under \$10,000.
- In reviewing compliance with counterparty limits, foreign exchange forward contracts will be given a weighting equivalent to 10% of contract value.

## 5.10 Reporting

For reporting on the Borrowing Management Policy, the following reports will be completed and presented to Council's Economic and Audit Committee through each meeting cycle:

- Cashflow Summary
- Liquidity Report
- Cost of Funds Report
- Funding Facilities Report

## 5.11 Performance Targets

The table below summarises the performance targets set for the funding policy.

Objective	Target
To maintain adequate liquidity.	Committed borrowing facilities are maintained at 10% above maximum 12-month forecast net debt amount including working capital requirements.
To manage interest rate and credit risk exposure.	Minimum (50%) and maximum (95%) levels of fixed borrowing are not exceeded.
To maintain debt within specified limits and ensure adequate provision for repayments.	City debt interest payments do not exceed 15% of the rating income for the year.  Net city debt does not exceed 8.5% of total ratepayers' equity.  Repayment of debt is not less than 4% of the rating income for the year.
To maintain security for public debt by way of a charge over rates, registered mortgage over specific assets or through the Debenture Trust Deed.	Security documentation is reviewed to ensure compliance.
To ensure that transactions involving foreign currency exceeding \$10,000 in value are hedged by way of forward cover contracts.	Compliance with this policy is monitored by reviewing payments in foreign currency.

Council noted that the policy of retaining net city debt at no more than 8.5% of ratepayers' equity is exceeded in years 2001/02-2002/03 and 2009/10-2010/11 of the Long-Term Financial Strategy. Council accepted this but did not wish to vary the basic policy. It is considered that Council is still managing debt in a prudent and responsible manner.

## 6.0 Rating Policy

### 6.1 Objective

The objective of the Rating Policy is to develop a system, which reflects the following attributes:

- Effectiveness to meet Council's goals, which takes into account the community needs for environmental, economic and social issues
- Efficiency, in that resources are allocated to best advantage for the benefit of the community
- Equity, reflecting the ability to pay principle and the benefit principle
- Simplicity through low cost administration and implementation
- Transparency, in that the policy is clear and readily understandable.

### 6.2 Background

The Rating Powers Act 1988 empowers a local authority to strike and levy rates in its district.

The Local Government Amendment Act (No. 3) 1996 (referred to elsewhere in this report) requires local authorities to develop a wide range of financial management policies which lead to a review of the available funding mechanisms, which are primarily rates.

### 6.3 Rating Systems

There are four rating systems available to local authorities:

#### Annual Value

These values are based on the rent for which a particular property could be let from year to year, with a minimum of 5% of the capital value.

#### Capital Value

These values are based on the market value of the property, including improvements.

#### Land Value

These values are based on the market value of land.

#### Area System

These values are based on an amount for each hectare of rateable property.

### 6.4 Differential Rating

Differential rating is not a rating system. It is a means where rates levied on one or more groups of property may vary from those levied in respect of others. Differential rating does not affect any uniform annual charges. The impact of the differential basis is primarily to shift the rating levy off residential properties onto other sectors in the community.

Council's current differential fixed yield system levies fixed proportions of general revenue on the following property sectors:

Residential	64.59%
Commercial/Industrial	32.10%
Multi-Units	1.77%
Rural Small (< 10 hectares)	1.06%
Rural Large (> 10 hectares)	0.48%

## 6.5 Types Of Rates

### General Rate

Is a rate in the dollar levied on all rateable properties.

### Separate Rate

Is a rate in the dollar levied on particular or all rateable properties for a specific purpose.

### Uniform Annual General Charge

Is a flat rate applied equally to all rateable properties.

### Uniform Annual Charge

Is a flat rate applied on specific or all rateable properties for a specific purpose.

## 6.6 Maximum General Rate

Whatever system of rating is used, Section 12(3) of the Rating Powers Act empowers Council to levy a general rate on every rateable property in any one year, up to a limit of 1.25 cents in the dollar on the net capital value of rateable land within the district.

The limit is in terms of the total value of rateable property in the district. The maximum rate in relation to any particular property may still exceed the specified limit.

The net capital value refers to the total amount of rates, which may be levied on the rateable land within the district, rather than the capital value (land and buildings) of the district as a whole.

For the 2001/02 rating year, Council's general rates will produce 59% (2000/01 = 57%) of the maximum permissible by law.

## 6.7 Maximum Uniform Annual Charge Revenue

**By law, rating revenue from uniform annual general charges or separate uniform annual charges (except those for water and sewerage disposal works or services) cannot exceed 30% of the total rates revenue.**

With effect from the 1997/98 rating year, Council has resolved not to levy uniform annual charges.

## 6.8 Rating System

The method of rating adopted by Council for collection of its general rates is based on land value.

### 6.8.1 Differential Rating

The current differential fixed yield is described in Section 6.4. Council resolved to change the method of calculating the tax deductibility adjustment for commercial/industrial, multi-unit and large rural properties (which shifts approximately 2.2 million on to residential and small rural properties).

This is to be phased in over a three-year period with this being the third and final year of this adjustment. Also any significant changes in values across property sectors may result in a land value movement adjustment between the sectors, which changes the revenue required from the six categories of properties. However, only properties transferring between sectors will be subject to the land value movement adjustment. This may amend the differential fixed yield for each category of property.

Council proposes to introduce a new differential category for inner city apartments within the CBD, which will be rated on the same basis as residential properties, but excluding the cost of household waste collection. As Council cannot provide a collection service to these properties, a separate differential category needs to be established. The proposed differentials are as follows:

Residential	65.814%
Inner City Residential Apartments	0.152%
Commercial/Industrial	30.813%
Multi-Unit Residential	1.669%
Rural Small	1.118%
Rural Large	0.434%

#### **6.8.2 Uniform annual general charge**

The effect of a uniform annual general charge is that properties pay exactly the same. For example, a pensioner would have to pay exactly the same fee as the owner of a large shopping complex.

The current policy is that no uniform annual general charge be used.

#### **6.8.3 Uniform annual charge**

The use of this form of charging clearly identifies to ratepayers the cost of the service and each property is rated equally by using a uniform annual charge.

The current policy is that no uniform annual charges be used.

#### **6.8.4 Rating by instalments**

The Rating Powers Act authorises Council to levy and collect rates by way of instalments. Current policy is there are four instalments every year. Each of the four instalments is of an equal amount (providing that there is no provisional levy for the first instalment).

#### **6.8.5 Discounts for prompt payment**

The Rating Powers Act authorises Council, if it chooses, to allow a discount for prompt payment of rates. There have been few requests for this concession and it is not proposed to recommend any change to the current policy of no discount.

#### **6.8.6 Rating penalties**

The Rating Powers Act provides for additional charges by way of penalty for unpaid rates. An additional charge of 10% is added to each instalment, which remains unpaid after its penalty date. Unpaid rates from previous years will have a further compounding 10% additional charge applied six monthly thereafter.

Council's current policy is that additional charges by way of penalty be applied, but may be remitted in accordance with the following criteria:

- Remission may be granted where payment has been received after the date fixed for imposition of a late penalty charge, provided that none of the previous four instalments were similarly received late
- Remission may be granted where a ratepayer either:
  - makes satisfactory arrangements for regular and substantial reduction of arrears. (These arrangements are to include the remission of late penalty charges as long as such arrangements are fully met) or,
  - provides sufficient information which, if considered genuine and if substantiated with reasonable excuse for late payment, would justify remission for late penalty charges.

A written application for remission is normally required. The practice of a penalty for non-payment of rates by due date is an accepted standard practice for local authorities.



### 6.8.7 Rates remission

The Rating Powers Act, Section 177 provides for Council to remit rates in cases of extreme hardship. At a meeting held on 23 February 2000 Council resolved to establish a Rates Remission Policy based on the following criteria:

1. Council receive applications from ratepayers for rates remission as described in Section 177 of the Rating Powers Act 1988.
2. The maximum remission under Section 177 of the Rating Powers Act is \$200.00.
3. The following essential elements must be met before any remission is granted:
  - There must be an application for remissions from the occupier
  - Council must be satisfied that extreme financial hardship on any individual exists or would be caused by requiring payment of the whole or part of the rates
  - All applications for rates remission be treated on a case-by-case basis and approved/declined by the General Manager Corporate
  - Council shall consider whether postponement of rates is a more suitable option.

### 6.8.8 Postponement of rates

The Rating Powers Act, Section 178 provides for Council to postpone rates in cases of extreme hardship. Council has redefined the policy for the postponement of rates where hardship exists. Postponed rates are a charge against the property and must be paid either at the end of the postponement term or when the property is sold, whichever is the earliest. A delegated authority has been granted to the Chief Executive to decide on qualifying cases within the policy guidelines.

The objective of the postponement policy is to provide a measure of rating relief to property owners where the full payment of rates would otherwise cause financial hardship. The policy criteria for relief to be granted include that:

- The ratepayer is the property owner and the property is used (solely) as the permanent place of residence
- The applicant's total assets and household income fall within certain defined minima.

The relief formula sets the minimum rates payable on the property at \$607 plus at least one third of the balance levied. The amount of relief (potentially the remaining two thirds) is abated by \$1 for every \$20 of household income that exceeds Council's current household income limit of \$12,958. The completion of an application is required for each year of postponement.

The relief formula is indexed for movements in the CPI on an annual basis.

This system complements the rates rebate programme and other schemes run by Government and voluntary organisations.

The current policy and the provisions of the Act appear to be adequate and acceptable to the community.

### 6.8.9 Rate relief for developments

The Rating Powers Act allows local authorities to develop a policy to grant developers rate remission or postponement during the period of a development and up to three years after completion of the development.

Since the 1987 sharemarket crash, the request for such relief has been minimal. It is not proposed to develop a policy for this form of relief.

#### **6.8.10 Home occupations**

Although home occupations are permitted activities in all residential zones, Council's present differential rating system charges rates on property 'use or uses' rather than zoning (refer to Section 81(a) of the Rating Powers Act).

Currently, those properties used both for residential and commercial purposes have their values apportioned against the different types of use and are rated accordingly. The residential use portion is charged for through 'Residential' rates, and the commercial use portion is charged for through 'Commercial' rates.

#### **6.8.11 Rating of separate rates for a proportion of year**

During the course of this review, the issue of charging for services from the date of commencement of the service was provided.

The Rating Powers Act authorises a local authority to charge for water, wastewater, stormwater and refuse from the date of provision of such a service. This primarily affects new housing in new subdivisions which, under current practice, do not pay for these services until 1 July of the year following commencement of the service.

Under Council's existing rating system, which comprises one general rate, it is not possible to separately charge for the essential services of water, wastewater and refuse.

#### **6.8.12 Rating of non-rateable land**

The Rating Powers Act allows a local authority to charge for water, refuse and wastewater services as a rate on non-rateable properties. This primarily affects Crown-owned properties.

The basis of the current method of charging is being reassessed because the total costs for water, refuse and wastewater are now clearly identified. With a change in ownership of what was formerly Crown land, e.g., formation of Corporations and Crown asset sales, the exemption from rating status of the properties affected is being reviewed.

#### **6.8.13 Rating for educational institutions**

##### **Definition**

Section 5 Rating Powers Act 1988. Land vested in or occupied by an education authority within the meaning of the Education Act 1964 or the Crown.

Council's current policy is:

- All educational institutions (including private schools) be rated for general rates on the same basis. Under the current legislation this means that no general rates will be chargeable
- These properties be charged by way of a separate rate for the full cost of water, refuse and wastewater services supplied, and charged at a rate in the dollar on the land value of the property
- The minimum charge for each service (inclusive of GST) will be:
  - wastewater—\$185 p.a.
  - water supply (if applicable)—\$100 p.a.
  - refuse (if applicable)—\$85 p.a.

#### **6.8.14 Rating of churches (place of worship)**

##### **Definition**

Land and buildings that are to be used as a place of religious worship (Rating Powers Act 1988, First Schedule, Part II, Clause 9) not including associated rooms, halls or buildings which are used for meetings, accommodation and preparation of food. These would be classified under the community category.

Council's current policy is:

- These properties be charged by way of a separate rate for the full cost of water, refuse and wastewater services supplied, discounted by 66.6% on the basis that the services are primarily used on one day of the week, and charged at a rate in the dollar on the land value of the property
- The minimum charge for each service (inclusive of GST) will be:
  - wastewater—\$185 p.a.
  - water supply (if applicable)—\$100 p.a.
  - refuse (if applicable)—\$85 p.a.

#### **6.8.15 Rating of community organisations**

##### **Definition**

Community organisations with a not-for-profit status, existing to deliver social benefits to the community where neither government nor business is best or appropriately placed. (A Good Practice Guide, LGNZ, January 2000, page 20).

Council's current policy is:

- These properties be charged by way of a separate rate for the full cost of water, refuse and wastewater services supplied, discounted by 40% on the basis that these organisations are of a charitable nature, and charged at a rate in the dollar on the land value of the property
- The minimum charge for each service (inclusive of GST) will be:
  - wastewater—\$185 p.a.
  - water supply (if applicable)—\$100 p.a.
  - refuse (if applicable)—\$85 p.a.

#### **6.8.16 Rating of sporting and cultural organisations**

##### **Definition**

An organisation that's principal object is to promote games, sports, recreation, arts or instructions, for the benefit of residents or any group or groups of residents of the district, not for private pecuniary profit in accordance with Rating Powers Act 1988, Second Schedule, Part II, Clause (f).

Council's current policy is:

- These properties be classified into two categories based on gross annual income received by these organisations. This will take effect from 1 July 2001.

##### *Category 1*

Sporting and cultural organisations with gross annual income below \$500,000 be rated at the same level as community organisations which is 60% service charges for wastewater, water and refuse, with minimum charges applicable. (As outlined in Section 6.8.15).

#### *Category 2*

Sporting and cultural organisations with gross annual income \$500,000 and over be rated at the 50% (Residential General rate) mandatory remission as per Section 179, Second Schedule, Part II of the Rating Powers Act 1988.

#### **6.8.17 Rating of utility companies**

The result of the recent High Court decision in the Telecom v Auckland City Council case confirmed that telecommunication utilities were separate rateable properties.

Council, in conjunction with the other Territorial Local Authorities within the Waikato Region, has engaged a valuation consultant to value these utilities and have the values on the District Valuation Roll by December 2001.

While valuation under capital value is possible, there remains doubt over the position with land value. This is still to be investigated by the Waikato Regional group and the legal profession.

#### **6.8.18 Rates relief for senior citizens**

Under the current legislation, Council is not authorised to offer rates relief to senior citizens. Sections 177 and 178 of the Rating Powers Act 1988 provide for Council to grant a remission or postponement of rates on being satisfied, after full enquiry, that hardship exists or would exist by requiring full payment of the rates levied. Age is not a criterion.

#### **6.8.19 Cap on residential rates**

Council has confirmed the legal position that a cap cannot be used. However, it is lawful for rates on residential properties to be levied on a stepped differential basis according to land value. The lowest rate should not be at zero per cent.

Current policy is that there be no cap on residential rates.

### **6.9 Impact Of Rating Policy Decisions**

Appendix 7.9 and Appendix 7.10 take a sample of various properties throughout the city and show the impact of the land value movement adjustment, the introduction of the sixth differential for inner city residential apartments, and the impact of the third and final year of tax deductibility adjustment as resolved by Council on 3 September 1999.



## Appendix 7.1 Consolidated Forecast Statement Of Financial Performance

These figures are extracted from the Long-Term Financial Strategy, which was printed in full for the 1999/00 Annual Plan. They have not been updated for the 2001/02 Annual Plan changes. Any significant differences are disclosed on the 'Variations between the 2001/02 Annual Plan and the Approved 1999/00 Long-Term Financial Strategy and Policies' page in the 2001/02 Annual Plan.

	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
<b>INCOME</b>																		
Rates - excluding Environment Waikato	60,813	61,272	62,898	62,421	63,961	64,116	64,785	65,288	65,213	66,134	66,828	67,257	67,742	68,391	68,921	69,500	69,988	70,485
Rates Penalty Income & Service Charges	516	516	516	516	516	516	516	516	516	516	516	516	516	516	516	516	516	516
Petrol Tax	810	810	810	810	810	810	810	810	810	810	810	810	810	810	810	810	810	810
Government Operating Subsidies and Grants	2,819	2,840	2,861	2,882	2,904	2,926	2,948	2,970	2,993	3,016	3,039	3,062	3,085	3,109	3,133	3,157	3,181	3,206
Fees, Rents and Charges	23,577	21,628	23,762	23,796	23,715	23,141	21,997	21,930	21,947	22,047	21,951	21,967	22,068	21,986	22,021	22,122	22,059	22,077
Interest on Investments	580	580	580	580	580	580	580	580	580	580	580	580	580	580	580	580	580	580
Interest on Sinking Funds	524	289	263	233	226	253	73	67	0	0	0	0	0	0	0	0	0	0
Other Income	365	567	618	695	649	679	649	679	649	679	649	679	649	679	649	679	649	679
<b>TOTAL INCOME</b>	<b>90,004</b>	<b>88,502</b>	<b>92,308</b>	<b>91,933</b>	<b>93,361</b>	<b>93,021</b>	<b>92,358</b>	<b>92,840</b>	<b>92,708</b>	<b>93,782</b>	<b>94,373</b>	<b>94,871</b>	<b>95,450</b>	<b>96,071</b>	<b>96,630</b>	<b>97,364</b>	<b>97,783</b>	<b>98,353</b>
<b>EXPENDITURE</b>																		
Direct Operating Costs	59,956	61,202	61,143	62,129	62,058	61,864	62,439	62,237	62,508	63,294	63,291	63,606	64,187	64,101	64,401	65,110	64,987	65,333
Interest Paid	8,327	7,809	7,808	7,566	7,514	7,132	7,142	7,084	7,163	7,303	7,293	7,006	6,534	5,918	5,180	4,414	3,547	2,583
Sundry Expenditure	143	134	133	133	133	133	133	133	133	133	133	133	133	133	133	134	134	134
Depreciation	25,875	26,383	27,537	28,109	27,141	27,970	28,778	28,340	28,760	28,990	29,283	29,030	28,965	29,409	30,033	30,615	31,103	31,427
<b>TOTAL EXPENDITURE</b>	<b>94,301</b>	<b>95,528</b>	<b>96,621</b>	<b>97,937</b>	<b>96,846</b>	<b>97,099</b>	<b>98,492</b>	<b>97,794</b>	<b>98,564</b>	<b>99,720</b>	<b>100,000</b>	<b>99,775</b>	<b>99,819</b>	<b>99,561</b>	<b>99,747</b>	<b>100,273</b>	<b>99,771</b>	<b>99,477</b>
<b>REVENUE ASSIGNED TO ASSET DEVELOPMENT</b>																		
Government Capital Subsidies and Grants	1,496	1,505	1,527	1,733	2,820	3,024	1,564	1,572	1,582	1,591	1,599	1,609	1,617	1,626	1,636	1,644	1,653	1,662
Other Capital Contributions	5,827	6,135	5,951	7,018	9,814	8,757	7,578	5,858	5,129	5,275	4,754	5,087	4,831	5,797	6,439	3,629	3,431	2,981
Contributions - Fixed Assets Vested	4,125	4,125	4,125	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750
<b>TOTAL ASSET DEVELOPMENT REVENUE</b>	<b>11,448</b>	<b>11,765</b>	<b>11,603</b>	<b>11,501</b>	<b>15,384</b>	<b>14,531</b>	<b>11,892</b>	<b>10,180</b>	<b>9,461</b>	<b>9,616</b>	<b>9,103</b>	<b>9,446</b>	<b>9,198</b>	<b>10,173</b>	<b>10,825</b>	<b>8,023</b>	<b>7,834</b>	<b>7,393</b>
<b>SURPLUS BEFORE TAX</b>	<b>7,151</b>	<b>4,739</b>	<b>7,290</b>	<b>5,497</b>	<b>11,899</b>	<b>10,453</b>	<b>5,758</b>	<b>5,226</b>	<b>3,605</b>	<b>3,678</b>	<b>3,476</b>	<b>4,542</b>	<b>4,829</b>	<b>6,683</b>	<b>7,708</b>	<b>5,114</b>	<b>5,846</b>	<b>6,269</b>
Income Tax Paid	-21	-29	-16	-21	-6	-16	-6	-16	-6	-16	-6	-16	-6	-16	-6	-16	-6	-16
<b>SURPLUS FOR THE YEAR</b>	<b>7,130</b>	<b>4,710</b>	<b>7,275</b>	<b>5,476</b>	<b>11,893</b>	<b>10,437</b>	<b>5,752</b>	<b>5,210</b>	<b>3,599</b>	<b>3,662</b>	<b>3,470</b>	<b>4,526</b>	<b>4,823</b>	<b>6,667</b>	<b>7,701</b>	<b>5,098</b>	<b>5,839</b>	<b>6,253</b>



## Appendix 7.2 Consolidated Forecast Cashflow Statement

These figures are extracted from the Long-Term Financial Strategy, which was printed in full for the 1999/00 Annual Plan. They have not been updated for the 2001/02 Annual Plan changes. Any significant differences are disclosed on the 'Variations between the 2001/02 Annual Plan and the Approved 1999/00 Long-Term Financial Strategy and Policies' page in the 2001/02 Annual Plan.

	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
<b>OPERATING ACTIVITIES</b>																		
<b>Cash will be provided from:</b>																		
Rates - excluding Environment/Waikato	60,779	61,258	62,849	62,435	63,915	64,111	64,765	65,273	65,215	66,106	66,807	67,244	67,727	68,372	68,905	69,483	69,973	70,438
Rates Penalty Income & Service Charges	516	516	516	516	516	516	516	516	516	516	516	516	516	516	516	516	516	516
Petrol Tax	810	810	810	810	810	810	810	810	810	810	810	810	810	810	810	810	810	810
Government Operating Subsidies & Grants	2,819	2,840	2,861	2,882	2,904	2,926	2,948	2,970	2,993	3,016	3,039	3,062	3,085	3,109	3,133	3,157	3,181	3,206
Fees Rents & Charges	23,577	21,628	23,762	23,796	23,715	23,141	21,997	21,930	21,947	22,047	21,951	21,967	22,068	21,986	22,021	22,122	22,059	22,077
Interest on Investments	580	580	580	580	580	580	580	580	580	580	580	580	580	580	580	580	580	580
Interest on Sinking Funds	524	289	263	233	226	253	73	67	67	67	67	67	67	67	67	67	67	67
Other Income	365	567	618	695	649	679	649	679	649	679	649	679	649	679	649	679	649	679
	89,970	88,488	92,259	91,947	93,315	93,016	92,338	92,825	92,710	93,754	94,352	94,858	95,435	96,052	96,614	97,347	97,768	98,306
<b>Cash will be applied to:</b>																		
Direct Operating Costs	59,956	61,202	61,143	62,129	62,058	61,864	62,439	62,237	62,508	63,294	63,291	63,606	64,187	64,101	64,401	65,110	64,987	65,333
Sundry Expenditure	134	134	134	134	134	134	134	134	134	134	134	134	134	134	134	134	134	134
Interest Paid	8,327	7,809	7,808	7,566	7,514	7,132	7,142	7,084	7,163	7,303	7,293	7,006	6,534	5,918	5,180	4,414	3,547	2,583
Income Tax Paid	21	29	16	21	6	16	6	16	6	16	6	16	6	16	6	16	6	16
GST																		
	68,438	69,174	69,101	69,850	69,712	69,146	69,721	69,471	69,811	70,747	70,724	70,762	70,861	70,169	69,721	69,674	68,674	68,066
<b>Net Cashflow from Operating Activities</b>	<b>21,531</b>	<b>19,315</b>	<b>23,158</b>	<b>22,097</b>	<b>23,603</b>	<b>23,870</b>	<b>22,617</b>	<b>23,354</b>	<b>22,899</b>	<b>23,007</b>	<b>23,628</b>	<b>24,096</b>	<b>24,574</b>	<b>25,882</b>	<b>26,893</b>	<b>27,672</b>	<b>29,094</b>	<b>30,240</b>
<b>INVESTING ACTIVITIES</b>																		
<b>Cash will be provided from:</b>																		
Government Capital Subsidies & Grants	1,496	1,505	1,527	1,733	2,820	3,024	1,564	1,572	1,582	1,591	1,599	1,609	1,617	1,626	1,636	1,644	1,653	1,662
Sale of Fixed Assets	3,060	3,060	3,060	3,060	3,060	3,060	3,060	3,060	3,060	3,060	3,060	3,060	3,060	3,060	3,060	3,060	3,060	3,060
Other Capital Contributions	1,970	3,921	1,922	1,273	2,624	1,975	1,976	1,277	1,278	1,279	1,268	1,359	1,260	1,261	1,462	1,263	1,264	1,265
Mortgage Interest & Principal	6,526	8,486	6,509	6,066	8,504	8,059	6,600	5,909	5,920	5,930	5,927	6,028	5,937	5,947	6,158	5,967	5,977	5,987
	3,241	3,243	4,295	4,263	4,279	3,828	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050
Investments Made	38,075	28,123	28,857	28,579	33,181	37,615	32,584	30,681	33,603	29,747	25,938	24,105	22,202	22,754	24,109	20,550	20,366	19,905
Capital Expenditure	38,316	31,366	33,152	32,842	37,460	41,443	35,634	33,731	36,653	32,797	28,888	27,155	25,252	25,804	27,159	23,600	23,416	22,955
<b>Net Cashflow from Investing Activities</b>	<b>-31,790</b>	<b>-22,880</b>	<b>-26,643</b>	<b>-26,776</b>	<b>-28,956</b>	<b>-33,384</b>	<b>-29,034</b>	<b>-27,822</b>	<b>-30,733</b>	<b>-26,867</b>	<b>-22,961</b>	<b>-21,127</b>	<b>-19,315</b>	<b>-19,857</b>	<b>-21,001</b>	<b>-17,633</b>	<b>-17,439</b>	<b>-16,968</b>
<b>FINANCING ACTIVITIES</b>																		
<b>Cash will be provided from:</b>																		
Projects funded by loans	10,197	2,586	2,497	2,410	1,974	6,801	4,628	4,000	4,000	4,000	3,960	4,240	4,040	600	600	600	2,500	2,500
Special Fund Receipts	14,990	3,824	4,782	6,225	8,235	7,555	6,375	5,060	4,330	4,475	3,960	4,240	4,040	5,005	5,530	2,835	2,635	2,185
	15,187	6,410	7,279	8,635	10,209	14,356	11,003	9,060	12,330	8,475	3,960	4,240	4,040	5,605	6,130	3,435	5,135	4,685
<b>Cash will be applied to:</b>																		
Debt Maturing	4,342	3,121	3,080	3,214	4,166	4,094	4,023	4,040	3,984	4,143	4,138	6,722	9,404	11,150	11,528	12,992	16,295	17,504
	4,342	3,121	3,080	3,214	4,166	4,094	4,023	4,040	3,984	4,143	4,138	6,722	9,404	11,150	11,528	12,992	16,295	17,504
<b>Net Cashflow from Financing Activities</b>	<b>10,845</b>	<b>3,289</b>	<b>4,199</b>	<b>5,421</b>	<b>6,043</b>	<b>10,262</b>	<b>6,980</b>	<b>5,020</b>	<b>8,346</b>	<b>4,332</b>	<b>-178</b>	<b>-2,482</b>	<b>-4,764</b>	<b>-5,545</b>	<b>-5,398</b>	<b>-9,557</b>	<b>-11,160</b>	<b>-12,819</b>
<b>Overall Increase (Decrease) in Cashflow</b>	<b>586</b>	<b>-276</b>	<b>714</b>	<b>742</b>	<b>690</b>	<b>748</b>	<b>563</b>	<b>552</b>	<b>512</b>	<b>472</b>	<b>489</b>	<b>487</b>	<b>495</b>	<b>480</b>	<b>494</b>	<b>482</b>	<b>495</b>	<b>453</b>
Opening Balance 1 July	8,189	8,775	9,499	9,213	9,955	10,644	11,393	11,955	12,507	13,019	13,491	13,980	14,467	14,962	15,443	15,936	16,419	16,931
Balance 30 June	8,775	8,499	9,213	9,955	10,644	11,393	11,955	12,507	13,019	13,491	13,980	14,467	14,962	15,443	15,936	16,419	16,931	17,384
<b>Reconciliation of balances to Consolidated Forecast Statement of Financial Position</b>																		
Short term 30 days Investments	9,675	9,399	10,113	10,855	11,544	12,293	12,855	13,407	13,919	14,391	14,880	15,367	15,862	16,343	16,836	17,319	16,838	17,291
General Bank	-900	-900	-900	-900	-900	-900	-900	-900	-900	-900	-900	-900	-900	-900	-900	-900	-900	-900
Balance 30 June	8,775	8,499	9,213	9,955	10,644	11,393	11,955	12,507	13,019	13,491	13,980	14,467	14,962	15,443	15,936	16,419	16,938	16,391

## Appendix 7.3 Consolidated Forecast Statement Of Financial Position

These figures are extracted from the Long-Term Financial Strategy, which was printed in full for the 1999/00 Annual Plan. They have not been updated for the 2001/02 Annual Plan changes. Any significant differences are disclosed on the 'Variations between the 2001/02 Annual Plan and the Approved 1999/00 Long-Term Financial Strategy and Policies' page in the 2001/02 Annual Plan.

	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
<b>CURRENT ASSETS</b>																		
Accounts Receivable & Prepaid Expenditure	11,000	10,500	10,000	10,000	11,500	11,000	11,000	12,000	12,000	13,000	13,000	13,000	13,000	13,000	13,000	14,000	14,000	14,000
Stock on Hand	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300
Short-term Investments	9,675	9,399	10,113	10,855	11,544	12,293	12,855	13,407	13,919	14,391	14,880	15,367	15,862	16,343	16,836	17,319	16,838	17,291
Mortgages & Short-term Debtors	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
Real Estate Held for Resale	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	3,000	2,000
<b>TOTAL CURRENT ASSETS</b>	<b>22,015</b>	<b>21,239</b>	<b>21,453</b>	<b>22,195</b>	<b>24,384</b>	<b>24,633</b>	<b>25,195</b>	<b>26,747</b>	<b>27,259</b>	<b>28,731</b>	<b>29,220</b>	<b>29,707</b>	<b>30,202</b>	<b>30,683</b>	<b>31,176</b>	<b>32,659</b>	<b>34,178</b>	<b>33,631</b>
<b>CURRENT LIABILITIES</b>																		
Bank Balances Overdrawn	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900
Employee Entitlements	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Accounts Payable & Income in Advance	12,000	12,000	12,000	12,000	11,000	12,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Current Portion Public Debt	4,761	4,821	4,372	4,507	9,045	4,230	5,420	3,982	4,143	4,137	6,722	14,606	11,151	11,529	12,991	16,296	17,504	17,504
<b>TOTAL CURRENT LIABILITIES</b>	<b>20,661</b>	<b>20,721</b>	<b>20,272</b>	<b>20,407</b>	<b>23,945</b>	<b>20,130</b>	<b>19,320</b>	<b>17,882</b>	<b>18,043</b>	<b>18,037</b>	<b>20,622</b>	<b>28,506</b>	<b>25,051</b>	<b>25,429</b>	<b>26,891</b>	<b>30,196</b>	<b>31,404</b>	<b>31,404</b>
<b>TOTAL WORKING CAPITAL</b>	<b>1,354</b>	<b>518</b>	<b>1,181</b>	<b>1,788</b>	<b>439</b>	<b>4,503</b>	<b>5,875</b>	<b>8,865</b>	<b>9,216</b>	<b>10,694</b>	<b>8,598</b>	<b>1,201</b>	<b>5,151</b>	<b>5,254</b>	<b>4,285</b>	<b>2,463</b>	<b>2,774</b>	<b>2,227</b>
<b>NON CURRENT ASSETS</b>																		
Long Term Investments	22,137	15,591	15,999	15,282	15,116	15,761	11,507	11,373	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800
Real Estate Held for Resale	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Mortgages & Long-term Debtors	150	125	100	75	50	25	-	-	-	-	-	-	-	-	-	-	-	-
Fixed Assets	1,274,282	1,272,022	1,269,342	1,265,812	1,267,852	1,273,497	1,273,303	1,271,644	1,272,487	1,269,244	1,261,799	1,252,874	1,242,111	1,231,456	1,242,950	1,228,885	1,216,719	1,201,197
Investment Properties	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
<b>TOTAL NON CURRENT ASSETS</b>	<b>1,327,569</b>	<b>1,318,738</b>	<b>1,316,441</b>	<b>1,312,169</b>	<b>1,314,018</b>	<b>1,320,283</b>	<b>1,315,810</b>	<b>1,314,017</b>	<b>1,313,287</b>	<b>1,310,044</b>	<b>1,302,599</b>	<b>1,293,674</b>	<b>1,282,911</b>	<b>1,272,256</b>	<b>1,283,750</b>	<b>1,269,685</b>	<b>1,257,519</b>	<b>1,241,997</b>
<b>TOTAL NET ASSETS</b>	<b>1,328,923</b>	<b>1,319,256</b>	<b>1,317,622</b>	<b>1,313,957</b>	<b>1,314,457</b>	<b>1,324,786</b>	<b>1,321,685</b>	<b>1,322,882</b>	<b>1,322,503</b>	<b>1,320,738</b>	<b>1,311,197</b>	<b>1,294,875</b>	<b>1,288,062</b>	<b>1,277,510</b>	<b>1,288,035</b>	<b>1,272,148</b>	<b>1,260,293</b>	<b>1,244,224</b>
<b>TOTAL NON CURRENT PUBLIC DEBT</b>	<b>(108,614)</b>	<b>(106,311)</b>	<b>(104,368)</b>	<b>(102,202)</b>	<b>(95,063)</b>	<b>(97,566)</b>	<b>(96,706)</b>	<b>(96,657)</b>	<b>(100,445)</b>	<b>(100,241)</b>	<b>(93,451)</b>	<b>(78,777)</b>	<b>(73,361)</b>	<b>(62,365)</b>	<b>(49,906)</b>	<b>(34,142)</b>	<b>(19,070)</b>	<b>(3,998)</b>
<b>RATEPAYERS' EQUITY</b>	<b>1,220,309</b>	<b>1,212,945</b>	<b>1,213,254</b>	<b>1,211,755</b>	<b>1,219,394</b>	<b>1,227,220</b>	<b>1,224,979</b>	<b>1,226,225</b>	<b>1,222,058</b>	<b>1,220,497</b>	<b>1,217,746</b>	<b>1,216,098</b>	<b>1,214,701</b>	<b>1,215,145</b>	<b>1,238,129</b>	<b>1,238,006</b>	<b>1,241,223</b>	<b>1,240,226</b>

## Appendix 7.4 Consolidated Forecast Statement Of Movement In Equity

These figures are extracted from the Long-Term Financial Strategy, which was printed in full for the 1999/00 Annual Plan. They have not been updated for the 2001/02 Annual Plan changes.  
Any significant differences are disclosed on the 'Variations between the 2001/02 Annual Plan and the Approved 1999/00 Long-Term Financial Strategy and Policies' page in the 2001/02 Annual Plan.

	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Opening equity	1,214,792	1,220,309	1,212,945	1,213,254	1,211,755	1,219,394	1,227,220	1,224,979	1,226,226	1,222,058	1,220,497	1,217,746	1,216,098	1,214,701	1,215,145	1,238,129	1,238,006	1,241,223
Net surplus from operations	7,130	4,710	7,275	5,476	11,893	10,437	5,752	5,210	3,599	3,662	3,470	4,526	4,823	6,667	7,701	5,098	5,839	6,253
Increases/(decreases) in revaluation reserves	(1,612)	(12,075)	(6,965)	(6,976)	(4,253)	(2,612)	(7,992)	(3,964)	(7,766)	(5,223)	(6,221)	(6,174)	(6,219)	(6,224)	15,283	(5,221)	(2,622)	(7,250)
Other increases in fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1,220,309	1,212,945	1,213,254	1,211,755	1,219,394	1,227,220	1,224,979	1,226,226	1,222,058	1,220,497	1,217,746	1,216,098	1,214,701	1,215,145	1,238,129	1,238,006	1,241,223	1,240,226

## Appendix 7.5 Statement Of Commitments And Contingencies

These figures are extracted from the Long-Term Financial Strategy, which was printed in full for the 1999/00 Annual Plan. They have not been updated for the 2001/02 Annual Plan changes. Any significant differences are disclosed on the 'Variations between the 2001/02 Annual Plan and the Approved 1999/00 Long-Term Financial Strategy and Policies' page in the 2001/02 Annual Plan.

	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
<b>COMMITMENTS</b>																		
Clean-up of contaminated site	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contractual commitments	531	531	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commitments authorised but not committed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMITMENTS</b>	<b>531</b>	<b>531</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CONTINGENCIES</b>																		
Loan Guarantees	955	973	980	1,006	999	1,023	1,026	1,037	1,045	1,043	1,058	1,069	1,076	1,084	1,094	1,103	1,112	1,120
Insurance Claims - excess only	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Claims - not covered by insurance policy	170	170	170	170	170	70	70	70	70	70	70	70	70	70	70	70	70	70
<b>TOTAL CONTINGENCIES</b>	<b>1,125</b>	<b>1,143</b>	<b>1,150</b>	<b>1,176</b>	<b>1,169</b>	<b>1,093</b>	<b>1,096</b>	<b>1,107</b>	<b>1,115</b>	<b>1,113</b>	<b>1,128</b>	<b>1,139</b>	<b>1,146</b>	<b>1,154</b>	<b>1,164</b>	<b>1,173</b>	<b>1,182</b>	<b>1,190</b>

## Appendix 7.6 Recovery Ratios

Significant Activity	2001/02				2002/03				2003/04			
	Total Costs	Budget Revenue	Recovery Ratio	FMP Ratio	Total Costs	Budget Revenue	Recovery Ratio	FMP Ratio	Total Costs	Budget Revenue	Recovery Ratio	FMP Ratio
<b>Environment</b>	<b>8,951</b>	<b>1,041</b>	<b>12%</b>	<b>12%</b>	<b>9,040</b>	<b>1,107</b>	<b>12%</b>	<b>12%</b>	<b>9,218</b>	<b>1,139</b>	<b>12%</b>	<b>12%</b>
Hamilton Zoo	1,387	452	33%	39%	1,393	452	32%	39%	1,405	452	32%	39%
Hamilton Gardens	1,609	89	6%	6%	1,616	89	6%	6%	1,614	89	6%	6%
Parks and Gardens	3,696	492	13%	11%	3,828	558	15%	11%	3,987	590	15%	11%
City Beautification	1,613	8	0%	1%	1,606	8	0%	1%	1,612	8	0%	1%
Sustainable Environment	646	0	0%	0%	597	0	0%	0%	600	0	0%	0%
<b>Water Supply</b>	<b>5,784</b>	<b>2,466</b>	<b>43%</b>	<b>43%</b>	<b>5,839</b>	<b>2,466</b>	<b>42%</b>	<b>43%</b>	<b>6,108</b>	<b>2,466</b>	<b>40%</b>	<b>43%</b>
<b>Wastewater</b>	<b>10,029</b>	<b>715</b>	<b>7%</b>	<b>5%</b>	<b>10,072</b>	<b>715</b>	<b>7%</b>	<b>5%</b>	<b>10,255</b>	<b>715</b>	<b>7%</b>	<b>5%</b>
<b>Stormwater</b>	<b>4,047</b>	<b>3</b>	<b>0%</b>	<b>0%</b>	<b>4,121</b>	<b>3</b>	<b>0%</b>	<b>0%</b>	<b>4,132</b>	<b>3</b>	<b>0%</b>	<b>0%</b>
<b>Refuse</b>	<b>9,204</b>	<b>4,554</b>	<b>49%</b>	<b>49%</b>	<b>8,051</b>	<b>4,442</b>	<b>55%</b>	<b>49%</b>	<b>7,752</b>	<b>4,480</b>	<b>58%</b>	<b>49%</b>
<b>Roads and Traffic</b>	<b>19,181</b>	<b>4,578</b>	<b>24%</b>	<b>19%</b>	<b>19,775</b>	<b>4,623</b>	<b>23%</b>	<b>19%</b>	<b>20,011</b>	<b>4,647</b>	<b>23%</b>	<b>19%</b>
Road Network Management	909	120	13%	9%	886	120	14%	9%	885	120	14%	9%
Carriageways	9,392	1,148	12%	5%	9,890	1,190	12%	5%	9,974	1,211	12%	5%
Traffic	3,526	1,010	29%	27%	3,581	1,010	28%	27%	3,623	1,010	28%	27%
Footpaths, Cycleways and Verges	3,390	9	0%	4%	3,462	9	0%	4%	3,509	9	0%	4%
Road Safety Programmes	210	108	51%		210	108	51%		210	108	51%	
Hamilton Transport Centre	313	138	44%	78%	320	141	44%	78%	328	144	44%	78%
Parking	1,441	2,045	100%	100%	1,426	2,045	100%	100%	1,482	2,045	100%	100%
<b>Health, Order and Safety</b>	<b>5,188</b>	<b>3,288</b>	<b>63%</b>	<b>58%</b>	<b>5,093</b>	<b>3,288</b>	<b>65%</b>	<b>58%</b>	<b>5,075</b>	<b>3,288</b>	<b>65%</b>	<b>58%</b>
Building	2,430	1,924	79%	76%	2,413	1,924	80%	76%	2,405	1,924	80%	76%
Environmental Health	860	386	45%	37%	802	386	48%	37%	798	386	48%	37%
Planning Guidance	1,125	585	52%	41%	1,114	585	53%	41%	1,112	585	53%	41%
Animal Care & Control	773	393	51%	53%	764	393	51%	53%	760	393	52%	53%
<b>Community Support</b>	<b>8,264</b>	<b>3,281</b>	<b>40%</b>	<b>36%</b>	<b>8,895</b>	<b>3,422</b>	<b>38%</b>	<b>36%</b>	<b>8,361</b>	<b>3,422</b>	<b>41%</b>	<b>36%</b>
Community Development	1,683	31	2%	7%	1,788	31	2%	7%	1,781	31	2%	7%
Youth Services	433	3	1%	0%	436	3	1%	0%	439	3	1%	0%
Community Assistance Programme	1,103	261	24%	22%	1,521	261	17%	22%	994	261	26%	22%
Housing Services	1,546	1,440	93%	71%	1,544	1,440	93%	71%	1,542	1,440	93%	71%
Employment Initiatives	1,722	799	46%	45%	1,715	799	47%	45%	1,714	799	47%	45%
Emergency Management	387	136	35%	2%	526	277	53%	2%	522	277	53%	2%
Interment Facilities	921	609	66%	71%	889	609	69%	71%	887	609	69%	71%
Toilets	469	2	0%	0%	476	2	0%	0%	482	2	0%	0%
<b>Recreation and Leisure</b>	<b>9,612</b>	<b>2,784</b>	<b>29%</b>	<b>30%</b>	<b>9,586</b>	<b>3,228</b>	<b>34%</b>	<b>30%</b>	<b>9,954</b>	<b>3,307</b>	<b>33%</b>	<b>30%</b>
Hamilton City Leisure Centre	190	0	0%	0%	190	0	0%	0%	190	0	0%	0%
Swimming Facilities	3,900	1,493	38%	36%	3,916	1,493	38%	36%	3,917	1,493	38%	36%
Community Halls and Leased Bldgs	323	48	15%	38%	320	48	15%	38%	319	48	15%	38%
Events Centre	1,385	581	42%	N/A	1,146	581	51%	N/A	1,481	581	39%	N/A
Stadium & WestpacTrust Park	1,832	574	31%	N/A	2,037	1,018	50%	N/A	2,031	1,097	54%	N/A
Sports Areas	1,982	88	4%	24%	1,977	88	4%	24%	2,016	88	4%	24%
<b>Arts and Culture</b>	<b>11,534</b>	<b>1,483</b>	<b>13%</b>	<b>14%</b>	<b>11,638</b>	<b>1,485</b>	<b>13%</b>	<b>14%</b>	<b>11,746</b>	<b>1,485</b>	<b>13%</b>	<b>14%</b>
Theatre Services	1,768	534	30%	27%	1,824	536	29%	27%	1,874	536	29%	27%
Waikato Museum of Art and History	3,811	296	8%	12%	3,794	296	8%	12%	3,781	296	8%	12%
Libraries	5,955	653	11%	12%	6,020	653	11%	12%	6,091	653	11%	12%
<b>Partnership with Maori</b>	<b>247</b>	<b>0</b>	<b>0%</b>	<b>0%</b>	<b>247</b>	<b>0</b>	<b>0%</b>	<b>0%</b>	<b>247</b>	<b>0</b>	<b>0%</b>	<b>0%</b>
<b>Representation and Civic Affairs</b>	<b>4,371</b>	<b>226</b>	<b>5%</b>	<b>0%</b>	<b>3,887</b>	<b>7</b>	<b>0%</b>	<b>0%</b>	<b>3,841</b>	<b>7</b>	<b>0%</b>	<b>0%</b>
<b>Economic Development and Marketing</b>	<b>1,037</b>	<b>0</b>	<b>0%</b>	<b>0%</b>	<b>1,037</b>	<b>0</b>	<b>0%</b>	<b>0%</b>	<b>1,067</b>	<b>0</b>	<b>0%</b>	<b>0%</b>
<b>Property Management</b>	<b>1,257</b>	<b>3,948</b>	<b>100%</b>	<b>100%</b>	<b>1,207</b>	<b>4,135</b>	<b>100%</b>	<b>100%</b>	<b>1,164</b>	<b>4,101</b>	<b>100%</b>	<b>100%</b>

## Appendix 7.7 Rate Allocation

Significant Activity/ Service Output	Inner City					
	Residential %	Residential Apartments %	Commercial %	Multi-unit %	Rural Large %	Rural Small %
<b>Environment</b>						
Hamilton Zoo	73.10	0.179	22.630	1.830	0.200	2.060
Hamilton Gardens	73.10	0.179	22.630	1.830	0.200	2.060
Parks and Gardens	73.10	0.179	22.630	1.830	0.200	2.060
City Beautification	73.10	0.179	22.630	1.830	0.200	2.060
Sustainable Environment	73.10	0.179	22.630	1.830	0.200	2.060
<b>Water Supply</b>	97.48	0.239	0.000	2.290	0.000	0.000
<b>Wastewater</b>	74.72	0.183	23.220	1.870	0.000	0.000
<b>Stormwater</b>	74.49	0.183	23.160	1.870	0.170	0.130
<b>Refuse</b>	85.23	0.011	7.310	2.050	2.790	2.610
<b>Roads and Traffic</b>						
Road Network Management	31.74	0.078	64.520	1.090	1.480	1.100
Carriageways	33.96	0.083	64.520	1.140	0.170	0.130
Traffic	33.96	0.083	64.520	1.140	0.170	0.130
Footpaths, Cycleways and Verges	59.25	0.145	38.710	1.590	0.170	0.130
Road Safety Programmes	31.74	0.078	64.520	1.090	1.480	1.100
Hamilton Transport Centre	71.12	0.174	22.250	1.800	2.440	2.220
Parking	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Health, Order and Safety</b>						
Building	71.12	0.174	22.250	1.800	2.440	2.220
Planning Guidance	71.12	0.174	22.250	1.800	2.440	2.220
Animal Care and Control	71.12	0.174	22.250	1.800	2.440	2.220
Environmental Health	71.12	0.174	22.250	1.800	2.440	2.220
<b>Community Support</b>						
Community Development	73.10	0.179	22.630	1.830	0.200	2.060
Youth Services	73.10	0.179	22.630	1.830	0.200	2.060
Community Assistance Programme	73.10	0.179	22.630	1.830	0.200	2.060
Housing Services	73.10	0.179	22.630	1.830	0.200	2.060
Employment Initiatives	73.10	0.179	22.630	1.830	0.200	2.060
Emergency Management	73.10	0.179	22.630	1.830	0.200	2.060
Interment Facilities	73.10	0.179	22.630	1.830	0.200	2.060
Toilets	73.10	0.179	22.630	1.830	0.200	2.060
<b>Recreation and Leisure</b>						
Hamilton City Leisure Centre	73.10	0.179	22.630	1.830	0.200	2.060
Swimming Facilities	73.10	0.179	22.630	1.830	0.200	2.060
Community Halls and Leased Bldgs	73.10	0.179	22.630	1.830	0.200	2.060
Sports Areas	73.10	0.179	22.630	1.830	0.200	2.060
<b>Arts and Culture</b>						
Theatre Services	73.10	0.179	22.630	1.830	0.200	2.060
Libraries	73.10	0.179	22.630	1.830	0.200	2.060
Waikato Museum of Art and History	73.10	0.179	22.630	1.830	0.200	2.060
<b>Partnership with Maori</b>	73.10	0.179	22.630	1.830	0.200	2.060
<b>Representation and Civic Affairs</b>	71.88	0.176	22.420	1.810	1.480	2.240
<b>Economic Development and Marketing</b>	33.05	0.081	64.520	1.110	0.100	1.140
<b>Property Management</b>	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>TOTAL</b>	65.814	0.152	30.813	1.669	0.434	1.118

## Appendix 7.8 Net Public Debt Table

These figures are extracted from the Long-Term Financial Strategy, which was printed in full for the 1999/00 Annual Plan. They have not been updated for the 2001/02 Annual Plan changes.  
Any significant differences are disclosed on the 'Variations between the 2001/02 Annual Plan and the Approved 1999/00 Long-Term Financial Strategy and Policies' page in the 2001/02 Annual Plan.

	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
NET PUBLIC DEBT	106,585	104,933	103,258	101,393	98,147	100,088	100,553	100,638	104,588	104,377	100,172	93,383	84,512	73,894	62,897	50,438	36,574	21,502

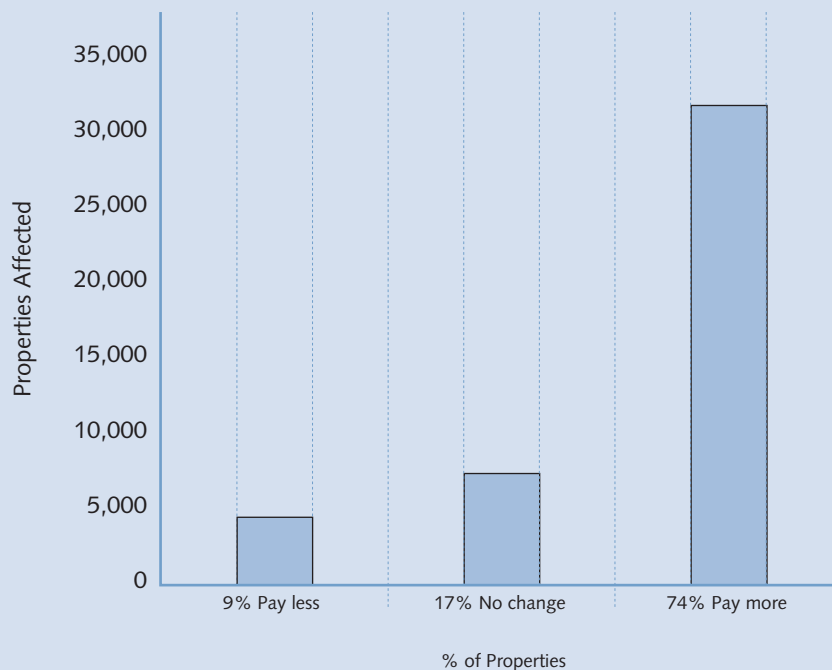
### Linkage To The Borrowing Management Policy And Debt Servicing Targets

	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
% debt interest payments to rating income (Debt servicing performance target: 15% maximum)	13.7%	12.7%	12.4%	12.1%	11.7%	11.1%	11.0%	10.9%	11.0%	11.0%	10.9%	10.4%	9.6%	8.7%	7.5%	6.4%	5.1%	3.7%
% debt repayment to rating income (Debt servicing performance target: 4% minimum)	7.1%	5.1%	4.9%	5.1%	6.5%	6.4%	6.2%	6.2%	6.1%	6.3%	6.2%	10.0%	13.9%	16.3%	16.7%	18.7%	23.3%	24.8%



## Appendix 7.9 Impact Of Rating System

### Rate Impact



Based on the land value method with new differentials and one general rate

Property Sector	Pay less	%	No change	%	Pay more	%
Residential	2,295	6%	5,232	13%	31,447	81%
Inner City Residential	8	8%	97	92%	0	0%
Commercial	1,146	32%	1,896	53%	534	15%
Multi-Unit	163	37%	260	60%	13	3%
Rural Large (>10 h)	45	74%	2	3%	14	23%
Rural Small (<10 h)	244	61%	56	14%	101	25%
Total	3,901	9%	7,543	17%	32,109	74%

Properties that have an indicative rate impact of +/-2% and greater, pay more or pay less, respectively.

### Rate Impact

Property Sector	Rate Increase %	Rate Decrease %
Residential	4.98%	
Inner City Residential		1.05%
Commercial		1.61%
Multi-Unit		1.77%
Rural Large (>10 h)		3.14%
Rural Small (<10 h)	5.05%	

## Appendix 7.10 2001/02 Rating

### Selected Sample of Indicative Rates Exclusive of Environment Waikato Rates

Category	Land Value	Capital Value	Current Rates	Rates Calculated	Difference	% Change
<b>Miscellaneous Residential</b>						
Hillsborough Tce	140,000	175,000	2499	2649	150	6.0%
Delamare Rd	175,000	480,000	2945	3312	367	12.5%
Ann St	165,000	315,000	2945	3123	178	6.0%
Peachgrove Rd	39,000	103,000	750	738	- 12	-1.6%
Claude St	79,000	184,000	1517	1495	- 22	-1.5%
Bailey Ave	56,000	183,000	1071	1060	- 11	-1.0%
Opoia Rd	185,000	325,000	3302	3501	199	6.0%
Argyle St	214,000	710,000	4105	4050	- 55	-1.3%
Arcus St	410,000	715,000	6961	7759	798	11.5%
Delamare Rd	81,000	243,000	1446	1533	87	6.0%
Harrowfield Dr	85,000	266,000	1696	1609	- 87	-5.1%
River Rd	98,000	281,000	1749	1855	106	6.1%
Naylor St	60,000	155,000	1160	1135	- 25	-2.2%
Fox St	64,000	149,000	1285	1211	- 74	-5.8%
Crescent Ct	51,000	158,000	999	965	- 34	-3.5%
<b>Inner City Residential Apartments</b>						
Garden Place	50,000	180,000	892	892	- 1	-0.1%
<b>Commercial/Industrial Properties</b>						
Hotel	700,000	6,500,000	28,422	28682	260	0.9%
Te Rapa Industrial	1,397,000	3,800,000	56,844	57241	397	0.7%
Medical Centre	1,607,000	6,000,000	73,086	65846	- 7,240	-9.9%
Te Rapa Industrial	470,000	1,500,000	15,835	19258	3,423	21.6%
Te Rapa Industrial	299,000	415,000	12,181	12251	70	0.6%
CBD	152,5000	8,365,000	71,055	62486	- 8,569	-12.1%
Ward Street	925,000	1,700,000	39,588	37901	- 1,687	-4.3%
Victoria St	675000	185,0000	27,407	27,658	251	0.9%
Victoria St	240000	608,000	9,745	9834	89	0.9%
Frankton Industrial	50,000	290,000	2030	2049	19	0.9%
Frankton Industrial	520,000	5,050,000	21,114	21307	193	0.9%
Ward St	1,150,000	4,600,000	48,724	47,120	- 1,604	-3.3%
Victoria St	580,000	990,000	27,407	23,765	- 3,642	-13.3%
Victoria St	318,000	1,550,000	13,399	13,030	- 369	-2.8%
<b>Multi-Units</b>						
Charlemont St	90,000	310,000	2391	2409	- 18	-0.8%
Firth St	112,000	475,000	3188	2998	- 190	-6.0%
<b>Rural Over 10 Hectares</b>						
Randomly selected property	2,550,000	3,200,000	15,616	12100	- 3,516	-22.5%
Randomly selected property	2,000,000	2,500,000	6675	9490	2,815	42.2%
<b>Rural Under 10 Hectares</b>						
Randomly selected property	210,000	350,000	2128	2001	- 127	-6.0%
Randomly selected property	220,000	320,000	1824	2096	272	14.9%