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## MAYOR AND CHIEF EXECUTIVE OVERVIEW 2003/04

### MAKING A DIFFERENCE TO OUR CITY

The annual plan and submission process takes on added importance this year due to changes to the new Local Government Act 2002 passed by Parliament in December 2002.

These changes are bringing greater focus to sustainable development, community consultation and community participation, and underscore the annual plan process as an important vehicle for community input in shaping the direction of Council. The changes are in line with Council's existing mission statement and the community's vision in Hamilton's Strategic Plan 2002–2012.

In particular, the new Act requires Council to include a number of policies in the Annual Plan 2003/04 and Funding and Financial Policy Summary 2003/04. Although Council already has many of these policies in place, there are a number of new key policies including policies on significance, and on partnerships between Council and the private sector.

Hamilton's growth continues at pace. The period since 1996 has seen a population increase of 10 per cent to around 123,400. Equally there has been a similar growth in businesses. Today there are 9150 businesses contributing to Hamilton's economy.

More than 40 per cent of all new building consents approved in Hamilton (1998/99–2002/03) occurred in the northeast of the city, and the population in this area has tripled since 1996. We have carefully catered for increasing infrastructure demands and continue to invest in this area of the city. This year \$2.8 million has been allocated to upgrade Thomas Road.

Specifically, this year we fulfil our pledge to help fund the Waikato Innovation Park with another \$1 million. This is a significant investment and in about 10 years time has great potential to provide 2500 jobs and generate \$375 million for the region a year. In March 2003, the Prime Minister, the Right Honourable Helen Clark helped break the ground in a ceremony signalling the beginning of construction at the park.

This year, the rate increase to existing residential ratepayers is 4.4 per cent for a total rates figure of \$70.256 million. Council has approved a budget of \$90,000 to fund residential rates remissions that makes it easier for people on low incomes to qualify for financial help with their rates. The amount of rates remission will be calculated on a sliding scale, taking into account the level of rates and the level of income. People with very low incomes and high rates will be eligible for the maximum Council remission of \$300.

Other major areas of investment and outlay planned for this year are:

• Water reservoir for Hamilton south (\$7.65m over three years)	\$2.3m
• The Boulevard stormwater extension	\$830,000
• Event sponsorship funding	\$650,000
• Riverlea Road upgrade (\$1.3m over two years)	\$650,000
• Marist Park changing rooms	\$609,000
• Claudelands Park	\$450,000
• Te Kowhai Road improvements	\$415,000
• Hamilton Lake (Lake Rotoroa) esplanade walkway	\$379,000
• Chimpanzee zoo exhibit (year two of a \$1.05m project)	\$350,000
• Peacocke structure plan (\$435,000 over two years)	\$295,000
• Central city safety programme	\$250,000
• Undergrounding of overhead power lines	\$216,000

This year Council received 152 submissions for the draft annual plan and draft funding and financial policy summary. Some of the main issues raised in the submissions included: infrastructural, walkways, rates/financial, community centres and recycling/waste. Changes made to the annual plan and the funding and financial policy summary as a result of the submission process are noted in the section Outcomes From Public Submission Process, page 10. In considering public submissions, Council met and made its decisions on 25–26 June 2003 and set the rates strike for the 2003/04 year on 2 July 2003.

Council's website [www.hcc.govt.nz/annualplan](http://www.hcc.govt.nz/annualplan) includes a digital copy of the annual plan, and funding and financial policy summary.



**DAVID BRAITHWAITE** OBE, JP, FACA, Hon. TCL  
Mayor



**TONY MARRYATT**  
Chief Executive

*The Hamilton City Council Annual Plan 2003/04 and Funding and Financial Policy Summary 2003/04 were adopted by Council on 2 July 2003.*

## TE TUMUAKI ME TE RANGATIRA KAIWHAKAHAERE TIROHANGA WHAANUI 2003/04

### HE TIROHANGA REREKEE MO TO MAATOU TENEI TAAONE NUI

He whakahirahira te Mahere-a-Tau a te Kaunihera o Kirikiriroa moo teeneki tau, no te mea e whakaae ana to taatou paaremata te Ture Kawenata-aa-Rohe 2002, te marama o Tihema i pahure ake nei.

Maha tonu ngaa rereketanga hei aata titiro nei maatou mai i ngaa koorero kei runga raka. Ko ngeetehi ka mahi ngatahi maatou ki ngaa haapori kei roto i Kirikiriroa kia tika ai te hurahi kei mua i a taatou. Naa, kei roto Te Mahere-a-Tau 2002–2012 ngeetehi whakamaaramtanga mo ngaa rereketanga e pa ana ki ngaa koorero kei runga nei.

Ko te koorero kei roto i te Ture Kawenata-aa-Rohe, ka taea e maatou te tapiri taa maatou ake kaupapa e pa ana ki Te Kaunihera o Kirikiriroa. Ko Te Mahere-a-Tau 2003/04 me Te Putea Take Whakahaere 2003/04 ngaa pukapuka e koorerohia nei. Ano hoki, to maatou hononga ki ngaa ratonga hapori.

Kei te piki tonu ngaa iwi o Kirikiriroa. Mai i te tau 1996 tekau paihenti 123,400. Wheera tonu ngaa kaipakihi kei te piki haere. Inaianei 9150 ngaa kaipakihi hei taakoha ki roto o Kirikiriroa.

Wha tekau pai heneti ngaa pepa whakaae-aa-tuhi mo ngaa whare ki te tokerau o Kirikiriroa (1998/99-2002/03), no te mea kua piki haere ngaa tangata i reira mai te tau 1996. Ko maatou hei ataa pakari nei ngaa momo rawa ki teenei takiwaa o te taaone nui, ko teetehi ko te huarahi o Thoma, tapiri atu \$2.8 miriona te tau e tu mai nei.

Teenei tau ka whaotu maatou \$1 miriona ki te paaka o Waikato. He mea nui teenei, ko te tikanga ka whiwhi mahi mo ngaa hunga e kimi mahi nei, 2500, te tumanako \$375 miriona mo teenei rohe mo te tekau tau e heke mai nei. Na te Pirimia a Helen Clark i timata ai te whakatuu te kaupapa nei i te marama o Maehe te tau 2003.

Teeneki tau ka utungia e ngaa hunga o Kirikiriroa (4.4 pai heneti) teeneki kaute \$70.256 miriona mo ngaa reeti. Whakakaae ana to taatou Kaunihera \$90,000 putea mo ngaa hunga rawakore hei awhina atu te kaupapa nei. I te mutunga ake ka taea e ngaa hunga te tiki putea mo raatou \$300.

Aanei ngeetehi whai putea mo teenei tau

• Kurawai Nui ki te Tonga o Kirikiriroa (\$7.65m ngaa tau e toru)	\$2.3m
• Te Boulevard Awha Wai	\$830,000
• Tauwhaingā Putea	\$650,000
• Te Huarahi o Riverlea whakapai ake (\$1.3m ngaa tau e rua)	\$650,000
• Marist Paaka Ruma tini kaakahu	\$609,000
• Te Paaka o Claudelands	\$450,000
• Te Hurahi o Te Kowhai whakapai ake	\$415,000
• Te Ara Whikoi o Rotorua	\$379,000
• Ngaa Makimaki o te whare kararehe (tau tuarua \$1.05m)	\$350,000
• Te Huarahi o Peacocke (\$435,000 ngaa tau e rua)	\$295,000
• Te Taaone-nui Oranga Hotaka	\$250,000
• Ngaa rarangi Hiko	\$216,000

Teeneki tau whiwhi maatou 152 tono mo te Mahere-a-Tau, he whai putea, he whakaraapopoto putea. Ko te nuinga o ngaa take i tonohia koutou, ko ngaa kaupapa kei raro, ngaa ara whikoi, ngaa Reeti, ngaa whare huihui, ngaa para whakakino, whakahoutia. Ko ngaa hua mo wheenei aahutanga tirohia ki roto e ngaa whaarangi o te pukapuka tukunga mai aa-iwi, whaarangi 10. I hui nei te Kaunihera 25 ki 26 o Hune 2003 hei whakatutuki wheenei kaupapa katoa, ara, ko ngaa momo reeti mo ngaa tau 2003/04 tutuki nei te raa 2 o Hurae 2003.

Wheenei to maatou ipuranga imeera [www.hcc.govt.nz/annualplan](http://www.hcc.govt.nz/annualplan) tae noa ki ngaa Mahere-a-Tau, whai putea, whakaraapopoto putea.



**DAVID BRAITHWAITE** OBE, JP, FACA, Hon. TCL  
Te Tumuaki o te Kaunihera o Kirikiriroa



**TONY MARRYATT**  
Rangatira Kaiwhakahaere o Te Kaunihera whakahaere o

*Tutuki nei maatou Te Kaunihera o Kirikiriroa te Mahere-a-Tau o Kirikiriroa te tau 2003 ki te tau 2004 te raa 2 o Hurae 2003.*

## HAMILTON CITY: KEY FACTS

### HAMILTON'S HISTORY:

- Hamilton's earliest settlers—Maori from the Tainui waka, called the area 'Kirikiriroa', which means '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
- The name Kirikiriroa was changed to Hamilton in honour of 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.

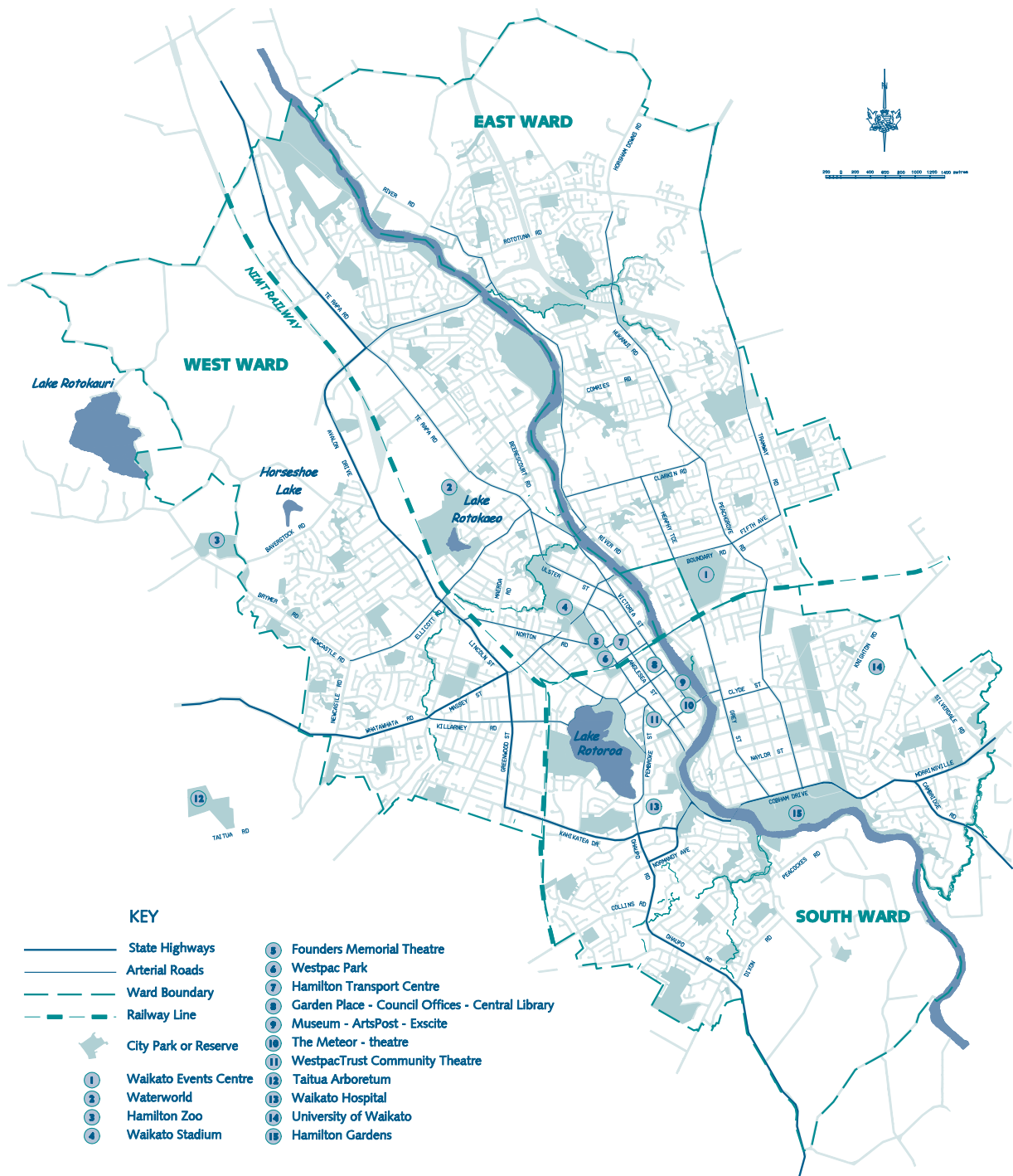
### HAMILTON TODAY:

- Is New Zealand's seventh largest city and fourth largest urban area, and has expanded from its original 752 hectares to 9427 hectares
- Has a population of around 123,000 people and is projected to grow to around 150,000 by the year 2021
- Has excellent transport links with other cities in New Zealand
- Has excellent transport links with civic, commercial and cultural centres of the Waikato region
- Is home to the University of Waikato and Waikato Institute of Technology (WINTERC)
- Has a mild climate, with a moderate annual rainfall in both winter and summer
- Has considerable recreational opportunities—trout fishing, sailing, wind-surfing, rowing, canoeing, rafting, and water-skiing are all available on the region's rivers and lakes—the Waikato River flows through the centre of the city
- Has a new 26,500 capacity stadium (Waikato Stadium), and numerous parks and high quality venues for sports such as athletics, bowls, rugby, soccer, cycling, badminton, cricket, shooting, tennis, ten-pin bowling, and many others.

### HAMILTON'S ECONOMY:

- Hamilton is the heart of dairy research, production, and export in New Zealand
- The Waikato is New Zealand's highest export region, accounting for around 20 per cent of the country's total exports
- The surrounding dairy industry strengthens Hamilton's economy and its wide business base. There were 9150 businesses operating in the city in 2002
- The city's five largest sectors of employment are spread between manufacturing, health and community services, retail trade, property and business services, and education
- The education sector is a key economic driver for the city, with the student populations of the University of Waikato (14,044) and the Waikato Institute of Technology (Wintec) (16,072) together accounting for 25 per cent of the total population of Hamilton city in 2002
- About 25 per cent of New Zealand's science research is undertaken in a major life sciences research cluster based in or around Hamilton, and particularly at the internationally renowned Ruakura Research Centre complex
- Hamilton is central to a number of key attractions (including events), e.g., The National Agricultural Fieldays, which is the largest exhibition of its type in the southern hemisphere, attracted around 128,000 visitors to the area in 2003. The annual event is worth around \$150 million to the national economy, and brings approximately \$57 million to the Waikato economy.

## HAMILTON CITY MAP



## HAMILTON CITY: A PROFILE

A selection of comparisons (as at 30 June)	2002	2003
POPULATION (usually resident in Hamilton)	122,000 <sup>1</sup> (estimate)	123,380 <sup>2</sup> (estimate)
HOUSING (number of permanent private dwellings)	44,727 (Mar 02 estimate)	45,386 (Mar 03 estimate)
EMPLOYMENT <sup>3</sup>	53,920 (Feb 02)	53,920 (Feb 02)
BUSINESSES <sup>4</sup>	9150 (Feb 02)	9150 (Feb 02)
ENVIRONMENT		
Number/area of parks and gardens	124 (541.2 hectares)	128 (544.4 hectares)
Number/area of sports areas	59 (425.7 hectares)	59 (428 hectares)
Number of play areas	75	75
Number of swimming pools	3	3
Walkways in parks and reserves	44km	49km
Number of street trees	27,200 (estimate)	29,000 (estimate)
INFRASTRUCTURE		
Traffic Bridges over Waikato River	6	6
Number of Bridges <sup>5</sup>	55	55
Length of Streets (road centreline length)	540km	550km
Length of Footpaths	838km	852km
Length of Cycleways <sup>6</sup>	25km	25km
Length of Wastewater Pipes	707km	717km
Length of Stormwater Pipes	556km	566km
Length of Open Stormwater Drains	86km	86km
Length of Water Pipes	906km	931km
REFUSE DISPOSAL (tonnes deposited at the Horotiu Landfill)		
City	84,934	65,700
Other areas <sup>7</sup>	17,124	28,200
RATING DATA		
Rating system	land value	land value
Rateable properties (all excluding not-rated)	45,991	46,700
Rateable land value (all excluding not-rated)	\$3363m	\$3432
Rateable capital value (all excluding not-rated)	\$9483m	\$9862
Date of city revaluation	1 Sept 2000	1 Sept 2000
NET CITY DEBT (including internal borrowing of \$19.8m)	\$106.4m	\$113.9m
YEARS OF RATE REVENUE TO REPAY NET CITY DEBT	1.68 years	1.73 years
RATES REVENUE	\$63.3m	\$65.9m

1 The June 2002 estimate of 122,000 people from Statistics New Zealand was released in November 2002 and was based on results from the 2001 Census of Population and Dwellings.

2 Hamilton City Council estimate.

3 Full-time equivalents (i.e., the total number of full-time employees and working proprietors plus half of the number of part-time employees and working proprietors. Those working less than 30-hours per week are defined to be part-time). Source: Statistics New Zealand (Annual Business Frame Update Survey).

4 Source: Statistics New Zealand (Annual Business Frame Update Survey).

5 Bridges includes traffic bridges, large culverts, and pedestrian bridges/underpasses.

6 Includes on-road and off-road cycling facilities.

7 Includes waste from other districts.

## HIGHLIGHTS OF KEY PROJECTS AND PROGRAMMES

As a growing city Hamilton needs to build and manage its economic, social and environmental health. The key projects and programmes listed in the strategic areas in this annual plan help create the future envisaged in Hamilton's Strategic Plan 2002–2012. The topline key projects and programmes below are examples of what Council has planned for the 2003/04 year.

### STRATEGIC AREA A: SUSTAINING HAMILTON'S ENVIRONMENT

#### The Boulevard Stormwater Extension

The Boulevard is an area of industrial subdivision development adjoining the western side of Te Rapa Road, north of Te Kowhai Road. Subdivision development will provide a further 12 hectares of much needed industrial zoned land. This \$830,000 project involves closing-in an open drain with continuation of approximately 600m of 1.95 metre diameter pipeline. The pipeline construction path needs to be built before construction of the roadway and infrastructure required in the subdivision.

#### New Water Reservoir and Bulkmain: Hamilton South

Work on stage 1 (\$2.3m) will commence on construction of a new bulk watermain which will convey water from the Water Treatment Station to a new reservoir to be built at the southern end of the city near Ohaupo Road and Hall Road. The reservoir will provide increased storage capacity and better security of supply for the whole city. It will provide operational efficiencies in reticulating water to eastern areas of Hamilton. The \$7.65m project will be staged over three years:

#### Water Treatment Station Upgrade

Investigations to identify preferred options for upgrading the Water Treatment Station will be completed this year. Currently the Water Treatment Station treats Waikato River water to a high standard. The investigation is intended to address:

- increasing water demand due to city growth
- rising customer expectations for aesthetic qualities (taste and odour)
- anticipated higher New Zealand Drinking Water Standards (expected to be introduced in 2005).

#### Railway Corridor Restoration

The environmental organisation Keep Hamilton Beautiful has leased the railway verge between Seddon Road and Lake Road from Tranz Rail and intends to create a vital inner city pedestrian link. Funding has been successfully gained to plant and landscape this area with native plants to create a green corridor that provides natural habitats for native birds.

#### Central City Safety Programme

Funding of \$250,000 for 2003/04 and \$330,000 from 2004/05 onwards has been allocated for the Central City Safety Programme. The programme will incorporate the delivery and management of Council's proposed liquor ban in the CBD, the existing security camera network, the establishment of Night Patrols, and working with youth in the CBD.

### STRATEGIC AREA B: GROWING HAMILTON

#### Thomas Road Upgrade

The \$2.8m upgrade of Thomas Road between Horsham Downs Road and Gordonton Road will be undertaken and completed this year. Stage 1 (\$1.2m) of the work comprises construction of a gully crossing and approaches through the middle section of the road and Sexton Road intersection. Advanced funding of \$1.6m from Grasshopper Developments Ltd means Stage 2—upgrading the Gordonton Road and Horsham Downs Road ends of Thomas Road—will contiguously run on from Stage 1.

#### Riverlea Road Upgrade

Council has allocated \$650,000 for Stage 1 of the two year \$1.3m upgrade of Riverlea Road. Council has formed a partnership with the Hamilton Environmental Improvement in the Riverlea Suburb (HEIRS) group, to ensure that the needs of the Riverlea community are addressed through the project development phases.

#### Te Kowhai Road Upgrade

Te Kowhai Road will be upgraded to urban standards from State Highway 1 Te Rapa Road to the railway line. The \$415,000 project includes the raising of the Tasman Road/Te Kowhai Road



intersection and Te Kowhai Road as far east as the railway line to improve and sight distance over the railway line. A new roundabout will be constructed on Church Road/State Highway 1/Te Kowhai Road intersection. Council will work closely with Transit New Zealand which is funding the roundabout construction and acting as principal to the contract. The contract is targeted for completion in February 2004.

#### **Undergrounding of Overhead Power Lines**

In partnership with WEL Networks, Council will complete two major projects to underground overhead power lines. The projects are Hukanui Road between Wairere Drive and Thomas Road, and Heaphy Terrace between Boundary Road and Brooklyn Road (alongside Claudelands Park).

It is estimated that the two projects will cost \$800,000 to complete, with Council's share being \$216,000.

The partnership with WEL Networks will provide for an ongoing programme for undergrounding overhead power lines, with a third of the costs being met by Council and two-thirds by WEL Networks.

#### **Parking Provision in the CBD**

In response to the high demand for additional commuter parking in the CBD, Council has allocated \$365,000 to develop concepts to provide additional on-street parking in the Knox Street and Harwood Street car parks. The proposed development will provide an extra 54 car park spaces.

### **STRATEGIC AREA C: PROMOTING HAMILTON**

#### **Waikato Innovation Park**

After being officially launched last year, work on construction of the first stage of the Innovation Park will continue this year.

The park is an important part of the city's economic development strategy. Council, WEL Energy Trust and Industry New Zealand have financially supported the park.

Situated at Ruakura, close to AgResearch and the University of Waikato, the park will provide a cluster environment for science and technology companies involved in research and development. In particular, it will focus on helping to bridge the gap between ideas and commercialisation.

#### **Events**

Council's Events Sponsorship Fund (\$650,000) will focus and work to develop additional 'icon' events for the city. Events such as X\*Air, the New Zealand National Motorshow and Fieldays now give significant national profile for the city. New events such as the Parachute youth music festival and the BoatHouse 8s rowing regatta on the Waikato River have been identified as potential icon events.

#### **Television Image**

A new television image of Hamilton will be developed during the year to ensure the city is well portrayed to the rest of the country. A 'live' camera shot of the country's main centres is used by TVNZ and Council will make a new picture available to the broadcaster.

### **STRATEGIC AREA D: EXPERIENCING OUR ARTS, CULTURE AND HERITAGE**

#### **Year 1 of Libraries Strategic Plan**

This will be the first year of the new 10 year Strategic Plan for Libraries which sets out to make a difference by growing a strong intelligent community with a passion for knowledge.

This year new streamlined and efficient processes will result in more new books appearing quicker on library shelves. Furthermore, implementation of the Libraries Information Communication Technology Plan will result in new digital resources being made available to library customers.

New collection policies will be prepared, as well as development plans for each of the community libraries. Once implemented these will ensure that each of the libraries are better able to meet the unique needs of their local communities.

#### **Innovations in Agriculture**

A new semi-permanent exhibition titled 'Innovations in Agriculture' will open in the first half of this year. The emphasis will be on innovation, and the 'can do' attitude which has driven dairy farming and the Waikato region towards being the backbone of New Zealand's economy.



## **STRATEGIC AREA E: LIVING IN HAMILTON**

### **Community Centres**

Council is committed to building strong communities by encouraging people to participate in and contribute to local neighbourhoods. Funding provision of \$400,000 is available this year for the establishment of new or improved community centres in accordance with the Community Centre/House Policy.

### **Civil Defence Emergency Management Plan**

Parliament has enacted the Civil Defence Emergency Management (CDEM) Act to repeal and replace the Civil Defence Act (1983). The new Act encourages a risk management approach to the sustainable management of hazards both natural and manmade, and requires CDEM Groups to be established as a consortium of local authorities working in partnership with emergency services.

The development of the Waikato CDEM Group is currently underway. During the transitional period while these groups are being formed, local authorities retain their existing responsibility under the Civil Defence Act 1983, i.e., Council has a current operational plan that details the various policies, principles, concepts and procedures to underpin a fully comprehensive emergency management capability.

### **Maori Partnership under the new Local Government Act 2002**

Council and Te Runanga O Kirikiriroa have initiated discussions to work closely together to implement provisions of the new Local Government Act 2002. This will build stronger partnerships and enable greater Maori participation in local government and decision-making.

## **STRATEGIC AREA F: ENJOYING OUR CITY**

### **Marist Park Changing Rooms**

The relocation of Marist Football Club from Claudelands Park to Marist Park (formally Dey Street (North) Park) requires Council to develop the new site including changing room facilities. Funding provision of \$609,000 for the construction of changing room facilities in association with the clubrooms (construction of clubrooms and facilities undertaken by Marist Football Club for club members) will be available for use by the club and public.

### **Lake Rotoroa Esplanade Walkway**

Funding provision of \$379,000 will see the walkway and landscape planting completed following the eradication of Yellow Flag Iris (*Iris Pseudacorus*). The walkway is scheduled to be completed by November 2003.

### **Claudelands Park**

The development of Claudelands Park (formerly Claudelands Showgrounds) as a public park will continue with the completion of Stage 2 (\$450,000) this year which includes the Brooklyn Road entrance, car parks and surrounds, a destination playground and furniture. The park will continue to be developed in accordance with the Claudelands Park Management Plan. Funding provision of \$860,000 has been made for 2004/05 to 2006/07 for this.

### **Concerts and Festivals to be held at Stadiums Venues**

Waikato Stadium and Westpac Park, while generally recognised as rugby and cricket specific venues are available for other suitable events. The first music concert at the Waikato Stadium was held in March 2003 and this has enabled the venue to become established within the concert market proving itself for future tours. It is envisaged other events including festivals, rallies, commercial ventures and sports similar to the National Marching Championships (March 2004) will be secured to enable the venues to provide a wide a range of events as possible.

### **Construction of Chimpanzee Exhibit**

A chimpanzee exhibit is being constructed over a three year period. Last year the programme saw the completion of design working drawings, preliminary earthworks and perimeter fence. This year (year two—\$350,000 of a three year \$1.05m project) will concentrate on chimpanzee housing and enclosure infrastructure. Year three will see enclosure landscaping completed and the arrival of the colony of six chimps which are currently housed at Auckland Zoo.

## OUTCOMES FROM PUBLIC SUBMISSION PROCESS

Consultation on Council's draft Annual Plan 2003/04 and draft Funding and Financial Policy Summary 2003/04 was open to the public from 1 April 2003 until 30 April 2003.

Council received 152 written submissions on the draft documents and of the total written submissions, 75 submitters asked to make a verbal presentation in support of their submission to councillors at the public hearings, which were held on 4-5 June. Most of the 152 submissions were posted, with the majority using the freepost submission form included in the April issue of City News draft annual plan overview supplement, 21 were emailed, and 24 used the on-line submission form on Council's website.

The submissions covered a wide range of topics. They were categorised under one of Council's six strategic areas, or under the headings of rates/financial or miscellaneous.

Strategic Area Category	No. of submissions
Sustaining Hamilton's Environment	13
Growing Hamilton	27
Promoting Hamilton	5
Experiencing our Arts, Culture and Heritage	16
Living in Hamilton	14
Enjoying our City	13
Rates/Financial	31
Miscellaneous	33
Total	152

Some of the main issues raised in the submissions included: infrastructural, walkways, rates/financial, Hayes Paddock, community centres, Hamilton Gardens, recycling/waste, cycling facilities, water fluoridation, and Maori concerns. A number of groups specifically requested additional or new financial assistance.

In considering public submissions, Council met and made its decisions on 25-26 June 2003 and set the rates strike for the 2003/04 year on 2 July 2003.

The following table summarises changes to Council's projects and programmes as a result of the 2003/04 public submission process.

Submitter	Council Decision
Business2Hamilton, Tourism Waikato, Business Development Centre, and one other submitter	<p>A sum of \$100,000 has been added to the existing Economic Development grants budget.</p> <p>The distribution of the increased budget amount of \$750,000 for Economic Development grants will be deferred until 10 December, by which time Council will have finalised its position on the formation of a single Economic Development agency.</p> <p>To ensure that the three organisations that currently receive Economic Development grants can continue to operate while the review of whether to form a single Economic Development agency is carried out, Council will pay to each organisation in July 2003 half of the actual grant paid in the 2002/03 financial year (normal practice has been to pay their grants in two equal instalments paid in July and January).</p>
Waikato Millennium Foundation	Removal of the Waikato River Esplanade project from the funded section of the 2003/04 Annual Plan.
Maungatautari Ecological Island Trust and two other submitters	Funding provision of \$20,000 (from rates) has been made to the Maungatautari Ecological Island Trust to support the administration costs and planning function of the trust.
Cycle Action Waikato and 11 other submitters	Council will reconvene the Cycle Working Party to continue its work to investigate and report on initiatives to improve cycling opportunities, cycle safety, and cycle facilities throughout the city.
Waikato SPCA	An article will be included in City News on the issue and control of feral cats in the city.
Individual submitter	Access between the Industrial Zone and Alison Street will be reviewed.
Individual submitter	Project no. 343 (ArtsPost Auto-doors) has been moved from the Projects Unfunded Section (2004/05) to the Projects Funded Section in the final Annual Plan 2003/04. Funding (from rates) has been reduced from \$15,000 (unfunded) to \$5000 (funded).
Friends of Hamilton Public Library Association and one other submitter	Funding of \$14,000 (from rates) will be provided for the establishment of Eftpos facilities at each Hamilton City Council public library (subject to a report to Council's Social and Community Committee confirming the full costs of introducing Eftpos to these libraries).
Hayes Paddock Residents Association and 14 other submitters	<p>Council will continue to examine opportunities to extend heritage protection (items, buildings, sites/waahi tapu) throughout the city where these can be justified.</p> <p>Council will examine the opportunity to fund plaques for heritage areas within existing Parks Equipment Renewal budgets and report back to the relevant Council committee.</p>

Individual submitter	<p>Council will work with Tainui Developments Ltd to expedite the reuse of the former transport centre land for a use/s compatible with the importance of the site in the CBD.</p> <p>Council will continue to work with its Maori partner groups through the joint venture committee to facilitate the effective participation of Maori with local government as required by the Local Government Act 2002.</p>
Hamilton Astronomical Society Inc	<p>Funding of up to \$25,000 (from rates) will be made available to the Hamilton Astronomical Society Inc for the repair of the observatory (subject to confirmation that the repairs are to be undertaken, and on the provision that the society successfully secures the balance of funding required, and that Council be the last funder).</p>
North City Community Centre	<p>Funding of \$20,000 (from rates) will be provided in 2003/04 to develop a plan for a community centre to service the northern suburbs. A final decision will be made following the forthcoming review of the Community House/Centre policy.</p> <p>Council will develop the programme with the Eastern Suburbs Rugby Club, the North City Community Centre, and the Anglican Diocese.</p>
Frankton/Dinsdale Rauawaawa Trust, Te Whare o Te Ata, Hamilton Multicultural Services Trust, Hamilton East Community House	<p>Project no. 76 (Community Houses) receives increased funding of \$40,000 in 2003/04 (i.e., from \$478,000 to \$518,000) and an increase of \$76,000 in subsequent years. This funding provision includes Te Whare O Te Ata, and the Frankton Dinsdale Rauawaawa.</p> <p>Any savings in the Community Houses Operation and Maintenance budget will be jointly shared between Te Whare O Te Ata, and the Frankton Dinsdale Rauawaawa, based on the per annum value of the additional funding spread pro rata over the period of their operation as community houses.</p> <p>Any funding application is subject to the community centres meeting the criteria of the Community House/Centre Policy and a Service Level Agreement being formed between them and Council.</p>
Hamilton Citizens Advice Bureau	<p>Funding for the Hamilton Citizens Advice Bureau has been increased by \$5000 (from \$16,000 to \$21,000) for 2003/04 and subsequent years.</p>
Surf Life Saving Northern Region	<p>Funding for project no. 67 (Northern Lifeguard Service grant) has been increased from \$8300 to \$18,300 per annum for 2003/04 and subsequent years.</p>
Rotokauri Lake Management Committee	<p>Funding of \$7500 (from rates) will be made available to Waikato District Council as a contribution towards construction of a silt trap on Lake Rotokauri.</p>

Hamilton Inline Hockey Club Inc	<p>Funding of \$10,000 (from rates) has been provided in 2003/04 to assist with relocation of the club.</p> <p>Funding of \$200,000 (loan funded) is to be provided in Council's 2005/06 Draft Annual Plan for construction of a new inline hockey facility (provided that the facility is located on Council owned land, is co-located and shares services [where practicable] with other on-site facilities, and is available for community use). Council is to be the last funder.</p>
Waikato Combined Equestrian Centre	<p>Funding of \$10,000 (from rates) has been provided to the centre in 2003/04 for construction of an ablutions block (subject to the facility being constructed in proximity to the Pukete launching ramp, and the facility being open and available for public use during hours to be agreed to with Council).</p>
<p>Grey Power Inc, Kiwi Property Management, Employers and Manufacturers Assn (Northern), Swisscraft Ltd, J Milne : Counsel for Property Council of New Zealand Inc, Waikato Chamber of Commerce Inc, Waikato Motel Association Inc, and 5 other submitters</p>	<p>Council will investigate the establishment of a process to work with key organisations in the community to discuss the rating system, and the impact and incidence of rates on various sectors of the community.</p> <p>In particular, the review will address:</p> <ul style="list-style-type: none"> <li>• the commercial differential and incidence of rates on the commercial and industrial sectors of the community</li> <li>• the impact of alternative rating systems on different sectors of the community</li> <li>• the contribution of the commercial sector to the city's well-being, and the contribution of the city to the well-being and attractiveness of commercial enterprises in the city.</li> </ul>
19 submitters	<p>The Rates Remission-Hardship Relief Policy will be amended to a maximum rebate of \$500 per property (inclusive of the \$200 Government rebate). This remission will be assessed independently from the Government Rates Rebate Scheme. In addition, the eligibility criteria will be reviewed with a view to raising the level of basic allowable income eligible for a remission (this to be reported to the Strategic Planning and Policy Co-ordination Committee on 31 July 2003 for approval). A final decision will be made by Council at its meeting of 6 August 2003.</p> <p>The total amount of funds allocated for the Rates Remission-Hardship Relief Policy has been increased by \$60,000 (i.e., from \$30,000 to \$90,000 in the 2003/04 final Annual Plan). This funding will be maintained at this level in subsequent years.</p>

Individual submitter	<p>Council will discuss with Te Runanga O Kirikiriroa the possibility of utilising that organisation's services to encourage Maori to participate in local government elections.</p> <p>Council will discuss with Te Runanga O Kirikiriroa the possibility of developing the Waitangi Day Festival as a major city icon event and report back to the Joint Venture Committee.</p> <p>Council will work with Tainui Developments Ltd to expedite the reuse of the former transport centre land for a use/s compatible with the importance of the site in the CBD.</p>
New Zealand Council of Trade Unions (Waikato Affiliates)	<p>The New Zealand Council of Trade Unions will be invited to make a presentation to Council's Economic Development Committee on their contribution to the economic future of the city.</p>
Individual submitter	<p>Council will examine methods for providing limited parking exemptions to submitters speaking in person to the Annual Plan hearings (where requested) and will report back to the relevant Council committee.</p>
Te Runanga O Kirikiriroa	<p>Council will discuss with Te Runanga O Kirikiriroa the possibility of utilising that organisation's services to encourage Maori to participate in local government elections.</p> <p>Council will not fund any specific grant for Maori business development to Te Runanga O Kirikiriroa. This matter will be considered by the Joint Venture Committee.</p> <p>Council will discuss with Te Runanga O Kirikiriroa the possibility of developing the Waitangi Day Festival as a major city icon event and report back to the Joint Venture Committee.</p> <p>Project no. 76 (Community Houses) receives increased funding of \$40,000 in 2003/04 (i.e., from \$478,000 to \$518,000) and an increase of \$76,000 in subsequent years.</p> <p>This funding provision includes Te Whare O Te Ata, and the Frankton Dinsdale Rauawaawa.</p> <p>Any savings in the Community Houses Operation and Maintenance budget will be jointly shared between Te Whare O Te Ata, and the Frankton Dinsdale Rauawaawa, based on the per annum value of the additional funding spread pro rata over the period of their operation as community houses.</p> <p>Any funding application is subject to the community centres meeting the criteria of the Community House/ Centre Policy and a Service Level Agreement being formed between them and Council.</p>

Hamilton Permaculture Trust Inc.	Council will work with the Permaculture Trust staff to consider alternative locations for the Sustainable Backyard Project if its operation at Hamilton Gardens cannot be continued.
Fairfield Amateur Swimming Club	Funding of \$7500 (from rates) will be provided to the Fairfield Amateur Swimming Club for the proposed upgrade of the Fairfield College swimming pool (subject to the club and Fairfield College raising the balance of the funds required to complete the project).
Individual submitter	<p>Project no. 357 (Founders Theatre Piano) has been amended by reducing the rate funded component of the project of \$108,000 by \$22,000 (i.e., to \$86,000). This latter amount will be funded from loan, the value of which (including interest) will be recovered by way of additional user-charges for the piano (the value of which is to be recovered over five years).</p> <p>The purchase of the new piano will not be confirmed until a user cost-recovery model is prepared and approved by Council.</p>
Kiwi Property Management	<p>Funding of \$250,000 for 2003/04, and \$330,000 from year 2004/05 onwards (all to be funded from rates) has been made for a Central City Safety Programme.</p> <p>Council notes that it is to consider a report within the next two months on a programme to spend these funds; on the management of Council's proposed liquor ban in the CBD, the management of the existing security camera network, the establishment of Night Patrols, and working with youth in the CBD.</p>



## GOVERNANCE STRUCTURE

Hamilton city councillors are members of the Hamilton community elected and charged with the overall governance of the city, setting the long-term direction of the city and ensuring that Council acts in the best interests of the community it serves. The Hamilton City Council has 13 councillors elected from three wards and a mayor who is elected 'at large'.

Council is supported by a professional corporate organisation, led by the chief executive. Officers provide Council with policy advice and are responsible for implementing Council's policies to achieve the results Council wants.

Council's elected members are responsible for:

- law-making (bylaws) and regulatory role (Acts of Parliament)
- developing and approving Council policy
- determining the expenditure and funding requirements of Council through the annual plan process
- monitoring the performance of Council against its stated objectives and policies
- employing, overseeing and monitoring the chief executive.

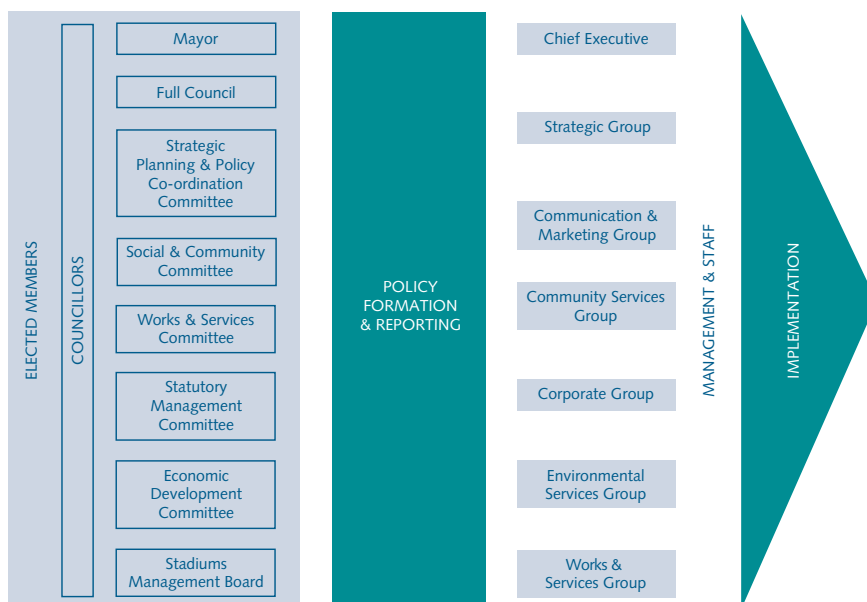
The mayor and councillors are represented on Council committees. These committees consider and recommend policy to Council and monitor the effective and efficient implementation of policy and operation of services relating to the committee functions.

Council's role is to provide cohesion for the city, and covers a wide range of activities and services, from providing children's playground equipment to treatment of the city's water and wastewater. Meeting the community's priorities is fundamental to Council's overall operations and service delivery. Partnership and consultation with the community are an integral part of Council operations.

The chief executive and staff are responsible for managing day-to-day issues and implementing the Council's decisions and policies. The organisation is structured under six groups, Communication and Marketing, Community Services, Corporate, Environmental Services, Strategic, and Works and Services, each of which is headed by a general manager.

The Management Executive team (MX) comprises the general managers of the six groups and is headed by the chief executive. MX considers organisation-wide issues and provides a key linkage between councillors and staff. They ensure that what is undertaken within the six groups is consistent with Council's mission and goals, the decisions of Council, and the community's vision and goals as outlined in Hamilton's Strategic Plan 2002–2012.

The elected members and Council staff work together at different levels to decide what should be done, and to work out how it can be undertaken to achieve the community's vision and goals. This takes place within a framework of competing priorities, timeframes, resources, the decisions of Council, and within the overall goal of growing and developing the city in a sustainable social, economic and environmental context.



## ELECTED MEMBERS



### DAVID BRAITHWAITE

His Worship the Mayor  
**Phone:** 838 6976  
**Home:** 855 7599  
**Email:** mayor@hcc.govt.nz  
**Council Committees:** His Worship the Mayor is an ex-officio member of all committees, however, he is specifically appointed to committees 8 and 13 as chairman.



## EAST WARD COUNCILLORS



### PETER BOS

**Home:** 854 0621  
**Mobile:** 021 285 7019  
**Email:** peter.bos@hcc.govt.nz  
**Council Committees:** 1, 4 (C), 5, 6, 11 (C), 13



### JODY GARRETT

**Home:** 853 5234  
**Mobile:** 021 318 434  
**Email:** jody.garrett@hcc.govt.nz  
**Council Committees:** 1, 3



### ROGER HENNEBRY

**Home:** 854 0223  
**Email:** roger.hennebry@hcc.govt.nz  
**Council Committees:** 1, 2, 3, 6 (DC), 9 (C)



## SOUTH WARD COUNCILLORS



### PIPPA MAHOOD

**Home:** 856 3218  
**Mobile:** 021 809 964  
**Email:** pippa.mahood@hcc.govt.nz  
**Council Committees:** 1, 3 (C), 5, 11, 13



### JOCELYN MARSHALL

**Home:** 834 3374  
**Email:** jocelyn.marshall@hcc.govt.nz  
**Council Committees:** 1, 2, 3, 5



### GRANT THOMAS

(Deputy Mayor)  
**Home:** 843 5594  
**Email:** grant.thomas@hcc.govt.nz  
**Council Committees:** 1, 2 (DC), 3, 6, 8, 12 (DC), 13



### BILL WARD

**Home:** 858 3611  
**Mobile:** 021 318 774  
**Email:** bill.ward@hcc.govt.nz  
**Council Committees:** 1, 3 (DC), 5



### EWAN WILSON

**Home:** 839 1551  
**Mobile:** 027 490 4079  
**Email:** ewan.wilson@hcc.govt.nz  
**Council Committees:** 1, 2 (C), 5 (DC), 6, 10 (C), 12 (C), 13



## WEST WARD COUNCILLORS



### TED ARMSTRONG

**Home:** 839 4483  
**Email:** ted.armstrong@hcc.govt.nz  
**Council Committees:** 1, 5 (C), 6, 7, 13



### JOHN GOWER

**Home:** 847 7465  
**Email:** john.gower@hcc.govt.nz  
**Council Committees:** 1 (DC), 2, 3, 6, 10, 11



### MAVORA HAMILTON

**Home:** 846 4377  
**Email:** mavora.hamilton@hcc.govt.nz  
**Council Committees:** 1, 2, 3, 5



### BRIAN IMPSON

**Home:** 854 5811  
**Mobile:** 021 894 373  
**Email:** brian.impson@hcc.govt.nz  
**Council Committees:** 1, 2, 5, 6 (C), 9, 13



### DAVE MACPHERSON

**Home:** 824 5992  
**Mobile:** 021 477 388  
**Email:** dave.macpherson@hcc.govt.nz  
**Council Committees:** 1 (C), 2, 3, 6, 8, 9, 10 (DC), 13

### KEY TO COUNCIL COMMITTEES

1. Strategic Planning and Policy Co-ordination Committee
2. Economic Development Committee
3. Social and Community Committee
4. Stadiums Management Board
5. Statutory Management Committee
6. Works and Services Committee
7. Applications Sub-committee
8. Chief Executive's Performance Assessment Panel

9. Contracts Sub-committee
  10. Dog Control Appeal Sub-committee
  11. Emergency Management Sub-committee
  12. Event Sponsorship Sub-committee
  13. Property Sub-committee
- (C) = Chairperson (DC) = Deputy Chairperson  
His Worship the Mayor is an ex-officio member of all committees.

## COUNCIL COMMITTEES

Council has six standing committees and seven sub-committees to set policy and guide Council in the fulfilment of its responsibilities. The six standing committees are:

### 1. Strategic Planning and Policy Co-ordination Committee

Responsible for: Policy co-ordination, strategic planning, district plan, 10-year financial plan, city growth, resource management policy, annual plan, budget co-ordination, annual report, audit co-ordination (non-financial aspects), Agenda 21 policy (formulation and review), electoral matters, civil defence, municipal revenue, rating systems, funds management, Council's financial interest in other organisations, review of all financial activities, trading activities, audit co-ordination (financial aspects).

### 2. Economic Development Committee

Responsible for: communication and marketing, and economic development policy, including development of partnerships with economic development organisations such as B2H, Business Development Centre and Tourism Waikato, as well as the co-ordination of citywide events.

### 3. Social and Community Committee

Responsible for: community development, cemeteries and crematorium, community assistance programme, housing for the elderly, employment programmes, halls, libraries, parks and gardens, public toilets, theatres, museums, swimming facilities, and the zoo.

### 4. Stadiums Management Board

Responsible for: management and ongoing operation of Waikato Stadium and Westpac Park as key sports and events venues.

### 5. Statutory Management Committee

Responsible for: animal control policy, district plan administration, environmental matters (state of the environment; air, water and land contamination), hearings of submissions to district plan changes and district plan review, hearing of all notified consent applications, hearing of all objections (concerning decisions made by staff relating to non-notified applications), hearing of all applications and objections/appeals relating to: Sale of Liquor Act, Health Act, Building Act, Local Government Act, Resource Management Act, Reserves Act, parking and traffic regulation enforcement, public safety.

### 6. Works and Services Committee

Responsible for: wastewater, stormwater, refuse, water, road construction and maintenance, traffic management, Hamilton Transport Centre, public transport, parking (except enforcement), footpaths, cycleways and verges.

#### Sub-committees:

7. Applications Sub-committee
8. Chief Executive's Performance Assessment Panel
9. Contracts Sub-committee
10. Dog Control Appeal Sub-committee
11. Emergency Management Sub-committee
12. Events Sponsorship Sub-committee
13. Property Sub-committee

### OUTSIDE ORGANISATION REPRESENTATIVES\*

Hamilton City Council is usually represented by the mayor and councillors, and in some cases senior staff and community representatives, on organisations outside of Council. Representation on outside organisations is as follows:

- B2H Business2Hamilton
- Business Development Centre Trust Board
- Community Well-being Grants Allocation Committee
- Creative Fund Communities New Zealand Allocation Committee
- Environment Waikato:
  - Middle Waikato Sub-Committee (Project Watershed Flood Control)
  - Regional Land Transport Committee
  - Regional Passenger Transport Sub-committee
  - Regional Road Safety Sub-committee
- Hamilton City Crime Prevention Trust
- Hamilton Community Arts Council
- Hamilton Community Environmental Programme
- Hamilton Riverview Hotel Ltd
- Joint Resource Management Working Party with Waikato and Waipa district councils
- Keep Hamilton Beautiful
- Lake Rotokauri Advisory Committee
- Pirongia Afforestation Management Committee
- Road Safety Working Group
- Te Runanga O Kirikiriroa Joint Venture Committee
- Tourism Waikato
- Tourism Waikato Advisory Industry Board
- Tourism Waikato Management Board
- University of Waikato Institutional Biological Safety Committee
- University of Waikato Council
- University of Waikato Ethics Committee: On the Welfare of Experimental Animals
- Waikato Civil Defence Emergency Management Group
- Waikato Institute of Technology (Wintec)
- Waikato Regional Airport Ltd
- Waikato SPCA Trust
- WEL Energy Trust Joint Territorial Capital Beneficiaries Working Party
- Zone 2: Local Government New Zealand

\* For further information on outside organisations refer to Council Controlled Organisations and Council Organisations in the Financial Section of this annual plan.

## COUNCIL ORGANISATION

### Mayor of Hamilton

David Braithwaite

### Deputy Mayor

Grant Thomas

### COUNCIL COMMITTEES

#### Strategic Planning and Policy Co-ordination

Chairperson Cr Dave Macpherson

#### Economic Development

Chairperson Cr Ewan Wilson

#### Social and Community

Chairperson Cr Pippa Mahood

#### Stadiums Management Board

Chairperson Cr Peter Bos

#### Statutory Management

Chairperson Cr Ted Armstrong

#### Works and Services

Chairperson Cr Brian Impson



From left to right: Philip Burton, Sue Duignan, Mike Theelen, Tony Marryatt, Mike Garrett, Sally Davis, Graeme Fleming

#### General Manager Communication and Marketing

Philip Burton

- Communication and Marketing
- City Promotion
- Economic Development Communication
- Events Sponsorship

#### General Manager Community Services

Sue Duignan

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

#### General Manager Strategic

Mike Theelen

- Annual Plan and Report
- District Plan
- Iwi Liaison
- Long-Term Council Community Plan
- Strategic Plan
- Sustainable Environment

#### Chief Executive

Tony Marryatt

#### General Manager Corporate

Mike Garrett

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

#### General Manager Works and Services

Sally Davis

- Design Services
- Roads and Traffic
- Utilities Works
- Water and Wastewater Plants
- 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





## MAKING PROGRESS TOWARDS THE COMMUNITY'S VISION FOR HAMILTON

### THE COMMUNITY'S VISION FOR HAMILTON

Hamilton is a dynamic and growing city. Population growth has averaged around 1.6 per cent per annum over the last 10 years (approximately 1500 people every year) and the population composition (such as age groups, household formation and ethnicity) is also undergoing significant change. Recognition of the need to consider the implications of these factors on the city's development and the need to create a vision to guide the city underpins the city's strategic plan that was developed in partnership between Hamilton City Council and the local community. The vision and goals in Hamilton's Strategic Plan 2002–2012 are the community's vision of what a more sustainable Hamilton should ultimately be like.

The community's vision for Hamilton is that:

Hamilton will continue to develop in a sustainable way, using fewer resources to achieve more social, economic, and environmental benefits for everyone in the city.

This vision is expanded upon and defined through the six strategic areas outlined throughout this plan (Refer to section Council's response to the community vision). The vision sees Hamilton being committed to the principles of sustainability, as outlined in Agenda 21.

### MONITORING PROGRESS: HAMILTON'S SUSTAINABILITY INDICATORS

To plan for the optimum development of the city, key components of Hamilton's economy, environment and society need to be monitored to provide information—this is where sustainability indicators come in. As part of the process of putting Agenda 21 into action, Hamilton City Council worked with the community between 1998 and 2000 to develop sustainability indicators for the city. The set of 25 community-derived sustainability indicators will assist in determining whether our collective actions are moving us toward or away from the strategic plan's vision and goals. In most cases the set of 25 sustainability indicators comprises a number of component sub-indicators. In total there are 65 sub-indicators.

Hamilton's first sustainability indicators report, published in September 2002, is now a benchmark that can be built on. It is envisaged that the sustainability indicators will be reported on annually, and that a summary of each report will be included in Council's Annual Report. The sustainability indicators report fulfils the requirements of the Resource Management Act 1991 that Council monitor the state of the city's environment and produce a State of the Environment Report. The results of Hamilton's first sustainability indicators report are summarised below.

#### Hamilton's Sustainability Indicators: Results

Hamilton's first sustainability indicators report (Hamilton's Sustainability Indicators: Agenda 21 in Action) shows areas where Hamilton is making progress towards becoming a more sustainable city, and identifies potential areas for improvement. Of the 25 sustainability indicators, eight appear to be getting better, three to be getting worse, nine remaining stable, and there is insufficient information to show the progress or otherwise of five indicators.

Indicators showing progress towards sustainability:




- the ecological health of Lake Rotorua has shown improvement
- soil health shows that contaminated sites are being identified, and remedial action is being taken to improve soil health at an increasing number of those sites
- the value placed on Hamilton's trees is displayed by increasing tree planting and protection measures that have involved community groups
- waste recycling continues to minimise the amount of material sent to the Horotiu landfill
- housing affordability within the city is improving
- incomes in Hamilton are generally increasing
- Hamilton's business environment appears to be relatively buoyant, and it has a reasonably broad employment base
- the amount of greenspace within the city is increasing, and Council's Annual Residents Survey shows high levels of satisfaction with community and recreational facilities within the city.



Indicators identified as displaying a trend away from sustainability:

- the means of travel in Hamilton is dominated by private motor vehicles. Although car ownership is increasing, recent trends show that the number of passengers using the bus service is increasing slightly
- juvenile offending and youth suicide rates have generally shown an increase in the past decade
- although there has been a reduction in the number of burglaries since 1999, crime levels remain significantly higher than they were in 1990, and are higher than in other large New Zealand cities.

The following diagram outlines the results of the sustainability indicators report at a glance.

<p> <b>Getting Better</b></p> <ol style="list-style-type: none"> <li>Hamilton lakes</li> <li>Soil health</li> <li>Urban trees</li> <li>Solid waste</li> <li>Housing affordability</li> <li>Income</li> <li>Business</li> <li>Community and recreational facilities</li> </ol>	<p> <b>Getting Worse</b></p> <ol style="list-style-type: none"> <li>Transport</li> <li>Youth well-being</li> <li>Crime and safety</li> </ol>
<p> <b>Remaining Stable</b></p> <ol style="list-style-type: none"> <li>Air quality</li> <li>Waikato River water quality</li> <li>Water usage</li> <li>Urban development</li> <li>Work</li> <li>Visitor accommodation</li> <li>Education</li> <li>Public involvement in decision-making</li> <li>Health</li> </ol>	<p> <b>Insufficient information to determine a trend</b></p> <ol style="list-style-type: none"> <li>Noise</li> <li>Energy</li> <li>Historic structures and sites</li> <li>Partnership with Maori</li> <li>Cultural well-being.</li> </ol>

## COUNCIL'S RESPONSE TO THE COMMUNITY'S VISION FOR HAMILTON

Council's mission statement sets out the purpose of the organisation (i.e., why we exist), and is a practical expression of the community's vision as defined in Hamilton's Strategic Plan 2002–2012 (see following diagram). The five Council goals outline the key contributions that Council makes to the city, and form the basis for Council's significant services.

### Mission Statement

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.

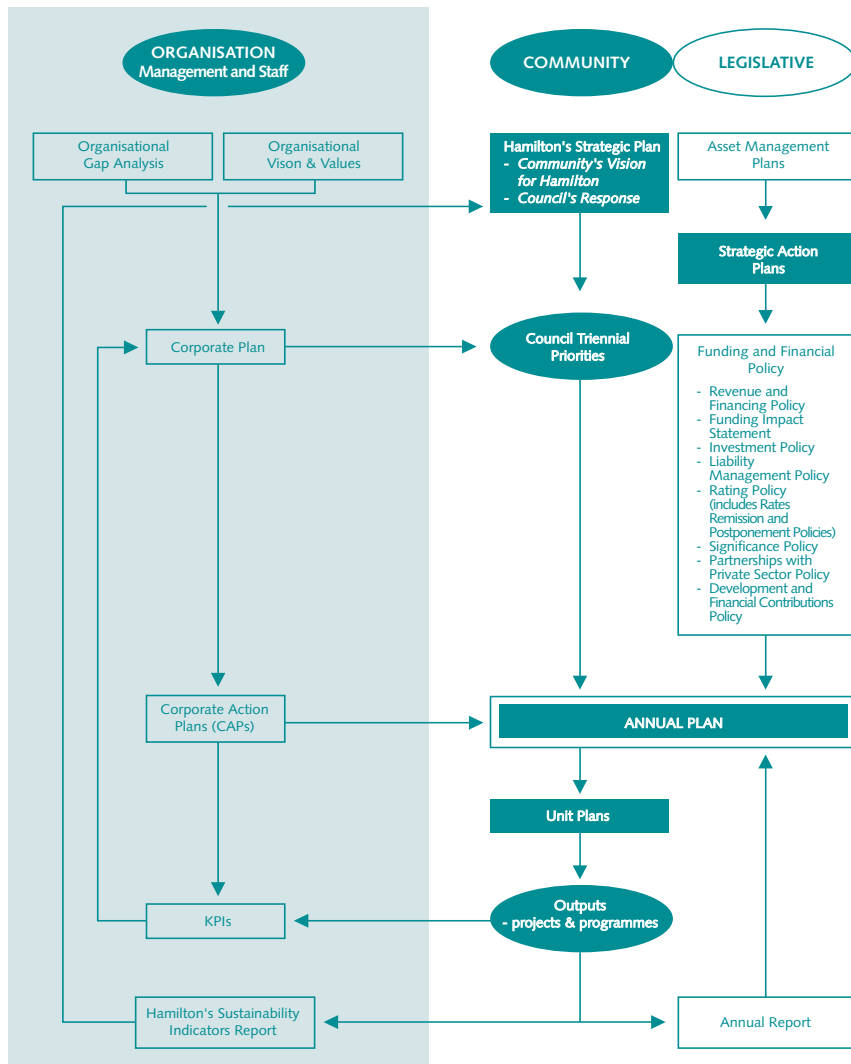
### Council Goals

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.

## LINKING HAMILTON'S STRATEGIC PLAN WITH COUNCIL'S MISSION, GOALS, SIGNIFICANT SERVICES AND HAMILTON'S SUSTAINABILITY INDICATORS

Hamilton's Strategic Plan		Council's mission, goals, significant services	
<b>Vision:</b> That Hamilton will continue to develop in a sustainable way, using fewer resources to achieve more social, economic, and environmental benefits for everyone in the city.		<b>Mission:</b> 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.	
STRATEGIC AREA A: Sustaining Hamilton's Environment			
<b>Strategic Goals</b> 1 Clean air, water and soil, and an environment free from excessive noise. 2 Healthy ecosystems displaying improved biodiversity, with a strong indigenous component. 3 Energy resources are used in a sustainable manner, and air emissions are reduced. 4 Production of solid and liquid waste (including hazardous substances) is minimised, and disposal is carried out in an environmentally sustainable manner.	<b>Council Goals</b> 1, 2, 4, 5	<b>Significant Services</b> <ul style="list-style-type: none"><li>• Wastewater management</li><li>• Stormwater management</li><li>• Recycling/refuse collection</li><li>• Water supply</li><li>• Sustainable environment</li><li>• Environmental health</li></ul>	<b>Sustainability Indicators</b> 1 Air quality 2 Waikato River water quality 3 Water usage 4 Hamilton lakes 5 Soil health 6 Noise 7 Urban trees 8 Energy 9 Solid waste
STRATEGIC AREA B: Growing Hamilton			
<b>Strategic Goals</b> 5 A compact city with a well distributed mix of residential, employment and service activities, interconnected through an effective and sustainable transport system. 6 A distinctive, vibrant, and people-friendly central area.	<b>Council Goals</b> 1, 2, 3, 4, 5	<b>Significant Services</b> <ul style="list-style-type: none"><li>• Road network management</li><li>• Traffic services</li><li>• Footpaths, cycleways and verges</li><li>• Parking enforcement</li><li>• Building control</li><li>• Planning guidance</li><li>• Animal care and control</li><li>• Property management (endowment and investments)</li></ul>	<b>Sustainability Indicators</b> 10 Urban development 11 Transport 12 Housing affordability
STRATEGIC AREA C: Promoting Hamilton			
<b>Strategic Goals</b> 7 A sound economy developing sustainably. 8 Hamilton has a positive internal and external image.	<b>Council Goals</b> 4, 5	<b>Significant Services</b> <ul style="list-style-type: none"><li>• Economic development</li><li>• City promotion</li></ul>	<b>Sustainability Indicators</b> 13 Work 14 Income 15 Business 16 Visitor accommodation
STRATEGIC AREA D: Experiencing Our Arts, Culture and Heritage			
<b>Strategic Goals</b> 9 Hamilton values its rich culture and artistic achievement. 10 Kirikiriroa is established as a centre for traditional and modern arts and culture. 11 Cultural and built heritage is widely appreciated and protected.	<b>Council Goals</b> 1, 2, 4, 5	<b>Significant Services</b> <ul style="list-style-type: none"><li>• Hamilton theatre services</li><li>• Libraries</li><li>• Waikato Museum of Art and History</li></ul>	<b>Sustainability Indicator</b> 17 Historic structures and sites
STRATEGIC AREA E: Living In Hamilton			
<b>Strategic Goals</b> 12 A diverse range of learning and training opportunities is available to meet the needs of the community and business at all levels. 13 Local neighbourhoods address the needs of their residents—socially, physically and emotionally. 14 All people are enabled and encouraged to participate in the development of the city. 15 A supportive community where families, youth, and older persons are valued.	<b>Council Goals</b> 1, 2, 3, 4, 5	<b>Significant Services</b> <ul style="list-style-type: none"><li>• Community development</li><li>• Community facilities</li><li>• Employment initiatives</li><li>• Emergency management</li><li>• Partnership with Maori</li><li>• Cemeteries and crematorium</li><li>• Representation and civic affairs</li></ul>	<b>Sustainability Indicators</b> 18 Education 19 Public Involvement in decision-making 20 Youth well-being 21 Partnership with Maori 22 Crime and safety 23 Cultural well-being 24 Health
STRATEGIC AREA F: Enjoying Our City			
<b>Strategic Goal</b> 16 A full range of land, facilities and services is available to meet the community's recreation and leisure needs.	<b>Council Goals</b> 1, 2, 5	<b>Significant Services</b> <ul style="list-style-type: none"><li>• Sports areas</li><li>• Parks and gardens (including playgrounds)</li><li>• Stadiums</li><li>• Swimming facilities</li><li>• Community halls and leased buildings</li><li>• Hamilton Zoo</li><li>• Hamilton Gardens</li><li>• Toilets</li></ul>	<b>Sustainability Indicator</b> 25 Community and recreational facilities

## LINKING THE COMMUNITY'S VISION FOR HAMILTON WITH COUNCIL'S PLANNING CYCLE



**Note:** components of the diagram are outlined on the following page.

The diagram above shows the relationship between the different high level plans, policies and performance reports of Council.

Legislation, primarily the Local Government Act 2002, sets out the planning framework that Council must follow to produce a funding and financial policy, asset management plans, an annual plan and an annual report. This enables public transparency regarding what Council is proposing to do, how much it will cost, and reporting on the actual results achieved.

One of the stated purposes of the new Local Government Act 2002 is to enable 'local authorities to promote the social, economic, environmental, and cultural well-being of their communities, taking a sustainable development approach'. This is in-line with Council's mission statement and the community's vision for Hamilton in Hamilton's Strategic Plan 2002–2012, i.e., the plan sets out the community's vision, goals and desired outcomes for the sustainable development of Hamilton over the next 10 years. Council is a significant community partner in the realisation of those goals.

The organisation's key plans and reports, such as the organisational gap analysis, corporate plan and key performance indicators (KPIs), are the guiding documents that assist Council to implement the diverse operations detailed in the annual plan.

## DIAGRAM COMPONENTS

### Organisation (Management and Staff)

#### Organisational Vision and Values

Council's vision and values are derived from meeting the community's vision for Hamilton as outlined in Hamilton's Strategic Plan 2002–2012, and treating staff and the community well.

#### Organisational Gap Analysis

A process undertaken to identify differences (gaps) between current and desired levels of performance throughout the organisation.

#### Corporate Plan

The Corporate Plan provides the direction for the way staff do things and how staff continually improve the way things are done. This is programmed mainly through organisational development, quality management and other improvement strategies. It outlines the vision and values of management and staff and the five major goals of the organisation, provides a blueprint for the next five years, and will assist the organisation to become a world-class leader in local government.

#### Corporate Action Plans (CAPs)

CAPs are cross-organisational plans that are aligned to, and action, corporate objectives. They become the priorities for organisational development and detail the way in which the organisation will move forward and achieve the corporate vision.

#### Key Performance Indicators (KPIs)

KPIs are key measures that enable the overall performance of Council to be measured and tracked.

### Community/Legislative

#### Hamilton's Strategic Plan

Refer Existing Council Documents section.

#### Asset Management Plans

Asset Management Plans are blueprint documents for the broad based funding requirements for the city's infrastructure, and have strong linkages to the production of the funding and financial policy, long-term council community plan (from 2004/05) and annual plan. These plans focus on asset management, asset service levels, depreciation and replacement of the city's major infrastructural assets. Council's asset management plans were last published in July 2001, and are reviewed every three years, with reviews to coincide with the review of the strategic plan and the funding and financial policy.

The 10 asset management plans are:

- city beautification
- halls and leased buildings
- parks and gardens
- public toilets
- refuse services
- roads and traffic
- sports areas
- stormwater services
- wastewater services
- water services

These plans ensure that Council can continue to meet the levels of service required for essential services in the future.

Council is currently finalising its 2003 Asset Management Plans. These will be completed by August 2003. To comply with new legislative requirements it is intended that advanced asset management plan functions and techniques including predictive modelling, risk management, optimised renewal decision-making, optimised lifecycle strategies, service level reviews and community consultation, will be included in future Asset Management Plans, by 1 July 2006.

#### Strategic Action Plans

These are specific projects and programmes developed by the units within Council as potential ways to address infrastructural requirements, issues in the city, and goals of the community's vision for Hamilton. They form the basis of Council's Funding and Financial Policy.

### **Funding and Financial Policy**

Refer Documents required under the Local Government Act 2002 section.

### **Council Triennial Priorities**

From the 10-year strategic plan, the elected members look in more detail at their priorities for the three year term.

### **Annual Plan**

Refer Existing Council Documents section.

### **Unit Plans**

Unit plans are produced annually and identify the priorities established by each of Council's 23 units. These plans provide the point in the organisation where corporate objectives (how) and annual plan and strategic plan objectives (what) are integrated.

### **Outputs**

Outputs are Council's projects and programmes for the financial year, which are reported on through the annual report, KPIs and Hamilton's sustainability indicators report.

### **Annual Report**

Refer Existing Council Documents section.

### **Sustainability Indicators Report**

This report measures 25 indicators that the community has identified as being important gauges of measuring our progress towards becoming a more sustainable city. (For more information, refer to previous section—Monitoring Progress: Hamilton's Sustainability Indicators).

## KEY COUNCIL DOCUMENTS

### DOCUMENTS REQUIRED UNDER THE LOCAL GOVERNMENT ACT 2002

This section outlines key plans, reports, policies and strategies, required under the new Local Government Act 2002.

The new Local Government Act 2002 (referred to as the Act) introduces a number of changes in regard to Council's planning, decision-making and reporting procedures. One of the key changes is the requirement for Council to adopt a Long-Term Council Community Plan (LTCCP), which is essentially an amalgam of Council's annual plan and Hamilton's Strategic Plan 2002–2012. The new Act also signals a strong commitment to sustainable development, with local authorities to promote the social, economic, environmental and cultural well-being of the community. The LTCCP will require extensive community consultation, the identification of community outcomes and priorities, and the establishment of monitoring and review mechanisms.

In line with the new Act, Council will produce an interim LTCCP for 2004/05 and a full LTCCP for 2006/07. This means that under section 281 of the Act, Council's 2003/04 Annual Plan will be prepared under section 223D of the Local Government Act 1974.

Section 281 requires the 2003/04 Annual Plan to include new policies on significance and on partnerships between Council and the private sector. In addition, policies on development and financial contributions, and on the remission and postponement of rates on Maori freehold land need to be in place for the 2003/04 year.

Section 281 of the Act also requires Council to include a number of funding and financial policies in its 2003/04 Annual Plan, most of which Council already has in place. These are:

Policy required under the Act	Existing (equivalent) Council policy
a) Revenue and Financing Policy	a, b) Long-Term Financial Strategy and Funding Policy as prepared under the 2002/03 Financial Management Policy
b) Funding Impact Statement	
c) Investment Policy	c) Investment Policy
d) Liability Management Policy	d) Borrowing Management Policy
e) Rating Policy (including Rates Remission and Postponement Policy)	e) Rating Policy

A number of amendments have been made to the policies in Council's 2002/03 Financial Management Policy (FMP) as required by the new Act. However, the 2002/03 FMP should be read in conjunction with the new Funding and Financial Policy 2003/04 (FFP). The FFP includes the Rating Policy, which outlines the proposed rates for 2003/04, and replaces the procedure for setting rates via the separate public notices and public meetings approach (special order process) under the old Local Government Act 1974. Further detail is provided in sections 2.0–6.0 of the Funding and Financial Policy.

### Funding and Financial Policy 2003/04

The Funding and Financial Policy sets out the guidelines of how Council plans for, and acquires funds, to finance its operation, and the projects and programmes in the Annual Plan.

The Funding and Financial Policy replaces the 2002/03 Financial Management Policy, which was adopted by Council for the financial year commencing 2002/03.

- The 2003/04 Funding and Financial Policy Summary is included at the end of this Annual Plan.

The Funding and Financial Policy includes the:

- Revenue and Financing Policy
- Funding Impact Statement
- Investment Policy
- Liability Management Policy
- Rating Policy (including Rates Remission and Postponement Policies)
- Significance Policy
- Partnerships with Private Sector Policy
- Development and Financial Contributions Policy

#### **Revenue and Financing Policy**

The Revenue and Financing Policy replaces the Long-Term Financial Strategy and Funding Policy outlined in the 2002/03 Financial Management Policy.

The Revenue and Financing Policy addresses the financial requirements and considerations likely to affect Council over the 10-year term 2002/03–2011/12 (in accordance with the 2002/03 Financial Management Policy). Key considerations included in the document are infrastructural demands, which may arise from growth or the need to maintain existing assets; new assets or developments in the city; debt levels and the financing costs associated with servicing the debt; and the projected rates requirement. The Revenue and Financing Policy also indicates whether Council is meeting the requirement to fund the depreciation on its assets, i.e., allowing for the costs of future replacement of city assets. Council is funding the depreciation on its assets over the full 10-year term 2002/03–2011/12.

The Revenue and Financing Policy also analyses who benefits from identified activities and how the activities should be funded. In particular, the policy considers whether an activity of Council should be privately or publicly funded. Private funding relates to fees and charges, subsidies and other sources of revenue. Public funding is from rates.

Council has reviewed and approved the Revenue and Financing Policy and the funding requirement of each significant service for the 2003/04 financial year. Council has assessed the Revenue and Financing Policy requirements under the new Local Government Act 2002, and considered the impact on the well-being of the community and individuals, as outlined in the Funding Policy of the 2002/03 Financial Management Policy. It is Council's view that the Funding Policy and selection of funding mechanisms adequately addresses and takes into consideration the well-being of the community and individuals. No changes were therefore made to the Revenue and Financing Policy and it remains as per the 2002/03 Funding Policy. As a result, the 2002/03 Financial Management Policy (Long-Term Financial Strategy and Funding Policy) must be read in conjunction with the 2003/04 Funding and Financial Policy.

- More detail on the Revenue and Financing Policy is provided in Section 2.0 and the Appendices of the Funding and Financial Policy Summary at the end of this Annual Plan.

#### **Funding Impact Statement**

The Funding Impact Statement is a new requirement under the Local Government Act 2002. The statement discloses summary information on the expenditure and funding requirements of Council, and a detailed description of the funding sources and mechanisms for 2003/04.

- More detail on the Funding Impact Statement is provided in Section 3.0 of the Funding and Financial Policy Summary at the end of this Annual Plan.

#### **Investment Policy and Liability Management Policy**

The Investment and Liability Management policies work in unison to outline Council's approach to managing its interest rate exposures, in terms of both its investments and its debt, recognising that Council is a net borrower for the foreseeable future.

- More detail on the Investment and Liability Management Policies is provided in Sections 4.0 and 5.0, and the Appendices of the Funding and Financial Policy Summary at the end of this Annual Plan.



### **Rating System and Rating Policy**

The Rating Policy outlines Council's policies over the setting and collecting of rates, rating systems, rating levels, and remission and postponement policies. The Rating Policy also outlines the proposed rates for 2003/04, which replaces the procedure for setting rates, via the separate public notices and public meetings approach (Special Order Procedure) under the old Local Government Act 1974.

Also included in the Rating Policy is a new policy on the Remission and Postponement of Rates on Maori Freehold Land as required by the new Local Government Act 2002.

Council has reviewed its Rating System and Rating Policy for 2003/04 and has determined to retain the land value rating system for the 2003/04 rating year.

In setting the budget for the 2003/04 year, Council has approved an overall increase in the total Council rate take of 6.52 per cent, with 4.4 per cent of this being payable by existing ratepayers. A change has also been made to the rating differential between property sectors.

The rating differential between property sectors has been amended for the 2003/04 financial year for the following reason:

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.

- More detail on the Rating System and Rating Policy is provided in Section 6.0 and the Appendices of the Funding and Financial Policy Summary at the end of this Annual Plan.

### **Significance Policy**

Although section 281 of the Act requires Council to incorporate a summary of its Significance Policy in its 2003/04 Annual Plan, Council has included the full policy in place of the summary.

Section 90 of the Act requires Council's Significance Policy to set out:

- a) Council's general approach in determining the significance of proposals and decisions in relation to issues, assets or other matters
- b) Any thresholds, criteria, or procedures that are to be used by Council in assessing the extent to which issues, proposals, decisions, or other matters are significant
- c) Assets considered by Council to be strategic assets.
- Section 7.0 of the Funding and Financial Policy Summary contains the full Significance Policy.

### **Partnerships between Council and the Private Sector Policy**

Section 107 of the Act requires Council to introduce a policy on partnerships between Council and the private sector. The policy must state Council's policies in respect of the commitment of its resources to partnerships between Council and the private sector. The focus of this policy is on commercial relationships with entities engaged in trading activities undertaken for the purpose of making a profit.

- Section 8.0 of the Funding and Financial Policy Summary contains the full policy on Partnerships between Council and the Private Sector.

### **Development and Financial Contributions Policy**

Section 106 of the Act requires Council to have a policy on development and financial contributions. Council's current policy is to take financial contributions through the Resource Management Act 1991 (RMA). Project no. 198 (District Plan financial contribution review) in Council's Long-Term Financial Strategy 2002/03 makes provision for a review of this policy between 2002/03–2004/05. This will enable Council to determine whether it continues using the RMA provisions or the provisions under the new Act, and how it might determine the scope of the contribution sought from developers.

- Section 9.0 of the Funding and Financial Policy Summary contains the full policy on Development and Financial Contributions (Note: The appendices of this policy are not included, but can be viewed with the policy at any Council library or the municipal building in Garden Place).

## EXISTING COUNCIL DOCUMENTS

This section outlines a range of existing Council plans, reports, policies and strategies.

### Council's Policy Manual

Council's Policy Manual provides a full list of all policies approved by Council. The policies provide guidance for staff and councillors in the areas of discretionary decision-making. Adoption and adherence to policies enables consistent application of discretion, consistent decision-making by staff and Council, consistent treatment of public, service groups, and companies, and transparent process, criteria, and timetables adopted. The policy manual establishes a rigour to many activities and directions of Council that are not otherwise governed by legislation. Each new Council is required to approve the policy manual. Policies can be reviewed, added, or deleted at any time through normal Council process. Council is currently reviewing its policy manual.

### Hamilton's Strategic Plan

This plan embodies the community's vision for Hamilton, the strategic goals, overview, desired outcomes and Council's response (including the Long-Term Financial Strategy 2002/03). Hamilton city's first strategic plan was adopted in February 1997 and then revised in 1999. The plan has been further revised in 2002, and covers the period 2002–2012. Although the plan was intended to be revised every three years and reviewed every six years, the introduction of the new Local Government Act 2002 will see the strategic plan replaced by Council's first Long-Term Council Community Plan, which will come into force on 1 July 2004.

### Council's Annual Plan

The Annual Plan is developed from the strategic plan, Council's triennial priorities, Council's Funding and Financial Policy, and community consultation. It includes information on Council's policies, projects and programmes, and funding to be undertaken over the coming financial year, and provides information in general terms for the following two financial years. Any significant changes from the previous annual plan's policies, objectives, significant services and performance measures are explained.

The plan is Council's main means of communicating its projects and programmes to the public. The special consultative procedure stipulates that the public must be given a minimum of one month to make submissions. Council then considers the submissions before adopting its approved Annual Plan and confirming the rates for the next financial year by way of a Special Order.

To ensure alignment between Council's projects and programmes, and the community's priorities, the annual plan's significant services, projects and programmes are structured by the strategic plan's six strategic areas.

The annual plan must include:

- the nature and scope of the significant services to be undertaken
- the performance measures and other measures used to monitor, measure, and review Council's performance
- an outline of the indicative costs (i.e., of proposed expenditure) and the sources of funds
- an outline of Council's funding and financial policies
- forecast financial statements for the year, including:
  - an estimated and forecast statement for the beginning and end of the financial year
  - an operating statement (reflecting forecast revenues and expenses)
  - a statement of cashflows
- an explanation of changes (variations) between the current annual plan and the 2002/03 Long-Term Financial Strategy
- a summary of Council's Equal Employment Opportunities programme.

### Council's Annual Report

After the end of the financial year Council publishes an Annual Report which contains audited accounts for the previous financial year. The annual report must:

- compare the actual performance with the proposed performance set out in the plan
- comment on the performance of all organisations included in the annual plan
- be produced within four months of the end of the financial year
- contain an audited financial statement, set of accounts, and annual financial report which assesses Council's financial performance against its budget
- show the extent to which Council's equal employment objectives were met.

### OTHER EXISTING KEY COUNCIL PLANS, REPORTS, POLICIES AND STRATEGIES INCLUDE:

Publication	Published/ adopted	Reviewed
Aquatic Facilities Strategic Plan	2001	2004
Asset Management Plans	July 2001	2003
Cycling in Hamilton 2000	2000	2003
Economic Development Strategy for Hamilton	March 2000	2004/05
Energy Strategy (Council signed the Energy-Wise Council's Partnership Charter of Key Projects in January 1997)	January 1997	2003
Environmental Education Strategy	1999	2005
Environmental Policy	May 1999	annually
Hamilton City Libraries Strategic Plan: 2001–2011	November 2002	3-yearly
Hamilton City Proposed District Plan (References Version, November 2001) (notified October 1999. Once the plan is made operative, it must be reviewed at least every 10 years)	November 2001	10-yearly
Hamilton Civil Defence Emergency Management Plan (Note: although the plan is normally reviewed every three years, the recently enacted Civil Defence Emergency Management Act requires a Civil Defence Emergency Management Group Plan to be implemented by 1 June 2005)	April 2002	
Hamilton's Integrated Transport Strategy (HITS)	July 1999	2004
Hamilton's Sustainability Indicators: base report Summary document	September 2002	prepared annually
People and Well-Being: Community Development Plan	May 2000	3-yearly
Policy and Guidelines for Community Consultation	December 1999	2005
Recreation and Leisure Plan 2002–2012	September 2002	3-yearly
Waikato Museum of Art and History Strategic Plan	February 2002	3-yearly
Waste Management Plan	October 1998	2003/04

- To view or find out more about these plans, reports, policies and strategies, contact Hamilton City Council's Strategic Group in the first instance, phone 838 6810.

## ENABLING OUR STAFF TO MAKE A DIFFERENCE

Council is a large and diverse organisation. Council is supported by a corporate structure, led by the chief executive (Refer section Governance Structure). The organisation is divided into six operational groups. The groups' roles are twofold:

- providing services to ratepayers and residents, and
- providing quality policy advice to the mayor and councillors.

The Corporate Plan provides direction for how the organisation operates and how staff continually improve the way things are done. This is programmed mainly through organisational development, quality management and other improvement strategies. It outlines the vision and values of management and staff, the five major goals of the organisation, as well as providing a blueprint for the next five years, helping the organisation become a world-class leader in local government.

To achieve this, management is working on the following areas, which were identified in the organisational gap analysis: leadership, strategic planning, customer and market focus, information analysis, human resources, process management and business results. Becoming a world-class organisation means we can be confident that our excellence in process performance and service delivery to the city's ratepayers, residents and customers is equal to or better than any organisation in the world.

## STAFFING

Council is served by a highly skilled and motivated workforce. For the 2003/04 financial year, budget provision has been made for 657 permanent full-time equivalent (FTEs) staff positions.

## CORPORATE VISION

The corporate vision is Making a Difference in our Community.

Making a difference in our community is a key factor in making a successful city. The corporate vision assists the drive to being world-class. Establishing a clear vision for the organisation, and underpinning both what we do and how we do it with a strong set of values, is fundamental to our success.

To achieve this we will:

- Focus on our customers
- Develop a strong, motivated workforce
- Incorporate our values into the way we work.

## CORPORATE GOALS

- Our processes are world-class
- We are a strong motivated workforce
- We contribute to Hamilton's success
- We are a customer focused organisation
- We build a leadership culture.

## CORPORATE VALUES

- **Working together**  
We work and communicate across the organisation and with our community.
- **Honesty and openness**  
We act with integrity to promote a climate of mutual trust and respect.
- **Getting things done**  
We make quality decisions based on best information, within agreed timeframes and budget. We are responsible for our actions.
- **Challenging our performance**  
We review and continuously improve the way we do our business. We learn from our mistakes and move forward.
- **Valuing success**  
We recognise achievement and celebrate outstanding performance.

## STAFF POLICIES AND PROGRAMMES

Council's key staffing policies and programmes are outlined below.

### EQUAL EMPLOYMENT OPPORTUNITIES (EEO)

Council is committed to the principle of equal opportunity in the recruitment, employment, training and promotion of its employees. The organisation provides a welcoming positive environment and regards the provision of equal opportunities as essential principles in the management of its staff.



Council will continue with the ongoing development of, and review of, human resource policies and procedures, to ensure such policies and procedures assist in the development of staff and achieve the principles of being a good employer.

#### The 2003/04 EEO Programme

Council aims to promote and integrate EEO principles in the following areas:

- ongoing review of all recruitment and selection policies and procedures
- provision of a comprehensive Learning and Development programme for all staff
- provision of bi-cultural awareness training
- provision of a workplace free of sexual and racial harassment
- continuing membership of the EEO Trust.

Council's aim is to integrate EEO principles into all of its human resource strategies to ensure that everyone working at Council has the same opportunity to contribute to and share in the success of the organisation.

All activities are audited annually in-line with the quality system audit programme.



### QUALITY MANAGEMENT

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

Hamilton City Council is the only New Zealand city council to have all of its operations certified to the ISO 9001:2000 international quality management standard.

New Zealand's most popular and longest established management systems assessment and recognition body, Telarc, regularly reviews our management systems for compliance to ISO 9001:2000.

The emphasis of forthcoming quality initiatives will be on using our intranet to electronically publish our standard operating procedures, processes and related documentation.

It is important for Council to set a good example to other organisations in Hamilton by minimising its own impacts on the local environment. Hamilton Zoo has developed an Environmental Management System (EMS) and has become the first zoo in Australasia to become certified to ISO 14001. Environmental Management Systems have been shown to provide a systematic and consistent approach to environmental management across organisations, providing numerous benefits, including improved financial performance and improved quality of service delivery. Further work is planned to identify other areas within Council that may benefit from an Environmental Management System.



*When exhausted, the individual decides to endure, change pace, walk or collapse.*

*As part of an eight, however, one performs at the level of the crew.*

*Stephen Kiesling*

## ORGANISATIONAL DEVELOPMENT

Council is continuing to implement a programme of organisational development, which aims to assist the organisation to achieve its vision of making a difference in our community through becoming a world-class organisation. To become world-class, the principles of best practice are incorporated throughout all levels of the organisation on an ongoing basis. Continued involvement with the New Zealand Business Excellence Foundation and the New Zealand Benchmarking Club provides us with opportunities to measure our performance with other organisations using the New Zealand Business Excellence Criteria.

Application of best practice will have a positive impact on organisational performance. This can be identified in increased outputs, reduced expenditure and more efficient use of revenue. Best practice will also bring benefits through improvement in key organisational processes and improved customer and employee satisfaction.

Key initiatives for this year include: implementation of our leadership development programme; review and monitoring of organisational and unit key performance indicators; mapping key processes; and streamlining our customer survey processes. Ongoing communication of our organisational development brand Make a Difference is planned, which will continue to underpin all organisational development activity.

## HEALTH AND SAFETY MANAGEMENT

Council is continuing its commitment in 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.

The Health and Safety in Employment Amendments Act 2002 comes into force on 5 May 2003. Coverage under this Act is extended to include volunteers, and a culture change to a participative regime is strongly advocated with enforcement changes increasing the scope of penalties and who can apply them. Stress and fatigue causing harm (physical or mental) is identified as a hazard, and will need to be managed appropriately.

## INFORMATION MANAGEMENT

Council is undertaking a programme to modernise its information technology and communication systems. This programme will improve the quality of information available to customer services staff and enhance Council's ability to improve customer service. Key projects include upgrades to the telecommunication and data networks.

## MEASURING COUNCIL'S PERFORMANCE

Two key barometers of Council's performance are the Annual Residents Survey (highlights noted below) and the Financial Overview (see Financial Section).

### ANNUAL RESIDENTS SURVEY RESULTS

Council's Annual Residents Survey is one of the main methods of ascertaining residents' views on how effectively Council is operating, and whether or not Council is meeting community needs. Specifically, the annual residents survey provides a number of performance measures for Council's annual plan, as well as providing background information for a number of Council studies and decisions. Data from this survey (customer satisfaction index scores) are included among the performance measures for most of Council's 34 significant services.

The annual residents survey has been carried out each year since 1984 by an independent research company, and provides a useful measure of community opinion over time. The sample size comprises 710 randomly selected residents (aged 18 years or older). Telephone interviewing is used, with each telephone interview taking around 25 minutes.

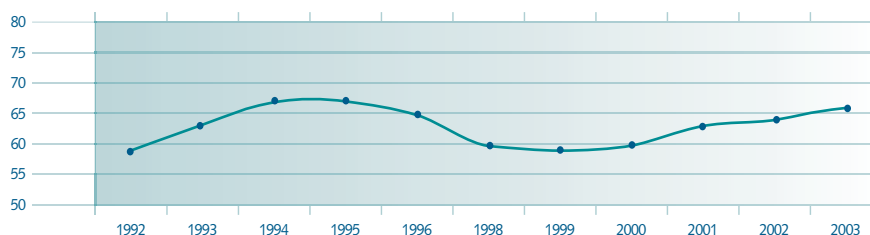
Three overall key performance measures of Council from the Annual Residents Survey are:

- value for rates
- quality of Council provided facilities and services
- overall performance of Council.

The following three graphs show the results of these key performance measures over a period of time.

### COMPARING VALUE OF RATES BY YEAR

- CSI Score



There has been little variance over the past 10 years<sup>1</sup> in ratepayers' perception of 'value for rates'. However, there has been an increase in the Customer Satisfaction Index<sup>2</sup> (CSI) score from 59 in 1999 to 66.4 in 2003.

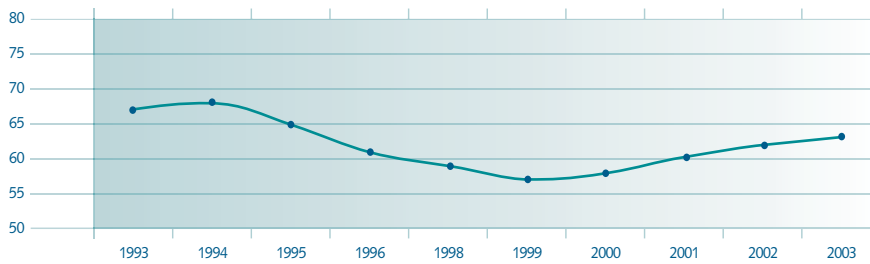
<sup>1</sup> The question was not asked in 1997.

<sup>2</sup> Satisfaction ratings are based on a weighted mean of the distribution of respondents across a five-point satisfaction scale: extremely good = 100, good = 75, average = 50, poor = 25, extremely poor = 0. Don't knows are excluded from the calculation. The CSI score is calculated to provide a better understanding of the overall picture and to make comparisons of data from year-to-year much simpler. In the commercial arena a CSI score of 85 reflects truly excellent customer service (this is higher than very good as customers have much choice). However, for local authorities respondents usually have no choice of which council they use. A CSI score of 75 is the acceptable rating for truly excellent customer service in the local government arena.



### QUALITY OF COUNCIL FACILITIES AND SERVICES IN THE PAST YEAR

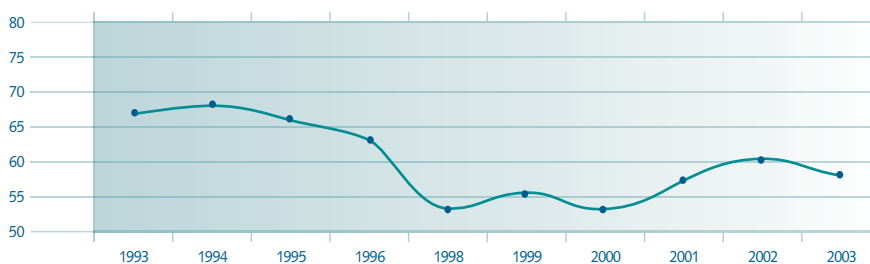
- CSI Score



There has been little variance over the past 10 years<sup>3</sup> in residents' perception 'overall quality of Council provided facilities and services'. However there has been an increase in the CSI score from 57 in 1999 to 63.3 in 2003.

### OVERALL PERFORMANCE OF COUNCIL IN THE PAST YEAR

- CSI Score



Residents were asked how they rated Council's (management and staff, and elected representatives) overall performance over the 2002/03 year.

There has been little variance over the past 10 years in residents' perception of 'overall performance of Council'<sup>4</sup>. However, there has been an increase in the CSI score from 53 in 1998 to 58.3 in 2003.

### OVERALL STAFF SERVICE

This graph compares the overall service ratings for Council staff over the period 1993 to 2003<sup>5</sup>.

Satisfaction with the staff's overall service has continued to improve. The proportion of those dissatisfied (poor/extremely poor) has decreased from 14 per cent (1993) to 2 per cent (2003).

Eighty-six per cent of respondents rated the overall service of staff good or extremely good in 2003 compared to 70 per cent in 1998.

### OVERALL STAFF SERVICE



<sup>3</sup> The question was not asked in 1997.

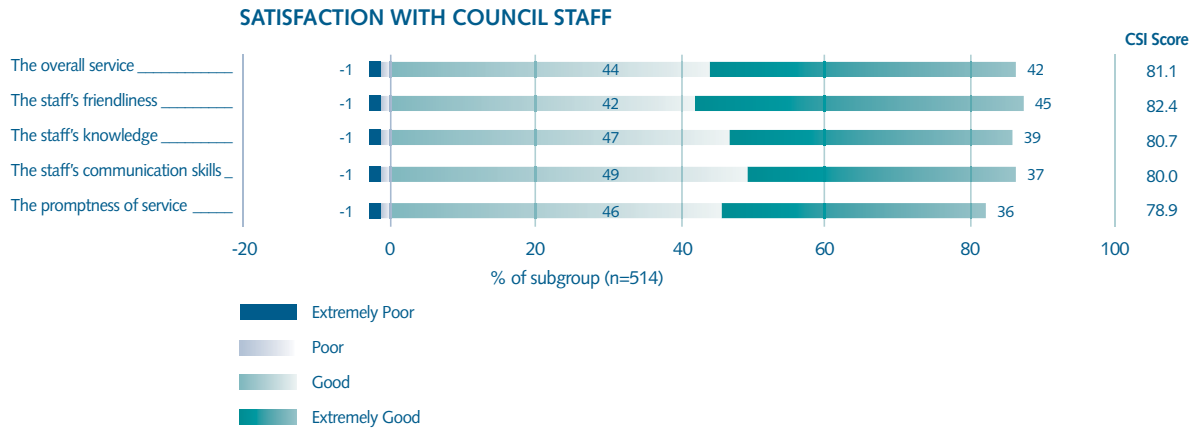
<sup>4</sup> The question was not asked in 1997.

<sup>5</sup> The question was not asked in 1997.

### SATISFACTION WITH COUNCIL STAFF'S CUSTOMER SERVICE

In Council's 2003 Annual Residents Survey the 82 per cent of respondents who had contact with Council staff in 2002/03 were asked to rate the service provided by staff on a series of factors.

The following graph shows how satisfied respondents were over five different attributes of staff's customer service. Satisfaction is shown through the use of CSI scores.

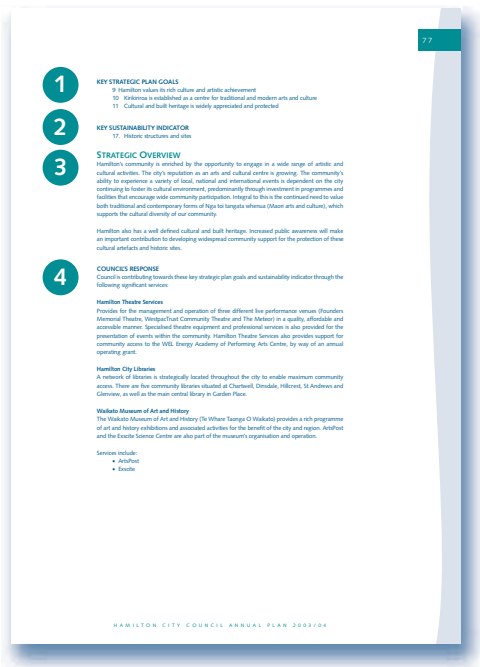


Satisfaction was highest with the staff's friendliness (CSI score of 82.4 and 45 per cent rating this extremely good). Satisfaction was also high for the overall service (CSI score of 81.1 and 42 per cent rating this extremely good), the staff's knowledge (CSI score of 80.7 and 39 per cent rating this extremely good), the staff's communication skills (CSI score of 80.0 and 37 per cent rating this extremely good) and the promptness of the service (CSI score of 78.9 and 36 per cent rating this extremely good).

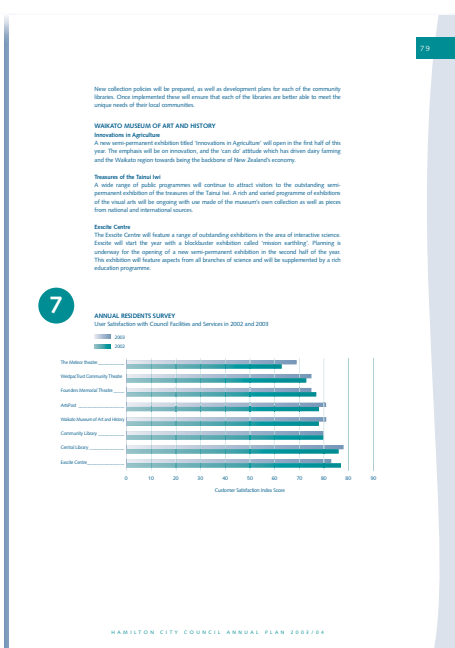
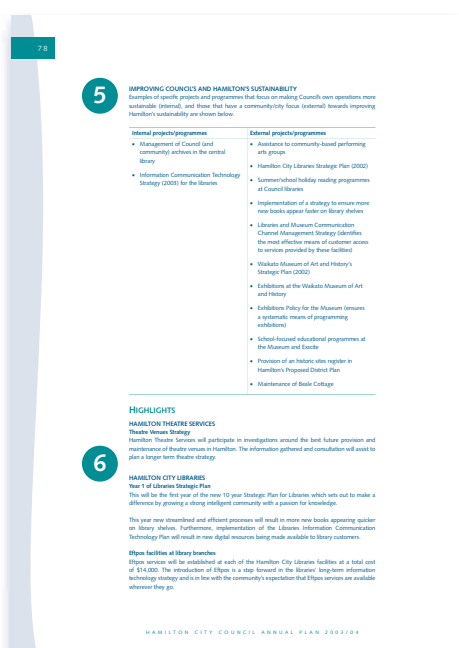


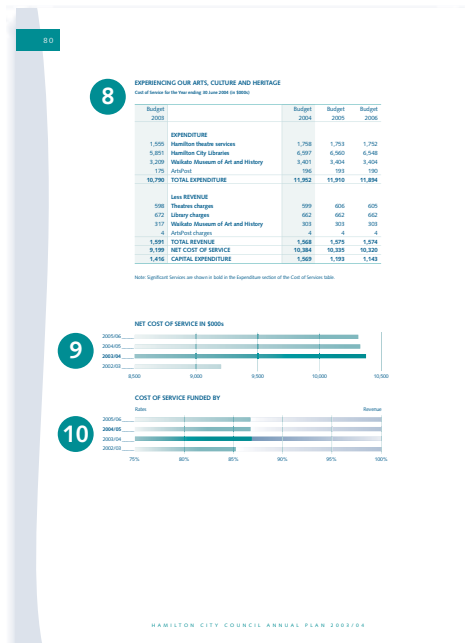
## GUIDE TO THE STRATEGIC AREAS AND SIGNIFICANT SERVICES

The **Strategic Area** contains the projects and programmes Council is proposing to undertake in 2003/04. These are detailed within the Council's significant services in-line with the six strategic areas of Hamilton's Strategic Plan 2002–2012.



1. **Key Strategic Plan Goals** Hamilton's Strategic Plan 2002–2012 contains the community's vision for Hamilton that is underpinned by 16 goals. These goals are arranged under the six strategic areas.
2. **Key Sustainability Indicators** from Hamilton's Strategic Plan 2002–2012 are shown under each strategic area.
3. **Strategic Overview** encapsulates the essence of what the community wants the city to become through the strategic goals.
4. **Council's Response** lists, with a brief description, its range of significant services that contribute to the particular strategic area.
5. **Improving Council's and Hamilton's sustainability** outlines examples of specific projects and programmes that focus on making Council's own operations more sustainable (internal), and those that have a community/city focus (external) towards improving Hamilton's sustainability.
6. **Highlights** of the major projects and programmes planned for the coming year.
7. 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 facilities and services. Approximately 700 residents are interviewed by telephone to obtain ratings which are used in many of the Annual Plan's performance measures.

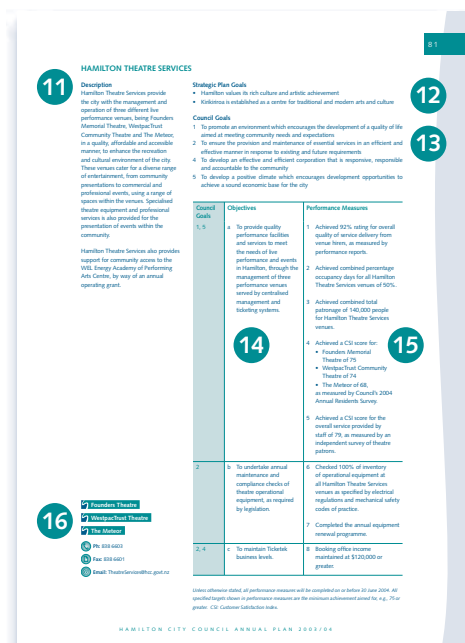




8. The **Cost of Service** table shows the proposed cost centre accounts for this Strategic Area for the next three years. The table shows how much revenue and expenditure is budgeted for each of the operational Significant Services in the cost centre.

9. The graph illustrates the **net cost of service** for this Strategic Area over the period 2002/03 to 2005/06.

10. The graph illustrates how the **net cost of service** is funded, i.e., Rates/Revenue for this Strategic Area over the period 2002/03 to 2005/06.



11. A brief **description** of the Significant Service.

12. **Strategic Plan Goals** relevant to this Significant Service.

13. **Council Goals** relevant to this Significant Service.

14. Key **objectives** for this Significant Service relating to one or more of Council's goals.

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

16. Reference information for further enquires







### KEY STRATEGIC PLAN GOALS

- 1 Clean air, water and soil, and an environment free from excessive noise
- 2 Healthy ecosystems displaying improved biodiversity, with a strong indigenous component
- 3 Energy resources are used in a sustainable manner, and air emissions are reduced
- 4 Production of solid and liquid waste (including hazardous substances) is minimised, and disposal is carried out in an environmentally sustainable manner.

### KEY SUSTAINABILITY INDICATORS

1. Air quality
2. Waikato River water quality
3. Water usage
4. Hamilton lakes
5. Soil health
6. Noise
7. Urban trees
8. Energy
9. Solid waste

## STRATEGIC OVERVIEW

The city is a complex environmental system, which significantly impacts on the ecosystems that make up the natural fabric of the city. Historically the city has grown with little regard to the land, water, plant and animal life of the region. Today that is changing, and the city is beginning to recognise the need to work in partnership with its natural environment. Enhancing the quality of Hamilton's environment is a considerable undertaking.

The Waikato River is a taonga (treasure) for the whole community (and particularly tangata whenua), and a major natural resource that makes a valuable contribution to the city's recreational and infrastructural activities. Conditions upstream affect water quality in the Waikato River, Hamilton's lakes, and the streams that flow through Hamilton. The city in turn influences water conditions for downstream users.

Preventing, avoiding, and remediating soil contamination in both industrial and residential situations will result in a healthier environment, as will improved efforts to address and reduce noise pollution. Air quality can be improved through the promotion of renewable, non-polluting energy resources and the increasing availability of more sustainable transportation methods.

The protection and enhancement of the city's biodiversity is a significant challenge. As the city grows, new development needs to protect and enhance the gully networks and areas of indigenous flora and fauna. Replanting existing gullies and reserve areas, and establishing linked greenspace corridors, will help restore the ecological balance of the city. These areas also provide Hamilton with a valuable recreational resource that contributes positively to the city's overall amenity.

The adoption of more efficient energy systems will reduce the city's greenhouse gas emissions and limit the depletion of finite resources. Further reduction, reuse and recycling of waste will also minimise the city's impact on the environment.

### COUNCIL'S RESPONSE

In this strategic area Council is contributing towards improving these key strategic plan goals and sustainability indicators through the following significant services:

#### Wastewater Management

The wastewater system protects public health and the environment by collecting urban wastewater which is transported to the Wastewater Treatment Plant, where it is treated to secondary level standard before being discharged to the Waikato River.

Services include:

- Network Management
- Wastewater Treatment Plant

#### **Stormwater Management**

The stormwater drainage system protects both public health and property by collecting stormwater runoff to minimise urban flooding, and reticulates it to the city's major watercourses, lakes or the Waikato River.

#### **Recycling/Refuse Collection**

Provides for the collection of household recyclables and refuse from residential properties, operation of the Refuse Transfer Station (including the recycling centre), Hamilton Organic Centre and the Horotiu Landfill.

Services include:

- Collection Services
- Transfer Station
- Horotiu Landfill
- Management of Old Landfill Sites
- Hamilton Organic Centre

#### **Water Supply**

Provides for the treatment, storage and distribution of drinkable water for residential and commercial properties, as well as water for fire protection.

Services include:

- Network Management
- Water Treatment Station and Reservoirs

#### **Sustainable Environment**

Sustainable Environment actions focus on resolving local environmental issues through collective community action, promoting urban sustainability through community education, and the implementation of Council policy.

#### **Environmental Health**

Protects and promotes public health by undertaking monitoring, inspection and enforcement of standards in regard to all food premises, licensed premises, hairdressers, and recreational water quality (including public pools).

Investigates any incidences of communicable diseases; licences, inspects and monitors premises storing hazardous substances; controls noise pollution; carries out environmental noise monitoring; and investigates contaminated sites.



## IMPROVING COUNCIL'S AND HAMILTON'S SUSTAINABILITY

Examples of specific projects and programmes that focus on making Council's own operations more sustainable (internal), and those that have a community/city focus (external) towards improving Hamilton's sustainability are shown below.

Internal projects/programmes	External projects/programmes
<ul style="list-style-type: none"> <li>• Environmental Management Systems/ ISO 14001</li> <li>• Council's Energy Management Programme</li> <li>• In-house paper recycling scheme</li> <li>• Green Purchasing Policy</li> <li>• Development and review of asset management plans (in particular the plans for refuse, stormwater, wastewater, and water)</li> <li>• The Corporate Environmental Policy and the Environmental Action Plan</li> <li>• Membership of and participation in EECA's (Energy Efficiency and Conservation Authority) Energy Wise Council's Forum</li> <li>• Membership of ICLEI (International Council for Local Environmental Initiatives)</li> </ul>	<ul style="list-style-type: none"> <li>• Participation in Project Watershed (a major project aimed at providing better, more co-ordinated management of river-based works and services in the greater Waikato catchment)</li> <li>• Implementation and review of Hamilton's Waste Management Plan (1998)</li> <li>• Kerbside recycling (Sort it Out)</li> <li>• Participation in a national programme to reduce the amount of construction and demolition waste disposed of</li> <li>• Implementation of the Environmental Education Strategy (e.g., Enviroschools, Environmental Education for Sustainable Living Programme)</li> <li>• Gully Restoration Programme (e.g., Gully Restoration Guide)</li> <li>• Waikato Festival of the Environment</li> <li>• Monitoring, reporting and promotion of Hamilton's Sustainability Indicators</li> <li>• Contaminated Sites Management Strategy</li> <li>• Food Safety Awards programme</li> </ul>

## HIGHLIGHTS

### WASTEWATER MANAGEMENT

#### Wastewater Flow Modelling

This project involves the development of a computer simulation model of the city's wastewater reticulation system. The model will provide information on pipeline capacity, setting a sound basis for planning future needs in growth areas as well as identifying existing pipelines needing increased capacity.

#### Rototuna Wastewater Trunk

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

#### Far Eastern Wastewater Interceptor

This \$1 million project involves extension of the far eastern wastewater interceptor which will service part of the Rototuna growth cell and eventually the Ruakura area. This year's programme involves construction of the pipeline from near the St James Park subdivision through to Wairere Drive.

### Stormwater Management

#### The Boulevard Stormwater Extension

The Boulevard is an area of industrial subdivision development adjoining the western side of Te Rapa Road, north of Te Kowhai Road. Subdivision development will provide a further 12 hectares of much needed industrial zoned land. This \$830,000 project involves closing-in an open drain with continuation of approximately 600m of 1.95 metre diameter pipeline. The pipeline construction path needs to be built before construction of the roadway and infrastructure required in the subdivision.

### **Stormwater Upgrading**

Council will continue upgrading Hamilton city's stormwater system to lessen the effects of localised flooding on roads and private property. This year stormwater drains in Malcolm Street and the Boundary Road area will be upgraded.

### **Rototuna Stormwater System**

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

### **Network Upgrades**

The programme of upgrading the stormwater pipe network in association with roading projects will continue during the year. Riverlea Road is one of the major projects scheduled.

## **RECYCLING/REFUSE COLLECTION**

### **Kerbside Recycling**

Introduced in July 2002, the kerbside recycling programme continues to be a resounding success in terms of waste diverted from the landfill. At March 2003, 2207 tonnes of paper, 1051 tonnes of glass, 77 tonnes of aluminium and tin cans, and 272 tonnes of plastic had been recycled. While various recycling activities were in place prior to July 2002, the kerbside service has been very effective in encouraging wider community participation. The programme underpins Hamilton's Waste Management Plan.

### **Closed Refuse Disposal Sites**

Resource consents for the control of discharges from two closed landfill sites within the city are expected to be issued by Environment Waikato this year.

## **WATER SUPPLY**

### **Rototuna Urban Growth**

Development of the Rototuna water supply reticulation trunks will continue this year. 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. The programme for this year includes extension of the River Road pipeline to about halfway between Sylvester Road and Kay Road.

### **New Water Reservoir and Bulk mains: Hamilton South**

Work on stage 1 (\$2.3m) will commence on construction of a new bulk watermain which will convey water from the Water Treatment Station to a new reservoir to be built at the southern end of the city near Ohaupo Road and Hall Road. The reservoir will provide increased storage capacity and better security of supply for the whole city. It will provide operational efficiencies in reticulating water to eastern areas of Hamilton. The \$7.65m project will be staged over three years.

### **Water mains Flushing**

Occasionally water is discoloured by flow disturbances of fine sediments which accumulate in the pipelines. Council has a programme of routinely flushing water from hydrants to minimise the sediment accumulations. A more comprehensive flushing programme will be implemented this year in the expectation that this will reduce 'brown water' incidents.

### **Water Treatment Station Upgrade**

Investigations to identify preferred options for upgrading the Water Treatment Station will be completed this year. Currently the Water Treatment Station treats Waikato River water to a high standard. The investigation is intended to address:

- increasing water demand due to city growth
- rising customer expectations for aesthetic qualities (taste and odour)
- anticipated higher New Zealand Drinking Water Standards (expected to be introduced in 2005).

SUSTAINABLE ENVIRONMENT

Environmental Education

Following on from the high profile launch of the sustainable household challenge, Council will deliver environmental education to other key sectors of the community as identified in the Environmental Education Strategy. Council will continue to develop Environmental Education for Sustainable Living (EESL) which is a comprehensive adult education programme that addresses key environmental issues in Hamilton and seeks to engage the community in sustainable living practices.

Railway Corridor Restoration

The environmental organisation Keep Hamilton Beautiful has leased the railway verge between Seddon Road and Lake Road from Tranzrail and intends to create a vital inner city pedestrian link. Funding has been successfully gained to plant and landscape this area with native plants to create a green corridor that provides natural habitats for native birds.

Waste Management Plan Review

Council intends to review its 1998 Waste Management Plan. The review will take account of targets identified in the 2002 New Zealand Waste Strategy and the requirements of the new Local Government Act 2002. It will also recognise Council's existing long-term partnership agreement and contracts for recycling and refuse services with Waste Management New Zealand, the commercial lease of the Hamilton Organic Centre and the planned closure of the Horotiu landfill.

ENVIRONMENTAL HEALTH

Food Safety Awards

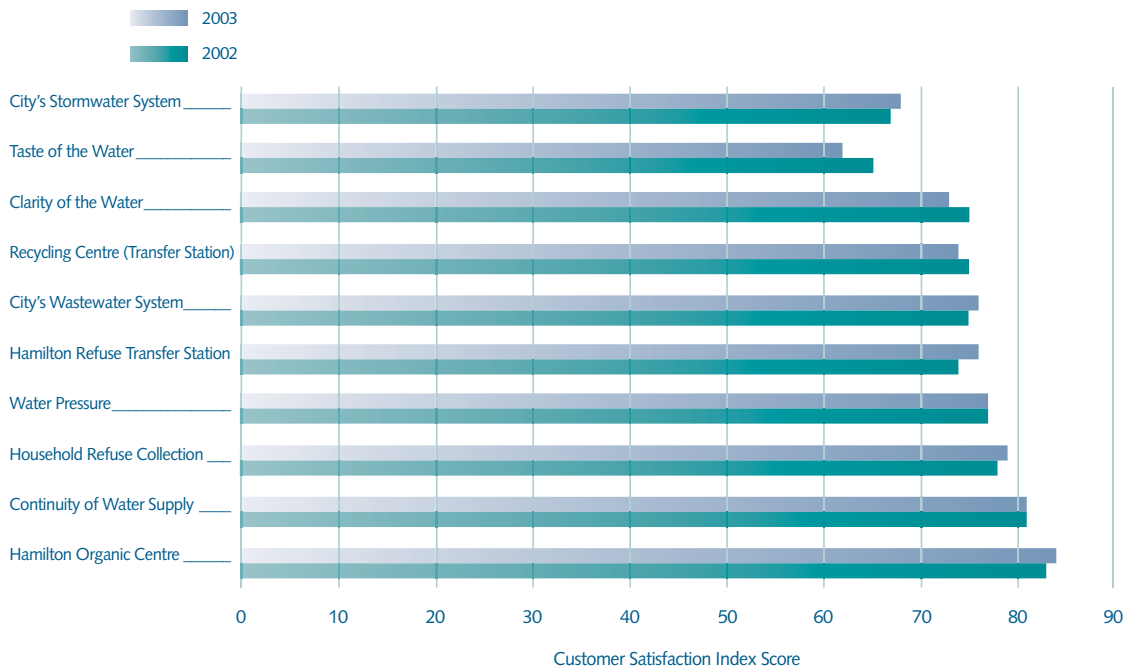
The Food Safety Awards are a positive means to promote food safety in Hamilton. The awards encourage food outlets to maintain Hamilton's very good food safety record. The awards recognise outlets that go the extra mile to ensure they make meals that are not only great to eat, but safe as well. This is the ninth year the awards will be made. In the last five years there has been a marked increase (from 19 to 33) of businesses that have gained the annual award.

Central City Safety Programme

Funding of \$250,000 for 2003/04 and \$330,000 from 2004/05 onwards has been allocated for the Central City Safety Programme. The programme will incorporate the delivery and management of Council's proposed liquor ban in the CBD, the existing security camera network, the establishment of Night Patrols, and working with youth in the CBD.

ANNUAL RESIDENTS SURVEY

User Satisfaction with Council Facilities and Services in 2002 and 2003



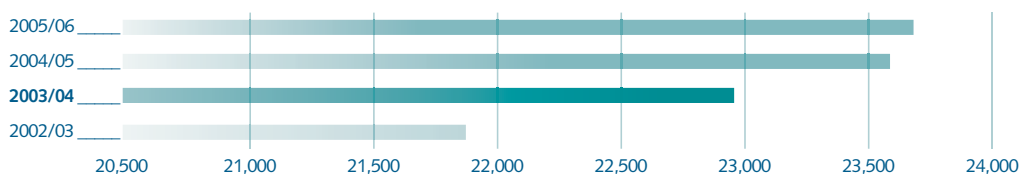
## SUSTAINING HAMILTON'S ENVIRONMENT

Cost of Service for the Year ending 30 June 2004 (in \$000s)

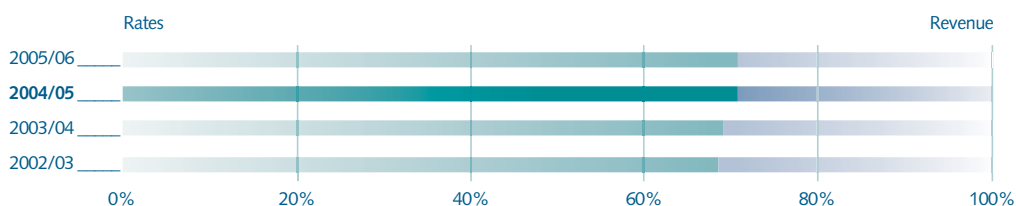
Budget 2003		Budget 2004	Budget 2005	Budget 2006
	<b>EXPENDITURE</b>			
	<b>Wastewater management</b>			
4,491	Network management	4,208	4,189	4,256
5,279	Wastewater treatment plant	6,064	5,981	6,007
5,077	<b>Stormwater management</b>	5,051	5,018	5,006
	<b>Recycling/refuse collection</b>			
2,423	Collection services	2,529	2,570	2,606
2,430	Transfer station	2,581	2,591	2,585
4,595	Horotiu landfill	3,934	3,705	3,671
225	Management old landfill sites	270	271	265
80	Hamilton Organic Centre	88	86	85
	<b>Water supply</b>			
3,457	Network management	3,671	3,709	3,809
2,550	Treatment station and reservoirs	3,154	3,430	3,464
552	<b>Sustainable environment</b>	622	615	577
826	<b>Environmental health</b>	1,099	1,178	1,165
<b>31,985</b>	<b>TOTAL EXPENDITURE</b>	<b>33,271</b>	<b>33,343</b>	<b>33,496</b>
	<b>Less REVENUE</b>			
698	<b>Trade waste charges</b>	924	934	954
147	<b>Stormwater management recoveries</b>	143	143	143
	<b>Recycling/refuse collection</b>			
1,892	Transfer station fees	1,929	1,929	1,929
4,462	Landfill charges	4,277	3,706	3,741
42	Hamilton Organic Centre rent	50	50	50
2,473	<b>Water by meter charges</b>	2,601	2,601	2,601
385	<b>Environmental health fees and licences</b>	390	390	390
<b>10,099</b>	<b>TOTAL REVENUE</b>	<b>10,314</b>	<b>9,753</b>	<b>9,808</b>
<b>21,886</b>	<b>NET COST OF SERVICE</b>	<b>22,957</b>	<b>23,590</b>	<b>23,688</b>
<b>5,756</b>	<b>CAPITAL EXPENDITURE</b>	<b>10,805</b>	<b>8,877</b>	<b>11,069</b>

Note: Significant Services are shown in bold in the Expenditure section of the Cost of Services table.

### NET COST OF SERVICE IN \$000s



### COST OF SERVICE FUNDED BY



## WASTEWATER MANAGEMENT

### Description

The wastewater system provides for the protection of public health and the environment by collecting and treating urban wastewater. These wastes are reticulated to the Wastewater Treatment Plant, where they are treated prior to discharge into the Waikato River. The recently upgraded Wastewater Treatment Plant processes wastewater to secondary treatment levels and UV disinfection of effluent significantly improves the quality of discharged wastewater.

The wastewater reticulation system includes 717km of pipes ranging from 100mm to 1800mm in diameter, 13,333 manholes, 115 pumping stations and 5 major wastewater bridges.

### Strategic Plan Goals

- Clean air, water and soil, and an environment free from excessive noise
- Energy resources are used in a sustainable manner and air emissions are reduced
- Production of solid and liquid waste (including hazardous substances) is minimised and disposal is carried out in an environmentally sustainable manner

### Council 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

Council Goals	Objectives	Performance Measures
1	a To continue to develop the wastewater reticulation system to provide for growth of the city.	1 Completed the next stage of wastewater trunk mains to serve ongoing growth in the Rototuna area.  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.
1, 2	b To accept, convey, treat, and dispose of all wastewater from the city efficiently and without nuisance, in accordance with Council's resource consent.	3 No more than 60 wastewater blockages per 100km of reticulation system per year.  4 Achieved a CSI score for the city's wastewater system of 75, as measured by Council's 2004 Annual Residents Survey.  5 Achieved a high level of compliance for the Wastewater Treatment Plant's resource consents as identified in an interim report by the Water and Wastewater Treatment Plant Unit (Environment Waikato to be provided with a final report by 30 September 2004).
2	c To maintain the integrity of the wastewater reticulation and pumping stations.	6 No wastewater overflows from pumping stations occurred through mechanical or electrical equipment failure.



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Unless otherwise stated, all performance measures will be completed on or before 30 June 2004. All specified targets shown in performance measures are the minimum achievement aimed for, e.g., 75 or greater. CSI: Customer Satisfaction Index.

## STORMWATER MANAGEMENT

### Description

The stormwater drainage system provides for the protection of both public health and property, and includes all public piped drains and watercourses within the city. The system collects stormwater runoff to minimise urban flooding, and reticulates it to the city's major watercourses, lakes or the Waikato River.

It includes 566km of piping ranging from 225mm to 2300mm in diameter, 10,536 manholes, and 86km of open drains.

### Strategic Plan Goals

- Clean air, water and soil, and an environment free from excessive noise
- Production of solid and liquid waste (including hazardous substances) is minimised and disposal is carried out in an environmentally sustainable manner

### Council Goals

- 2 To ensure the provision and maintenance of essential services in an efficient and effective manner in response to existing and future requirements
- 5 To develop a positive climate which encourages development opportunities to achieve a sound economic base for the city

Council Goals	Objectives	Performance Measures
2, 5	a To minimise flooding and facilitate development within the city by providing stormwater and land drainage to all urban areas.	<ol style="list-style-type: none"> <li>1 Completed the next stage of stormwater trunk mains to serve ongoing growth in the Rototuna area.</li> <li>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.</li> <li>3 Ensured that all new stormwater systems in the city comply with the standards set out in the Hamilton City Development Manual.</li> <li>4 Completed the annual programme of open drain cleaning.</li> <li>5 Achieved a CSI score for the city's stormwater system of 66, as measured by Council's 2004 Annual Residents Survey.</li> </ol>
2	b To ensure that Hamilton city's stormwater resource consent conditions are complied with.	<ol style="list-style-type: none"> <li>6 No major concerns raised by Environment Waikato around stormwater consent compliance.</li> </ol>



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## RECYCLING/REFUSE COLLECTION

### Description

Provides for the collection of household recyclables and refuse from over 44,000 residential properties, operation of the Refuse Transfer Station (including the recycling centre), Hamilton Organic Centre and the Horotiu Landfill.

The landfill accepts waste from Hamilton and the two neighbouring districts (Waikato and Waipa).

### Strategic Plan Goals

- Clean air, water and soil, and an environment free from excessive noise
- Energy resources are used in a sustainable manner and air emissions are reduced
- Production of solid and liquid waste (including hazardous substances) is minimised and disposal is carried out in an environmentally sustainable manner

### Council 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
- 4 To develop an effective and efficient corporation that is responsive, responsible and accountable to the community

Council Goals	Objective	Performance Measures
1, 2, 4	a To plan, manage, and administer all refuse operations in an efficient, cost-effective, and environmentally-sensitive way, including refuse collection, transfer and disposal, recycling and hazardous waste disposal.	<ol style="list-style-type: none"> <li>1 Satisfied 90% of requests relating to non-collection of household refuse within 24 hours.</li> <li>2 Satisfied 90% of requests relating to non-collection of household recyclables within 24 hours.</li> <li>3 The Hamilton Organic Centre, Refuse Transfer Station, and landfill facilities operated every day, except New Year's Day, Good Friday and Christmas Day.</li> <li>4 Achieved a CSI score for the: <ul style="list-style-type: none"> <li>• Refuse Transfer Station of 73</li> <li>• Hamilton Organic Centre of 83</li> <li>• household kerbside recycling and refuse collection of 78, as measured by Council's 2004 Annual Residents Survey.</li> </ul> </li> <li>5 Achieved a high level of compliance for the Horotiu Landfill's resource consents as identified in an interim report by the Water, Drainage and Refuse Unit (Environment Waikato and Waikato District Council provided with a final report by 30 September 2004).</li> <li>6 Closed landfills comply with resource consent conditions.</li> <li>7 Diverted 20,000 tonnes of waste for recycling through kerbside recycling, recycling centre operations and greenwaste composting at the Hamilton Organic Centre.</li> </ol>



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Kerbside recycling and refuse service queries

Ph: 0800 10 10 10

Hamilton Organic Centre

Ph: 846 1514

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## WATER SUPPLY

### Description

Provides for water treatment, storage and distribution through the operation and maintenance of the water treatment station, 9 pump stations, 8 reservoirs and over 931km of reticulation network.

The water delivered to over 122,000 residents, through over 44,000 connections to residential dwellings and over 3000 commercial properties, complies with New Zealand Drinking Water Standards and Fire Service standards for fire fighting.

### Strategic Plan Goals

- Clean air, water and soil, and an environment free from excessive noise
- Energy resources are used in a sustainable manner and air emissions are reduced
- Production of solid and liquid waste (including hazardous substances) is minimised and disposal is carried out in an environmentally sustainable manner

### Council Goal

- 2 To ensure the provision and maintenance of essential services in an efficient and effective manner in response to existing and future requirements

Council Goal	Objective	Performance Measures
2	a To maintain a continuous supply of potable (drinkable) water with adequate supplies for urban fire fighting.	<ol style="list-style-type: none"> <li>1 Maintained a water supply that meets the New Zealand Drinking Water Standards 2000.</li> <li>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 of Health.</li> <li>3 Achieved a CSI score for the: <ul style="list-style-type: none"> <li>• continuity of supply of 81</li> <li>• taste of water of 63, as measured by Council's 2004 Annual Residents Survey.</li> </ul> </li> <li>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.</li> <li>5 Achieved 99.99% continuity of service. This equates to an overall city average of 6 minutes loss of supply per customer connection for unplanned works.</li> <li>6 Flows and pressures complied with the standards set out in the Hamilton City Development Manual.</li> <li>7 Prepared a report that investigates and evaluates options to meet: <ul style="list-style-type: none"> <li>• increasing water demand</li> <li>• rising customer expectations</li> <li>• higher water quality standards, by November 2003.</li> </ul> </li> </ol>



Te Kaunihera o Kirikiriroa



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## SUSTAINABLE ENVIRONMENT

### Description

Sustainable environment actions focus on resolving local environmental issues through collective community action, promoting urban sustainability through community education, and the implementation of Council policy. This includes environmental education, the Community Environmental Programme, the new Hamilton Environment Centre, Envirofund, the Festival of the Environment and Keep Hamilton Beautiful.

### Strategic Plan Goals

- Clean air, water and soil, and an environment free from excessive noise
- Healthy ecosystems displaying improved biodiversity, with a strong indigenous component
- Energy resources are used in a sustainable manner and air emissions are reduced
- Production of solid and liquid waste (including hazardous substances) is minimised and disposal is carried out in an environmentally sustainable manner

### Council Goal

- 1 To promote an environment which encourages the development of a quality of life aimed at meeting community needs and expectations

Council Goal	Objectives	Performance Measures
1	a To increase knowledge and awareness of environmental issues amongst target groups identified in the Environmental Education Strategy.	<ol style="list-style-type: none"> <li>1 Developed and implemented year 2 of a 3-year community-based environmental education programme in accordance with the Environmental Education Strategy.</li> <li>2 Established a membership of 20 or more groups to the Hamilton Environment Centre.</li> <li>3 Co-ordinated 35 or more Festival of the Environment event registrations in Hamilton.</li> </ol>
1	b To support sustainable community-based environmental initiatives through the distribution of grants.	<ol style="list-style-type: none"> <li>4 Applications to Council's Envirofund increased by 10% on the previous year.</li> </ol>
1	c To promote urban sustainability by designing and creating a pedestrian walkway and an inner city green corridor.	<ol style="list-style-type: none"> <li>5 Established the landscape plan. Developed walkway infrastructure and commenced planting. Local community involvement secured.</li> </ol>



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Unless otherwise stated, all performance measures will be completed on or before 30 June 2004. All specified targets shown in performance measures are the minimum achievement aimed for, e.g., 75 or greater. CSI: Customer Satisfaction Index.

## ENVIRONMENTAL HEALTH

### Description

Protects and promote public health by undertaking monitoring, inspection and enforcement of standards in regard to all food premises, licensed premises, hairdressers, and recreational water quality (including public pools).

Investigates any incidences of communicable diseases; licences, inspects and monitors premises storing hazardous substances; controls noise pollution; carries out environmental noise monitoring; and investigates contaminated sites. Monitors and undertakes a range of central city safety initiatives.

### Strategic Plan Goals

- Clean air, water and soil, and an environment free from excessive noise
- Energy resources are used in a sustainable manner and air emissions are reduced
- Production of solid and liquid waste (including hazardous substances) is minimised and disposal is carried out in an environmentally sustainable manner

### Council Goal

- 1 To promote an environment which encourages the development of a quality of life aimed at meeting community needs and expectations

Council Goal	Objectives	Performance Measures
1	a To optimise the safety of all food manufactured, prepared, packed, stored, handled by, or sold from, food establishments in Hamilton.	<ol style="list-style-type: none"> <li>1 Inspected approximately 1500 food premises in accordance with Health Act 1956 regulations and Council's monthly inspection schedules.</li> <li>2 Maintained the average risk factor for food businesses at no more than 5.5 (acceptable risk level), derived from the ongoing food business risk assessment programme.</li> </ol>
1	b 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.	<ol style="list-style-type: none"> <li>3 Inspected approximately 200 licensed premises in accordance with the Sale of Liquor Act 1989 regulations and Council's monthly inspection licensed premises schedules.</li> </ol>
1	c To provide a timely response to complaints of excessive noise.	<ol style="list-style-type: none"> <li>4 Responded to 95% of excessive noise complaints within 30 minutes of the time of complaint.</li> </ol>
1	d To licence and inspect industrial and trade premises where dangerous goods are stored.	<ol style="list-style-type: none"> <li>5 Inspected approximately 600 premises storing dangerous goods in accordance with the Hazardous Substances and New Organisms Act 1996 regulations and Council's monthly dangerous goods inspection schedules.</li> </ol>
1	e To identify contaminated sites that pose a high risk to the environment as determined by the Contaminated Sites Management Strategy.	<ol style="list-style-type: none"> <li>6 Identified all high-risk sites listed on the database (as at July 2003).</li> </ol>
1	f To reduce the incidence of crime in the CBD and to promote a climate of safety and security.	<ol style="list-style-type: none"> <li>7 Crime prevention camera monitoring contract in place by 30 November 2003.</li> <li>8 Youth at risk contract in place by 30 November 2003.</li> <li>9 Central city on-site safety officers contract in place by 30 November 2003.</li> </ol>



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### KEY STRATEGIC PLAN GOALS

- 5 A compact city with a well distributed mix of residential, employment and service activities, interconnected through an effective and sustainable transport system
- 6 A distinctive, vibrant and people-friendly central area

### KEY SUSTAINABILITY INDICATORS

10. Urban development
11. Transport
12. Housing affordability

## STRATEGIC OVERVIEW

Hamilton's increasing population, and changing population composition, have a range of implications for the city's development in areas such as housing, industrial and commercial activities. The way the city is currently structured results in significant commuter traffic flows across the city. More flexible forms of urban development and increased integration of business activity, employment and services throughout the city, linked with more sustainable transport options will change this over time. Higher density housing (including greater infill development) can make more efficient use of the city's infrastructure, and provide more accommodation choice for an increasingly diverse community. High quality infrastructure will continue to be developed and maintained to meet the city's ongoing needs.

Hamilton's central area is the focal point of the city and region's retail, commercial and entertainment spheres. As such, it caters for a range of cultural, social and economic needs. Enhancement of the central area requires continued investment in the upgrading of streets, urban 'greening', beautification of buildings and the use of public art. The central area will benefit where new development is based around an integrated design philosophy which encompasses pedestrian friendliness, safety, the river, local heritage, and recognises the diversity of functions located in the area.

### COUNCIL'S RESPONSE

Council is contributing towards these key strategic plan goals and sustainability indicators through the following significant services:

#### Road Network Management

Provides for the professional and technical services involved in ongoing management of growth and development of the city's transportation network. It includes network planning, development control, funding provision, and various systems management.

It also provides for the physical works to maintain, clean, reseal and rehabilitate the city's roads and bridges, as well as the construction and reconstruction of roads.

#### Traffic Services

Provides for the improvement and day-to-day operation and maintenance of roadmarking, safety fences, traffic islands, traffic signals, signs, street lights and bus shelters.

It also provides for:

- the Road Safety Programme (targeting road safety education and promotion campaigns)
- six pay and display off-street parking facilities
- 450 metered and 1020 time controlled on-street parking spaces in the CBD.

#### Footpaths, Cycleways and Verges

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.

#### Parking Enforcement

Provides for on-street parking space turnover, availability, and control, ensures vehicles have current licences, Warrant or Certificate of Fitness and safe tyres, enforces heavy motor vehicle parking regulations and abandoned vehicle removal.



### Building Control

Building control works with people to maintain public safety and well-being by educating and fairly applying laws relating to the construction and maintenance of new and existing buildings.

### Planning Guidance

Provides planning advice, receives and processes applications for land use and subdivision consents, makes recommendations to Council, and monitors compliance with the Hamilton City District Plan and the Resource Management Act 1991.

### Animal Care and Control

Provides for a dog friendly city where the exercise and recreational needs of dogs is allowed for without causing danger, distress or nuisance to people or the community in general. This service extends to other animals causing a nuisance or danger to public safety. The Animal Care and Control Centre meets the welfare needs of animals during their stay.

A range of education and enforcement techniques are used to address compliance with public place and litter control bylaws.

### Property Management (Endowment and Investments)

Manages investment properties owned by the Domain Endowment Fund and the Municipal Endowment Fund to maximise benefits to the city. Manages the Hamilton Transport Centre which is an integral part of the city and region's transportation network.

## IMPROVING COUNCIL'S AND HAMILTON'S SUSTAINABILITY

Examples of specific projects and programmes that focus on making Council's own operations more sustainable (internal), and those that have a community/city focus (external) towards improving Hamilton's sustainability are shown below.

Internal projects/programmes	External projects/programmes
<ul style="list-style-type: none"> <li>Initiatives to improve the efficiency of Council's vehicle fleet</li> <li>Promotion of Bike Wise week</li> <li>Investigation of a ride share scheme for Council employees</li> <li>Development and review of asset management plans (in particular, plans for roads and traffic)</li> </ul>	<ul style="list-style-type: none"> <li>New and upgraded bus shelters</li> <li>Cycling in Hamilton 2000</li> <li>Hamilton's Integrated Transport Strategy (HITS) (1999)</li> <li>Road Safety campaigns (e.g., Merge like a Zip)</li> <li>Easy Guide to Eco-Building (2001)</li> <li>Safety awareness campaign for swimming pool owners</li> <li>Hamilton City's Proposed District Plan (References Version, November 2001)</li> <li>Establishment/implementation of structure plans for the city's future growth areas</li> <li>Money back guarantee programme for non-notified resource consents not issued within the statutory timeframe</li> <li>A Dog's Life—Good Dog Owner's Guide (2001)</li> </ul>

## HIGHLIGHTS

### ROAD NETWORK MANAGEMENT

#### Minor Traffic Safety Improvements

Council has allocated \$283,000 for minor traffic safety improvement work around the city. This project forms part of an ongoing programme to address traffic safety problems.

#### Traffic Calming

Funding provision of \$100,000 has been made to support an ongoing programme to slow traffic and improve safety in selected streets. This will be achieved through the use of traffic calming devices such as road narrowings and speed humps. Site selection and priorities are determined by applying the Warrant for Traffic Calming Schemes system approved by Council in October 2001.

#### Thomas Road Upgrade

The \$2.8m upgrade of Thomas Road between Horsham Downs Road and Gordonton Road will be undertaken and completed this year. Stage 1 (\$1.2m) of the work comprises construction of a gully crossing and approaches through the middle section of the road and Sexton Road intersection. Advanced funding of \$1.6m from Grasshopper Developments Ltd means Stage 2—upgrading the Gordonton Road and Horsham Downs Road ends of Thomas Road—will contiguously run on from Stage 1.

#### Riverlea Road Upgrade

Council has allocated \$650,000 for Stage 1 of the two year \$1.3m upgrade of Riverlea Road. Council has formed a partnership with the Hamilton Environmental Improvement in the Riverlea Suburb (HEIRS) group, to ensure that the needs of the Riverlea community are addressed through the project development phases.

#### Te Kowhai Road Upgrade

Te Kowhai Road will be upgraded to urban standards from State Highway 1 Te Rapa Road to the railway line. The \$415,000 project includes the raising of the Tasman Road/Te Kowhai Road intersection and Te Kowhai Road as far east as the railway line to improve sight distance over the railway line. A new roundabout will be constructed on Church Road/State Highway 1/Te Kowhai Road intersection. Council will work closely with Transit New Zealand which is funding the roundabout construction and acting as principal to the contract. The contract is targeted for completion in February 2004.

#### Lake Domain Drive

Stage 1 (design) of the Lake Domain Drive (Innes Common Road) upgrade will commence this year. This \$50,000 project will include traffic calming measures such as variable surfacing, narrowings, car parking improvements and landscaping to ensure the road improvements are sympathetic to the surrounding park use. Stage 2 (construction) is programmed for 2004/05.

### TRAFFIC SERVICES

#### Street Lighting

The ongoing street lighting improvement programme continues throughout the city. The \$210,000 programme upgrades the lighting of arterial roads as well as local road and amenity lighting.

#### Undergrounding of Overhead Power Lines

In partnership with WEL Networks, Council will complete two major projects to underground overhead power lines. The projects are Hukanui Road between Wairere Drive and Thomas Road, and Heaphy Terrace between Boundary Road and Brooklyn Road (alongside Claudelands Park).

It is estimated that the two projects will cost \$800,000 to complete, with Council's share being \$216,000.

The partnership with WEL Networks will provide for an ongoing programme for undergrounding overhead power lines, with a third of the costs being met by Council and two-thirds by WEL Networks.

#### Parking Provision in the CBD

In response to the high demand for additional commuter parking in the CBD, Council has allocated \$365,000 to develop concepts to provide additional on-street parking in the Knox Street and Harwood Street car parks. The proposed development will provide an extra 54 car park spaces.

## BUILDING CONTROL

### Best Practice Guidelines Service

This will be the first year of developing joint building procedures and standards with other Waikato councils. The intent is to develop a Waikato Building Consent which set best practice and gives consistently excellent customer service.

### Safety Awareness Campaign for Swimming Pool Owners

Council is the first local government authority in New Zealand to undertake this public awareness campaign to owners of private swimming pools. Hamilton's campaign is in its second year and the concept is likely to be used by surrounding district councils and others throughout New Zealand. Year two will be run on four levels:

- radio advertising will be broadcast over the initial weeks of the summer
- a mail out of brochures that includes a simple checklist for owners to check their pool fencing for compliance
- visits to all primary schools and pre-schools to provide educational material on pool fence safety
- an 0800 Poolsafe phone number for any enquiries.

## PLANNING GUIDANCE

### 100 per cent Money Back Guarantee

The 100 per cent money back guarantee for non-notified resource consents not being issued within the statutory timeframe continues in its second year. The programme is a New Zealand first and is a demonstration of Council's commitment to customer service.

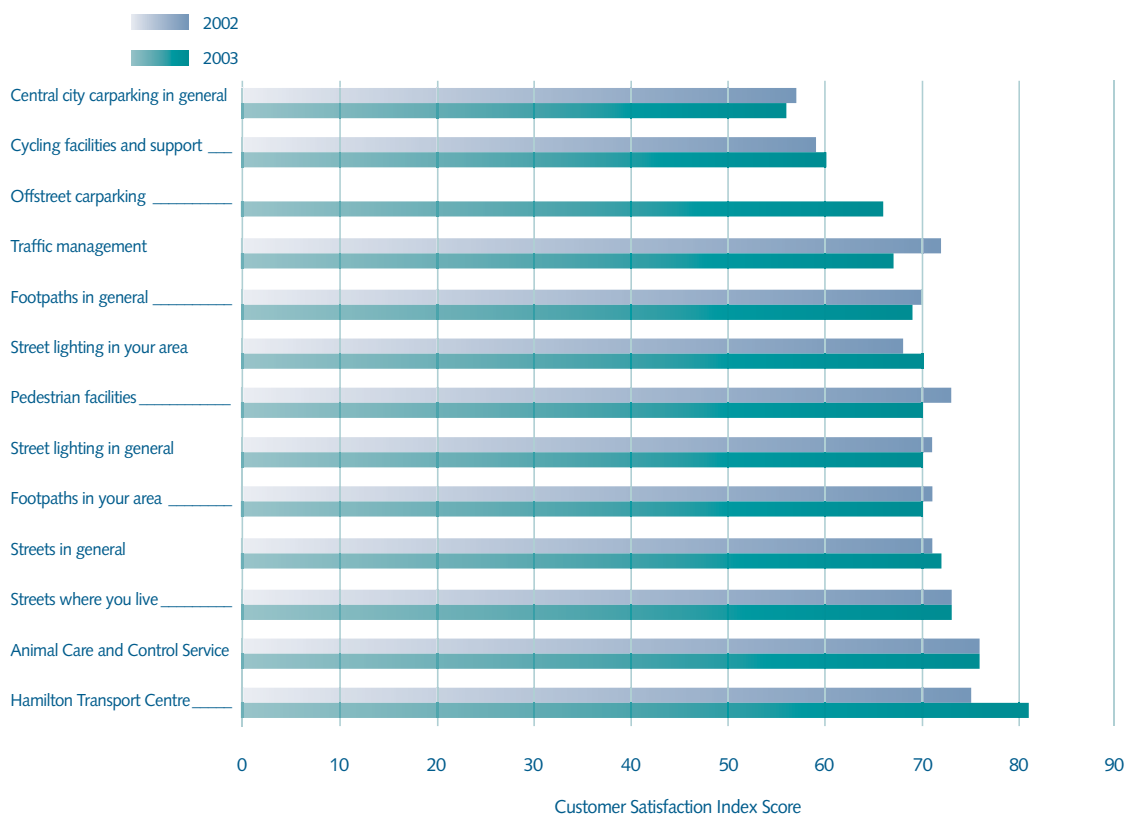
## ANIMAL CARE AND CONTROL

### Dog Day Afternoon

Following a successful debut in February 2002 the promotional event Dog Day Afternoon will be run again this year building on the strength of the inaugural event. The day recognises that good dog ownership improves public safety, that people can have fun when dogs are under control, and that dog attacks and related incidents are not acceptable.

## ANNUAL RESIDENTS SURVEY

### User Satisfaction with Council Facilities and Services in 2002 and 2003



## GROWING HAMILTON

Cost of Service for the Year ending 30 June 2004 (in \$000s)

Budget 2003		Budget 2004	Budget 2005	Budget 2006
	<b>EXPENDITURE</b>			
599	<b>Road network management</b>	492	498	437
9,521	Carriageways management	11,234	11,702	12,022
3,377	<b>Traffic services</b>	3,608	3,630	3,675
245	Road safety programme	395	395	395
199	Central area off street parking	254	254	254
3,296	<b>Footpaths, cycleways and verges</b>	3,853	3,890	3,938
1,322	<b>Parking enforcement</b>	1,590	1,591	1,591
2,488	<b>Building control</b>	3,015	2,982	2,985
1,220	<b>Planning guidance</b>	1,302	1,301	1,300
824	<b>Animal care and control</b>	916	915	913
1,376	<b>Property management (Endowment &amp; Investments)</b>	2,202	2,187	2,177
576	Hamilton Transport Centre	543	530	521
25,043	<b>TOTAL EXPENDITURE</b>	29,404	29,875	30,208
	<b>Less REVENUE</b>			
1,965	Transfund NZ subsidy	2,342	2,384	2,328
226	Contributions – roads and traffic	394	399	394
158	Hamilton Transport Centre rents	188	188	188
340	Off street parking charges	445	445	445
1,909	<b>Parking enforcement fees and fines</b>	2,351	2,351	2,351
1,834	<b>Building control charges</b>	2,280	2,280	2,280
575	<b>Planning guidance charges</b>	638	638	638
393	<b>Dog licences, fees and fines</b>	421	421	421
4,083	<b>Property rents</b>	4,482	4,510	4,510
11,483	<b>TOTAL REVENUE</b>	13,541	13,616	13,555
13,560	<b>NET COST OF SERVICE</b>	15,863	16,259	16,653
14,166	<b>CAPITAL EXPENDITURE</b>	12,283	10,549	9,279

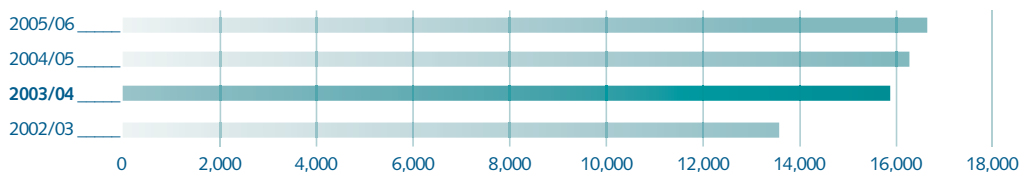
Note: Significant Services are shown in bold in the Expenditure section of the Cost of Services table.

For this Annual Plan, Carriageways Management in the Cost of Services table is reported on in the following text under the significant service: Road Network Management.

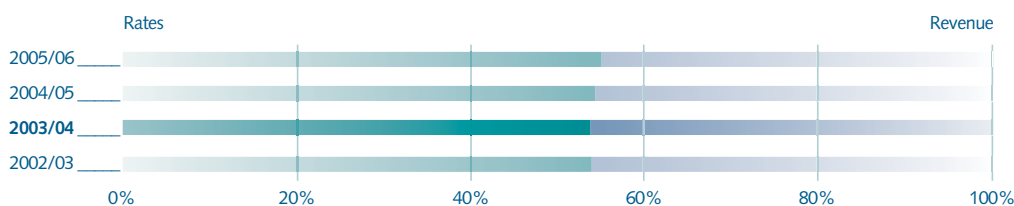
For this Annual Plan, Road Safety Programme and Central Area Off Street Parking in the Cost of Services table are reported on together in the following text under the significant service: Traffic Services.

For this Annual Plan, the Hamilton Transport Centre in the Cost of Services table is reported on in the following text under the significant service: Property Management (Endowment & Investments).

## NET COST OF SERVICE IN \$000s



## COST OF SERVICE FUNDED BY



## ROAD NETWORK MANAGEMENT

### Description

Provides for the professional and technical services involved in ongoing management of growth and development of the city's transportation network. It includes network planning, development control, funding provision, and various systems management.

It also provides for the physical works to maintain, clean, reseal and rehabilitate the city's roads and bridges, as well as the construction and reconstruction of roads. All physical works are carried out by external contractors.

The road network comprises approximately 550km of carriageways, 973km of kerb and channel, and 55 traffic bridges, large culverts, pedestrian bridges and underpasses.

### Strategic Plan Goals

- A compact city with a well distributed mix of residential, employment and service activities, interconnected through an effective and sustainable transport system
- A distinctive, vibrant and people-friendly central area

### Council 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
- 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

Council Goals	Objectives	Performance Measures
1, 2, 5	a To carry out the road network management function in an efficient and effective manner that meets the community's needs.	1 Achieved a CSI score of 75 for acknowledgement of, and response to, requests for service, as measured by the Roads and Traffic Unit's monthly feedback surveys.  2 Processed all engineering designs for subdivision applications within 20-working days.
4	b To carry out all subsidised works in accordance with the National Roding Plan (NRP) agreement with Transfund.	3 Satisfactorily achieved all the performance measures contained within the National Roding Plan (NRP) agreement with Transfund.



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## TRAFFIC SERVICES

### Description

Provides for the improvement and day-to-day operation and maintenance of roadmarking, safety fences, traffic islands, traffic signals (43 intersections including state highways), signs (12,158), street lights (14,074) and bus shelters (128) on Hamilton's 550km of roads.

It also provides for:

- the Road Safety Programme which targets road safety education and promotion campaigns within the community. These campaigns are partially funded by a number of partners including the Land Transport Safety Authority (LTSA).
  - six pay and display off-street parking facilities in the city. Knox Street, River Road, and Kent Street car parks and at the Waikato Museum, The Meteor and Founders Memorial Theatre provide 682\* off-street parking spaces.
- \* This figure has been adjusted from previous years to allow for the transfer of the Downtown Plaza Car Park to private ownership and the introduction of three new pay and display car parks (Waikato Museum, The Meteor and Founders Memorial Theatre).

Council also manages the provision of 450 metered and 1020 time controlled on-street parking spaces in the CBD.

All physical works are carried out by external contractors.

### Strategic Plan Goals

- A compact city with a well distributed mix of residential, employment and service activities, interconnected through an effective and sustainable transport system
- A distinctive, vibrant and people-friendly central area

### Council Goals

- To promote an environment which encourages the development of a quality of life aimed at meeting community needs and expectations
- To ensure the provision and maintenance of essential services in an efficient and effective manner in response to existing and future requirements

Council Goals	Objectives	Performance Measures
2	a To provide, improve and maintain the city's traffic facilities and traffic management systems to optimise the safety and efficiency of the road network.	<ol style="list-style-type: none"> <li>Achieved a CSI score for: <ul style="list-style-type: none"> <li>traffic management of 69</li> <li>street lighting throughout the city of 71</li> <li>street lighting around here of 68,</li> </ul> as measured by Council's 2004 Annual Residents Survey. </li> <li>Maintenance work completed in accordance with contract specifications in line with industry best practice.</li> </ol>
1, 2	b To work in partnership with the police and the LTSA* to address road safety risk areas identified in the LTSA/HCC Road Safety Issues Report.	<ol style="list-style-type: none"> <li>Completed community-based road safety education projects evaluated and accepted by the LTSA.</li> </ol>
1	c To provide for the maintenance and management of Council's six pay and display off-street city parking facilities to enhance the availability of public parking in a safe and efficient manner.	<ol style="list-style-type: none"> <li>Achieved an average CSI score for Council's six off-street pay and display car parks of 66, as measured by Council's 2004 Annual Residents Survey.</li> </ol>



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## FOOTPATHS, CYCLEWAYS AND VERGES

### Description

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.

The assets comprise nine pedestrian/cycle underpasses, 852km of footpaths, and 25km of on-road cycle lanes and off-road cycle paths.

All physical works are carried out by external contractors.

### Strategic Plan Goals

- A compact city with a well distributed mix of residential, employment and service activities, interconnected through an effective and sustainable transport system
- A distinctive, vibrant and people-friendly central area

### Council 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

Council Goals	Objectives	Performance Measures
1	a To provide for the safety and amenity of pedestrians and cyclists, by maintaining and constructing footpath and verge areas including cycleways.	<ol style="list-style-type: none"> <li>1 Completed 6km of footpath refurbishment, 0.6km of new footpath construction and 20km of footpath resurfacing.</li> <li>2 Completed maintenance work in accordance with contract specifications ensuring that footpaths, cycleways and verges remain in their current state or better condition.</li> <li>3 Achieved a CSI score for: <ul style="list-style-type: none"> <li>• footpaths in general throughout the city of 70</li> <li>• footpaths around here of 70</li> <li>• pedestrian facilities of 71, as measured by Council's 2004 Annual Residents Survey.</li> </ul> </li> </ol>
1, 2	b To continue development of the cycleway network.	<ol style="list-style-type: none"> <li>4 Achieved a CSI score for cycle facilities and support for cycling throughout the city of 60, as measured by Council's 2004 Annual Residents Survey.</li> </ol>



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## PARKING ENFORCEMENT

### Description

Provides for on-street parking space turnover, availability and control, ensures vehicles have current licences, Warrant or Certificate of Fitness and safe tyres, enforces heavy motor vehicle parking regulations and abandoned vehicle removal. Parking officers also give aid and assistance to the public where appropriate or requested in the course of their duties.

### Strategic Plan Goals

- A compact city with a well distributed mix of residential, employment and service activities, interconnected through an effective and sustainable transport system
- A distinctive, vibrant and people-friendly central area

### Council 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
- 4 To develop an effective and efficient corporation that is responsive, responsible and accountable to the community

Council Goals	Objectives	Performance Measures
1, 2, 4	a To contain or prevent illegal parking of vehicles on roads, to achieve public safety and availability of parking spaces within the city.	<ol style="list-style-type: none"> <li>1 Achieved a turnover of parking space in the inner city area that is equal to or better than the time limits set for these areas.*</li> <li>2 Maintained a paid before prosecution rate for parking regulation offences better than 80%.</li> </ol>
1	b To ensure all motor vehicles are licensed, have a current Warrant or Certificate of Fitness and have tyres that meet the legal criteria.	<ol style="list-style-type: none"> <li>3 Limited the number of motor vehicles displaying an out-of-date licence and/or Warrant or Certificate of Fitness two or more months overdue, to less than 4%.*</li> </ol>



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\* Standardised annual surveys conducted by the Parking Enforcement Unit. All specified targets shown in performance measures are the minimum achievement aimed for, e.g., 75 or greater.

## BUILDING CONTROL

### Description

Building Control works with people to maintain public safety and well-being by educating and fairly applying laws relating to the construction and maintenance of new and existing buildings.

Approximately 2800 building consents are processed annually of which 800 are for new dwellings with the balance being made up of commercial and industrial, swimming pools, dwelling additions/alterations and other minor projects.

### Strategic Plan Goals

- A compact city with a well distributed mix of residential, employment and service activities, interconnected through an effective and sustainable transport system
- A distinctive, vibrant and people-friendly central area

### Council 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

Council Goals	Objectives	Performance Measures
1	a To receive and process all building consents and project information memoranda (PIMs) within statutory timeframes and to achieve compliance with the Building Act 1991.	<ol style="list-style-type: none"> <li>1 Processed 100% of all building consents and project information memoranda in accordance with the Building Regulations 1992 within the following timeframes after receiving an application: <ul style="list-style-type: none"> <li>• Buildings up to \$500,000—10 working days.</li> <li>• Buildings over \$500,000—20 working days.</li> </ul> </li> <li>2 Audited 100% of the fire safety records of all buildings identified (approx 2800 in total) on Council's compliance schedule matrix: <ul style="list-style-type: none"> <li>• 900 high risk buildings—annually</li> <li>• 190 low risk buildings—once every 5 years (minimum of 380 in 2003/04).</li> </ul> </li> <li>3 Inspected all buildings where a building consent has been uplifted within the following timeframes: <ul style="list-style-type: none"> <li>• Commencement of construction—2 working days</li> <li>• All other construction—1 working day.</li> </ul> </li> </ol>
2	b To receive and process all land information memoranda (LIMs) in compliance with the Local Government Official Information and Meetings Act 1987.	<ol style="list-style-type: none"> <li>4 Processed 100% of all land information memoranda within 10 working days of receiving an application.</li> </ol>
1	c To increase awareness of building safety through education and consultation.	<ol style="list-style-type: none"> <li>5 Ran an annual seminar on the building compliance schedule section of the Building Act 1991 for industry representatives.</li> <li>6 Ran an annual public awareness campaign to educate swimming pool owners on pool fencing requirements and ongoing maintenance.</li> </ol>



**Hamilton City Council**  
Te Kaunihera o Kirikiriroa



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## PLANNING GUIDANCE

### Description

Provides planning advice, receives and processes applications for land use and subdivision consents, makes recommendations to Council, and monitors compliance with the Hamilton City District Plan and the Resource Management Act 1991.

### Strategic Plan Goals

- A compact city with a well distributed mix of residential, employment and service activities, interconnected through an effective and sustainable transport system
- A distinctive, vibrant and people-friendly central area

### Council Goals

- 1 To promote an environment which encourages the development of a quality of life aimed at meeting community needs and expectations
- 5 To develop a positive climate which encourages development opportunities to achieve a sound economic base for the city

Council Goals	Objectives	Performance Measures
1	a To advise, process and monitor applications for new subdivisions as well as new and existing land uses in the city to comply with the requirements of the Resource Management Act 1991 and the Hamilton City District Plan.	<ol style="list-style-type: none"> <li>1 All resource consent applications and certificates processed within the statutory time limits of the: <ul style="list-style-type: none"> <li>• Resource Management Act 1991</li> <li>• Hamilton City District Plan.</li> </ul> </li> <li>2 Inspected and effectively monitored at least 50 resource consents per month.</li> <li>3 Achieve a 50% recovery of total costs through fees and charges.</li> </ol>
1, 5	b To meet customer expectations for quality service by providing planning and subdivision interpretation and advice for general enquiries and resource consent applications.	<ol style="list-style-type: none"> <li>4 Non-notified resource consent customers refunded 100% of fees application if not issued within the statutory timeframes.</li> <li>5 Achieved 90% satisfaction by Council's Statutory Management Committee of all notified applications.</li> <li>6 95% of cases taken to the Environment Court and supported by staff were successful.</li> </ol>



Ph: 838 6800



Fax: 838 6819



Email: [PlanningGuidance@hcc.govt.nz](mailto:PlanningGuidance@hcc.govt.nz)

Unless otherwise stated, all performance measures will be completed on or before 30 June 2004. All specified targets shown in performance measures are the minimum achievement aimed for, e.g., 75 or greater. CSI: Customer Satisfaction Index.

## ANIMAL CARE AND CONTROL

### Description

Provides for a dog friendly city where the exercise and recreational needs of dogs is allowed for without danger, distress or nuisance to other persons or the community generally. This service extends to other animals causing a nuisance or danger to public safety.

The Animal Care and Control Centre is run to meet the welfare needs of animals during their stay.

A range of education and enforcement techniques are used to addresses compliance with public place and litter control bylaws.

### Strategic Plan Goals

- A compact city with a well distributed mix of residential, employment and service activities, interconnected through an effective and sustainable transport system
- A distinctive, vibrant and people-friendly central area

### Council Goal

- 1 To promote an environment which encourages the development of a quality of life aimed at meeting community needs and expectations

Council Goal	Objectives	Performance Measures
1	a To promote effective and responsible dog ownership, maximise dog registration and minimise dog attacks.	<ol style="list-style-type: none"> <li>1 Completed a minimum of 30 community presentations in accordance with the requirements of the Dog Control Policy 1997.</li> <li>2 Recovered 60% of costs for animal care and control activities through fees and charges.</li> <li>3 Achieved a CSI score for animal care and control services of 76, as measured by Council's 2004 Annual Residents Survey.</li> </ol>
1	b To ensure the health and well-being of animals in custody at the Animal Care and Control Centre.	<ol style="list-style-type: none"> <li>4 All kennels and yards cleaned daily at the Animal Care and Control Centre and received no valid complaints regarding hygiene.</li> </ol>
1	c To identify offences against public place bylaws (e.g., dogs, litter, skateboarding, advertising signs, merchandise displays, buskers, mobile shops, overgrown and overhanging vegetation) and take appropriate action to deter further incidents.	<ol style="list-style-type: none"> <li>5 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 customer action request process.</li> </ol>



Ph: 838 7861



Fax: 846 1876



Email: AnimalControl@hcc.govt.nz

Website for dog adoption



Website: <http://dogs4adoption.tripod.com>

Unless otherwise stated, all performance measures will be completed on or before 30 June 2004. All specified targets shown in performance measures are the minimum achievement aimed for, e.g., 75 or greater. CSI: Customer Satisfaction Index.

## PROPERTY MANAGEMENT (Endowment and Investments)

### Description

Provides for the management, investment and other strategic purposes of more than 350 city properties for Council and Hamilton residents. Regard for the orderly development of the city, as well as the community interest and the strategic planning requirements of the city is taken into account.

Returns from the Domain Endowment Fund are used for the improvement, development and creation of reserves. The Municipal Endowment Fund is invested in commercial purchases and income from the fund is used to reduce the rates requirement of the city. Both funds are required to be invested in property in order to maximise the return to the city.

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

The Hamilton Transport Centre is a strategic city property. It accommodates long and short-haul bus services, as well as tour coaches and taxi services and a short-term car parking drop off zone. It includes ticketing facilities, a cafe, toilets, bike lockers and a visitor information centre. It is an integral part of the city and the region's transportation network.

### Strategic Plan Goal


- A compact city with a well distributed mix of residential, employment and service activities, interconnected through an effective and sustainable transport system
- A distinctive, vibrant and people-friendly central area

### Council Goal

- 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

Council Goals	Objectives	Performance Measures
2, 4	a To manage properties owned and occupied by Council in a manner, which enables essential services to be delivered efficiently and effectively.	1 Developed asset maintenance plans for significant properties and planned maintenance for Council properties.
2	b To provide safe and healthy buildings by ensuring that they comply with the Building Act 1991.	2 Ensured statutory compliance with the Building Act 1991 in respect of all Council owned buildings.
3, 5	c To manage the Municipal Endowment Fund properties to provide a return in line with market lease returns.	3 Achieved a gross return on Municipal Endowment Fund properties within 1% of average market returns and maintained the value of the investment portfolio relative to other property investments in Hamilton.
2, 3	d To manage the Domain Endowment Fund effectively to provide funds for property investments for community benefit.	4 Ground leases achieved a return in line with the average market return of similar properties.
1, 2	e To provide an efficient transport centre both for residents and visitors to Hamilton.	5 Achieved a CSI score for the Hamilton Transport Centre of 78, as measured by Council's 2004 Annual Residents Survey.  6 Achieved a usage measure for the Hamilton Transport Centre of 36%, as measured by Council's 2004 Annual Residents Survey.

 **Hamilton City Council**  
Te Kaunihera o Kiriikiriroa

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 **Email:** PropertyAndRiskManagement@hcc.govt.nz

*Unless otherwise stated, all performance measures will be completed on or before 30 June 2004. All specified targets shown in performance measures are the minimum achievement aimed for, e.g., 75 or greater. CSI: Customer Satisfaction Index.*





## KEY STRATEGIC PLAN GOALS

- 7 A sound economy developing sustainably
- 8 Hamilton has a positive internal and external image

## KEY SUSTAINABILITY INDICATORS

- 13. Work
- 14. Income
- 15. Business
- 16. Visitor accommodation

## STRATEGIC OVERVIEW

Hamilton has a key role as the service centre for the greater Waikato region. Local businesses are in a position to lead the way in the development of more sustainable processes and products, which will reinforce the city and region's clean green image. Promoting the benefits of living and working in Hamilton will help to attract and retain business in the city. New opportunities, such as tourism and biotechnology, also offer the potential to provide more employment and to broaden the economic base of the city and region.

Attracting tourists to this area is an integral part of marketing the city. Hamilton's proximity to regional centres and attractions creates significant opportunities for the tourism sector, and for events marketing. Hamilton also offers its own attractions, such as the Waikato River, the city's lakes, Hamilton Zoo and Hamilton Gardens, as well as a variety of recreational and cultural opportunities. The continued development of a vital, vibrant and safe central area contributes to the positive image of the city and compliments the city's economic and community strengths, for both residents and visitors.

## COUNCIL'S RESPONSE

Council is contributing towards these key strategic plan goals and sustainability indicators through the following significant services:

### Economic Development

Economic development is a key component in making the city a great place to live, work and play. Communicating and marketing Hamilton's economic development activities are key aspects of creating a positive image for the city.

Services include:

- Grant to Business Development Centre
- Grant to Business2Hamilton (B2H)
- Grant to Waikato Innovation Park

### City Promotion

Promoting Hamilton as a great place to live, work and play through communicating with, and marketing to, audiences within and outside of Hamilton (including sister city and other international relationships). This will be achieved through Council's main website and other related websites, City News and other promotional opportunities.

Services include:

- Grant to Tourism Waikato
- Grants for Events Sponsorship
- Sister Cities Programme



## IMPROVING COUNCIL'S AND HAMILTON'S SUSTAINABILITY

Examples of specific projects and programmes that focus on making Council's own operations more sustainable (internal), and those that have a community/city focus (external) towards improving Hamilton's sustainability are shown below.

Internal projects/programmes	External projects/programmes
<ul style="list-style-type: none"> <li>• Buy Local Policy</li> <li>• Council is a key contributor towards local employment</li> <li>• Hard Copy (monthly staff magazine)</li> </ul>	<ul style="list-style-type: none"> <li>• Support/co-ordination of key city events e.g., development of the website <a href="http://www.hamiltonevents.co.nz">www.hamiltonevents.co.nz</a></li> <li>• Partnerships with economic development agencies (e.g., Business2Hamilton, Business Development Centre, Tourism Waikato)</li> <li>• Promotion/support of Waikato Innovation Park</li> <li>• Provision of economic information to a range of organisations (in particular developers and businesses) e.g., Hamilton Quarterly Review</li> <li>• Connect2Hamilton economic development newsletter</li> <li>• City News</li> <li>• Development of Council's website <a href="http://www.hcc.govt.nz">www.hcc.govt.nz</a> as a communication and promotional tool for the city</li> <li>• Hamilton's Economic Development Strategy (2000)</li> <li>• Facilitation of economic development clusters</li> </ul>

## HIGHLIGHTS

### ECONOMIC DEVELOPMENT

#### Waikato Innovation Park

After being officially launched last year, work on construction of the first stage of the Innovation Park will continue this year.

The park is an important part of the city's economic development strategy. Council, WEL Energy Trust and Industry New Zealand have financially supported the park.

Situated at Ruakura, close to AgResearch and the University of Waikato, the park will provide a cluster environment for science and technology companies involved in research and development. In particular, it will focus on helping to bridge the gap between ideas and commercialisation.

#### Economic Development Promotional Fund

Council has earmarked a specific fund for this year, and future years, for funding of economic development opportunities. The fund of \$50,000 will be used for projects identified by Council's Economic Development Committee as suitable for support.

### Business Development Centre

Hamilton's Business Development Centre (formerly Enterprise Hamilton) will this year operate under its new brand and identity. The organisation was renamed to give greater clarity to the role it fills within economic development in the city.

### CITY PROMOTION

#### Events

Council's Events Sponsorship Fund (\$650,000) will focus and work to develop additional 'icon' events for the city. Events such as X\*Air, the New Zealand National Motorshow and Fieldays now give significant national profile for the city. New events such as the Parachute youth music festival and the BoatHouse 8s rowing regatta on the Waikato River have been identified as potential icon events.

#### Webmaster

Council will increase its internet resources in the coming year with the additional resource of a full time webmaster. This will enable continued development of Council's website [www.hcc.govt.nz](http://www.hcc.govt.nz) as a communication and promotional tool for the city.

#### Television Image

A new television image of Hamilton will be developed during the year to ensure the city is well portrayed to the rest of the country. A 'live' camera shot of the country's main centres is used by TVNZ and Council will make a new picture available to the broadcaster.

### ANNUAL RESIDENTS SURVEY

User Satisfaction with Council Facilities and Services in 2002 and 2003



## PROMOTING HAMILTON

Cost of Service for the Year ending 30 June 2004 (in \$000s)

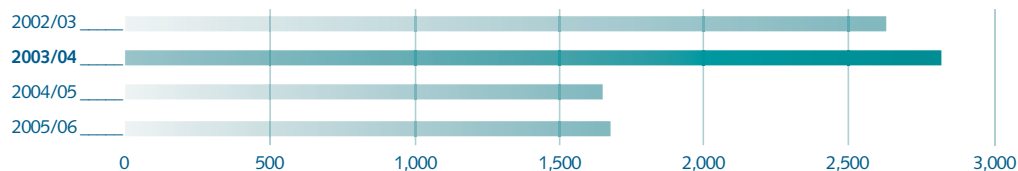
Budget 2003		Budget 2004	Budget 2005	Budget 2006
	<b>EXPENDITURE</b>			
	<b>Economic development</b>			
218	Grant to Business Development Centre	218	218	218
200	Grant to Business2Hamilton (B2H)	300	300	300
1,070	Grant to Waikato Innovation Park	1,151	141	136
20	Riverside Esplanade feasibility study	0	0	0
30	<b>City promotion</b>	95	85	115
407	Grant to Tourism Waikato	357	357	357
650	Grants for events sponsorship	630	630	630
40	Sister cities programme	20	20	20
<b>2,635</b>	<b>TOTAL EXPENDITURE</b>	<b>2,771</b>	<b>1,751</b>	<b>1,776</b>
<b>2,635</b>	<b>NET COST OF SERVICE</b>	<b>2,771</b>	<b>1,751</b>	<b>1,776</b>
<b>15</b>	<b>CAPITAL EXPENDITURE</b>	<b>15</b>	<b>15</b>	<b>15</b>

Note: Significant Services are shown in bold in the Expenditure section of the Cost of Services table.

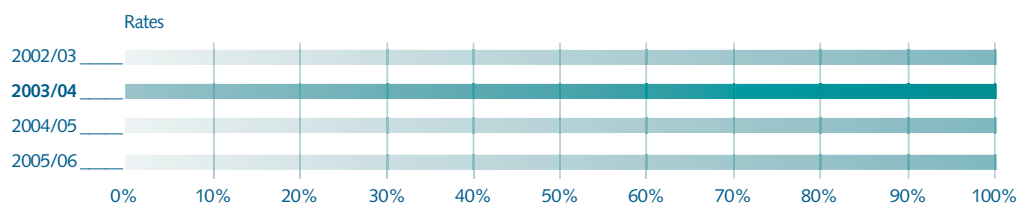
For this Annual Plan, the Sister Cities Programme in the Cost of Services table is reported on in the following text under the significant service: City Promotion.

For this Annual Plan, the grant to Tourism Waikato in the Cost of Services table is reported on in the following text under the significant service: City Promotion.

### NET COST OF SERVICE IN \$000s



### COST OF SERVICE FUNDED BY



## ECONOMIC DEVELOPMENT

### Description

Economic development is a key component in making the city a great place to live, work and play. Communicating and marketing Hamilton's economic development activities are key aspects of creating a positive image for the city.

### Strategic Plan Goals

- A sound economy developing sustainably
- Hamilton has a positive internal and external image

### Council Goal

- 5 To develop a positive climate which encourages development opportunities to achieve a sound economic base for the city

Council Goal	Objectives	Performance Measures
5	a To support, assist and contribute towards the funding of approved organisations and projects, to enable them to assist Council achieve its goal of developing a sound economic base for the city.	1 Tenants of the first stage of Innovation Park onsite. 2 Supported Business2Hamilton to attract financial support equal to or greater than Council's contribution. 3 Allocated funding for economic development opportunities from the Economic Development Promotional Fund (\$50,000) approved by the Economic Development Committee.
5	b To support, assist or contribute towards city events which have an economic benefit, create a strong and vibrant city, and grow over time as icons of the city.	4 Allocated at least 20% of the Event Sponsorship Fund to the growth or development of significant 'icon' events for the city.
5	c To provide regular information to existing and potential business stakeholders on economic activity in Hamilton.	5 Hamilton economic information published and distributed quarterly and available on the internet at <a href="http://www.hcc.govt.nz">www.hcc.govt.nz</a> and <a href="http://www.b2h.co.nz">www.b2h.co.nz</a> . 6 An economic development newsletter Connect2Hamilton published and distributed monthly 11 times per year and available on the internet at <a href="http://www.hcc.govt.nz">www.hcc.govt.nz</a> and <a href="http://www.b2h.co.nz">www.b2h.co.nz</a> .



Te Kaunihera o Kirikiriroa



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Unless otherwise stated, all performance measures will be completed on or before 30 June 2004. All specified targets shown in performance measures are the minimum achievement aimed for, e.g., 75 or greater. CSI: Customer Satisfaction Index.

## CITY PROMOTION

### Description

Promoting Hamilton as a great place to live, work and play is a key part of the city's development and contributes to its success. This involves communicating with, and marketing to, audiences within and outside Hamilton including sister city and other international relationships. This will be achieved through Council's main website and other related websites, City News and other promotional opportunities.

### Strategic Plan Goals

- A sound economy developing sustainably
- Hamilton has a positive internal and external image

### Council Goals

- 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

Council Goals	Objectives	Performance Measures
4, 5	a To keep the Hamilton City Council website constantly updated and to make it more relevant and useful for the residents of the city and those outside of Hamilton.	<ol style="list-style-type: none"> <li>1 The average number of visitors to the Hamilton City Council website <a href="http://www.hcc.govt.nz">www.hcc.govt.nz</a> increased to 8000 per month.</li> <li>2 Achieved a CSI score for Hamilton City Council's website <a href="http://www.hcc.govt.nz">www.hcc.govt.nz</a> of 68, as measured by Council's 2004 Annual Residents Survey.</li> </ol>
4, 5	b To promote Hamilton to the city's residents and keep them informed about Council and city activities.	<ol style="list-style-type: none"> <li>3 Council's free publication City News distributed to all households 8 times per year.</li> <li>4 Achieved a CSI score for City News of 73, as measured by Council's 2004 Annual Residents Survey.</li> </ol>
5	c To promote Hamilton events.	<ol style="list-style-type: none"> <li>5 Produced two six-monthly calendars, which promote Hamilton events to visitors, events businesses and overseas markets.</li> <li>6 City Happenings listing events in the city produced and widely distributed 8 times a year.</li> <li>7 More than 600 events within a 12-month horizon registered, at any one time, on the website <a href="http://www.hamiltonevents.co.nz">www.hamiltonevents.co.nz</a>.</li> <li>8 Achieved a CSI score for Events Hamilton website <a href="http://www.hamiltonevents.co.nz">www.hamiltonevents.co.nz</a> of 71, as measured by Council's 2004 Annual Residents Survey.</li> </ol>
5	d To produce updated marketing material promoting Hamilton.	<ol style="list-style-type: none"> <li>9 Produced a Hamilton graphic identifier for use by city residents and organisations.</li> </ol>



Ph: 838 6679

Fax: 838 6761

Email: [CommunicationAndMarketing@hcc.govt.nz](mailto:CommunicationAndMarketing@hcc.govt.nz)

Unless otherwise stated, all performance measures will be completed on or before 30 June 2004. All specified targets shown in performance measures are the minimum achievement aimed for, e.g., 75 or greater. CSI: Customer Satisfaction Index.





### KEY STRATEGIC PLAN GOALS

- 9 Hamilton values its rich culture and artistic achievement
- 10 Kirikiriroa is established as a centre for traditional and modern arts and culture
- 11 Cultural and built heritage is widely appreciated and protected

### KEY SUSTAINABILITY INDICATOR

- 17. Historic structures and sites

## STRATEGIC OVERVIEW

Hamilton's community is enriched by the opportunity to engage in a wide range of artistic and cultural activities. The city's reputation as an arts and cultural centre is growing. The community's ability to experience a variety of local, national and international events is dependent on the city continuing to foster its cultural environment, predominantly through investment in programmes and facilities that encourage wide community participation. Integral to this is the continued need to value both traditional and contemporary forms of Nga toi tangata whenua (Maori arts and culture), which supports the cultural diversity of our community.

Hamilton also has a well defined cultural and built heritage. Increased public awareness will make an important contribution to developing widespread community support for the protection of these cultural artefacts and historic sites.

### COUNCIL'S RESPONSE

Council is contributing towards these key strategic plan goals and sustainability indicator through the following significant services:

#### Hamilton Theatre Services

Provides for the management and operation of three different live performance venues (Founders Memorial Theatre, WestpacTrust Community Theatre and The Meteor) in a quality, affordable and accessible manner. Specialised theatre equipment and professional services is also provided for the presentation of events within the community. Hamilton Theatre Services also provides support for community access to the WEL Energy Academy of Performing Arts Centre, by way of an annual operating grant.

#### Hamilton City Libraries

A network of libraries is strategically located throughout the city to enable maximum community access. There are five community libraries situated at Chartwell, Dinsdale, Hillcrest, St Andrews and Glenview, as well as the main central library in Garden Place.

#### Waikato Museum of Art and History

The Waikato Museum of Art and History (Te Whare Taonga O Waikato) provides a rich programme of art and history exhibitions and associated activities for the benefit of the city and region. ArtsPost and the Exscite Science Centre are also part of the museum's organisation and operation.

Services include:

- ArtsPost
- Exscite

## IMPROVING COUNCIL'S AND HAMILTON'S SUSTAINABILITY

Examples of specific projects and programmes that focus on making Council's own operations more sustainable (internal), and those that have a community/city focus (external) towards improving Hamilton's sustainability are shown below.

Internal projects/programmes	External projects/programmes
<ul style="list-style-type: none"> <li>• Management of Council (and community) archives in the central library</li> <li>• Information Communication Technology Strategy (2003) for the libraries</li> </ul>	<ul style="list-style-type: none"> <li>• Assistance to community-based performing arts groups</li> <li>• Hamilton City Libraries Strategic Plan (2002)</li> <li>• Summer/school holiday reading programmes at Council libraries</li> <li>• Implementation of a strategy to ensure more new books appear faster on library shelves</li> <li>• Libraries and Museum Communication Channel Management Strategy (identifies the most effective means of customer access to services provided by these facilities)</li> <li>• Waikato Museum of Art and History's Strategic Plan (2002)</li> <li>• Exhibitions at the Waikato Museum of Art and History</li> <li>• Exhibitions Policy for the Museum (ensures a systematic means of programming exhibitions)</li> <li>• School-focused educational programmes at the Museum and Exscite</li> <li>• Provision of an historic sites register in Hamilton's Proposed District Plan</li> <li>• Maintenance of Beale Cottage</li> </ul>

## HIGHLIGHTS

### HAMILTON THEATRE SERVICES

#### Theatre Venues Strategy

Hamilton Theatre Services will participate in investigations around the best future provision and maintenance of theatre venues in Hamilton. The information gathered and consultation will assist to plan a longer term theatre strategy.

### HAMILTON CITY LIBRARIES

#### Year 1 of Libraries Strategic Plan

This will be the first year of the new 10 year Strategic Plan for Libraries which sets out to make a difference by growing a strong intelligent community with a passion for knowledge.

This year new streamlined and efficient processes will result in more new books appearing quicker on library shelves. Furthermore, implementation of the Libraries Information Communication Technology Plan will result in new digital resources being made available to library customers.

#### Eftpos facilities at library branches

Eftpos services will be established at each of the Hamilton City Libraries facilities at a total cost of \$14,000. The introduction of Eftpos is a step forward in the libraries' long-term information technology strategy and is in line with the community's expectation that Eftpos services are available wherever they go.

New collection policies will be prepared, as well as development plans for each of the community libraries. Once implemented these will ensure that each of the libraries are better able to meet the unique needs of their local communities.

#### WAIKATO MUSEUM OF ART AND HISTORY

##### Innovations in Agriculture

A new semi-permanent exhibition titled 'Innovations in Agriculture' will open in the first half of this year. The emphasis will be on innovation, and the 'can do' attitude which has driven dairy farming and the Waikato region towards being the backbone of New Zealand's economy.

##### Treasures of the Tainui Iwi

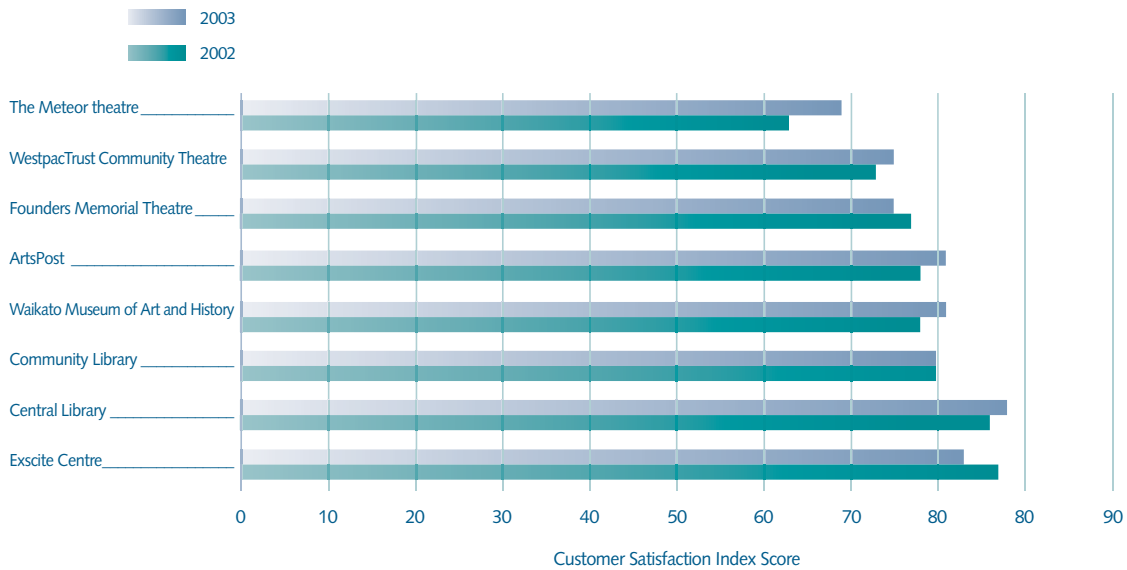
A wide range of public programmes will continue to attract visitors to the outstanding semi-permanent exhibition of the treasures of the Tainui Iwi. A rich and varied programme of exhibitions of the visual arts will be ongoing with use made of the museum's own collection as well as pieces from national and international sources.

##### Excite Centre

The Excite Centre will feature a range of outstanding exhibitions in the area of interactive science. Excite will start the year with a blockbuster exhibition called 'mission earthling'. Planning is underway for the opening of a new semi-permanent exhibition in the second half of the year. This exhibition will feature aspects from all branches of science and will be supplemented by a rich education programme.

#### ANNUAL RESIDENTS SURVEY

User Satisfaction with Council Facilities and Services in 2002 and 2003



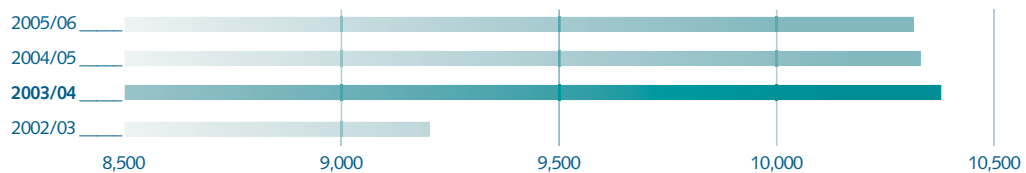
## EXPERIENCING OUR ARTS, CULTURE AND HERITAGE

Cost of Service for the Year ending 30 June 2004 (in \$000s)

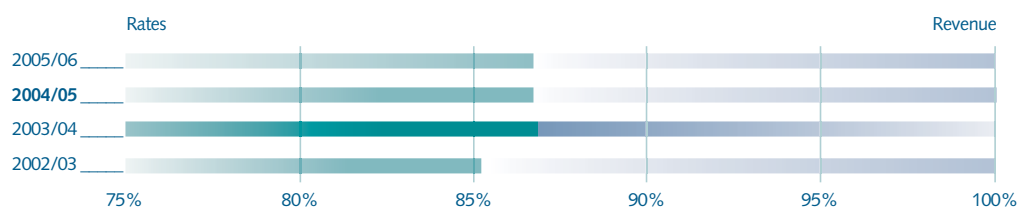
Budget 2003		Budget 2004	Budget 2005	Budget 2006
	<b>EXPENDITURE</b>			
1,555	<b>Hamilton theatre services</b>	1,758	1,753	1,752
5,851	<b>Hamilton City Libraries</b>	6,597	6,560	6,548
3,209	<b>Waikato Museum of Art and History</b>	3,401	3,404	3,404
175	ArtsPost	196	193	190
<b>10,790</b>	<b>TOTAL EXPENDITURE</b>	<b>11,952</b>	<b>11,910</b>	<b>11,894</b>
	<b>Less REVENUE</b>			
598	<b>Theatres charges</b>	599	606	605
672	<b>Library charges</b>	662	662	662
317	<b>Waikato Museum of Art and History</b>	303	303	303
4	ArtsPost charges	4	4	4
<b>1,591</b>	<b>TOTAL REVENUE</b>	<b>1,568</b>	<b>1,575</b>	<b>1,574</b>
<b>9,199</b>	<b>NET COST OF SERVICE</b>	<b>10,384</b>	<b>10,335</b>	<b>10,320</b>
<b>1,416</b>	<b>CAPITAL EXPENDITURE</b>	<b>1,569</b>	<b>1,193</b>	<b>1,143</b>

Note: Significant Services are shown in bold in the Expenditure section of the Cost of Services table.

### NET COST OF SERVICE IN \$000s



### COST OF SERVICE FUNDED BY



## HAMILTON THEATRE SERVICES

### Description

Hamilton Theatre Services provide the city with the management and operation of three different live performance venues, being Founders Memorial 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. Specialised theatre equipment and professional services is also provided for the presentation of events within the community.

Hamilton Theatre Services also provides support for community access to the WEL Energy Academy of Performing Arts Centre, by way of an annual operating grant.

### Strategic Plan Goals

- Hamilton values its rich culture and artistic achievement
- Kirikiriroa is established as a centre for traditional and modern arts and culture

### Council 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
- 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

Council Goals	Objectives	Performance Measures
1, 5	a 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.	<ol style="list-style-type: none"> <li>1 Achieved 92% rating for overall quality of service delivery from venue hirers, as measured by performance reports.</li> <li>2 Achieved combined percentage occupancy days for all Hamilton Theatre Services venues of 50%.</li> <li>3 Achieved combined total patronage of 140,000 people for Hamilton Theatre Services venues.</li> <li>4 Achieved a CSI score for: <ul style="list-style-type: none"> <li>• Founders Memorial Theatre of 75</li> <li>• WestpacTrust Community Theatre of 74</li> <li>• The Meteor of 68, as measured by Council's 2004 Annual Residents Survey.</li> </ul> </li> <li>5 Achieved a CSI score for the overall service provided by staff of 79, as measured by an independent survey of theatre patrons.</li> </ol>
2	b To undertake annual maintenance and compliance checks of theatre operational equipment, as required by legislation.	<ol style="list-style-type: none"> <li>6 Checked 100% of inventory of operational equipment at all Hamilton Theatre Services venues as specified by electrical regulations and mechanical safety codes of practice.</li> <li>7 Completed the annual equipment renewal programme.</li> </ol>
2, 4	c To maintain Ticketek business levels.	<ol style="list-style-type: none"> <li>8 Booking office income maintained at \$120,000 or greater.</li> </ol>

 Founders Theatre

 WestpacTrust Theatre

 The Meteor

 Ph: 838 6603

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*Unless otherwise stated, all performance measures will be completed on or before 30 June 2004. All specified targets shown in performance measures are the minimum achievement aimed for, e.g., 75 or greater. CSI: Customer Satisfaction Index.*

## HAMILTON CITY LIBRARIES

### Description

The focus of the city's library network is on growing a strong intelligent community with a passion for knowledge. The libraries are strategically located to enable maximum community access. There are five community libraries situated at Chartwell, Dinsdale, Hillcrest, St Andrews and Glenview, as well as the main central library. The libraries are currently being transformed into dynamic, innovative learning environments where people can be stimulated and challenged or can sit back, relax and enjoy their library experience.

### Strategic Plan Goals

- Hamilton values its rich culture and artistic achievement
- Cultural and built heritage is widely appreciated and protected

### Council 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
- 4 To develop an effective and efficient corporation that is responsive, responsible and accountable to the community

Council Goals	Objective	Performance Measures
1, 2, 4	a To maintain and develop a libraries environment that delivers excellent resources and services to customers.	<ol style="list-style-type: none"> <li>1 Library material issues maintained at 1.5 million items.</li> <li>2 Active registered borrowers maintained at 60,000.</li> <li>3 Visits to the central library maintained at 450,000.</li> <li>4 Achieved a CSI score for: <ul style="list-style-type: none"> <li>• the central library of 87</li> <li>• community libraries of 80, as measured by Council's 2004 Annual Residents Survey.</li> </ul> </li> </ol>

### Hamilton City Libraries



Ph: 838 6830



Fax: 838 6858



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Website: [www.hamiltonlibraries.co.nz](http://www.hamiltonlibraries.co.nz)

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## WAIKATO MUSEUM OF ART AND HISTORY

### Description

The Waikato Museum of Art and History, Te Whare Taonga o Waikato, creates a difference in the community by making our region renowned for its rich cultural heritage and artistic vibrancy.





The museum offers a rich and diverse exhibition, education and research programme in the areas of art, history, Tainui History, and science. The museum's collection focuses on the growth and development of the city and the Waikato region, and constitutes a major part of our national cultural heritage.

ArtsPost and the Exscite Science Centre are also part of the museum's organisation and operation. The Exscite Centre in the Museum exists to promote and popularise science and technology. 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.

### Waikato Museum

-  **Ph:** 838 6603
-  **Fax:** 838 6751
-  **Email:** WaikatoMuseum@hcc.govt.nz
-  **Website:** www.WaikatoMuseum.org.nz

### EXSCITE

-  **Ph:** 838 3470
-  **Fax:** 839 3497
-  **Email:** mail@hcc.govt.nz
-  **Website:** www.exscite.org.nz

### ArtsPost

-  **Ph:** 839 2315
-  **Fax:** 839 3869
-  **Email:** artspost@hcc.govt.nz
-  **Website:** www.WaikatoMuseum.org.nz/artspost

### Strategic Plan Goals

- Hamilton values its rich culture and artistic achievement
- Kirikiriroa is established as a centre for traditional and modern arts and culture
- Cultural and built heritage is widely appreciated and protected

### Council Goals

- 1 To promote an environment which encourages the development of a quality of life aimed at meeting community needs and expectations
- 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

Council Goals	Objectives	Performance Measures
1, 5	a To maintain and develop the usage and satisfaction of the Waikato Museum of Art and History and Exscite.	1 Achieved a total combined visitor attendance to the Waikato Museum and Exscite of 110,000.  2 Achieved a CSI score for the Waikato Museum of Art and History of 77, as measured by Council's 2004 Annual Residents Survey.
1, 4, 5	b To research and install a new semi-permanent exhibition on the history of Hamilton and the Waikato.	3 Installed the 'Innovations in Agricultural History' exhibition by October 2003.
1, 4, 5	c To upgrade the museum building to an acceptable standard for exhibitions and storage of the collection.	4 Implemented year 2 of a 3-year plan for upgrading exhibition lighting.  5 Implemented year 2 of a 3-year plan for the development of collection and exhibition storage.
1, 5	d To provide a venue which supports the growth of the visual arts in the community.	6 Achieved a CSI score of 79 for ArtsPost, as measured by Council's 2004 Annual Residents Survey.

Unless otherwise stated, all performance measures will be completed on or before 30 June 2004. All specified targets shown in performance measures are the minimum achievement aimed for, e.g., 75 or greater. CSI: Customer Satisfaction Index.



### KEY STRATEGIC PLAN GOALS

- 12 A diverse range of learning and training opportunities is available to meet the needs of the community and business at all levels
- 13 Local neighbourhoods address the needs of their residents—socially, physically and emotionally
- 14 All people are enabled and encouraged to participate in the development of the city
- 15 A supportive community where families, youth and older persons are valued

### KEY SUSTAINABILITY INDICATORS

18. Education
19. Public involvement in decision-making
20. Youth well-being
21. Partnership with Maori
22. Crime and safety
23. Cultural well-being
24. Health

## STRATEGIC OVERVIEW

Education is an investment in Hamilton's greatest resource, its people. Educational facilities and programmes that offer a variety of learning and training opportunities, as well as ready access to information, provide the best means of achieving full community participation. World-class research and educational institutions are key links in the trend towards people using information technology to work and study from virtual offices in their homes. Embracing information technology, and responding to the changing patterns of work and learning that it is creating, are important for the ongoing upskilling of Hamilton's community.

Part of meeting the community's social, physical and emotional needs involves providing for a range of accommodation, transport options, recreational and leisure facilities, and community support groups. Ensuring services and facilities are accessible, culturally appropriate, and community-focused is vital.

Individuals and community groups are encouraged to make a positive difference in the city through their own actions, and by contributing to local authority elections and consultation processes.

Hamilton seeks to be a supportive community where all people, including families, older people and youth are valued. Recognition of the role that all can play to achieve a supportive community, and the implementation of strategies that contribute to that outcome, are vital to the well-being of our city.

### COUNCIL'S RESPONSE

Council is contributing towards these key Strategic Plan goals and sustainability indicators through the following Significant Services:

#### Community Development

Community Development implements social research and policy development. It also supports Safer Hamilton, community houses, ethnic communities, and the Hamilton Youth Council.

It manages five neighbourhood development and five youth development workers, encourages youth participation in the city, funds and monitors after-school activities programmes, holiday programmes, and supports and provides funds to four community houses.

Funds from Creative New Zealand and Council are dispersed to community organisations and projects annually.

Services include:

- Community Assistance Grants
- Creative New Zealand Grants

### **Community Facilities**

Community Facilities provides and maintains 452 housing units at 26 locations throughout the city at an affordable rent for older persons and those with disabilities.

Three large community centres (Enderley Park Community Centre, Youth Zone and Celebrating Age Centre) are available for public use by the relevant communities.

### **Employment Initiatives**

This is a co-operative contractual agreement between the Ministry of Social Development, the Tertiary Education Commission and Council that benefits the local community and the environment. Participants in the programme gain work experience on Council projects and training with prospective employers, with the goal that they will be placed in sustainable employment or further training.

### **Emergency Management**

Emergency Management prepares strategies, programmes and plans that minimise, reduce or eliminate the impact of the consequences of a disaster. Under the new Civil Defence and Emergency Management legislation, Hamilton City Council will become a key member of the new regional Civil Defence Emergency Management Group.

A cluster of neighbouring local authorities (Waikato, Waipa, Otorohanga, Waitomo and Hamilton City) form the Waikato Valley Emergency Operating Area (WVEOA). Hamilton City Council will be the administering authority for the combined area.

### **Partnership with Maori**

The partnership with Te Runanga O Kirikiriroa (TeROK) embodies a commitment by both parties to work toward a strong community for all people. It provides for the operation of a Joint Venture Committee (comprising representatives of Council and TeROK) to discuss partnership issues and oversee administration of Council's Maori project fund. The contract also includes the provision of services and policy advice on urban Maori issues by Te Runanga O Kirikiriroa to Council.

Council 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.

### **Cemeteries and Crematorium**

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. Records are maintained for the Hamilton West and Hamilton East cemeteries, and cemetery heritage sites are also developed and protected.

### **Representation and Civic Affairs**

Provides for the costs of Council's democratic and decision-making processes, including elected members' remuneration, meetings, public consultation (in particular the strategic plan, long-term council community plan, annual plan, and annual report), communication, civic functions and elections.

## **IMPROVING COUNCIL'S AND HAMILTON'S SUSTAINABILITY**

Examples of specific projects and programmes that focus on making Council's own operations more sustainable (internal), and those that have a community/city focus (external) towards improving Hamilton's sustainability are shown below.



Internal projects/programmes	External projects/programmes
<ul style="list-style-type: none"> <li>• Equal Employment Opportunities Policy</li> <li>• Health and Safety Management Policy (e.g., backstrain prevention programme)</li> <li>• Quality Management System (all Council's operations are currently certified to the ISO 9001/2000 international quality standard)</li> <li>• The Corporate Plan's vision, goals and values</li> <li>• The Organisational Development Programme—Make a Difference (to ensure Council becomes a world-class organisation)</li> <li>• Training programmes for more effective community consultation.</li> <li>• Bi-cultural awareness training</li> <li>• Leadership development programme</li> <li>• Improved customer service measurement programme</li> <li>• Process mapping (electronically mapping the organisation's key processes to increase staff awareness and access)</li> <li>• Participation in the Benchmarking Club—administered by the Centre for Organisational Excellence and Research, Massey University (sharing best practice processes and procedures with 23 other organisations)</li> <li>• Upgrade of Council's intranet to improve its functionality and usability</li> <li>• Investigation of a regional processing centre for the processing of votes for the 2004 triennial elections</li> </ul>	<ul style="list-style-type: none"> <li>• Council's Ethnic Communities Co-ordinator</li> <li>• People and Well-Being: Community Development Plan (2002)</li> <li>• Support for Safer Hamilton</li> <li>• Activities undertaken by neighbourhood and youth development workers</li> <li>• Action plans of the Youth Policy, Child and Family Policy, and Older Persons Policy</li> <li>• School holiday programme and after-school programmes</li> <li>• Hamilton Directory for New Settlers 2003</li> <li>• Distribution of Community Assistance grants and Creative New Zealand grants</li> <li>• Funding Hamilton 2003 (provides organisations in Hamilton with information on a range of funding sources)</li> <li>• Youth Zone and the Hamilton Youth Council</li> <li>• Support of community houses/centres</li> <li>• Hamilton Civil Defence Emergency Management Plan (2002)</li> <li>• Policy and Guidelines for Community Consultation (1999)</li> <li>• Council's Annual Residents Survey</li> </ul>

## HIGHLIGHTS

### COMMUNITY DEVELOPMENT

#### Community Centres and Development Workers

This year Council will work towards setting up partnership agreements with community houses to accommodate and employ five community development workers and five youth development workers.

#### Social Policies

The Child and Family Policy (launched 2002/03) aims to support children and their families and encourage their participation in city and community life. The commitment to implement the action plan (year 2) will be the focus this year.

#### Community Centres

Council is committed to building strong communities by encouraging people to participate in and contribute to local neighbourhoods. Funding provision of \$400,000 is available this year for the establishment of new or improved community centres in accordance with the Community Centre/House Policy.

Funding of \$20,000 will be provided this year for a feasibility study for a community centre to service the northern suburbs. Council will develop the study in consultation with the Eastern Suburbs Rugby Club, the North City Community Centre, and the Anglican Diocese.

## COMMUNITY FACILITIES

### Celebrating Age Centre Strategic Plan 2003–2007

The Celebrating Age Centre has developed its first five year strategic plan. The centre's vision is to be a vibrant and thriving focal point for Hamilton's older community that provides, encourages, and promotes a range of activities and services for older persons. This year the centre will be implementing the year one action plan of its five year strategic plan.

## EMPLOYMENT INITIATIVES

### Community Work Projects

This year Employment Initiatives aims to complete 15 community work projects through its work based training programmes. The programmes provide ongoing training and qualifications for long-term unemployed.

## EMERGENCY MANAGEMENT

### Civil Defence Emergency Management Plan

Parliament has enacted the Civil Defence Emergency Management (CDEM) Act to repeal and replace the Civil Defence Act (1983). The new Act encourages a risk management approach to the sustainable management of hazards both natural and manmade, and requires CDEM Groups to be established as a consortium of local authorities working in partnership with emergency services.

The development of the Waikato CDEM Group is currently underway. During the transitional period while these groups are being formed, local authorities retain their existing responsibility under the Civil Defence Act 1983, i.e., Council has a current operational plan that details the various policies, principles, concepts and procedures to underpin a fully comprehensive emergency management capability.

## PARTNERSHIP WITH MAORI

### Maori Partnership under the new Local Government Act

Council and Te Runanga O Kiriakiroa have initiated discussions to work closely together to implement provisions of the new Local Government Act 2002. This will build stronger partnerships and enable greater Maori participation in local government and decision-making.

## CEMETERIES AND CREMATORIUM

### Hamilton West Cemetery Restoration

Council is committed to the refurbishment of Hamilton West Cemetery and to reversing the decline of commemorative features. Protection of Hamilton's heritage will ensure that the cemetery is part of the community and a place where reverence for social history is balanced with civic amenity.

## ANNUAL RESIDENTS SURVEY

User Satisfaction with Council Facilities and Services in 2002 and 2003





## LIVING IN HAMILTON

Cost of Service for the Year ending 30 June 2004 (in \$000s)

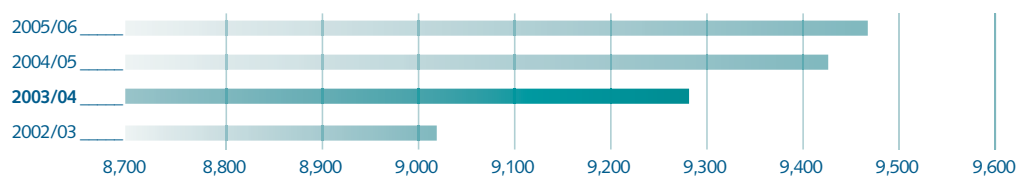
Budget 2003		Budget 2004	Budget 2005	Budget 2006
	<b>EXPENDITURE</b>			
1,959	<b>Community development</b>	2,107	2,213	2,233
215	Youth programme	223	223	223
1,187	Community assistance grants	926	854	1,067
130	Hillary Commission grants	0	0	0
70	Creative NZ grants	0	0	0
1,559	Housing services	1,580	1,578	1,576
1,454	<b>Employment initiatives</b>	1,279	1,278	1,276
240	<b>Emergency management</b>	541	540	537
247	<b>Partnership with Maori</b>	265	265	265
996	<b>Cemeteries and crematorium</b>	905	915	912
	<b>Representation and civic affairs</b>			
7	Elections	7	367	7
2,267	Councillor services	2,707	2,690	2,668
1,691	Mayoral services	1,799	1,783	1,761
12,022	<b>TOTAL EXPENDITURE</b>	12,339	12,706	12,525
	<b>Less REVENUE</b>			
49	<b>Sundry community income</b>	53	53	53
	<b>Community assistance</b>			
130	Hillary Commission			
70	Creative NZ	70	70	70
1,490	<b>Housing services rents</b>	1,490	1,490	1,490
589	<b>Employment initiatives subsidies</b>	498	498	498
8	<b>Emergency management contributions</b>	262	262	262
658	<b>Cemeteries and crematorium fees</b>	676	676	676
7	<b>Elections recovery</b>	7	231	7
3,001	<b>TOTAL REVENUE</b>	3,056	3,280	3,056
9,021	<b>NET COST OF SERVICE</b>	9,283	9,426	9,469
326	<b>CAPITAL EXPENDITURE</b>	662	112	450

Note: Significant Services are shown in bold in the Expenditure section of the Cost of Services table.

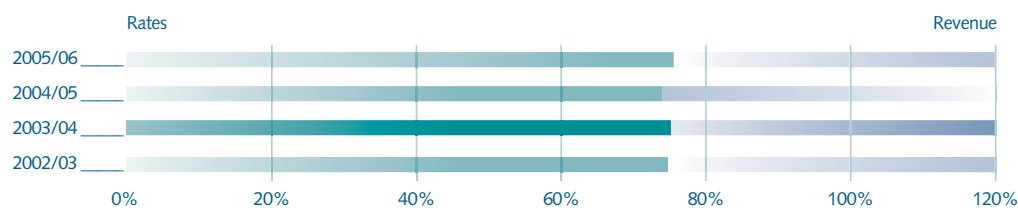
For this Annual Plan, Youth Programme, Community Assistance grants, and Creative New Zealand grants in the Cost of Services table are reported on together in the following text under the significant service: Community Development.

For this Annual Plan, Housing Services in the Cost of Services table is reported on in the following text under the significant service: Community Facilities.

### NET COST OF SERVICE IN \$000s



### COST OF SERVICE FUNDED BY



## COMMUNITY DEVELOPMENT

### Description

Community Development promotes the well-being and safety of people through research, policy setting, funded service contracts, and government partnerships. It provides a co-ordinator to support ethnic communities and in partnership with central government funds and supports Safer Hamilton.

It manages five neighbourhood development and five youth development workers, encourages youth participation in the city (including the Hamilton Youth Council), funds and monitors after-school activities programmes, holiday programmes, and supports and provides funds to four community houses, i.e., Pukete, Nawton, Melville and Hamilton East.

Funds from Creative New Zealand and Council are dispersed to community organisations and projects annually.

### Strategic Plan Goals

- A diverse range of learning and training opportunities is available to meet the needs of the community and business at all levels
- Local neighbourhoods address the needs of their residents—socially, physically and emotionally
- All people are enabled and encouraged to participate in the development of the city

### Council Goal

- 1 To promote an environment which encourages the development of a quality of life aimed at meeting community needs and expectations

Council Goal	Objectives	Performance Measures
1	a To strengthen community groups, neighbourhood development, and the establishment and development of community centres.	<ol style="list-style-type: none"> <li>1 Implemented year 4 Community Development Team objectives of the 6-year Community Development Plan.</li> <li>2 Funded community centre projects in accordance with the Community Centre Implementation Plan and Policy.</li> <li>3 Partnership agreements established with community houses to accommodate and/or employ 5 neighbourhood development workers.</li> </ol>
1	b 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.	<ol style="list-style-type: none"> <li>4 Implemented year 2 of a 5-year action plan of the Child and Family Policy.</li> </ol>
1	c To strengthen the provision of services, activities, resources and programmes to Hamilton's youth/rangatahi.	<ol style="list-style-type: none"> <li>5 Hamilton Youth Council completed two projects.</li> <li>6 Partnership agreements established with community houses to accommodate and/or employ youth development workers.</li> <li>7 Completed the 5 yearly review of Hamilton's Youth Policy and developed the 2003/04 action plan.</li> <li>8 Facilitated forums to assist youth service providers to develop strategies that respond the needs of youth.</li> </ol>
1	d To work in partnership with Safer Hamilton to promote, establish and support crime prevention initiatives in the community.	<ol style="list-style-type: none"> <li>9 Safer Hamilton provided two, six-monthly performance reports to Council to show its goals are on target.</li> </ol>
1	e To enhance the provision of services in the community through the allocation of funds to community organisations.	<ol style="list-style-type: none"> <li>10 Distributed approximately \$279,000 of small grants to community organisations in accordance with Council Policy and the programme's criteria.</li> </ol>



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## COMMUNITY FACILITIES

### Description

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

It also manages three large community centres (Celebrating Age Centre, Enderley Park Community Centre and Youth Zone) that are available for public use by the relevant communities.

### Strategic Plan Goal

- Local neighbourhoods address the needs of their resident—socially, physically and emotionally

### Council Goals

- To promote an environment which encourages the development of a quality of life aimed at meeting community needs and expectations
- To ensure the provision and maintenance of essential services in an efficient and effective manner in response to existing and future requirements
- To develop an effective and efficient corporation that is responsive, responsible and accountable to the community

Council Goals	Objectives	Performance Measures
1, 2, 4	a To provide well-maintained safe and affordable living environments for tenants.	<ol style="list-style-type: none"> <li>The number of Neighbourhood Support Groups in Council housing complexes is maintained at 100%.</li> <li>Recovered 94% of costs with rents below the market rate for matched accommodation.</li> <li>Achieved a customer satisfaction rating of 85%, as measured by the 2004 Housing Services Annual Tenants Survey.</li> </ol>
1, 2, 4	b To provide facilities for youth and older persons to enhance the delivery of services.	<ol style="list-style-type: none"> <li>Consulted with community stakeholders to establish specific facilities and services which are to be provided through Youth Zone.</li> <li>Implemented year 1 of a 5-year action plan of the Celebrating Age Centre's strategic plan.</li> </ol>



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## EMPLOYMENT INITIATIVES

### Description

Employment Initiatives work based training programmes provide ongoing training and qualifications for long-term unemployed. Participants gain essential skills and experience which enhances their future opportunities for training and employment. This is a co-operative contractual agreement between the Ministry of Social Development, the Tertiary Education Commission, Council and the community. Projects are of benefit to communities and the environment in Hamilton.

### Strategic Plan Goals

- A diverse range of learning and training opportunities is available to meet the needs of the community and business at all levels
- All people are enabled and encouraged to participate in the development of the city

### Council Goals

- 1 To promote an environment which encourages the development of a quality of life aimed at meeting community needs and expectations
- 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

Council Goals	Objectives	Performance Measures
1	a To enable Employment Initiatives participants to gain employment through participation in Council's training and work experience programme.	<ol style="list-style-type: none"> <li>1 Ensured 50 participants in the programme moved into stable employment or other training.</li> <li>2 Completed 15 Council sponsored community work projects.</li> </ol>
3, 4	b To structure and deliver employment and training programmes, which attract external funding.	<ol style="list-style-type: none"> <li>3 Achieved 50% or greater of the funding for the programmes from sources other than Hamilton City Council.</li> </ol>
1, 5	c To deliver appropriate training to participants that meets New Zealand Qualifications Authority (NZQA) requirements.	<ol style="list-style-type: none"> <li>4 70% of participants achieved NZQA unit standards qualifications and/or obtained employment or further progressive training.</li> </ol>



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## 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 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.

### Strategic Plan Goal

- Local neighbourhoods address the needs of their residents—socially, physically and emotionally

### Council Goals

- To promote an environment which encourages the development of a quality of life aimed at meeting community needs and expectations
- To ensure the provision and maintenance of essential services in an efficient and effective manner in response to existing and future requirements

Council Goals	Objectives	Performance Measures
1, 2	a To assist in the development of the new Civil Defence Emergency Management Group (CDEMG) plan.	<ol style="list-style-type: none"> <li>Actively participated in all CDEMG planning meetings.</li> <li>Facilitated development of the WVEOA cluster.</li> </ol>
1, 2	b To negotiate and develop service level requirements with WVEOA member organisations.	<ol style="list-style-type: none"> <li>Service requirements agreed with WVEOA members by December 2003.</li> </ol>
1, 2	c To maintain public awareness of the need for emergency preparedness for the city.	<ol style="list-style-type: none"> <li>Attained 88% public awareness of the need to be self-reliant in the event of a disaster, as measured by Council's 2004 Annual Residents Survey.</li> <li>Achieved a measure of 50% of households that have an Emergency Plan in place, as measured by Council's 2004 Annual Residents Survey.</li> </ol>
1, 2	d To ensure response and recovery plans are prepared by Emergency Management and are continuously reviewed.	<ol style="list-style-type: none"> <li>Reviewed standard operating procedures for emergency response and recovery plans and maintained ISO 9002 registration.</li> </ol>
1, 2	e To develop and maintain partnerships with all other emergency response agencies that will support Council's response to and recovery from any declared emergency event.	<ol style="list-style-type: none"> <li>Contacted 50 groups, organisations, or schools regarding emergency preparedness.</li> <li>Emergency Management staff participated in all of the city's emergency planning meetings (Emergency Management Sub-committee, Emergency Services Co-ordination Committee, Hazardous Substances Technical Liaison Committee) with key stakeholders.</li> </ol>



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## PARTNERSHIP WITH MAORI

### Description

Council embraces the principles of the Treaty of Waitangi, acknowledges the importance of Kingitanga in the Waikato and values its partnerships with both mana whenua\* and maataa waka\*.

The partnership with Te Runanga O Kirikiriroa (TeROK) embodies a commitment by both parties to work toward a strong community for all people. It provides for the operation of a Joint Venture Committee (comprising representatives of Council and TeROK) to discuss partnership issues and oversee administration of Council's Maori project fund. The contract also includes the provision of services and policy advice on urban Maori issues by Te Runanga O Kirikiriroa to Council.

Council 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.

### Strategic Plan Goal

- A supportive community where families, youth and older persons are valued

### Council Goals

- 1 To promote an environment which encourages the development of a quality of life aimed at meeting community needs and expectations
- 4 To develop an effective and efficient corporation that is responsive, responsible and accountable to the community

Council Goals	Objectives	Performance Measures
1, 4	a To promote and strengthen the partnership between Council and Te Runanga O Kirikiriroa.	<ol style="list-style-type: none"> <li>1 Distribution of the Maori projects fund by Te Runanga O Kirikiriroa monitored six-monthly.</li> <li>2 Implemented a programme with TeROK to address consultation and other requirements under the new Local Government Act 2002.</li> <li>3 Joint Committee meetings conducted on a regular 6-weekly basis to discuss and promote the partnership.</li> </ol>
1, 4	b To ensure tangata whenua are advised and consulted on resource management issues in the city.	<ol style="list-style-type: none"> <li>4 NaMTOK advised on all notified resource consent applications.</li> <li>5 NaMTOK advice incorporated into notified resource consent applications.</li> </ol>



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\* *Mana whenua: Maori who are tied to the area/land by whakapapa (genealogy) whose ancestors have lived and died there. As a result they are kaitiaki (guardians) of that area of land. For instance mana whenua in Kirikiriroa include three hapu (sub tribes) of Waikato, they are Ngaati Wairere, Ngaati Mahanga, Ngaati Haua. Refer to Council's Treaty Booklet for tribal map and boundaries.*

\* *Maataa waka: Maori of different tribal affiliations who are living within the area/land of the mana whenua group, that is, Maori living outside their own tribal boundaries. Te Runanga O Kirikiriroa also represents Pacific Island peoples in Kirikiriroa/Hamilton under a broad application of this concept.*



## CEMETERIES 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. Records are maintained for the Hamilton west and Hamilton east cemeteries and cemetery heritage sites are also developed and protected.

### Strategic Plan Goal


- Local neighbourhoods address the needs of their residents—socially, physically and emotionally

### Council Goals

- To promote an environment which encourages the development of a quality of life aimed at meeting community needs and expectations
- To ensure the provision and maintenance of essential services in an efficient and effective manner in response to existing and future requirements
- To develop an effective and efficient corporation that is responsive, responsible and accountable to the community

Council Goals	Objectives	Performance Measures
2	a To provide a burial and cremation service to the people of Hamilton and the Waikato region.	1 All requests for cremation and burial were accommodated in accordance with legal requirements and Council bylaws.
1	b To maintain the cemetery facilities and environment to the satisfaction of customers.	2 Achieved a CSI score for the overall environment at Hamilton Park Cemetery and Crematorium of 80, as measured by Council's 2004 Annual Residents Survey.  3 Implemented the annual customer service monitoring programme.
4	c To implement the nine-year Cemetery Management Plan.	4 Implemented year 5 goals and objectives of the Cemetery Management Plan: <ul style="list-style-type: none"> <li>implemented restoration programme for Hamilton West Cemetery</li> <li>completed Hamilton Cemetery road maintenance.</li> </ul>

 **Hamilton City Council**  
Te Kaunihera o Kirikiriroa

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## REPRESENTATION AND CIVIC AFFAIRS

### Description

Effective communication and consultation is essential for responsible local government, enabling Council to represent the best interests of the community, and to inform residents about its activities.

The community is represented by 13 councillors who are elected by ward: East Ward (3), West Ward (5), and South Ward (5). The mayor is elected by all eligible voters (81,050 as at December 2002) from across the city. Council meets on a six weekly cycle and has six standing committees: Strategic Policy and Co-ordination Committee, Economic Development Committee, Social and Community Committee, Stadiums Management Board, Statutory Management Committee, and Works and Services Committee.

The new Local Government Act 2002 introduces new requirements for Council to establish triennial agreements, a governance statement, an elected members code of conduct, community outcomes and priorities. Council must also consult with its community on significant policies, projects and programmes. Council principally consults with the public through the annual plan process (to become the Long-Term Council Community Plan (LTCCP) process from 1 July 2004) and reports back to the community through the publication of its annual report.

Provision is also made for the costs of Council's democratic, decision-making and electoral processes.

### Strategic Plan Goal

- All people are enabled and encouraged to participate in the development of the city

### Council Goal

- 4 To develop an effective and efficient corporation that is responsive, responsible and accountable to the community

Council Goal	Objectives	Performance Measures
4	a To maintain the democratic process of local government as required by legislation.	<ol style="list-style-type: none"> <li>1 Annual Plan, Annual Report, draft LTCCP* and District Plan produced in compliance with legislative requirements. * Long Term Council Community Plan</li> <li>2 Completed the review on wards and representation by August 2003.</li> <li>3 Initiated additional procedures required for Council's 2004 triennial elections.</li> </ol>
4	b To respond to key issues/ proposals that may impact on the city and/or Council operations.	<ol style="list-style-type: none"> <li>4 Council submissions prepared on key issues/proposals (through the Council submission process) and forwarded to the relevant organisations by the submission closing date.</li> </ol>
4	c To ensure optimum community consultation and participation on key Council issues.	<ol style="list-style-type: none"> <li>5 Achieved a CSI score for contact with Councillors and Mayor of 65, as measured by Council's 2004 Annual Residents Survey.</li> <li>6 Achieved a CSI score for the opportunities Council provides for community involvement in decision-making of 59, as measured by Council's 2004 Annual Residents Survey.</li> <li>7 Staff training programme for effective community consultation undertaken.</li> </ol>



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Te kaunihera o Kirikiriroa



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## KEY STRATEGIC PLAN GOAL

- 16 A full range of land, facilities and services is available to meet the community's recreation and leisure needs

## KEY SUSTAINABILITY INDICATOR

25. Community and recreational facilities

## STRATEGIC OVERVIEW

The provision of sufficient open space, recreational facilities and services, is essential to meet the community's growing recreation and leisure needs. Facilities in the city that attract regional, national and international sporting and recreational events contribute to the city's economic and social life, and further enhance the city's reputation.

Recreational facilities and greenspace also provide for informal leisure, help protect our biodiversity, and add form and vitality to the city's structure. A flexible approach to the development, and the creation of an interconnected network of open and recreational space, will contribute to our community's well-being.

## COUNCIL'S RESPONSE

Council is contributing towards this key strategic plan goal and sustainability indicator through the following significant services:

### Sports Areas

Provides for the active recreation needs of the community through provision of developed open space with participant and public facilities (e.g., changing rooms).

### Parks and Gardens (including playgrounds)

Manages developed and undeveloped passive recreational land (including playgrounds) for particular environmental objectives. Provides for city beautification, which enhances Hamilton's image by developing and maintaining beautification areas throughout the city, including trees within open spaces, parks, streets, traffic islands and environmental plantings.

### Stadiums

Waikato Stadium, Westpac Park and the Waikato Events Centre are key city facilities designed to attract local, national and international sports fixtures as well as other major events. The Hamilton City Leisure Centre provides high quality and affordable health, fitness, sport and leisure programmes and activities.

Services include:

- Waikato Stadium
- Westpac Park
- Waikato Events Centre
- Hamilton City Leisure Centre

### Swimming Facilities

Swimming facilities operates and funds swimming facilities throughout the city, including Waterworld (Te Rapa), Gallagher Aquatic Centre (Melville), and Municipal Pool (southern end of the CBD). Provision of grants is also made to a number of partner pools throughout the city.

Services include:

- Swimming pools
- Grants (other pools)

### Community Halls and Leased Buildings

Provides and maintains Council-owned halls and buildings, which are leased for the cultural and recreational needs of the community.

### Hamilton Zoo

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 Gardens

Hamilton Gardens features seven authentic themed gardens and provides a high quality visitor and events venue (including the Pavilion) that enhances the quality of life of residents and promotes the image of Hamilton.

### Toilets

Provides 50 toilet facilities throughout the city including semi-automated toilets, sports park amenity blocks, and small toilet blocks on neighbourhood parks.

## IMPROVING COUNCIL'S AND HAMILTON'S SUSTAINABILITY

Examples of specific projects and programmes that focus on making Council's own operations more sustainable (internal), and those that have a community/city focus (external) towards improving Hamilton's sustainability are shown below.

Internal projects/programmes	External projects/programmes
<ul style="list-style-type: none"> <li>• Environmental Management Systems/ISO 14001</li> <li>• Training of staff for Environmental System Auditing</li> <li>• Development of on-site recycling</li> <li>• Construction and use of worm bins for food wastes</li> <li>• Development and review of asset management plans (in particular the plans for sports areas, parks and gardens, city beautification, halls and leased buildings, and public toilets)</li> </ul>	<ul style="list-style-type: none"> <li>• Council's Recreation and Leisure Plan 2002–2012</li> <li>• Provision and maintenance of walkways</li> <li>• Restoration and maintenance of local green areas/native bush</li> <li>• Reserves management plans programme</li> <li>• Planting trees through the Community Planting Programme</li> <li>• Council's Proposed District Plan policies that promote open space and vegetation in the city</li> <li>• Ongoing upgrading of playgrounds to New Zealand safety standards</li> <li>• Aquatic Facilities Plan (2001)</li> <li>• Swimming programmes, e.g., pool lifeguard training programme</li> <li>• Hamilton Zoo's participation in co-operative breeding programmes for endangered New Zealand native and exotic species</li> </ul>



## HIGHLIGHTS

### SPORTS AREAS

#### Marist Park Changing Rooms

The relocation of Marist Football Club from Claudelands Park to Marist Park (formally Dey Street (North) Park) requires Council to develop the new site including changing room facilities. Funding provision of \$609,000 for the construction of changing room facilities in association with the clubrooms (construction of clubrooms and facilities undertaken by Marist Football Club for club members) will be available for use by the club and public.

### PARKS AND GARDENS (Including playgrounds)

#### Lake Rotoroa Esplanade Walkway

Funding provision of \$379,000 will see the walkway and landscape planting completed following the eradication of Yellow Flag Iris (*Iris Pseudacorus*). The walkway is scheduled to be completed by November 2003.

#### Community Tree Planting

Protecting and enhancing the city's distinctive parks, gardens and reserves will continue this year, through 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 throughout the city.

#### Claudelands Park

The development of Claudelands Park (formerly Claudelands Showgrounds) as a public park will continue with the completion of Stage 2 (\$450,000) this year which includes the Brooklyn Road entrance, car parks and surrounds, a destination playground and furniture. The park will continue to be developed in accordance with the Claudelands Park Management Plan. Funding provision of \$860,000 has been made for 2004/05 to 2006/07 for this.

#### Gully Development Programme

Further development of Hamilton's Gully Reserves will be undertaken with the commencement of a three-stage restoration programme at Kirikiriroa Gully. The restoration programme includes restoration planting and improving access and provision of walkways.

#### Rotokaeo Rehabilitation

A NIWA report has proposed two avenues for rehabilitation of Rotokaeo (Forest Lake)—vegetation management and possibly re-contouring and deepening of the lake. Geological investigations to determine if the latter is practicable were under way in 2002/03, and depending on the results consent will be sought for vegetation management and/or earthworks in 2003/04.

### STADIUMS

#### Concerts and Festivals to be held at Stadiums Venues

Waikato Stadium and Westpac Park, while generally recognised as rugby and cricket specific venues are available for other suitable events. The first music concert at the Waikato Stadium was held in March 2003 and this has enabled the venue to become established within the concert market proving itself for future tours. It is envisaged other events including festivals, rallies, commercial ventures and sports similar to the National Marching Championships (March 2004) will be secured to enable the venues to provide a wide a range of events as possible.

### SWIMMING FACILITIES

#### All Weather Leisure Pool

This year staff and consultants will begin the planning and design process toward the conversion of the outdoor Lido pool at Waterworld into an all weather leisure pool to offer year round family and child based aquatic fun.



## HAMILTON ZOO

### Construction of Chimpanzee Exhibit

A chimpanzee exhibit is being constructed over a three year period. Last year the programme saw the completion of design working drawings, preliminary earthworks and perimeter fence. This year (year two \$350,000 of \$1.05m) will concentrate on chimpanzee housing and enclosure infrastructure. Year three will see enclosure landscaping completed and the arrival of the colony of six chimps which are currently housed at Auckland Zoo.

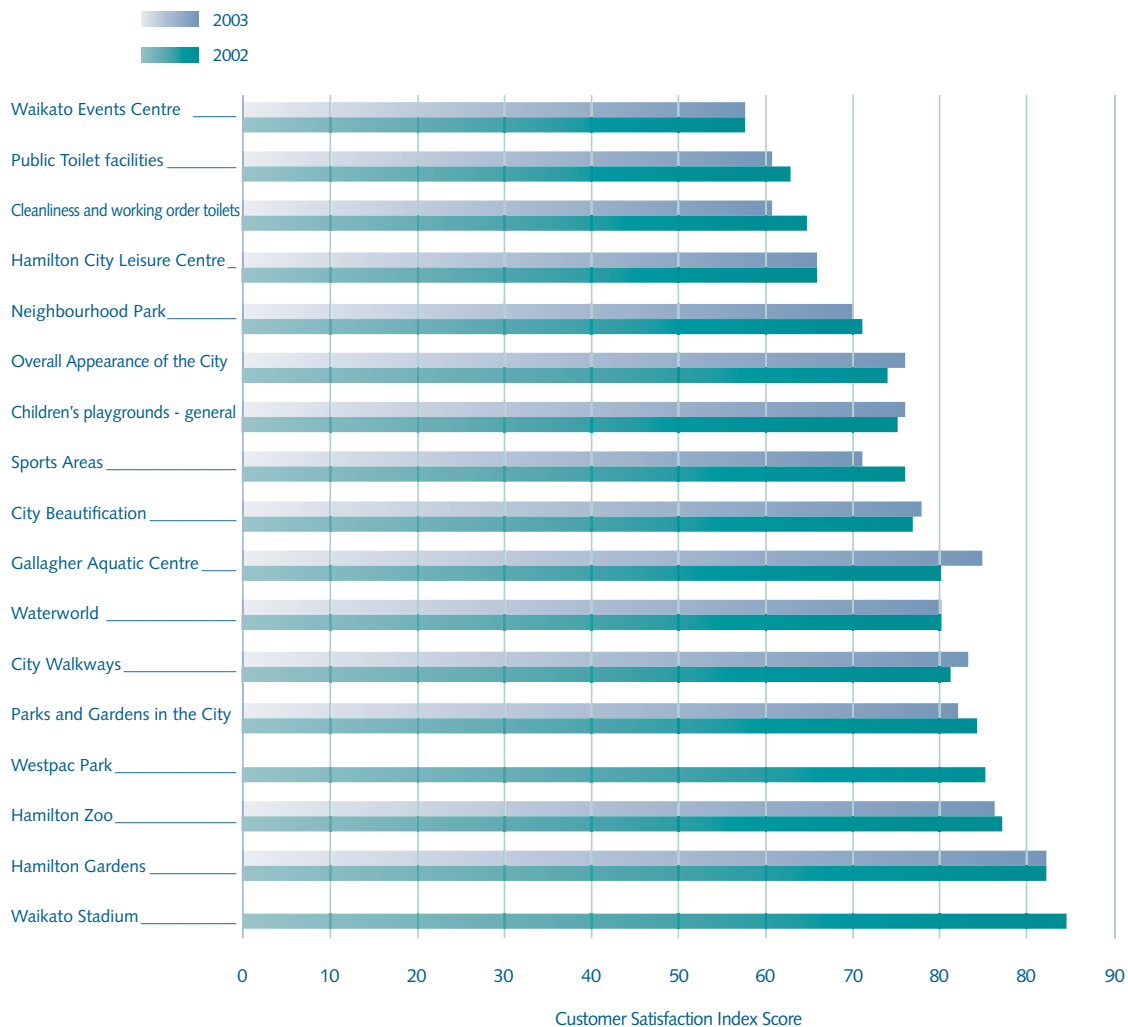
## HAMILTON GARDENS

### Char Bagh Garden

Stage II (of III stages) in the construction of the Indian Char Bagh Garden will be undertaken. This garden will add to the notable collection of themed gardens at Hamilton Gardens. Council is working with the Indian Char Bagh Garden Trust, which will continue to raise significant sponsorship for this project that will be completed in 2005.

## ANNUAL RESIDENTS SURVEY

User Satisfaction with Council Facilities and Services in 2002 and 2003



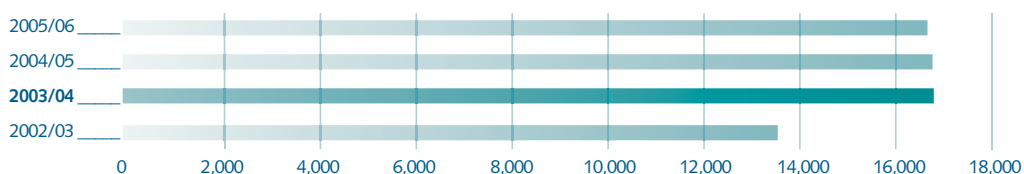
## ENJOYING OUR CITY

Cost of Service for the Year ending 30 June 2004 (in \$000s)

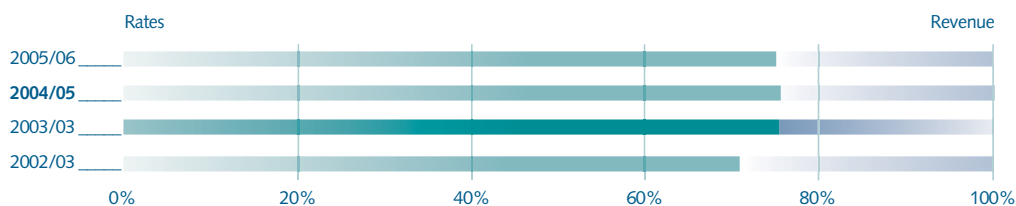
Budget 2003		Budget 2004	Budget 2005	Budget 2006
	<b>EXPENDITURE</b>			
1,682	<b>Sports areas</b>	2,257	2,306	2,313
3,549	<b>Parks and gardens (including playgrounds)</b>	4,486	4,423	4,654
1,665	City beautification	1,771	1,770	1,776
	<b>Stadiums</b>			
3,100	Waikato Stadium	3,829	3,746	3,700
453	Westpac Park	520	520	520
951	Waikato Events Centre	1,011	938	769
132	Hamilton City Leisure Centre	140	140	140
	<b>Swimming facilities</b>			
3,602	Swimming pools	4,055	4,030	4,031
50	Grants – other pools	0	0	0
230	<b>Community halls and leased buildings</b>	255	253	248
1,462	<b>Hamilton Zoo</b>	1,635	1,744	1,743
1,746	<b>Hamilton Gardens</b>	1,760	1,727	1,729
444	<b>Toilets</b>	458	452	454
19,066	<b>TOTAL EXPENDITURE</b>	22,177	22,049	22,077
	<b>Less REVENUE</b>			
106	<b>Sports areas rents</b>	110	110	110
695	Parks rents and contributions	675	547	545
13	City beautification charges	13	13	13
1,684	Waikato Stadium charges	1,601	1,643	1,663
204	Westpac Park charges	133	133	133
513	Waikato Events Centre charges	501	501	501
1,580	<b>Pools admission fees</b>	1,612	1,612	1,612
47	<b>Community halls and leased buildings</b>	47	47	47
538	<b>Zoo admission fees</b>	550	550	660
145	<b>Hamilton Gardens charges</b>	163	163	163
2	<b>Toilets</b>	0	0	0
5,527	<b>TOTAL REVENUE</b>	5,405	5,319	5,447
13,539	<b>NET COST OF SERVICE</b>	16,772	16,730	16,630
8,516	<b>CAPITAL EXPENDITURE</b>	9,204	7,239	6,546

Note: Significant Services are shown in bold in the Expenditure section of the Cost of Services table.

### NET COST OF SERVICE IN \$000s



### COST OF SERVICE FUNDED BY



## SPORTS AREAS

### Description

Provides 59 sports areas (428 hectares) for the active recreational needs of the community through the provision of developed open space with participant and public facilities (e.g., changing rooms). Regular liaison with users ensures but the best possible service is delivered to the community within the resources available.

The Recreation and Leisure Plan 2002–2012 sets out guidelines for recreation and leisure provision, access, promotion and information in the city for the next 10 years. Sports areas and facilities are a key component of the plan which seeks to integrate opportunities to enhance lifestyle and social health.

Areas are developed and maintained through a mix of internal and external contracts.

### Strategic Plan Goal

- A full range of land, facilities and services is available to meet the community's recreation and leisure needs

### Council Goal

- To promote an environment which encourages the development of a quality of life aimed at meeting community needs and expectations

Council Goal	Objectives	Performance Measures
1	a To consult with users and the wider community to determine requirements for active recreation, through regular liaison meetings and contact with users.	1 Assessed user needs by meeting with summer sports codes before September 2003, and with winter sports codes before April 2004.  2 Achieved a CSI score for sports areas of 72, as measured by Council's 2004 Annual Residents Survey.
1	b To meet the needs of the community for active recreational opportunities through the development and maintenance of sports areas.	3 Constructed changing facilities at Marist Park by April 2004.
1	c To identify and acquire suitable land for development as sports areas.	4 Identified and acquired sports areas in the northeast sector as noted in the Rototuna Structure Plan.
1	d To implement and undertake 3 yearly reviews of the Recreation and Leisure Plan 2002–2012.	5 Implemented year 2 of the Recreation and Leisure Plan 2002–2012.



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## PARKS AND GARDENS (including playgrounds)

### Description

Parks and Gardens provides for the maintenance and administration of developed and undeveloped passive recreational land (128 green spaces, 544 hectares including 49km of walkways), and 75 playgrounds, managed for prescribed environmental objectives.

City beautification enhances the city's image by developing and maintaining beautification areas throughout the city, including trees within open spaces, parks, streets, traffic islands and environmental plantings.

Hamilton's Strategic Plan 2002–12, Hamilton city's Proposed 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 are established.

To ensure the provision of quality services for the community Council uses a mix of internal and external contracts which are monitored and audited.

### Strategic Plan Goal


- A full range of land, facilities and services is available to meet the community's recreation and leisure needs

### Council Goal

- To promote an environment which encourages the development of a quality of life aimed at meeting community needs and expectations

Council Goal	Objectives	Performance Measures
1	a To provide and contribute towards meeting the recreational and well-being needs of the community through the provision and maintenance of parks, reserves and other forms of open space, and the facilities on them.	1 Completed Lake Rotoroa (Hamilton Lake) Esplanade walkway by November 2003. 2 Completed Stage 1 of a 3-year programme of restoration work and provision of access at Kirikiriroa Gully. 3 Developed Claudelands Park car park, (Brooklyn Road) in accordance with the Claudelands Park Management Plan. 4 Achieved a CSI score for: <ul style="list-style-type: none"> <li>parks and gardens in the city of 82</li> <li>children's playgrounds in general of 74,</li> </ul> as measured by Council's 2004 Annual Residents Survey.
1	b To provide for the maintenance and enhancement of city beautification areas and amenity trees.	5 Planted 32,000 new trees and shrubs. 6 Achieved a CSI score for city beautification of 78, as measured by Council's 2004 Annual Residents Survey.
1	c To ensure that all fountains are refurbished and operating efficiently.	7 Completed the refurbishment of the Centennial Fountain (western side of Founders Memorial Theatre).
1	d To work with the community in the establishment and ongoing maintenance of urban vegetation on public open space through the Community Planting Programme.	8 Planted 25,000 trees on public open space with the involvement of not less than 60 representatives from community organisations, adjacent property owners or interested stakeholders.

 **Hamilton City Council**  
Te Kaunihera o Kirikiriroa

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## STADIUMS

### Description

Waikato Stadium, Westpac Park and the Waikato Events Centre are key city facilities designed to attract local, national and international sports fixtures as well as other major events.

The Waikato Stadium is primarily used for rugby fixtures and Westpac Park for cricket matches. Both facilities are also available for other suitable events and activities, e.g., music concerts, festivals and sports.

A major feature of both venues is availability of facilities for a variety of functions, conferences and banquets.

The Stadiums Management Board (made up of one councillor—the chairperson, six community members and a representative each from rugby and cricket) oversees governance and policy direction for both the Waikato Stadium and Westpac Park.

The Waikato Events Centre operates on a commercial basis providing event facilities and equipment that are hireable in terms of time and space. This provides commercial and community benefits leading to economic development, and recreational opportunities for the community.

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



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### Strategic Plan Goal

- A full range of land, facilities and services is available to meet the community's recreation and leisure needs

### Council Goals

- To promote an environment which encourages the development of a quality of life aimed at meeting community needs and expectations
- To develop a positive climate which encourages development opportunities to achieve a sound economic base for the city

Council Goals	Objectives	Performance Measures
1, 5	a To enhance customer expectation and experience of the Waikato Stadium and Westpac Park.	1 Achieved a CSI score for public perception of the: <ul style="list-style-type: none"> <li>Waikato Stadium of 70</li> <li>Westpac Park of 70, as measured by Council's 2004 Annual Residents Survey.</li> </ul> 2 Achieved a CSI score for users of the: <ul style="list-style-type: none"> <li>Waikato Stadium of 94</li> <li>Westpac Park of 85, as measured by Council's 2004 Annual Residents Survey.</li> </ul> 3 Achieved a CSI score from venue hirers of the: <ul style="list-style-type: none"> <li>Waikato Stadium of 70,</li> <li>Westpac Park of 70, as measured by a continuous hirers' survey.</li> </ul>
1, 5	b To provide and sustain Waikato Stadium and Westpac Park to an international standard and to ensure the facilities are competitive and self-sufficient.	4 Attracted events of national and international level to Waikato Stadium and Westpac Park.           5 Increased level of recoverability of operational costs associated with each venue. Year 2 of a 4-year programme to be 100% self-sufficient.
1, 5	c To ensure the Waikato Stadium and Westpac Park cater for a range of events and activities.	6 Developed a marketing and events plan for the Waikato Stadium and Westpac Park to attract 6 or more events outside of cricket or rugby at the respective venues.
1, 5	d To seek out and build strategic alliances around key events and activities at the Waikato Stadium and Westpac Park.	7 Developed a strategic approach to communicate with stakeholders and held regular meetings with key partners (rugby and cricket) and venue neighbours.

(cont...)

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## STADIUMS (cont.)

1, 5	e To bring high profile events and functions to the Waikato Stadium and Westpac Park that benefit the community, city and region.	8 Achieved a combined total patronage of 170,000 of all events at the Waikato Stadium and Westpac Park.  9 Achieved national and international media coverage of events held at the respective venues.
1, 5	f To ensure the optimum use of the Waikato Events Centre.	10 Maintained income turnover at an average of the previous 3 years.  11 Achieved a usage measure for the Waikato Events Centre of 61%, as measured by Council's 2004 Annual Residents Survey.
1, 5	g To work with event organisers to create events at the Waikato Events Centre that meet the community and business sector markets.	12 Achieved a CSI score for the Waikato Events Centre of 58, as measured by Council's 2004 Annual Residents Survey.
1	h To provide, maintain, and promote the Hamilton City Leisure Centre facility, equipment for health, fitness, sport and leisure programmes and quality services in response to identified community needs.	13 Monitoring and evaluation of the management contract with Metro Y showed contract compliance and satisfactory performance rating of the contractor.  14 Achieved a patronage total that is equal to the average of the previous 3 years.  15 Achieved a CSI score for the Hamilton City Leisure Centre of 65, as measured by Council's 2004 Annual Residents Survey.



 Westpac Park

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 Website: [www.WaikatoStadium.co.nz](http://www.WaikatoStadium.co.nz)

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## SWIMMING FACILITIES

### Description


Swimming facilities operates and funds swimming facilities throughout the city, including Waterworld (Te Rapa), Gallagher Aquatic Centre (Melville), and the Municipal Pool (southern end of the CBD), to provide safe exposure to family oriented water-based education. It 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 programmes. The needs of a range of aquatic sports clubs and associations are also met by ensuring the availability of training opportunities.

Partner pool grants are provided to the University of Waikato, Hillcrest Normal School, Fairfield College, and Te Rapa Primary School. The grants provide assistance for these pools to be open to the public enabling club development and opportunities to swim at a local facility.

### WaterWorld

-  **Ph:** 849 4389
-  **Fax:** 849 3510
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### Gallagher Aquatic Centre

-  **Ph:** 843 9476
-  **Fax:** 943 4678
-  **Email:** GallagherAquaticCenter@hcc.govt.nz

### Strategic Plan Goal

- A full range of land, facilities and services is available to meet the community's recreation and leisure needs

### Council Goal

- To promote an environment which encourages the development of a quality of life aimed at meeting community needs and expectations

Council Goal	Objectives	Performance Measures
1	a To operate and maintain swimming facilities for the health and safety of users.	<ol style="list-style-type: none"> <li>Waterworld and Gallagher Aquatic Centre maintained compliance with the NZS 5826: 2000 Pool Water Quality Standards, verified by third party 'poolsafe' audit every second year (the next audit is expected to be in October 2003).</li> <li>Waterworld and Gallagher Aquatic Centre met or exceeded standards for the ratio of lifeguards to pools.</li> <li>Maintained the 'Pool Safe' certification (expected to be assessed in October 2003).</li> <li>Provided technical direction to at least 5 Hamilton school pools to assist them in developing pool management strategies to meet national standards for water quality or other health and safety issues.</li> </ol>
	b To provide and promote educational water safety and recreational programmes to balance recreational, competitive, teaching/coaching and therapeutic uses and to promote ongoing efficiencies and programme development.	<ol style="list-style-type: none"> <li>Achieved a CSI score for: <ul style="list-style-type: none"> <li>Waterworld of 80</li> <li>Gallagher Aquatic Centre of 80, as measured by Council's 2004 Annual Residents Survey.</li> </ul> </li> </ol>
1	c To ensure optimum use of swimming facilities to meet community needs.	<ol style="list-style-type: none"> <li>Achieved a usage measure for: <ul style="list-style-type: none"> <li>Waterworld of 47%</li> <li>Gallagher Aquatic Centre of 17%, as measured by Council's 2004 Annual Residents Survey.</li> </ul> </li> <li>Maintained 600,000 visits at city-funded pools.</li> </ol>

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## COMMUNITY HALLS AND LEASED BUILDINGS

### Description

Provides and maintains Council-owned halls and buildings (9), which are leased for the cultural and recreational needs of the community. The halls provide venues for a diverse range of community-based activities including clubs, indoor sports, band practises, arts and theatre. Community halls comprise: Old St. Peter's Hall, Fairfield Hall and Frankton Hall. Leased buildings comprise: Pukete Farm Park House, 50 Pembroke Street (Kohanga Reo), Riverlea Theatre, Ward Park Arts Centre, Yendell Park (Hamilton Skill Centre) and 9 Pembroke Street (Judo Club Building).

### Strategic Plan Goal

- A full range of land, facilities and services is available to meet the community's recreation and leisure needs

### Council Goal

- To promote an environment which encourages the development of a quality of life aimed at meeting community needs and expectations

Council Goal	Objective	Performance Measure
1	a To provide and service halls and leased buildings, in order to enable a wide range of recreation, leisure and community activities.	1 Maintained a 30% occupancy rate for community halls and 100% for leased buildings.



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## HAMILTON ZOO

### Description

Hamilton Zoo is set on 20.8 hectares and 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.

### Strategic Plan Goal

- A full range of land, facilities and services is available to meet the community's recreation and leisure needs

### Council Goals

- To promote an environment which encourages the development of a quality of life aimed at meeting community needs and expectations
- To develop a positive climate which encourages development opportunities to achieve a sound economic base for the city

Council Goals	Objectives	Performance Measures
1, 5	a To provide a facility and programmes that meet the expectations of user groups and customers.	<ol style="list-style-type: none"> <li>Achieved a CSI score for Hamilton Zoo visitors of 86, as measured by Council's 2004 Annual Residents Survey.</li> <li>Achieved a usage measure for Hamilton Zoo of 46%, as measured by Council's 2004 Annual Residents Survey.</li> <li>Achieved a user satisfaction rating of 75% for zoo education services, as measured by a continuous teacher survey.</li> <li>Achieved a CSI score of 84 for the overall service provided by staff, as measured by an independent survey zoo visitors</li> </ol>
1	b To maintain a standard of animal husbandry and housing that meets or exceeds contemporary standards.	<ol style="list-style-type: none"> <li>Received no non-compliance reports from audits carried out by the Ministry of Agriculture and Forestry.</li> <li>Maintained annual licence status by December 2003.</li> </ol>



Ph: 838 6720



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Website: www.HamiltonZoo.co.nz

Unless otherwise stated, all performance measures will be completed on or before 30 June 2004. All specified targets shown in performance measures are the minimum achievement aimed for, e.g., 75 or greater. CSI: Customer Satisfaction Index.

## HAMILTON GARDENS

### Description

Hamilton Gardens is set on 54 hectares of prime city parkland between Cobham Drive and the Waikato River. It features seven authentic themed gardens and provides a high quality visitor and events venue (including the Pavilion) that promotes the image of Hamilton and enhances the quality of life of residents. Hamilton Gardens is the most popular visitor destination in the city and makes a significant contribution to the local tourism industry.

The development programme for Hamilton Gardens is supported by sponsorship, employment initiative programmes, and widespread public involvement.

### Strategic Plan Goal

- A full range of land, facilities and services is available to meet the community's recreation and leisure needs

### Council Goals

- To promote an environment which encourages the development of a quality of life aimed at meeting community needs and expectations
- To develop a positive climate which encourages development opportunities to achieve a sound economic base for the city

Council Goals	Objectives	Performance Measures
1, 5	a To develop and maintain standards of presentation and service at Hamilton Gardens and the Pavilion which meet the community's expectations.	1 Achieved a CSI score for Hamilton Gardens of 92, as measured by Council's 2004 Annual Residents Survey.
1, 5	b To develop Hamilton Gardens as a high quality visitor and events venue in accordance with the Hamilton Gardens Management Plan and development programme.	2 Completed stage 2 of a 3-stage development programme for the construction of the Indian Char Bagh Garden. 3 Appointed a curator to manage the Hamilton Gardens plant collections.
1, 5	c To promote Hamilton Gardens as a world-class facility locally, nationally and internationally.	4 Developed and established an economic model and marketing plan and initiated implementation of the marketing plan.

### Hamilton Gardens



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Website: [www.HamiltonGardens.co.nz](http://www.HamiltonGardens.co.nz)

*Unless otherwise stated, all performance measures will be completed on or before 30 June 2004. All specified targets shown in performance measures are the minimum achievement aimed for, e.g., 75 or greater. CSI: Customer Satisfaction Index.*

## TOILETS

### Description

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, including semi-automated toilets (e.g., Frankton Village and Hamilton Gardens), sports park amenity blocks, and small toilet blocks on neighbourhood parks.

The facilities are operated and serviced through external contracts.

### Strategic Plan Goal

- A full range of land, facilities and services is available to meet the community's recreation and leisure needs

### Council 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

Council Goals	Objective	Performance Measure
1, 2	a To provide well-serviced facilities in accordance with NZS 4241: Public Toilets in locations that meet the community's needs and expectations.	1 Achieved a CSI score for public toilet facilities of 62, as measured by Council's 2004 Annual Residents Survey.



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Unless otherwise stated, all performance measures will be completed on or before 30 June 2004. All specified targets shown in performance measures are the minimum achievement aimed for, e.g., 75 or greater. CSI: Customer Satisfaction Index.







## FINANCIAL OVERVIEW

For the 2003/04 financial year, Council has budgeted income from general rates of \$70.3m (2002/03 \$66m). Rates income will increase by 6.52 per cent over the 2002/03 year. Taking account of growth in the city's rating base, this represents an average increase of 4.4 per cent to existing Hamilton ratepayers.

Based on the annual budget for 2003/04, the rates levy on the average value Hamilton home will be around \$1229, that is about \$24 a week. The rates levy for 2003/04 on the average value for the other property sectors are: inner city \$759, commercial \$7472, multi-unit \$3089, rural large \$3891 and rural small \$1953.

Council has budgeted for a surplus of \$7.6m in the 2003/04 financial year. Compared to 2002/03, total strategic areas net operating expenditure will increase by \$8.19m to \$78.03m. The increase in net operating expenditure is partly due to an increase in depreciation allowance of \$5m as a result of asset revaluation.

Capital expenditure will increase by \$3.7m to \$37.3m. Interest costs incurred in servicing the debt will be \$8.5m, which is a \$0.02m increase on 2002/03. The overall level of net city debt will increase by \$15.9m to \$110.2m for the 2003/04 financial year. Council has budgeted for internal borrowing from special funds and other cash funds (\$14m), which when included, makes the net city debt position \$124.2m.

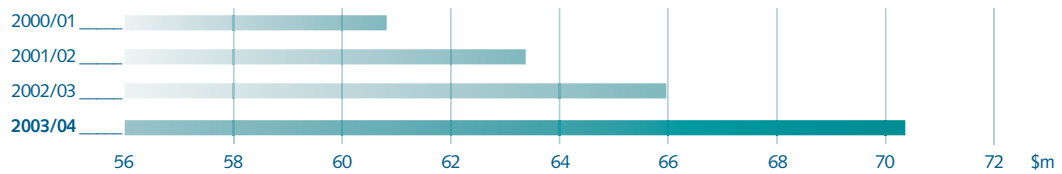
A number of significant special projects are planned during the 2003/04 financial year. These include:

- Waikato Stadium development funding (\$4.038m)
- staged development of a new water reservoir in the south of Hamilton (\$2.3m in 2003/04 and \$7.65m over three years)
- upgrade Thomas Road between Horsham Downs and Gordonton roads (\$2.8m)
- far eastern wastewater interceptor (\$1m)
- contribution to the development of Waikato Innovation Park (\$1m)
- upgrade Riverlea Road (\$0.65m 2003/04 and \$1.3m over two years)
- refuse landfill stages 4 and 6 (\$0.63m)
- events sponsorship funding (\$0.65m)
- Dey Street changing rooms (\$0.609m)
- refurbishment of pumps at the water treatment station (\$0.45m)
- development of grounds at Claudelands Park (\$0.45m in 2003/04 and \$1.31m over four years)
- establishment of community houses/centres (\$0.4m)
- Te Kowhai Road improvements (\$0.415m)
- Hamilton Lake (Lake Rotorua) esplanade walkway (\$0.379m)
- Peacocke structure plan (\$0.295m in 2003/04 and \$0.435m over two years)
- Westpac Park drainage renovation (\$0.25m)
- central city safety programme (\$0.25m in 2003/04 and \$1.24m over four years)
- contribution to undergrounding of power lines in Hukanui Road and Heaphy Terrace (\$0.216m)
- grand piano for Founders Memorial Theatre (\$0.192m)
- theatre services operational equipment renewal (\$0.14m)

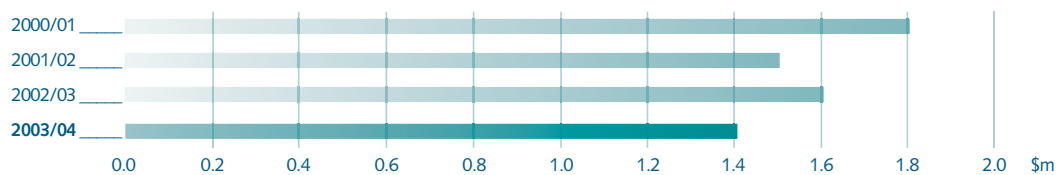
## FINANCIAL SUMMARY

A graphical presentation of key financial statistics from June 2001 to June 2004 is shown as follows:

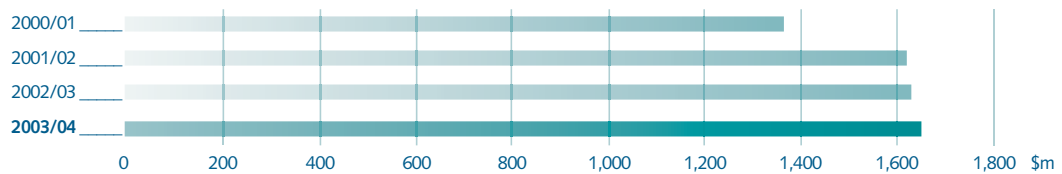
### RATES



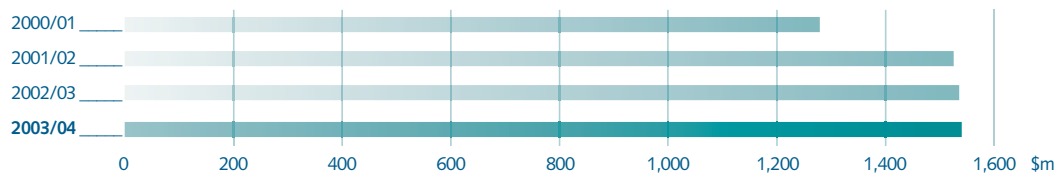
### RATES OUTSTANDING



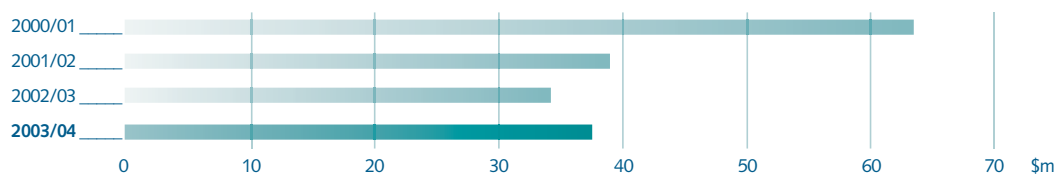
### TOTAL FIXED ASSETS



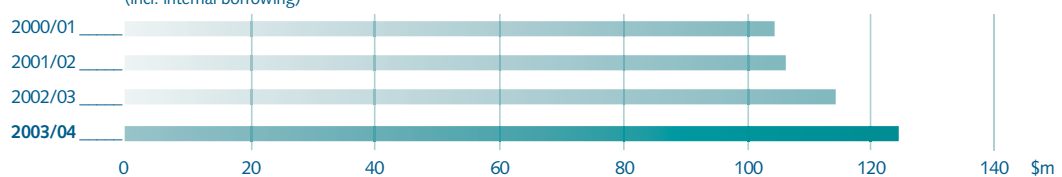
### RATEPAYER'S EQUITY



### CAPITAL EXPENDITURE

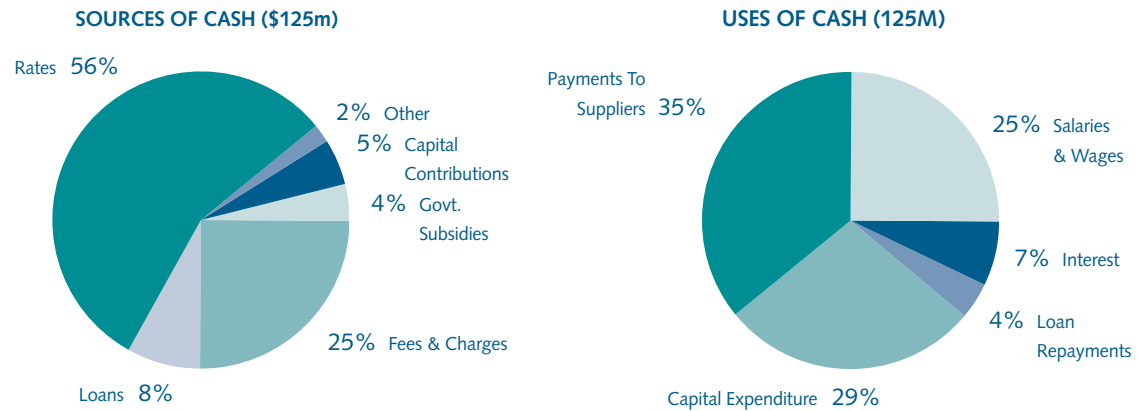


### NET CITY DEBT (incl. internal borrowing)



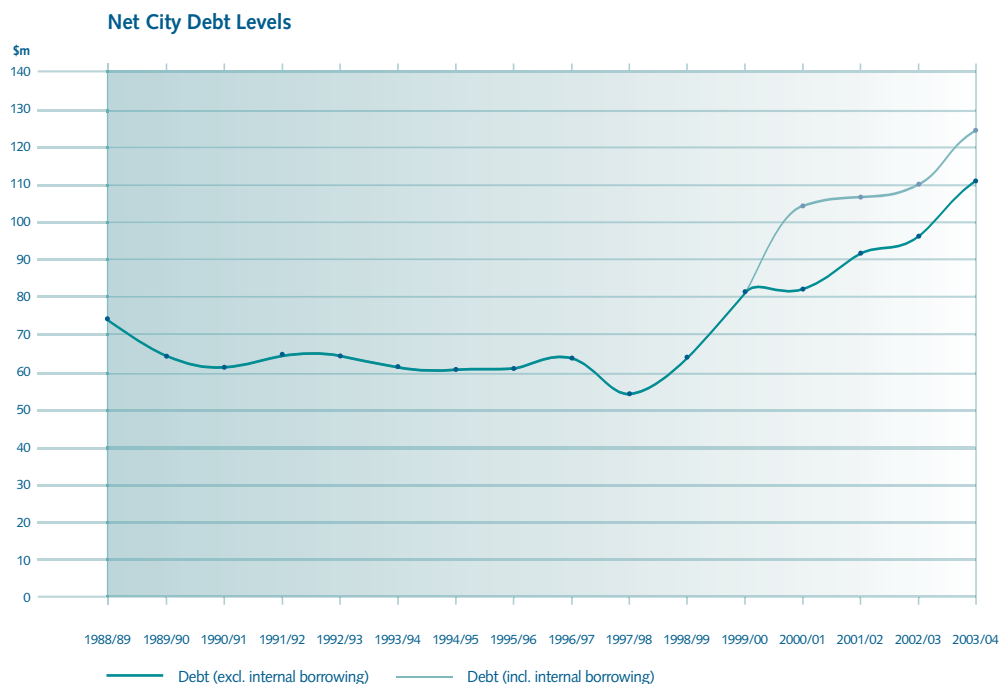
## CASH FLOW

The estimated sources and uses of cash for the year ended 30 June 2004 is summarised as follows:



## CITY DEBT

The graph below shows the net city debt levels from June 1989 to June 2004.



Council introduced an internal borrowing programme during the 2000/01 financial year. Rather than sourcing all its borrowing externally, Council utilises funds from reserves and working capital to reduce external borrowing and charges an internal interest rate on these funds, which is then added to the reserves.

**Council has six key financial performance targets for the management of city debt. These are:**

**1 The net city debt shall not exceed 15 per cent of total ratepayers' equity.**

Council's proposed net city debt as at 30 June 2004 is \$110.2m, compared with ratepayers' equity of \$1,530.7m.

- The target has been met at 7.2 per cent.

If internal borrowing of \$14m is included, the net city debt position for the same period is \$124.2m and the net city debt to total ratepayers' equity ratio is 8.1 per cent.

**2 The net city debt shall not exceed 150 per cent of total revenue.**

Council's proposed net city debt as at 30 June 2004 is \$110.2m, compared with total revenue of \$119.1m.

- The target has been met at 92.6 per cent.

If internal borrowing of \$14m is included, the net city debt position for the same period is \$124.2m and the net city debt to total revenue ratio is 104.3 per cent.

**3 The total cost of servicing the interest payments shall not exceed 15 per cent of total revenue for that year.**

Total interest costs for 2003/04 are \$8.5m, compared with total revenue of \$119.1m.

- The target has been met at 7.1 per cent.

If internal borrowing of \$14m is excluded, the interest costs for the same period is \$7.7m and the interest costs to total revenue ratio is 6.5 per cent.

**4 The total cost of servicing the interest payments shall not exceed 20 per cent of rates levied for that year.**

Total interest costs for 2003/04 are \$8.5m, compared with rates levied of \$70.3m.

- The target has been met at 12.1 per cent.

If internal borrowing of \$14m is excluded, the interest costs for the same period is \$7.7m and the interest costs to rates levied ratio is 10.9 per cent.

**5 The net city debt per capita shall not exceed \$1500 for that year.**

Council's proposed net city debt as at 30 June 2004 is \$110.2m, compared with the population projection of 123,380.

- The target has been met at \$893.

If internal borrowing of \$14m is included, the net city debt position for the same period is \$124.2m and the net debt per capita is \$1007.

**6 Liquidity—the term debt and committed loan facilities as a percentage 12 month forecast net debt shall not be less than 110 per cent.**

Council's proposed term debt and committed loan facilities as at 30 June 2004 is \$150.6m, compared with the 12 month forecast net city debt of \$112.2m.

- The target has been met at 134.2%.

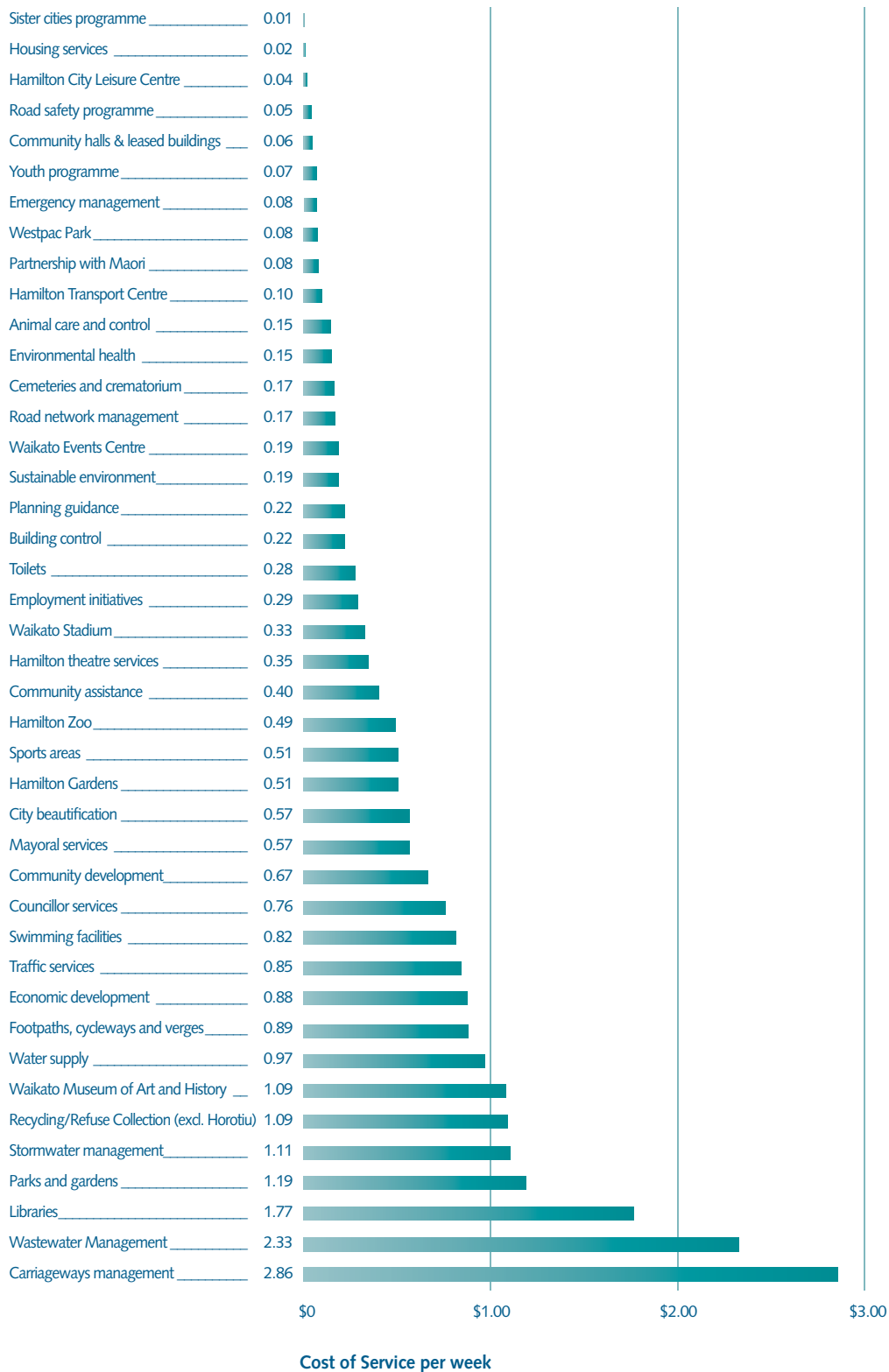
FINANCIAL SUMMARY	2000/01	2001/02	2002/03	2003/04
Rates levied	\$60.8 m	\$63.3 m	\$65.9 m	\$70.3 m
Rates outstanding	\$1.8 m	\$1.5 m	\$1.6 m	\$1.4 m
Total fixed assets	\$1,364.0 m	\$1,615.5 m	\$1,620.2 m	\$1,641.1 m
Ratepayers' equity	\$1,277.6 m	\$1,515.4 m	\$1,527.0 m	\$1,530.7 m
Capital expenditure	\$63.4 m	\$39.0 m	\$34.1 m	\$37.3 m
City debt repaid during year	\$ 5.0 m	\$ 5.4 m	\$ 6.8 m	\$ 4.7 m
Net city debt*	\$81.5 m	\$91.0 m	\$94.1 m	\$110.2 m
Net city debt (incl. internal borrowing)	\$ 104.5 m	\$ 106.4 m	\$ 113.9 m	\$ 124.2 m
FINANCIAL INDICATORS				
% Rates outstanding to rates levied	3.0%	2.4%	2.4%	2.0%
Net city debt* per rateable property	\$1,813	\$1,979	\$1,931	\$2,261
Net city debt* per capita	\$697	\$767	\$763	\$893
Net city debt* as % of rates levied	134.0%	143.8%	142.8%	156.8%
Interest payment as % of rates levied	12.0%	11.9%	11.7%	12.1%
Interest payment* as % of rates levied	11.1%	10.7%	10.6%	10.9%
Loan principal repayment as % of rates levied	8.2%	8.5%	10.3%	6.7%
Net city debt* as % of ratepayers' equity	6.4%	6.0%	6.2%	7.2%
Net city debt (incl. internal borrowing) as % of ratepayers' equity	8.2%	7.0%	7.5%	8.1%
Liquidity—term debt and committed loan facilities to 12 month peak net debt	n.a.	n.a.	134.8%	134.2%

\*Excluding internal borrowing

### INDICATIVE RESIDENTIAL RATES

For 2003/04, the rates levy on the average value Hamilton home will be \$1229, which is about \$24 a week.

The indicative rates levy per week is presented graphically below for each significant service of Council.



## COUNCIL CONTROLLED ORGANISATIONS (CCO)

In order to achieve its objectives for Hamilton City Council, Council operates three Council-Controlled Organisations (CCOs). Hamilton Properties Ltd, Pirongia Afforestation Mountain Committee and Waikato Regional Airport.

The following table explains what the organisations do and how their performance is measured.

- any organisation that Council controls, directly or indirectly, 50 per cent or more of the votes at any meeting of the members or controlling body of the organisation.
- any organisation that Council has the right to directly or indirectly, appoint 50 per cent or more of the trustees, directors, or managers of the organisation.

Organisation	Owner /ship	Represent- tation (Total members)	Why does it exist? (Why we own/ control it)	What does it do? (Nature and scope of activities)	What are its performance measures? (Key performance targets)
Hamilton Properties Ltd	100%		Council has retained this company with the view to utilising its tax losses in the future.	This is a non-operating company that is no longer trading.	Nil
Pirongia Afforestation Management Committee	25.58%	1 (7)	To represent Council's financial interest in the venture which manages a forest reserve on Pirongia Mountain for the benefit of the joint venture partners.	Pirongia Mountain Afforestation is a trust.  The nature and scope of the activities undertaken by the trust is to administer the Pirongia Mountain Afforestation reserve for the purposes of afforestation. The business component of the activity is the marketing of forest product.	<ul style="list-style-type: none"> <li>• Forest production estimated at 1800 tons, giving gross revenue of \$90,000, based on production thinning during 2002/03.</li> <li>• Fire damage precautions observed as in current management plans.</li> </ul>
Waikato Regional Airport Ltd	50%	0 (5)	Waikato Regional Airport Ltd replaced the Airport Authority in 1989, which previously ran Hamilton Airport (and in which Council had a shareholding).	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.	<ul style="list-style-type: none"> <li>• Net profit after tax to average shareholders. Target: 4.62%</li> <li>• Net profit before tax/interest to total assets. Target: 7.00%</li> <li>• Net profit after tax to total assets. Target: 2.36%</li> <li>• Net profit before tax/interest to average shareholders funds. Target 13.67%</li> <li>• Percentage of non-landing charges revenue. Target 78.77%</li> <li>• Total liabilities/shareholders funds: (debt/equity ratio). Target 47:53</li> <li>• Interest rate cover. Target 2.0. This complies with clause 22.2 of the Constitution requiring that the interest rate coverage ratio does not fall below 2.0.</li> </ul>



## COUNCIL ORGANISATIONS (CO)

In order to achieve its objectives for Hamilton City Council, Council is involved and represented in a number of organisations.

The following table explains what the organisations do.

- any organisation that Council controls, directly or indirectly, one or more of the votes at any meeting of the members or controlling body of the organisation.
- any organisation that Council has the right to directly or indirectly, appoint one or more of the trustees, directors or managers of the organisation.

Organisation	Owner /ship	Representation (Total members)	Why does it exist? (Why we own/control it)	What does it do? (Nature and scope of activities)
Business 2 Hamilton		1 (9)	Constitution requires appointment of one member of Council.  To champion economic development in Hamilton and surrounding areas.	Promotional activities in line with the economic development strategy that helps promote Hamilton and surrounding areas as a business centre.
Community Well-being Grants Allocation Committee		2 (6)	Representation is by Council policy.  To provide financial assistance to not-for-profit community groups.	To allocate funds annually.
Creative Fund Communities NZ Allocation Committee		1 (9)	Representation is by Council policy.  To administer funds on behalf of Creative NZ.	To allocate funds annually.
Business Development Centre		2 (8)	To promote and assist small business.	Mentoring and advice to assist small businesses.
Hamilton City Crime Prevention Trust		1 (4)	Constitution allows for the appointment of one member of Council.  To promote safety and security for the public in the central city areas of Hamilton.	The trust owns 16 cameras together with control system installed at the Hamilton police headquarters.  The security camera network including transmission cable assists NZ Police with crime prevention.
Hamilton Community Arts Council		1 (12)	Constitution requires appointment of one member of Council.  To promote the arts and culture in the community.	To distribute funds, acts as an advisory agency for the arts, manages projects and events in relation to the arts and culture.
Hamilton Community Environmental Programme		1 (34)	Representation is by Council request.  To represent Council's interest in the affairs of a community-based programme supported by Council. It consists of representatives from community groups, environmental organisations business and industry, educational authorities and interested individuals.	Its purpose is to address and resolve environmental issues through collective action.

Organisation	Owner /ship	Representation (Total members)	Why does it exist? (Why we own/control it)	What does it do? (Nature and scope of activities)
Hamilton Riverview Hotel Ltd	42%	1 & CEO (6)	In May 1998, Council entered into a joint venture agreement for the purposes of developing a hotel and conference centre on Victoria Street Hamilton.	The objective of the company is to own an international standard, 4 star, 177 room hotel and conference centre located on the riverside in the central business district.
Keep Hamilton Beautiful		1 (12)	Representation is by Council request.  To raise environmental awareness and encourage action within the local community.	To undertake programmes and projects that encourage individuals and organisations to take responsibility for their environment.
Lake Rotokauri Advisory Committee		1 (8)	Council representation requested.  The committee was set up by the Waikato District Council in 2001, after it gained powers from the Department of Conservation to control and manage Rotokauri Lake reserve.	The committee oversees the management of the lake in line with the Rotokauri Lake Management Plan. (the reserve is vested in the Crown).
Road Safety Working Group		1 (20)	Internal working group organised by Council, with representatives from other organisations.  This group has a proactive interest in road safety, and meets annually.	Considers road safety issues, prioritises annual strategies and assists with allocating the Safety Administration Programme funding from the Land Transport Safety Authority.
Safer Hamilton Community Council (Executive Committee)		1 (4)	Local community crime prevention.	Co-ordinates existing community crime prevention programmes and plans for and encourages the development of new programmes within the context of a local community crime prevention plan.
Te Runanga O Kirikiriroa Joint Committee		3 (6)	To promote the partnership established between Hamilton City Council and Te Runanga O Kirikiriroa and administer the Maori Project Fund.	The committee oversees the service delivery contract between the two agencies and works to promote the well-being of Maori and Pacific people in Hamilton city. A subcommittee of the Joint Venture Committee is also responsible for the allocation of the Maori project fund.
Tourism Waikato Advisory Industry Board		1 (17)	To provide advice and support to the Tourism Waikato Management Board.	Volunteers from the industry provide support and on issues concerning tourism.
Tourism Waikato Management Board		1 (7)	Council representation requested.  To promote tourism and visitors to the region.	To initiate, co-ordinate and monitor effective visitor marketing and encourage development of the Waikato region as a desirable, quality visitor destination.

Organisation	Owner /ship	Representation (Total members)	Why does it exist? (Why we own/control it)	What does it do? (Nature and scope of activities)
University of Waikato Institutional Biological Safety Committee		1 (9)	Constitution requires Council representation on the basis that a lay person, not associated with the institution, who can consider wider community interests, is nominated by a territorial authority or regional council. The university has a statutory obligation to ensure that all genetically modified organisms developed or imported into containment have approval from the Environmental Management Authority.	To put in place processes to consider applications to develop genetically modified organisms. To approve or decline such applications. To keep a register of approved experiments. To notify any conflict of interest.
University of Waikato Council		Mayor (13)	Constitution requires one member appointed by Council in the capacity as the Mayor.  The university is constituted under provisions of the Education Act.	The functions, duties and powers of the university are defined under the Education Act.
University of Waikato Ethics Committee: On the Welfare of Experimental Animals		1 (7)	Constitution requires Council representation, on the basis that a lay person, who is not a member of staff or otherwise associated with community or any animal welfare agency, is the scientific nominated by a territorial authority or council. Established in accordance with the regional provisions of the Animal Welfare Act 1999.	To have an approved code of ethical conduct, and to ensure that individual projects are approved by the Animal Ethics Council and carried out in accordance with any conditions imposed.
Waikato Civil Defence Emergency Management Group*		1 (11)	Constitution requires appointment of one member of Council. The group is set up under the provisions of the Civil Defence Emergency Management Act 2002.	Coordinates civil defence response and recovery for the whole region.
Waikato Institute of Technology (Wintec)		1 (22)	Constitution requires appointment of one member of Council. Established as the governing body to manage the functions of the institute.	Offers courses of study for the national and international student community.
Waikato SPCA Trust		1 (8)	Council representation requested.  The trust is responsible for the rent at the animal care and control centre.	To manage the investment funds arising from the sale of Higgins Road.
WEL Energy Trust Joint Territorial Capital Beneficiaries Working Party*		Mayor & 1 (6)	A body constituted by the three councils.  Jointly with representatives from Waikato and Waipa district councils to monitor and influence WEL Energy Trust.	To act in the best interests of the capital beneficiaries and the communities they represent.

\* Hamilton City Council and other councils jointly control 50 per cent or more of the votes or controlling body of the organisation. These organisations however do not operate as a trading undertaking.

## VARIATIONS BETWEEN THE 2002/03 LONG-TERM FINANCIAL STRATEGY AND THE 2003/04 ANNUAL PLAN

This section outlines variations and policy changes between the 2002/03 Long-Term Financial Strategy (LTFS) and the 2003/04 Annual Plan. Many of the changes are as a result of provisions required by the new Local Government Act 2002 and the introduction of the Funding and Financial Policy, to replace the Financial Management Policy (FMP). The Act was passed into law in December 2002.

Council reassessed its Funding and Financial Policies in the context of the Local Government Act 2002 requirements. It is Council's view that the majority of the Funding and Financial Policies remain as printed in the 2002/03 Financial Management Policy, which will be available for public reference at Council offices in the Municipal Building, Garden Place and online on Council's website, [www.hcc.govt.nz](http://www.hcc.govt.nz).

Council completed a review of its LTFS and Funding Policy last year and has decided not to adopt a Long-Term Council Community Plan (LTCCP) for the 2003/04 financial year. As a result, under section 281 of the new Act, Council must prepare and adopt an Annual Plan under section 223D of the Local Government Act 1974, with additional policies and information.

Council has already considered the timeframes and confirmed its intention to prepare an interim LTCCP covering a 10 year period commencing 1 July 2004. Any relevant policies will be reviewed by Council through that process at that time. The first full LTCCP will be prepared for the period beginning 1 July 2006.

The policy changes, additional policies and other information required under the new Act and included in the 2003/04 Annual Plan and Funding and Financial Policy are outlined below.

**Revenue and Financing Policy**, which replaces the requirement for the LTFS and Funding Policy under the old Local Government Act 1974.

**Funding Impact Statement**, which replaces the previous requirement for disclosing information on funding mechanisms under the old Local Government Act 1974.

**Investment Policy**, which replaces and expands on the previous requirements for an Investment Policy.

**Liability Management Policy**, which replaces and expands on the previous requirements for a Borrowing Management Policy.

**Rating Policy**, outlines Council's policies over the setting and collecting of rates, rating systems, rating levels and remission and postponement policies. The Rating Policy also outlines the proposed rates for 2003/04, which replaces the procedure for setting rates, via separate public notices and public meetings approach (special order process) under the old Local Government Act 1974.

**Remission and Postponement of Rates on Maori Freehold Land Policy**, is a new policy relating to the remission and postponement of rates on Maori freehold land. This policy is included in the Rating Policy.

**Significance Policy**, which is a new policy, intended to guide the Council on how to consult when making decisions of varying importance to the community. It also lets the community know what to expect in terms of consultation.

**Partnerships with the Private Sector Policy**, which is a new requirement that outlines under what circumstances the Council will enter into partnership arrangements with private sector businesses, what conditions will be imposed and what consultation will take place.

**Development and Financial Contributions Policy**, which describes what financial contributions Council will require from developers when their property developments impose demands on Council services.

**Appointment and Remuneration of Directors of Council Organisations Policy**, is a new policy relating to the process for the appointment and remuneration of directors of Council organisations and the identification and consideration of the skills, knowledge and experience required of directors.

**Freeholding of Council Domain and Municipal Endowment Leases Policy**, is a new policy relating to the sale (freeholding) of Council domain and municipal endowment leases.

## 1. REVENUE AND FINANCING POLICY

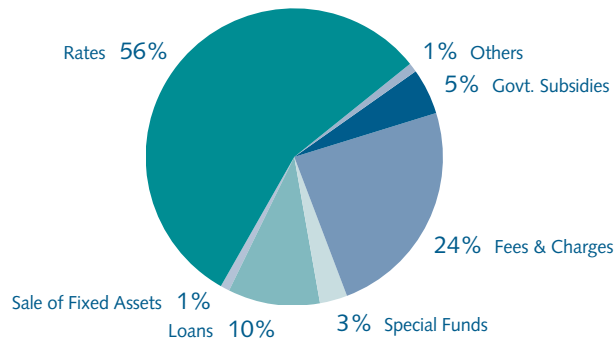
An outline of policy requirements and disclosure details are contained in section 2 of the Funding and Financial Policy. Council has assessed the Revenue and Financing Policy requirements under the new Act, considering the impact on the well-being of the community and individuals, as outlined in the Funding Policy of the 2002/03 FMP. It is Council's view, that the Funding Policy and the selection of funding mechanisms adequately addresses and takes into consideration the well-being of the community and individuals.

## 2. FUNDING IMPACT STATEMENT

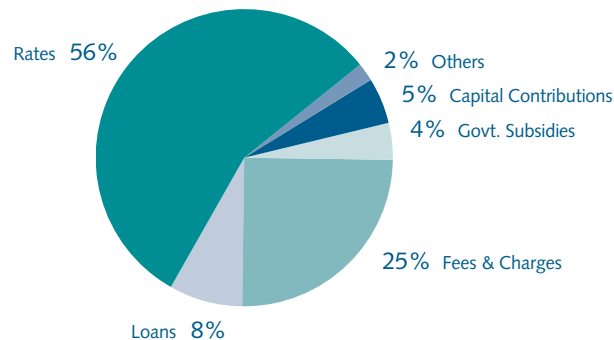
An outline of policy requirements and disclosure details are contained in section 3 of the Funding and Financial Policy. The revenue and financing mechanisms used to cover the estimated expenses of Council for the 2003/04 financial year are outlined in the Revenue and Financing Policy and further explained with detailed descriptions of funding sources in the Funding Impact Statement. There are no material departures from the sources of funding, or the allocation of costs and benefits to groups or sectors within the community from Council's 2002/03 LTFS, for the 2003/04 Annual Plan.

The graphical presentation below shows the mix of funding mechanisms for 2002/03 and the 2003/04.

### 2002/03



### 2003/04



## 3. INVESTMENT POLICY

An outline of policy requirements and disclosure details are contained in section 4 of the Funding and Financial Policy. No policy amendments required under the new Act.

## 4. LIABILITY MANAGEMENT POLICY

An outline of policy requirements and disclosure details are contained in section 5 of the Funding and Financial Policy. This requires a name change only and no policy amendments, as the provisions under the new Act are included in the restated Liability Management Policy.

## **5. RATING POLICY**

An outline of policy requirements and disclosure details are contained in section 6 of the Funding and Financial Policy. The method and impact of both general and targeted rates for 2003/04 is covered in the Rating Policy. A targeted rate has been introduced for the costs of water, wastewater and refuse to be levied against non-rateable properties. The targeted rate replaces service charges that were levied to non-rateable properties under the Rating Powers Act 1988.

## **6. REMISSION AND POSTPONEMENT OF RATES ON MAORI FREEHOLD LAND POLICY**

An outline of policy requirements and disclosure details are contained in section 6 of the Funding and Financial Policy.

## **7. SIGNIFICANCE POLICY**

An outline of policy requirements and disclosure details are contained in section 7 of the Funding and Financial Policy.

## **8. PARTNERSHIPS WITH THE PRIVATE SECTOR POLICY**

An outline of policy requirements and disclosure details are contained in section 8 of the Funding and Financial Policy.

## **9. DEVELOPMENT AND FINANCIAL CONTRIBUTIONS POLICY**

An outline of policy requirements and disclosure details are contained in section 9 of the Funding and Financial Policy.

## **10. APPOINTMENT AND REMUNERATION OF DIRECTORS OF COUNCIL ORGANISATIONS**

An outline of policy requirements and disclosure details are contained in section 10 of the Funding and Financial Policy.

## **11. FREEHOLDING OF COUNCIL DOMAIN AND MUNICIPAL ENDOWMENT LEASES POLICY**

An outline of policy requirements and disclosure details are contained in section 10 of the Funding and Financial Policy.

## **12. PERFORMANCE MEASURES**

There have been changes to performance measures affecting cost of services. Some measures have been revised to take account of the new reporting period and changes to work programme. For further details on performance measures, refer to the additional information provided for each strategic area of this Annual Plan.

## **13. FEES AND CHARGES**

Council has reviewed fees and charges for the 2003/04 financial year. The changes to fees and charges affect the following services:

- animal care and control
- business support
- cemeteries and crematorium
- environmental health
- Exscite
- footpaths
- Hamilton Gardens
- Hamilton City Libraries
- parking
- planning guidance
- sports areas
- swimming facilities
- Hamilton theatre services
- Waikato Museum of Art and History
- wastewater and stormwater drainage
- water supply

Full details of fees and charges are available on request from the Finance and Administration Unit, 1<sup>st</sup> floor, Council offices, Garden Place.



#### 14. COST RECOVERY RATIOS

Council's budget decisions in relation to the 2003/04 financial year, have impacted on operating costs and fees and charges for services. Accordingly, the cost recovery ratios for some services has changed. These being:

##### COST RECOVERY RATIO

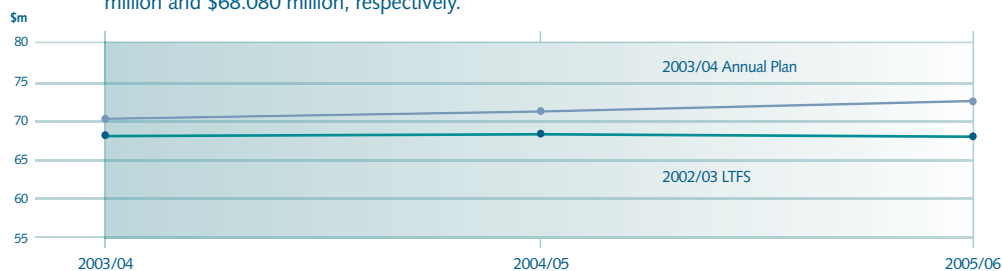
Strategic Area/Significant Services	2002/03 FMP	2003/04 Annual Plan	Variation
<b>Sustaining Hamilton's Environment</b>			
Wastewater	7%	9%	2%
Refuse	66%	67%	1%
Water supply	41%	38%	-3%
Environmental health	47%	35%	-12%
<b>Growing Hamilton</b>			
Network management (roads)	17%	28%	11%
Carriageways management	11%	10%	-1%
Traffic services/street lighting	29%	33%	4%
Footpaths, cycleways and verges	0%	1%	1%
Road safety programme	44%	65%	21%
Hamilton Transport Centre	27%	35%	8%
Building control	74%	76%	2%
Planning guidance	47%	49%	2%
Animal care and control	48%	46%	-2%
<b>Experiencing our Arts, Culture &amp; Heritage</b>			
Hamilton theatre services	38%	34%	-4%
Hamilton City Libraries	11%	10%	-1%
<b>Living in Hamilton</b>			
Community development	2%	1%	-1%
Community assistance	16%	10%	-6%
Housing services	96%	94%	-2%
Employment initiatives	41%	39%	-2%
Emergency management	3%	48%	45%
Cemeteries and crematorium	66%	75%	9%
<b>Enjoying our City</b>			
Sports areas	6%	5%	-1%
Parks and gardens	20%	15%	-5%
Stadiums	53%	42%	-11%
Swimming facilities	43%	40%	-3%
Community halls and leased buildings	20%	18%	-2%
Hamilton Zoo	37%	34%	-3%
Hamilton Gardens	8%	9%	1%

## 15. LONG-TERM FINANCIAL STRATEGY

The budget estimates indicated in the 2002/03 LTFS for the period 2003/04 to 2005/06 have been amended by Council. The amended estimates are included in the 2003/04 Annual Plan. The variation between the 2002/03 estimates and 2003/04 estimates is presented graphically below.

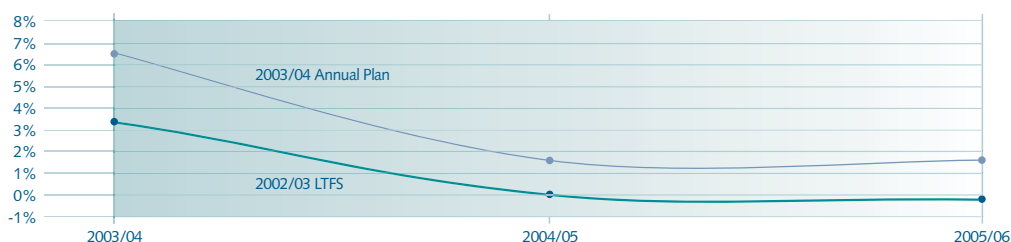
### RATES

The 2003/04 Annual Plan shows Council's rate requirement increasing from \$70.256 million in 2003/04 to \$72.559 million in 2005/06. Comparable estimates in the 2002/03 LTFS are \$68.175 million and \$68.080 million, respectively.



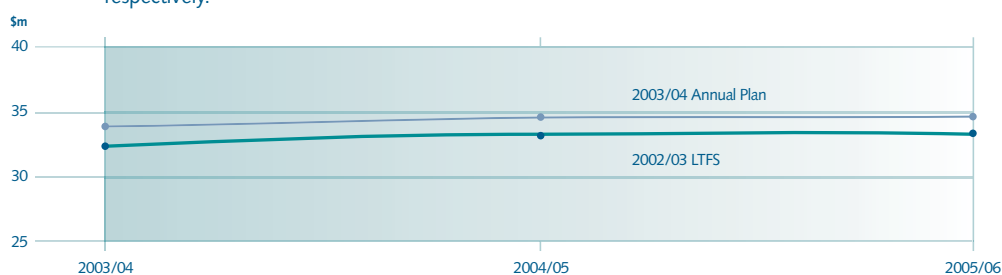
### RATES LEVY PERCENTAGE CHANGE

The 2003/04 Annual Plan shows Council's rates levy percentage change decreasing from 6.52% in 2003/04 to 1.62% in 2005/06. Comparable estimates in the 2002/03 LTFS are 3.37% and -0.18%, respectively.



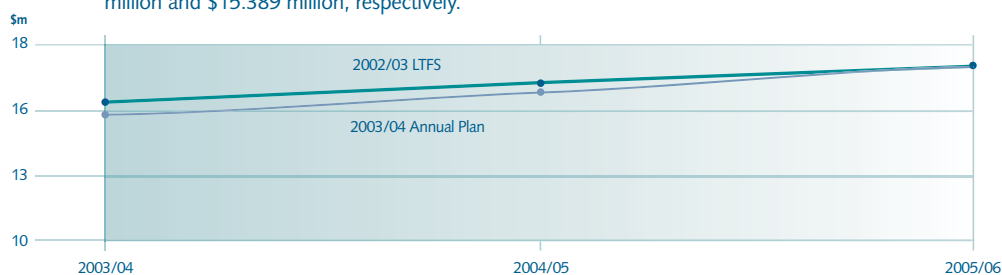
### NET OPERATING COST

The 2003/04 Annual Plan shows Council's net operating cost (i.e., direct operating costs less operating revenue and subsidies) increasing from \$33.881 million in 2003/04 to \$34.656 million in 2005/06. Comparable estimates in the 2002/03 LTFS are \$32.415 million and \$33.294 million, respectively.



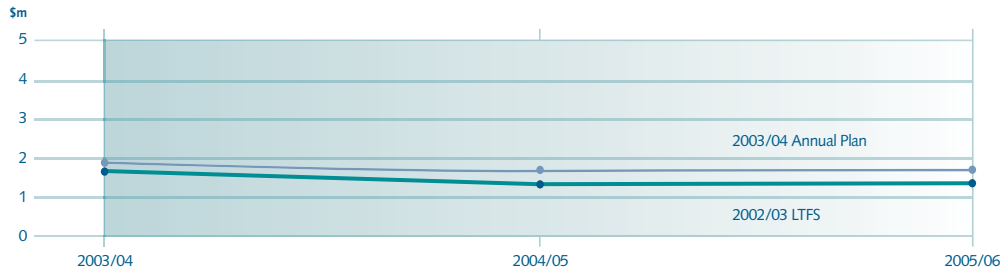
### FINANCING COST

The 2003/04 Annual Plan shows Council's debt servicing cost increasing from \$13.858 million in 2003/04 to \$15.322 million in 2005/06. Comparable estimates in the 2002/03 LTFS are \$14.240 million and \$15.389 million, respectively.



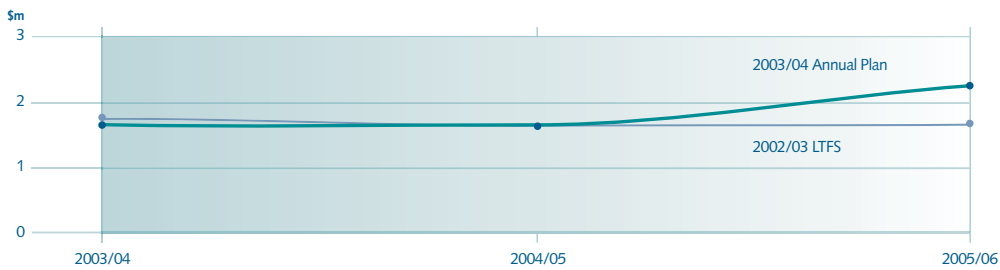
### RESERVES

The 2003/04 Annual Plan shows Council's appropriation to reserves decreasing from \$2.017 million in 2003/04 to \$1.734 million in 2005/06. Comparable estimates in the 2002/03 LTFS are \$1.695 million and \$1.329 million, respectively.



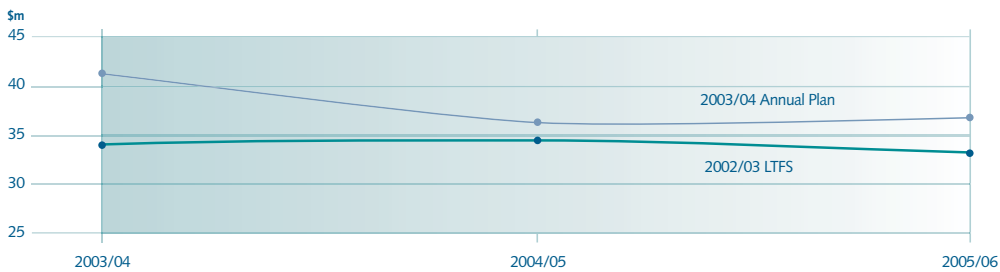
### OTHER INCOME

The 2003/04 Annual Plan shows Council's other income from petrol tax, rates late payment penalties and sinking fund interest, decreasing from \$1.766 million in 2003/04 to \$1.638 million in 2005/06. Comparable estimates in the 2002/03 LTFS are \$1.650 million and \$2.241 million, respectively.



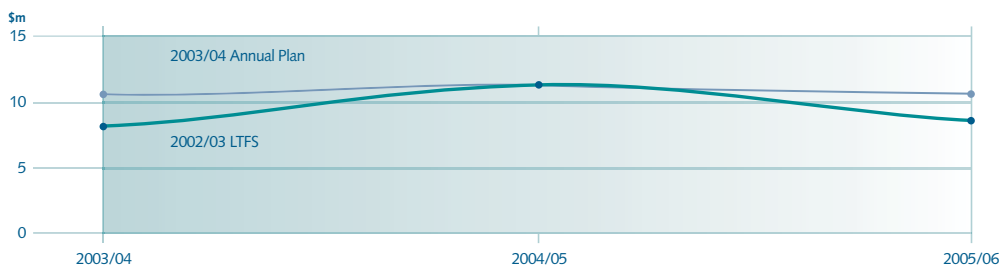
### STRATEGIC ACTION PLANS (SPECIAL AND CAPITAL PROJECTS)

The 2003/04 Annual Plan shows the total cost of Council's strategic action plans (i.e., special and capital projects), decreasing from \$45.261 million in 2003/04 to \$39.585 million in 2005/06. Comparable estimates in the 2002/03 LTFS are \$36.216 million and \$35.162 million, respectively.



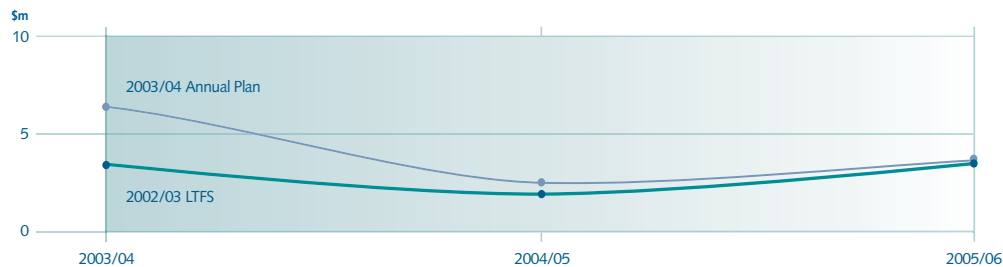
### LOAN FUNDED STRATEGIC ACTION PLANS

The 2003/04 Annual Plan shows Council's loan funding for strategic action plans decreasing from \$10.564 million in 2003/04 to \$10.470 million in 2005/06. Comparable estimates in the 2002/03 LTFS are \$7.997 million and \$8.552 million, respectively.



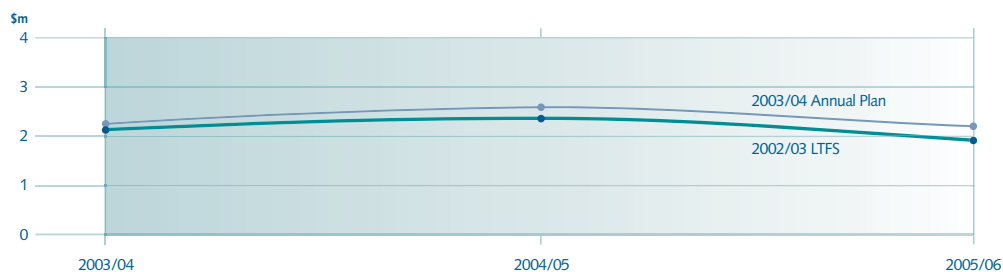
### RESERVE FUNDED STRATEGIC ACTION PLANS

The 2003/04 Annual Plan shows Council's reserve funding for strategic action plans decreasing from \$6.395 million in 2003/04 to \$3.549 million in 2005/06. Comparable estimates in the 2002/03 LTFS are \$3.481 million and \$3.583 million, respectively.



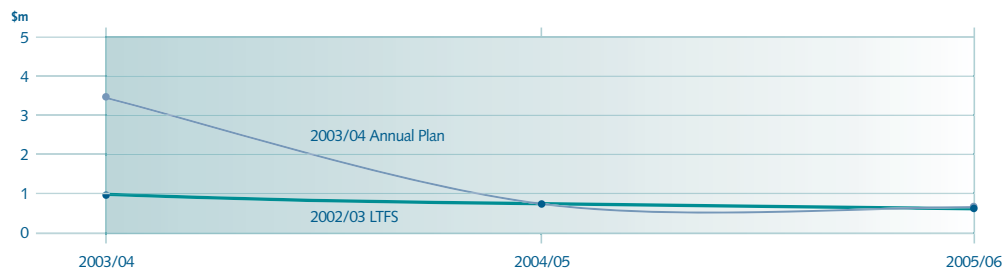
### SUBSIDY FUNDED STRATEGIC ACTION PLANS

The 2003/04 Annual Plan shows Council's subsidy funding towards strategic action plans decreasing from \$2.269 million in 2003/04 to \$2.219 million in 2005/06. Comparable estimates in the 2002/03 LTFS are \$2.114 million and \$1.919 million, respectively.



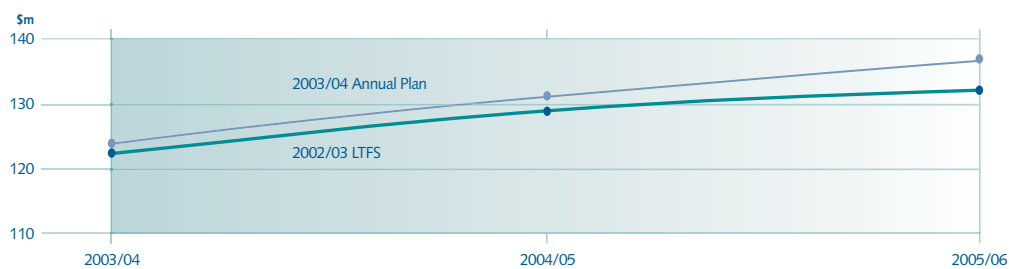
### REVENUE FUNDED STRATEGIC ACTION PLANS

The 2003/04 Annual Plan shows Council's revenue funded strategic action plans decreasing from \$3.482 million in 2003/04 to \$0.727 million in 2005/06. Comparable estimates in the 2002/03 LTFS are \$0.954 million and \$0.604 million, respectively.



### NET DEBT

The 2003/04 Annual Plan shows Council's net debt (including internal borrowing) increasing from \$124.200 million in 2003/04 to \$136.700 million in 2005/06. Comparable estimates in the 2002/03 LTFS are \$122.300 million and \$132.200 million, respectively.



## STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2004

### REPORTING ENTITY

Hamilton City Council is a territorial local authority governed by the Local Government Act 2002 (the Act). The financial statements of Hamilton City Council and Group are prepared in accordance with the requirements of Section 95 of the Act, which includes the requirement under Section 111 to comply with generally accepted accounting practice.

The financial statements cover all the activities of Hamilton City Council and its 100 per cent owned Council-Controlled Organisation (CCO), Hamilton Properties Ltd. As this CCO is non-trading, Council and consolidated figures have not been disclosed separately in the financial statements.

Hamilton City Council's 50 per cent share in the Waikato Regional Airport Ltd, 42 per cent share in Hamilton Riverview Hotel Ltd (Novotel), and 25.6 per cent share in Pirongia Mountain Afforestation is equity accounted.

### MEASUREMENT BASE

The financial statements have been prepared 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. Basis of Consolidation

The results of Hamilton Properties Ltd have been consolidated using the purchase method. The company's balance date is 30 June. The company is inactive.

#### 2. Associate Companies

These are entities which the group has significant influence over, but not control, over operating and financial policies.

The results of Waikato Regional Airport Ltd, Hamilton Riverview Hotel Ltd and Pirongia Mountain Afforestation 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 Council (with or without conditions) are recognised as revenue when control over the assets is obtained.

#### 4. Goods and Services Tax (GST)

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

These assets consist of:

### Operational Assets

These include land, buildings, improvements, plant and equipment, vehicles, library books and zoo animals.

### 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.

### Heritage Assets

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

### 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

Assets have been valued in accordance with FRS-3 as follows:

**Operational Buildings** were revalued by Beca Valuations Ltd effective 1 July 2001 at market value where possible otherwise depreciated replacement cost.

**Plant and Equipment (excluding vehicles)** were revalued by Beca Valuations Ltd effective 1 July 2001 at market value where possible otherwise depreciated replacement cost.

**Vehicles** are recorded at cost less depreciation.

**Library Books** were valued at cost by Council's professionally qualified library staff at 30 June 1992 ('deemed cost'). 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 at cost and depreciated in the Statement of Financial Performance.

**Zoo Animals** were revalued effective 1 July 2001 at estimated replacement cost by the zoo manager.

**Heritage Assets** were revalued effective 1 July 2001 by professionally qualified library staff (library collection) and an independent consultant, Robin Watt & Associates (museum collection).

**Infrastructural Assets (excluding land)** were revalued by Meritec Ltd at depreciated replacement cost effective 1 July 2001.

**Infrastructural Land** was revalued by Beca Valuations Ltd at market value effective 1 July 2001.

**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.



**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.

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

#### 7. Investment Properties and Properties for Resale

These assets consist of investment properties owned by Council, funded either from Corporate funds, the Domain Sales Endowment Fund or the Municipal Crown Endowment Fund. Council properties surplus to requirements are identified as properties for resale.

##### Valuation

Investment properties are revalued annually at net current value by independent registered valuers. 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 for resale are valued at the lower of cost or net realisable value.

#### 8. 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
• Plant and Vehicles	3 - 15 years
• Furniture, Fittings and Equipment	5 - 10 years
• Library Books	14 years
• Zoo Animals	10 years
• Roads and Traffic Network:	
top surface (seal)	6 - 18 years
pavement (basecourse)	25 - 50 years
catchpits	50 years
culverts	60 - 80 years
footpaths	50 - 70 years
kerbs and traffic islands	70 years
signs	12 years
street lights	25 years
bridges	150 years
traffic signals	15 years
barriers	25 - 40 years
bus shelters and parking meters	4 - 10 years
verge, embankment and retaining walls	60 years
• Wastewater Reticulation:	
pipes	60 - 100 years
manholes	75 years
treatment plant	5 - 100 years
bridges	75 - 100 years
pump-stations	15 - 100 years
• Stormwater System:	
pipes	100 years
manholes, cesspits	100 years
service connections and outlets	30 - 100 years

- Water Reticulation:
 

pipes	60 - 80 years
butterfly valves	50 - 75 years
treatment plant	10 - 120 years
meters	20 years
hydrants	50 years
reservoirs	30 - 80 years
- Heritage assets are depreciated by a nominal amount to reflect their extremely long life and heritage value.

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

- Land
- Formation costs associated with roading
- Investment properties
- Properties for resale
- Work in progress and assets under construction

Any work undertaken on infrastructural assets to reinstate (termed 'renewal') or add to the service potential is capitalised.

#### 9. 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 2002, based on a valuation of the forest by forestry consultants PL Tempest and Associates Ltd.

#### 10. 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 2004.

#### 11. Leases

Leases consist of:

##### Finance Leases

Leases which effectively transfer to the lessee substantially all the risks and benefits incident to ownership of the leased item are classified as finance leases. These are capitalised at the lower of the fair value of the asset or the present value of the minimum lease payments. The leased assets and corresponding lease liabilities are recognised in the Statement of Financial Position. The leased assets are depreciated over the period Council is expected to benefit from their use.

##### Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Payments under these leases are charged as expenses in the periods in which they are incurred.

#### 12. Landfill Post-Closure Costs

Council, as operator of the Horotiu landfill, has a legal obligation under the resource consent to provide ongoing maintenance and monitoring services at the landfill site after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises.

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

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

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

Within reserves a transfer is made to Horotiu Aftercare Reserve, which exists to fund the aftercare costs of the Horotiu Landfill after the site closes in December 2006.

### **13. 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.

### **14. Accounts Receivable**

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

### **15. Mortgage Assets**

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

### **16. 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.

### **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.

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

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

### **18. Cost of Service Statements**

The Cost of Service Statements report the costs and revenues relating to the strategic areas 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 strategic areas 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 strategic areas on the basis of the book value of land and buildings employed for each item in the Cost of Service Statements except for water, wastewater, stormwater, refuse, transport centre, outdoor stadium, community assistance grants, economic development grants, property improvements and any other specific projects where the interest on the value of loans appropriated for those activities are allocated entirely to the strategic area.

**19. 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.

**20. 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 are covered by a separate accounting policy.

**21. 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 Council for the 2003/04 financial year.

In relation to that standard, the financial information for the 2003/04 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 2003/04 Annual Plan differs from the 2002/03 to 2011/12 Long-Term Financial Strategy developed as part of the 2002/03 Annual Plan process, which is summarised in Appendices 10.1 to 10.7. Any significant changes between the 2003/04 Annual Plan and the Long-Term Financial Strategy are explained in the Variations Between the 2002/03 Long-Term Financial Strategy and the 2003/04 Annual Plan note.

The actual results achieved for the 2003/04 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 2003/04 year will be 7.06 per cent
- interest rates on new loans raised during the 2004/05 year will be 7.19 per cent
- interest rates on new loans raised during the 2005/06 year will be 7.24 per cent
- interest earned on funds invested will be 5.7 per cent

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

Ninety two per cent of borrowed funds are subject to fixed interest charges. Over a full year period, the sensitivity to a 0.5 per cent change in interest rates on borrowed funds that are not subject to fixed interest charges would be \$49,000.

Total funds invested (sinking funds) are expected to average approximately \$6.0 million throughout the year, giving sensitivity in interest earnings to a 0.5 per cent change in interest rates of \$30,000 over a full year.

**CHANGES IN ACCOUNTING POLICIES**

There have been no changes from the accounting policies adopted in the last audited financial statements. All policies, other than those noted above, have been applied on a basis consistent with the previous period.

## CONSOLIDATED FORECAST STATEMENT OF FINANCIAL PERFORMANCE

For the year ending 30 June 2004 in \$000s

Budget 2003		Note	Budget 2004	Budget 2005	Budget 2006
	<b>REVENUE</b>				
31,701	Revenue from strategic areas	1	33,884	33,543	33,440
66,550	Rates	2	70,791	71,939	73,094
9,028	Revenue assigned to asset development	3	12,822	9,604	28,600
2,094	Other revenue	4	2,114	2,004	2,012
<b>109,373</b>	<b>Total operating revenue</b>		<b>119,611</b>	<b>117,090</b>	<b>137,146</b>
	<b>EXPENDITURE</b>				
101,541	Expenditure from strategic areas	1	111,914	111,634	111,976
125	Other expenditure		110	110	110
<b>101,666</b>	<b>Total operating expenditure</b>		<b>112,024</b>	<b>111,744</b>	<b>112,086</b>
<b>7,707</b>	<b>NET SURPLUS</b>		<b>7,587</b>	<b>5,346</b>	<b>25,060</b>

## CONSOLIDATED FORECAST STATEMENT OF MOVEMENTS IN EQUITY

AS AT 30 JUNE 2004 (IN \$000s)

Budget 2003		Note	Budget 2004
1,515,411	Equity at beginning of year		1,523,118
7,707	Net surplus for 2003/04		7,587
<b>7,707</b>	<b>Total Recognised Revenues and Expenses for the Year</b>		<b>7,587</b>
<b>1,523,118</b>	<b>EQUITY AT END OF YEAR</b>	<b>6</b>	<b>1,530,705</b>

## CONSOLIDATED FORECAST STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2004 (IN \$000s)

Budget 2003		Note	Budget 2004
	<b>RATEPAYERS' EQUITY</b>		
1,282,429	Accumulated Funds	6	1,290,327
220,208	Revaluation reserves	6	220,208
3,684	Restricted reserves	6	3,719
16,797	Council created reserves	6	16,451
<b>1,523,118</b>	<b>TOTAL RATEPAYERS' EQUITY</b>		<b>1,530,705</b>
	<b>ASSETS</b>		
	<b>Current Assets</b>		
7,000	Accounts receivable and prepaid expenditure		7,000
350	Inventories		350
1,622	Short-term investments		1,622
<b>8,972</b>	<b>Total Current Assets</b>		<b>8,972</b>
	<b>Non-current assets</b>		
12,595	Long-term investments		11,907
1,592,960	Fixed assets, work in progress and deferred and development expenditure		1,609,108
32,000	Investment properties		32,000
<b>1,637,555</b>	<b>Total Non-Current Assets</b>		<b>1,653,015</b>
<b>1,646,527</b>	<b>Total Assets</b>		<b>1,661,987</b>
	<b>LIABILITIES</b>		
	<b>Current Liabilities</b>		
300	Bank balances overdrawn		300
2,500	Employee entitlements		2,500
10,000	Accounts payable and income in advance		10,000
1,752	Term liabilities - current portion		1,752
<b>14,552</b>	<b>Total Current Liabilities</b>		<b>14,552</b>
	<b>Non-Current Liabilities</b>		
1,300	Employee entitlements		1,300
106,249	Term liabilities - term portion		114,122
1,308	Lease liabilities - term portion		1,308
<b>108,857</b>	<b>Total Non-Current Liabilities</b>		<b>116,730</b>
<b>123,409</b>	<b>Total Liabilities</b>		<b>131,282</b>
<b>1,523,118</b>	<b>NET ASSETS</b>		<b>1,530,705</b>



## CONSOLIDATED FORECAST STATEMENT OF CASH FLOWS

FOR THE YEAR ENDING 30 JUNE 2004 (IN \$000s)

Budget 2003		Budget 2004
	<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>	
	<b>Cash will be provided from:</b>	
66,550	Rates	70,791
900	Petrol tax	900
3,006	Government operating grants and subsidies	3,049
28,695	Fees rents and charges	30,835
2,787	Other capital contributions	6,529
1,194	Interest on investments	1,214
<b>103,132</b>		<b>113,318</b>
	<b>Cash will be applied to:</b>	
40,828	Payments for supplies and services	44,775
29,200	Salaries and wages	31,281
8,500	Interest paid	8,623
<b>78,528</b>		<b>84,679</b>
<b>24,604</b>	<b>Net Cash Inflow from Operating Activities</b>	<b>28,639</b>
	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
	<b>Cash will be provided from:</b>	
2,116	Transfund NZ capital subsidies	2,168
0	Investments withdrawn	441
1,323	Sale of fixed assets	160
<b>3,439</b>		<b>2,769</b>
	<b>Cash will be applied to:</b>	
449	Investments made	0
33,637	Purchase of fixed assets	37,288
<b>34,086</b>		<b>37,288</b>
<b>(30,647)</b>	<b>Net Cash (Outflow) from Investing Activities</b>	<b>(34,519)</b>
	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
	<b>Cash will be provided from:</b>	
12,205	Loans uplifted	10,564
	<b>Cash will be applied to:</b>	
5,713	Loan repayments	5,125
<b>6,492</b>	<b>Net Cash Inflow from Financing Activities</b>	<b>5,439</b>
449	Net Increase (Decrease) in Cash Held	(441)
1,314	Plus opening cash balance 1 July 2003	1,763
<b>1,763</b>	<b>CLOSING CASH BALANCE 30 JUNE 2004</b>	<b>1,322</b>
	<b>Made up of</b>	
2,063	Investments at call	1,622
(300)	Bank overdraft	(300)
<b>1,763</b>	<b>CLOSING CASH BALANCE 30 JUNE 2004</b>	<b>1,322</b>

## FORECAST CAPITAL EXPENDITURE STATEMENT

FOR THE YEAR ENDING 30 JUNE 2004 (IN \$000s)

Budget 2003	Project No	Expenditure 2004	Reserves	Loans	FUNDED BY Subsidies	Revenue	Depreciation	Funding Source	Expenditure 2005	Expenditure 2006
<b>STRATEGIC AREA A: SUSTAINING HAMILTON'S ENVIRONMENT</b>										
<b>Wastewater Management</b>										
TERRA 21 project: wastewater disposal to land	237	50		50					300	300
Pukete wastewater secondary treatment	238	110		110					300	300
Network connections	239	150				150		UC	150	150
Far eastern interceptor	240	1,000		1,000						500
Contributions for increasing pipe sizes in subdivisions	241	50	50					IR		50
Rototuna wastewater trunks	242	250	250					IR	350	450
Interceptor & trunks for future growth	243									300
Network upgrades for infill development	244								50	80
Network upgrade to subdivision standard	245	215					215		215	215
Asbestos pipes replacement	250								80	80
Pump station upgrades	251	180					180		150	150
Increase pump station storage	253									95
Interceptor venting (anti corrosive)	255									40
Interceptor flow monitoring	256	22					22			
Treatment plant improvements	305	25					25		50	40
Treatment plant sludge lagoon	306	15					15			860
Treatment plant asset renewals	307	56					56		61	51
<b>Stormwater Management</b>										
Network connections	165	200				200		UC	200	200
Stormwater impact mitigation	167								170	170
Contribution for increasing pipe sizes in subdivisions	168								50	
Dominion/Brymer Rd trunk	169	100	100					IR		
Rototuna/Flagstaff trunk	170	350	350					IR	350	300
Network upgrades for infill development	172	50					50		50	50
Network renewals	175	60					60		150	200
Network upgrades to prevent flooding	176	265					265		265	265
Upgrades associated with road works	177	170					170		210	150
River outfall improvements	178	10					10		10	10
Erosion mitigation works	179									50
Renew stormwater outlets to kerbs	180								30	30
Pipeline - The Boulevard	432	830				830		CO		
Project Watershed emergency works	388	85	85					PW	85	85
<b>Recycling / Refuse collection</b>										
Landfill stages 4 & 6	151	630	630					HR		
Landfill leachate management	413	83	83					HR	10	10
Landfill pump replacements	414	10	10					HR	10	10
Landfill gas flare	415	100	100					HR		
Transfer station pit floor & repaint bldgs	152									230
<b>Water Supply</b>										
Network connections	261	140				140		UC	140	140
Rototuna trunk mains	262	210	210					IR		140
Contribution for increasing pipe size in subdivisions	264	20					20			20
Rototuna reservoir & associated bulk mains	265									400
Rotokauri trunk mains	266									270
New mains	267	594					594		603	653
Mains renewal	269	295					295		295	345
Fittings renewal	270	375					375		375	375
Replacement of water meters	271	35					35		35	35
Bulkmain valve automation	272									20
Restricted supply to rural properties	274								25	
Bulkmain extensions	277								300	800
Ruakura trunk (Innovation Park)	393	230	230					IR		
Treatment station high lift pumps	295								40	
Treatment station low lift pumps	296	450				300	150	CO		
Treatment station advanced disinfection	297	30		30					50	
Treatment station filter improvements	298								25	20
Treatment station workshop extension	301	15					15			
Treatment station ph control	302	140					140			
Treatment station algal control	303	40					40			
Treatment station asset renewal	294	120					120		65	100
Hamilton south reservoir	268	2,300		2,300					3,550	1,800
Reservoir asset renewals	278	75					75		13	260
Reservoir improvements	304								40	30
Reservoir shutoff controls	422	25					25		25	
4,991 Total Sustaining Hamilton's Environment		10,160	2,098	3,490	0	1,620	2,952		8,877	10,829

Budget 2003	Project No	Expenditure 2004	Reserves	Loans	FUNDED BY Subsidies	Revenue	Depreciation	Funding Source	Expenditure 2005	Expenditure 2006
<b>STRATEGIC AREA B: GROWING HAMILTON</b>										
<b>Carriageways Management</b>										
Thomas Rd land purchase	2	100	70				30	IR		
Thomas Rd (Horsham Downs to Gordonton)	3	2,800	650	550		1,600		IR/CO		
Borman Rd (Resolution to Sylvester)	5								70	800
Resolution Dve (Discovery to Borman)	8								80	1,000
Cate Rd Stage 1 (Thomas Rd North)	11									30
Wairere Dr (Hukanui to Tramway)	15									20
Brymer Rd	18									75
Gordonton Rd (Crosby to Puketaha)	20									60
Carriageways smoothing	43	325			163		162	T	294	297
Carriageways reseals	44	2,440			1,122		1,318	T	2,261	2,304
Subdivision construction contribution	17	115					115		115	115
Miscellaneous land purchases	30	50					50		50	50
Te Kowhai Rd (SH1 to Boulevard)	31	250					250			
Riverlea Rd upgrade	33	650		650					650	
Lake Domain Dve upgrade (Innes Common)	37	50	50					IR	805	
Old Farm Rd upgrade	38	30					30		100	
Church Rd upgrade	39								25	115
Kerb and channel replacement	40	665			150		515	T	665	665
Area-wide treatment	41	424			195		229	T	520	525
Stormwater quality improvements	46	50			23		27	T	50	50
Te Kowhai Rd (Boulevard to Tasman)	421	165					165			
Maui St extension land purchase	430	237	237					IR		
<b>Traffic Services / Street Lighting</b>										
Minor safety improvements	222	283			130		153	T	286	288
Traffic improvements	223	150					150		150	150
Traffic calming	224	100					100		150	150
Road safety audit	225	25					25		25	25
Amenity lighting	226	10					10		10	10
Non subsidised lighting	227	200					200		200	200
CBD improvements	228	150					150		150	150
Bus shelters	229	9	5			4		PT/CO	9	9
Street furniture	230	20					20		20	20
Subsidised lighting renewal	231	322			138		184	T	322	322
Traffic signal renewal	232	90			41		49	T	90	90
Street sign renewal	233	176			81		95	T	176	176
Traffic signal controller renewal	234	50			23		27	T	50	50
Safety barriers renewal	235	25			12		13	T	25	25
Electronic traffic information signage	416								110	110
<b>Footpaths, Cycleways and Verges</b>										
Footpaths and verges shape correction	92	322					322		322	322
Footpaths and verges resurfacing	93	481					481		481	481
Cycleway construction	96	205			90		115	T	205	205
New footpath construction	97	50					50		50	50
Litter bins	94	20					20		20	20
<b>Central Area Off-Street Parking</b>										
CBD parking	114	500	500					PT	30	300
Car park resurfacing (Kent St)	236								8	
Car park construction (Knox, Harwood)	425	365	365					PT		
<b>Parking Enforcement</b>										
Meters (additional)	115	104	104					PT	65	
Handheld infringement computers	116								80	
Meters replacement	117	20	20					PT	20	20
13,050	Total Growing Hamilton	12,028	2,001	1,200	2,168	1,604	5,055		8,739	9,279
<b>STRATEGIC AREA C: PROMOTING HAMILTON</b>										
<b>City Promotion</b>										
Christmas decorations	85	15					15		15	15
15	Total Promoting Hamilton	15	0	0	0	0	15		15	15

Budget 2003	Project No	Expenditure 2004	Reserves	Loans	FUNDED BY Subsidies	Revenue	Depreciation	Funding Source	Expenditure 2005	Expenditure 2006
<b>STRATEGIC AREA D: EXPERIENCING OUR ARTS CULTURE AND HERITAGE</b>										
<b>Theatre Services</b>										
Theatre equipment (new)	219	53					53		28	23
Theatre equipment (renewals)	220	140					140		140	140
Grand piano	357	192		22		84	86	CO		
<b>Libraries</b>										
Library book purchases	106	890					890		890	890
Council and community archives	105	64					64		40	
<b>Waikato Museum of Art and History</b>										
Museum basement storage area	110	145					145		10	
Museum lighting	112	85					85		85	90
<b>Arts Post</b>										
Automatic doors	343	5					5			
1,416	Total Experiencing our Arts, Culture and Heritage	1,569	0	22	0	84	1,463		1,193	1,143
<b>STRATEGIC AREA E: LIVING IN HAMILTON</b>										
<b>Community Development</b>										
Community centres	73	400					400		25	400
Celebrating Age Centre chairs	74	6					6			
<b>Employment Initiatives</b>										
Mobile huts	88								5	
<b>Emergency Management</b>										
Emergency operations centre	407	42		42						
<b>Cemeteries and Crematorium</b>										
Hamilton west cemetery restoration	51	100					100		10	
Hamilton Park road maintenance	53	104					104		72	
Garden of Memories ash interment development	54	10					10			
Rebrick of cremator interior	57									50
326	Total Living in Hamilton	662	0	42	0	0	620		112	450
<b>STRATEGIC AREA F: ENJOYING OUR CITY</b>										
<b>Sports Areas</b>										
Park development (Tauhara Park)	157								325	
Park development (Minogue Park)	157									570
Contribution to indoor stadium (Claudelands)	159								1,925	1,925
Skateboard facilities (Elliott Park)	161	90					90			
Changing rooms (Willoughby Park)	162	276					276			
Asset renewal	163	30					30		30	30
Changing rooms (Marist Park)	164	609					609			
<b>Parks &amp; Gardens (incl playgrounds)</b>										
Land purchase for reserves	118	200	200					SR		200
Land acquisition and esplanade reserves	120	20	20					SR	20	20
Miropiko Reserve development	121	40	40					SR	50	
Riverside Pa reserves	121									60
Gully development (Kirikiriroa)	122	120	120					SR	120	120
Passive park development	124	70	70					SR	85	110
Hamilton Lake Domain redevelopment	125	379					379		240	240
Structures refurbishment	129	36					36		37	37
Claudlands Park development	131	450	280				170	DE	410	200
Walkway (Waitawhiriwhiri Stream)	132								165	
Walkway (Yendell to Sandford)	133	78	78					SR		
Walkway (Te Hikuwai to Pukete footbridge)	133								250	
Walkway (Flagstaff Park)	133									90
Taitua Arboretum development	134	70	70					SR	98	78
Car park development (Innes Common)	135								100	
Car park development (Swarbrick Park)	135									130
Pedestrian linkages on parks	136	26	26					SR	42	34
New recreation equipment programme	137	75					75		75	75
Nursery upgrade	138	8					8		10	
Car park maintenance	139	46					46		52	38
Claudlands Park buildings (ex Marist)	145	665		665						
Asset renewal	143	80					80		80	80

Budget 2003	Project No	Expenditure 2004	Reserves	Loans	FUNDED BY Subsidies	Revenue	Depreciation	Funding Source	Expenditure 2005	Expenditure 2006
<b>City Beautification</b>										
	63	70					70			
	65	10					10		10	10
<b>Stadiums</b>										
	428	4,038		4,038						
	284	30					30		30	30
<b>Swimming Facilities</b>										
	209	100					100		100	100
	211	148					148			
	212	94					94		58	58
	213	12					12		12	12
	216	60					60		2,000	
	348									300
	349									160
	353								36	1,200
<b>Hamilton Zoo</b>										
	310	324					324		229	234
	313	350					350		350	
	311	50					50		50	50
	426									205
<b>Hamilton Gardens</b>										
	99	230	150			80		SR/CO	180	
	99									75
	99	70	70					SR	70	75
8,516	Total Enjoying our City	8,954	1,124	4,703	0	80	3,047		7,239	6,546
<b>SUPPORT SERVICES</b>										
<b>Property and Risk Management Unit</b>										
	149	789	164			50	575	VR/AS	789	789
	192								900	1,000
	400	5								
	401								300	
	402									3
	150	1,926					1,926		2,426	2,476
<b>Information Management Unit</b>										
	394	30					30			
3,442	Total Support Services	2,750	164	0	0	50	2,531	0	4,415	4,268
<b>REPAYMENT OF FUNDING ADVANCED BY DEVELOPERS</b>										
<b>Carriageways Management</b>										
	48	255	255					IR		
	427								1,600	
	431								210	
<b>Sports Areas</b>										
	281	250					250			
<b>Wastewater</b>										
	248	107		107						
<b>Stormwater</b>										
	433	538	538					IR		240
1,881	Total Advanced Funding	1,150	793	107	0	0	250		1,810	240
33,637	Total Capital Expenditure	37,288	6,180	9,564	2,168	3,438	15,933		32,400	32,770

**Key to Sources of Funding**

Asset Sales	AS
Contributions	CO
Domain Endowment Reserve	DE
Horotiu Reserve	HR
Infrastructural Reserve	IR
Public Transport and Parking Reserve	PT
Project Watershed Reserve	PW
Subdivisional Reserve	SR
Transfund NZ	T
User Charges	UC
Vehicles and Plant Reserve	VR

## NOTES TO THE ACCOUNTS *(All Notes in \$000s)*

### NOTE 1: SUMMARY OF COST OF SERVICES

#### Revenue from Strategic Areas

Budget 2003		Budget 2004	Budget 2005	Budget 2006
10,099	Sustaining Hamilton's environment	10,314	9,753	9,808
11,483	Growing Hamilton	13,541	13,616	13,555
0	Promoting Hamilton	0	0	0
1,591	Experiencing our arts, culture and heritage	1,568	1,575	1,574
3,001	Living in Hamilton	3,056	3,280	3,056
5,527	Enjoying our city	5,405	5,319	5,447
<b>31,701</b>	<b>TOTAL REVENUE FROM STRATEGIC AREAS</b>	<b>33,884</b>	<b>33,543</b>	<b>33,440</b>

#### Expenditure from Strategic Areas

Budget 2003		Budget 2004	Budget 2005	Budget 2006
31,985	Sustaining Hamilton's environment	33,271	33,343	33,496
25,043	Growing Hamilton	29,404	29,875	30,208
2,635	Promoting Hamilton	2,771	1,751	1,776
10,790	Experiencing our arts, culture and heritage	11,952	11,910	11,894
12,022	Living in Hamilton	12,339	12,706	12,525
19,066	Enjoying our city	22,177	22,049	22,077
<b>101,541</b>	<b>TOTAL EXPENDITURE FROM STRATEGIC AREAS</b>	<b>111,914</b>	<b>111,634</b>	<b>111,976</b>

### NOTE 2: RATES

Budget 2003		Budget 2004	Budget 2005	Budget 2006
65,955	Rates	70,256	71,404	72,559
625	Rates penalties and service charges	625	625	625
(30)	Rates remissions	(90)	(90)	(90)
<b>66,550</b>		<b>70,791</b>	<b>71,939</b>	<b>73,094</b>



**NOTE 3: REVENUE ASSIGNED TO ASSET DEVELOPMENT**

Budget 2003		Budget 2004	Budget 2005	Budget 2006
2,116	Transfund NZ capital subsidies	2,168	2,470	2,173
4,125	Vested assets	4,125	4,125	23,625
150	Wastewater connections	150	150	150
200	Stormwater connections	200	200	200
140	Water connections	140	140	140
22	New watermains	0	12	0
100	Hamilton Gardens Char Bagh Garden	80	80	25
4	Environment Waikato (bus shelters)	4	4	4
0	Waikato Foundation Trust (piano)	84	0	0
80	Mighty River Power (WTS pumps)	300	0	0
0	Funding advanced from developers	2,430	0	0
713	Infrastructural levies	1,738	1,200	1,000
900	Subdivisional levies	800	740	740
431	Environment Waikato (Project Watershed)	431	431	431
0	Domain Endowment property sales	120	0	60
47	Cemetery fees	52	52	52
<b>9,028</b>	<b>TOTAL REVENUE ASSIGNED TO ASSET DEVELOPMENT</b>	<b>12,822</b>	<b>9,604</b>	<b>28,600</b>

**NOTE 4: OTHER REVENUE**

Budget 2003		Budget 2004	Budget 2005	Budget 2006
900	Petrol tax	900	900	900
1,194	Investment income	1,214	1,104	1,112
<b>2,094</b>	<b>TOTAL OTHER REVENUE</b>	<b>2,114</b>	<b>2,004</b>	<b>2,012</b>

**NOTE 5: TRANSIT NEW ZEALAND ACT DISCLOSURES**

Section 31 of the Transit NZ Act requires Council to separately disclose those activities which receive funding from Transfund NZ. This note discloses the Council activities which receive funding from this Fund. Surpluses or deficits on operation of the business units are transferred to the general fund.

Budget 2003		Budget 2004	Budget 2005	Budget 2006
<b>Roads and traffic business unit</b>				
1,720	Operating costs	1,805	1,809	1,813
	Less revenue:			
422	Subsidised roading	460	460	460
1,342	Other revenue	1,340	1,349	1,356
(44)	Net cost of service	5	0	(3)
<b>Design services business unit</b>				
2,115	Operating costs	2,271	2,276	2,282
	Less revenue:			
302	Subsidised roading	348	348	348
1,822	Other revenue	1,917	1,917	1,917
(9)	Net cost of service	6	11	17

**NOTE 6: RATEPAYERS' EQUITY**

Budget 2003		Income	Expenditure	Budget 2004
	<b>Accumulated funds</b>			
1,274,722	Opening balance			1,282,429
7,707	Net surplus for 2003/04			7,587
5,000	Transfers from restricted & council created reserves			6,889
(5,000)	Transfers to restricted & council created reserves			(6,578)
<b>1,282,429</b>	<b>Total Accumulated Funds</b>			<b>1,290,327</b>
	<b>Revaluation Reserves</b>			
218,485	General asset revaluation reserves			218,485
1,723	Property revaluation reserves			1,723
<b>220,208</b>	<b>Total Revaluation Reserves</b>			<b>220,208</b>
	<b>Restricted Reserves</b>			
1,256	Cemetery plot maintenance in perpetuity	122	70	1,308
1	Dame Hilda Ross library memorial	0	0	1
954	Domain sales endowment	176	280	850
1,442	Municipal crown endowment	85	0	1,527
4	Roman Catholic schools library	0	0	4
27	Waikato art gallery endowment	2	0	29
<b>3,684</b>	<b>Total Restricted Reserves</b>	<b>385</b>	<b>350</b>	<b>3,719</b>
	<b>Council Created Reserves</b>			
2,144	Disaster recovery	251	0	2,395
0	Fleet replacement	164	164	0
150	General interest	9	0	159
960	Horotiu aftercare	236	0	1,196
(493)	Horotiu landfill	1,269	828	(52)
2,397	Infrastructural subdivision	1,879	2,990	1,286
106	Lake Domain Drive	6	0	112
6,360	Loan repayment	354	0	6,714
163	Project Watershed	441	511	93
845	Public transport & parking	538	1,002	381
224	Storm damage	13	0	237
3,574	Subdivisional	1,011	1,044	3,541
66	Bus shelter (Adshel)	4	0	70
30	Waitawhiriwhiri plant	2	0	32
271	WWTP sludge lagoon	16	0	287
<b>16,797</b>	<b>Total Council Created Reserves</b>	<b>6,193</b>	<b>6,539</b>	<b>16,451</b>
<b>1,523,118</b>	<b>TOTAL RATEPAYERS' EQUITY</b>			<b>1,530,705</b>

The following tables provide additional information to that provided in the financial statements and accompanying notes.

**TABLE 1: DEPRECIATION**

The following amount of depreciation is included in the Statement of Financial Performance

Budget 2003		Budget 2004
22,450	Depreciation	27,534

**TABLE 2: EXTERNAL CONSULTANTS**

Costs for external consultants (comprising legal and professional fees) have been included in the Statement of Financial Performance

Budget 2003		Budget 2004
145	Chief executive's office	143
324	Community services	355
177	Corporate	166
150	Environmental services	151
252	Works and services	137
<b>1,048</b>	<b>TOTAL EXTERNAL CONSULTANTS</b>	<b>952</b>

## FEES AND CHARGES

Council has reviewed fees and charges for the 2003/04 financial year. The changes to fees and charges affect the following services:

- Animal care and control
- Business support
- Cemeteries and crematorium
- Environmental health
- Exscite
- Footpaths, cycleways and verges
- Hamilton Gardens
- Hamilton City Libraries
- Parking
- Planning guidance
- Sports areas
- Swimming facilities
- Hamilton theatres services
- Waikato Museum of Art and History
- Waikato Stadium
- Wastewater and stormwater drainage
- Water supply

Full details of fees and charges are available on request from the Finance and Administration Unit, 1st floor, Council offices, Garden Place.

## PROJECTS UNFUNDED

While the merit of the projects listed in the table below is recognised, the 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, the Council will endeavour to find an alternative funding source or pursue partnerships with other organisations.

This Annual Plan round includes new unfunded projects considered by Council for the first time. A prefix "NEW" identifies these projects.

### References identified in the Projects Unfunded table are:

SAP No. - Strategic Action Plan number      M - operating and maintenance costs  
C - capital expenditure on projects      R - renewals

SAP No.	SPECIAL & CAPITAL PROJECTS IN \$000'S UNFUNDED	Type	TOTAL COST		
			2003/04 Yr 1	2004/05 Yr 2	2005/06 Yr 3
	<b>Carriageways management</b>				
314	Undergrounding of power lines	M	300	300	300
	<b>Cemeteries and crematorium</b>				
317	Newstead cemetery gully development	C	40		40
	<b>City parks</b>				
399	NEW Covered storage for cricket wicket clay	C	2	20	
	<b>Community development (Community assistance)</b>				
319	Driver training centre grant	M	250		
	<b>Community development</b>				
320	Entrance upgrade Celebrating Age Centre	C		12	
	<b>Economic development</b>				
321	Hamilton brand	M	100	100	100
323	Millennium development	C		5350	
325	Christmas float	M	5	5	5
	<b>Footpaths, cycleways and verges</b>				
326	River Road/Claudlands Road overbridge footpath	C			40
329	Cobham Drive underpass	C	220	730	
408	NEW Clyde Street underpass	C		50	450
	<b>Hamilton Gardens</b>				
330	Hamilton Gardens pavilion kitchen and storage	C	95		
330.1	Hamilton Gardens pavilion kitchen and storage O&M impact	M	3	3	3
	<b>Community facilities (Housing services)</b>				
331	Upgrade of older housing	R	10	350	
	<b>Libraries</b>				
335	Visual identity for museum and libraries	M	18	15	15
	<b>Stormwater management</b>				
344	Piping open drains	C			290
	<b>Strategic</b>				
345	Economic monitoring and reporting	M	20		
345.1	Economic monitoring and reporting O&M impact	M	5	5	5
346	Youth needs survey	M		25	
	<b>Swimming facilities</b>				
350	Additional changing facilities	C	300		
352	Swimming facilities meeting rooms	C		200	
355	Municipal pool refurbishment/reconstruction	C			100
	<b>Hamilton theatre services</b>				
342	Air conditioning for Council facilities	C	15	285	
358	Upgrade Council's performing arts facilities	C	1337		
	<b>Traffic services</b>				
359	Millennium design-roading development	C	100	1240	
360	Millennium bridge	C		500	4500
362	Red light camera	C	40		
	<b>Waikato Events Centre</b>				
417	NEW Waikato Events Centre toilets	C	35		
	<b>Waikato Museum of Art and History</b>				
338	Museum street frontage	C		19	48
339	Preservation of the Rangiriri	M	15	25	
418	NEW Gallery space	C		280	230
418.1	NEW Gallery space O&M impact	M		15	30
	<b>Waikato Stadium</b>				
367	Waikato Stadium Seddon Road food and beverage facility	C	75		
368	Waikato Stadium entry turnstiles	C	150		
369	Waikato Stadium gate entry canopies	C	80		
370	Waikato Stadium flag poles and flags	C	25		
371	Waikato Stadium existing east stand renovation	R	1500		
372	Waikato Stadium no.2 ground redevelopment	C	300		
373	Waikato Stadium boulevard	C	1000		
419	NEW Waikato Stadium restoration of east stand	R	150		
	<b>Westpac Park</b>				
364	Westpac Park changing rooms renovation	R	50		
365	Westpac Park grandstands	C		500	
	<b>Total</b>		<b>6240</b>	<b>10044</b>	<b>6156</b>





## GLOSSARY OF TERMS (Nga Kupu)

### Agenda 21

Agenda 21 is the title of a document resultant from the 1992 Rio Earth Summit. Agenda 21 is a global plan for sustainable development in the twenty-first century, and recognises that global issues need to be addressed at the local level—hence the expression ‘think globally, act locally’.

### Annual Residents Survey

This survey is Council's key barometer of gauging the community's opinion on their use and satisfaction with Council provided facilities and services, overall attitudes and community needs. The survey is conducted annually by an independent research company. Around 700 Hamilton residents aged 18 years or over are interviewed by telephone.

### Capital Expenditure

Expenditure on assets: purchase, construction or upgrading.

### Carriageways

The part of roads intended for vehicles to travel on.

### Central Business District (CBD)

The main commercial and retail centre of Hamilton.

### Council Controlled Organisations (CCO)

Council Controlled Organisations (CCO) are described in the Local Government Act 2002 as any organisation in which one or more local authorities control 50 per cent or more of the voting rights or appoints 50 per cent or more of the directors.

### Council Organisations (CO)

Council Organisations (CO) are described in the Local Government Act 2002 as organisations in which one or more local authorities control any proportion of voting rights or rights to appoint directors.

### Current Assets

Assets that can be readily converted to cash, or will be used up during the year.

### Depreciation

The charge representing consumption or use of an asset assessed by spreading the asset cost over its estimated economic life.

### Direct/Indirect Benefits

Direct benefits are what people get out of a service they pay for. For example, enjoying a visit to the zoo. Indirect benefits are what the community or city gets out of having those services provided.

### Funding and Financial Policy (FFP)

The Funding and Financial Policy sets out the guidelines of how Council plans for, and acquires funds, to finance its operation, and the projects and programmes in the Annual Plan. The FFP includes the revenue and financing policy, funding impact statement, investment policy, liability management policy, rating policy (including rates remission and postponement policies), significance policy, partnerships between Council and the private sector policy, and development and financial contributions policy.

### Financial Management Policy (FMP)

The former Local Government Act 1974 required Council to produce a Financial Management Policy, which set out the guidelines of how Council planned for, and acquired funds, to finance its operation, and the projects and programmes in the Annual Plan. Council's Long-Term Financial Strategy underpinned the Financial Management Policy and set out Council's projects and programmes, and the means by which they would be funded over the next 10-years. The new Funding and Financial Policy 2003/04 has replaced the Financial Management Policy under the new Local Government Act 2002.



**Goal**

A long-term organisational target or direction of development. Goals state what the organisation wants to accomplish or become.

**Infrastructural Assets**

These are essential services such as water, stormwater, wastewater and roading. They also include associated assets such as pump stations, treatment plants, street lighting and bridges.

**Joint Venture**

A form of arrangement in which there is a contractual association, other than a partnership, between two or more parties to undertake a specific business project.

**LATE**

LATEs are Local Authority Trading Enterprises, which are companies or other organisations (not including trusts) in which Council has a significant interest.

**Levels of Service**

The standard to which services are provided, e.g., speed of response times to information requests, the standard of the stormwater drainage system to prevent incidents of surface water flooding, etc.

**Local Authorities**

There are 86 local authorities in New Zealand, which comprise 74 territorial authorities and 12 regional councils.

**Local Government Act 2002**

The Act of Parliament that legally defines the powers and responsibilities of all territorial local authorities. The purpose of this new Act is to provide for democratic and effective local government that recognises the diversity of New Zealand communities through: providing a framework; promoting accountability; and providing for local authorities to play a broad role in promoting the social, economic, environmental and cultural well-being of their communities, taking a sustainable development approach.

**Long Term Council Community Plan (LTCCP)**

The new Local Government Act 2002 requires Council to adopt a Long-Term Council Community Plan (LTCCP), which is to be the key accountability and planning document for Council activity. It must cover a period of 10 years, and will require extensive community consultation, the identification of community outcomes and priorities, and the establishment of monitoring and review mechanisms.

**Mission Statement**

Conveys the function and purpose of Hamilton City Council. It includes why the organisation exists and what it seeks to accomplish.

**Objective**

A measurable target that must be met on the way to attaining a goal.

**Operating Surplus**

Operating surplus is an accounting term that means the excess of operating income over operating costs. An operating surplus is inclusive of non-cash items such as income and expenditure owing but not paid (debtors and creditors) and depreciation.

**Outcomes**

Outcomes are desired results that Council wants to achieve for the community as a result of the success of its projects and services. Some of the factors that influence an outcome may be outside Council's control.

**Partnerships between Council and the Private Sector Policy**

Section 107 of the new Local Government Act 2002 requires Council to introduce a policy on partnerships between Council and the private sector. The policy must state Council's policies in respect of the commitment of its resources to partnerships between Council and the private sector. The focus of this policy is on commercial relationships with entities engaged in trading activities undertaken for the purpose of making a profit.

### **Performance Measure**

Performance measures provide a way to gauge the achievement of the objectives.

### **Resource Management Act 1991 (RMA)**

The Resource Management Act 1991 (RMA) is the core of the legislation intended to help achieve sustainability in New Zealand. By bringing together laws governing land, air and water resources, and concentrating on the environmental effects of human activities, the Resource Management Act introduced a new approach to environmental management. The Act's purpose is to promote the sustainable management of natural and physical resources.

### **Service**

Those areas of Council activity within a significant service where it is helpful to break down the significant service to a lower level.

### **Significance Policy**

Section 90 of the new Local Government Act 2002 requires Council to adopt a significance policy that sets out conditions that ascertain the significance of proposals and decisions. The policy also lists assets considered by Council to be strategic assets. Council has special consultative obligations to comply with when decisions or proposals are deemed to be significant.

### **Significant Service**

The cost centres of Council that are classified under each Strategic Area.

### **Solid Waste**

Waste products of non-liquid or gaseous nature, e.g., building materials, used packaging, etc.

### **Strategic Area**

Key areas in Hamilton's Strategic Plan 2002–2012 that encapsulate the community's vision for a more sustainable city. The six strategic areas are: Sustaining Hamilton's Environment, Growing Hamilton, Promoting Hamilton, Experiencing Our Arts, Culture and Heritage, Living in Hamilton, and Enjoying Our City. Council's annual plan is also arranged under these six areas.

### **Sustainable Development**

Sustainable development is the cornerstone of Agenda 21 and can be interpreted as providing the following:

- a viable natural environment capable of supporting life systems, now and in the future
- a sufficient economy that provides sustainable livelihoods for all
- nurturing communities that provide opportunities for meeting social, cultural and spiritual needs.

A report from the Office of the Parliamentary Commissioner for the Environment notes that sustainable development can be thought of as 'Getting more, from less, for longer'.

### **Vision**

This is the community's aspiration for a more sustainable Hamilton as shown in Hamilton's Strategic Plan 2002–2012. It provides a guiding direction for individuals, organisations, businesses and Council to achieve the strategic plan's vision, goals and desired outcomes.





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## 1.0 INTRODUCTION TO THE FUNDING AND FINANCIAL POLICY

Every local authority is required by Section 281(2) of the Local Government Act 2002 to develop a Funding and Financial Policy, which replaces the Financial Management Policy. Council adopted its Financial Management Policy for 2002/03. The 2003/04 Funding and Financial Policy is included in Sections 2-12 following this introduction.

The Funding and Financial Policy sets out the guidelines of how Council plans for, and acquires funds, to finance its operation, and the projects and programmes in the Annual Plan.

### THE FUNDING AND FINANCIAL POLICY INCLUDES THE:

- **Revenue and Financing Policy and Funding Impact Statement**, which replaces the requirement for the **Long-Term Financial Strategy and Funding Policy** (from the 2002/03 Financial Management Policy) under the old Local Government Act 1974.
- **Investment Policy**, which replaces and expands on the previous requirements for an Investment Policy.
- **Liability Management Policy**, which replaces and expands on the previous requirements for a Borrowing Management Policy.
- **Rating Policy**, which outlines Council's policies over the setting and collecting of rates, rating systems, rating levels, and remission and postponement policies. The rating policy also outlines the rates for 2003/04, which replaces the procedure for setting rates, via the separate public notices and public meetings approach (Special Order Procedure) under the old Local Government Act 1974.
- **Remission and Postponement of Rates on Maori Freehold Land Policy** is a new policy relating to the remission and postponement of rates on Maori freehold land. This policy is included in the **Rating Policy**.
- **Significance Policy**. This is a new policy intended to guide Council on how to consult when making decisions of varying importance to the community. It also lets the community know what to expect in terms of consultation.
- **Partnerships with the Private Sector Policy**. This policy is a new requirement that outlines under what circumstances the Council will enter into partnership arrangements with private businesses, what conditions will be imposed and what consultation will take place.
- **Development and Financial Contributions Policy**. This policy describes what financial contributions the Council will require from developers when their property developments impose increased demand on Council services.
- **Appointment and Remuneration of Directors of Council Organisations Policy**. This is a new policy relating to the process for the appointment and remuneration of directors of Council organisations and the identification and consideration of the skills, knowledge and experience required of directors.
- **Freeholding of Council Domain and Municipal Endowment Leases Policy**. This is a new policy relating to the sale (freeholding) of Council domain and municipal endowment leases.

It is Council's view that the majority of the Funding and Financial Policies remain as printed in the 2002/03 Financial Management Policy. As a result, the 2002/03 Financial Management Policy and Long-Term Financial Strategy remain as a "base" document to be read in conjunction with the Funding and Financial Policy.

Copies of the full 2002/03 Financial Management Policy and Long-Term Financial Strategy are available on request from the Hamilton City Council.

Key financial data from the 2002/03 Financial Management Policy and Long-Term Financial Strategy have been included in the Appendices of this Annual Plan, and form the basis for the funding considerations and rating basis for 2003/04.

The Funding and Financial Policy will be next reviewed as part of the preparation of the 2004/05 Long-Term Council Community Plan.

## 2.0 REVENUE AND FINANCING POLICY

### 2.1 INTRODUCTION

For 2003/04, Council has prepared a modified Annual Plan. This is because Council adopted its Long-Term Financial Strategy and Financial Management Policy for 2002/03, following a complete review of its Rating and Funding Policies. In accordance with the transitional guidelines contained in section 281 of the Local Government Act 2002, Council's 2003/04 Annual Plan was prepared under section 223D of the Local Government Act 1974. Section 281 states that Part VIIA of the Local Government Act 1974 applies to the annual plan, with some provisos. The most notable is that instead of containing a Funding Policy adopted under the Local Government Act 1974, the annual plan should include Funding and Financial Policies adopted under section 102 of the Local Government Act 2002.

The Revenue and Financing Policy is part of the Funding and Financial Policy and has been approved by Council. It replaces the Long-Term Financial Strategy and Funding Policy, prescribed under the old Local Government Act 1974.

The Council has assessed the Revenue and Financing Policy requirements under the new Local Government Act 2002 and has determined that the Funding Policy, which was adopted in conjunction with the 2002/03 Annual Plan and Long-Term Financial Strategy, will form the basis of the Revenue and Financing Policy. As a result, the 2002/03 Financial Management Policy must be read in conjunction with the 2003/04 Funding and Financing Policy.

The Council will manage its financial affairs prudently and in a manner that promotes the current and future interests of the community. The aim of its Revenue and Financing Policy is to promote consistent, prudent, effective and sustainable financial management of the Council and to fund its activities from the most appropriate source after consideration of who benefits from each activity.

The Council carries out various activities that require funding. The funding requirements of these activities will be met from those sources, that the Council has determined to be appropriate, following consideration of:

1. the community outcomes to which the activity primarily contributes, and
2. the distribution of benefits between the community as a whole and any identifiable groups or individuals within the community, and
3. the period over which the benefits are expected to occur, and
4. the extent to which the actions or inactions of groups or individuals contribute to the need for the activity, and
5. the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities, and
6. the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural well-being of the community.

This Revenue and Financing Policy has been prepared in accordance with the requirements of the Local Government Act 2002, in particular, Sections 101-103.

In terms of Section 101(3) of the new Act, the Council has determined that in relation to each activity to be funded, its funding requirements and selection of funding mechanisms (general and targeted rates, user charges and other funding sources) as covered in the Revenue and Financing Policy and the Funding Impact Statement, adequately addresses and takes into consideration the well-being of the community and individuals, having regard for considerations 1 to 6 above. Section 101(3)(b) of the LGA 2002 acknowledges that rating decisions involve the balancing of complex current and future social, economic, environmental and cultural factors. It is not simply a direct cost/benefit analysis that Council is confined to.

Where it is practical and appropriate to do so, and users of services can be identified, the costs of providing services are recovered by direct charges. The remaining costs are allocated through the general rate across the property sectors, in accordance with taxing principles and with a differential, on the basis that the services generate benefits to the community generally.



In funding its activities the Council may need to borrow and invest funds and as a result has risks such as interest rate, liquidity, credit and internal control. The Council's policies in relation to investments and the associated risks are contained in the Investment Policy and the policies in relation to borrowings and the associated risks are contained in the Liability Management Policy.

## **2.2 LONG-TERM FINANCIAL STRATEGY OUTLINE**

Under previous Local Government legislation, Council was required to prepare an Annual Plan which incorporates its detailed plans for the forthcoming year and indicative financial plans for the following two years. The Council was also required to prepare a Long-Term Financial Strategy covering at least a ten year period every three years.

The 2002/03 Long-Term Financial Strategy was based on the latest available information at that time regarding the Council's assets and their condition, community priorities and growth expectations. Changes to the Long-Term Financial Strategy, based on current information and priorities, are included in this 2003/04 Annual Plan.

Under the Local Government Act 2002, the Council will prepare a Long-Term Council Community Plan, instead of a Long-Term Financial Strategy. The Council will be preparing its first Long-Term Council Community Plan for the 10 years beginning in 2004/05, for adoption in June 2004.

The 2002/03 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.

The Long-Term Financial Strategy and related policies covers 10 years, from 2002/03 to 2011/12 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 funds
- 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.

The 2003/04 Annual Plan includes a number of changes to the 2002/03 Long-Term Financial Strategy. The variations are summarised in Council's 2003/04 Annual Plan.

## **2.3 REASONS FOR SERVICES**

A full disclosure of the reasons why Council is engaged in its services, is included in the detailed 2002/03 Financial Management Policy. Briefly, the four reasons relate to:

- statutory obligation
- Council's mission statement
- review of core functions
- Hamilton's Strategic Plan.

## **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 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 strategic areas are budgeted for and funded through the Annual Plan process.

The Consolidated Forecast Statement of Financial Performance is shown in Appendix 12.1.

## 2.6 SOURCES OF FUNDS

The Long-Term Financial Strategy has been prepared in accordance with the funding allocations of the 2002/03 Funding Policy.

Funds to meet the cost of the estimated expenses will be contributed through a variety of sources. Each service 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 services after any direct revenue earned from customer services has been applied, and are described in the Rating Policy
- 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 Contributions (including sale of assets) – these can be from any source, including proceeds from the sale of assets and revenue from third parties
- Financial and Reserve Contributions on Subdivision and Development – financial and reserve contributions for the city's asset development needs under the District Plan are outlined in the Development and Financial Contributions Policy included as part of the Funding and Financial Policy.

The Long-Term Financial Strategy was prepared incorporating a number of key assumptions. These assumptions are outlined in Section 2.2 of the 2002/03 Financial Management Policy.

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

In terms of Section 101(3) of the new Act, the funding needs and funding sources that Council has determined to be appropriate (as outlined in 2.6.1 Operating Expenses and 2.6.2 Capital Expenditure), should be read in conjunction with the Funding Impact Statement (Section 3), High Level Financial Information (Section 3.1), Detailed Description of Funding Sources (Section 3.2) and Funding Rationale (Section 3.3).

### 2.6.1 OPERATING EXPENSES

The Council's policies and practices as regards the funding of its operating expenses are set to ensure that it complies with applicable legislation and generally accepted accounting practice.

In general terms it will use a mix of revenue sources to meet operating expenses, with major sources being general rates, targeted rate for non-domestic water supply, targeted rate for non-rateable properties for water, refuse and wastewater services, dividends, subsidies and fees and charges.

### 2.6.2 CAPITAL EXPENDITURE

The Council policies and practices as regards the funding of its capital expenditure are set to ensure that it complies with applicable legislation and generally accepted accounting practice.

In general terms it will use a mix of funding sources to meet capital expenditure, with major sources being general rates, borrowings, reserves and funding assistance such as grants and subsidies.

### 2.6.3 BALANCED BUDGET REQUIREMENT

Under Section 100 of the Local Government Act 2002, the Council must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses.

According to the 2003/04 Annual Plan, the Council's Consolidated Forecast Statement of Financial Performance indicates surpluses of \$7.587 million, \$5.346 million and \$25.060 million for the years 2003/04, 2004/05 and 2005/06 respectively. The Council has determined that the balanced budget requirement has been met.

### 2.7 CASHFLOW PROJECTIONS

The Statement of Financial Performance provides the basis of the cashflow projections for the period of the Long-Term Financial Strategy.

The Consolidated Forecast Cashflow Statement 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 12.2.

### 2.8 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 Consolidated Forecast Statement of Financial Position and Consolidated Forecast Statement of Movement in Equity are shown in Appendices 12.3 and 12.4.

### 2.9 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.

The Council is at times requested to act as guarantor to loans raised by community organisations and sports clubs. Subject to meeting 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 per cent of the proceeds of the general rate for the preceding financial year.

While specific community groups that might require loan guarantees in the future have not identified, an amount has been included based on the maximum of 2 per cent of the general rates for the preceding financial year.

The 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 12.5 summaries the estimated contingencies based on known events. A general provision has been included for events which have not yet occurred or been identified.

The Council is insured for civil disaster, material damage (replacement of buildings) and business interruption. Infrastructural assets including bridges are not insured.

## 2.10 DEBT

The Net Debt Table outlines the projected net debt of Council over the period of the Long-Term Financial Strategy, and the linkage to the debt servicing targets outlined in the Liability Management Policy. The projected net debt, updated for the 2003/04 Annual Plan, is also presented. The Net Debt Table is shown in Appendix 12.6.

## 2.11 ASSET MANAGEMENT PLANS

In arriving at its Long-Term Financial Strategy, Council relied on Asset Management Plans that were updated July 2001, and presented to Council at a workshop on 23 November 2001.

All of the Asset Management Plans have been peer reviewed and the detailed information contained in the plans has been used as a base for the 2002/03 Long-Term Financial Strategy. The Asset Management Plans provide strong linkage to the long-term planning of Council, particularly in the areas of asset maintenance and renewal, provision of appropriate assets to support services of Council, and the funding of depreciation.

### Asset Management Plans that have been developed are:

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

An outline of these Asset Management Plans, is included in the detailed 2002/03 Financial Management Policy.

Council is currently finalising its 2003 Asset Management Plans. These will be completed by August 2003. To comply with new legislative requirements it is intended that advanced asset management plan functions and techniques including predictive modelling, risk management, optimised renewal decision-making, optimised lifecycle strategies, service level reviews and community consultation, will be included in future Asset Management Plans by 1 July 2006.

## 2.12 CAPITAL EXPENDITURE POLICY

Loan funding is available as a funding mechanism for all special projects, subject to Council approval. Other methods of funding (subsidies, fees and charges, reserves or rates) should be considered as the primary means of funding prior to loan funding. Each case is however considered on its own merits. Where a loan is employed as the means of funding a special project, the cost of capital is to be spread over significant services on the basis of the book value of land and buildings employed, except where the costs are to be recovered from specific services (as outlined in the Statement of Accounting Policies).

Special consideration is given to the landfill refuse service, where there is an identified need to ring-fence the financing costs associated with the landfill. Council has agreed that loan funding is appropriate, and that the debt servicing cost will be directly charged to the service and be recovered through fees and charges rather than rates.

## 2.13 MATERIAL ERROR POLICY

The Council is required under Section 122T(2) of the Act to define what constitutes a material error in any current Long-Term Financial Strategy, Funding Policy, Investment Policy or Borrowing Management Policy. The policy is:

Any financial error of \$2.5 million or more in any of these policies (being: Long-Term Financial Strategy, Funding Policy, Investment Policy or Borrowing Management Policy) would constitute a material error.

In the event that such an error is identified, Council is obligated as soon as practicable, by resolution publicly notify and amend the strategy or policy, unless the error is such that Council is satisfied on reasonable grounds that no person will otherwise be significantly disadvantaged. In this event the Council shall prepare and adopt a replacement strategy or policy as early as is lawfully practicable.

## 2.14 FUNDING POLICY OUTLINE

Council has reviewed and approved the Revenue and Financing Policy as outlined in the Annual Plan and the funding requirement of each significant service for the 2003/04 financial year. In preparing these policies Council has considered the relevant provisions in Part VIIA of the Local Government Act 1974 as well as the specific Revenue and Financing Policy requirements under the Local Government Act 2002.

It is Council's view that the existing 2002/03 Funding Policy with its funding considerations and selection of funding mechanisms complies with Part VIIA of the Local Government Act 1974 and with the additional requirements in sections 101 and 103 of the Local Government Act 2002. Council considers that with the short timeframe from the enactment of the Local Government Act 2002 to the preparation of the 2003/04 Annual Plan, it is reasonable to rely on the funding analysis from the 2002/03 Funding Policy as the basis for the 2003/04 Revenue and Financing Policy. The detailed review of the Revenue and Financing Policy will be an integral part of the development of the interim LTCCP for 2004/05.

Therefore Council has determined that the Funding Policy, which was adopted in conjunction with the 2002/03 Annual Plan and Long-Term Financial Strategy, as required under the Local Government Amendment Act (No. 3) 1996, will form the basis of the Revenue and Financing Policy.

This is an outline of the Funding Policy. The complete Funding Policy is included in the detailed 2002/03 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 Council considers when establishing its Funding Policy.

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

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

The three-step funding process incorporating economic principles, funding considerations and selection of funding mechanisms for analysing how to fund Council's significant service expenditure was included in the discussion for each analysis in the 2002/03 Annual Plan and Financial Management Policy.

## 2.15 THE THREE-STEP FUNDING PROCESS

**Step-one** identifies services and determines an allocation of costs of services based on economic principles. This step reaches a conclusion on apportionment of the relative public and private good characteristics of the service. The theoretical funding mechanism for each identified service is based on the distribution of benefits and costs to identifiable parts of the community and individuals. This distribution is represented by broad bands set at 25 per cent intervals and is intended to be indicative.

**Step-two** concerns funding considerations and funding sources (users versus public) for each service and whether any modification of the allocation of costs of services 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** considers and establishes the selection of funding mechanisms. This step determines 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 services, funding conclusions have been identified in terms of a funding mechanism, percentage ranges and planned targets.

The rate allocation table shown as Appendix 12.8 shows the rate contribution from each property sector for each of the significant services. This table was derived from the analyses described in the detailed 2002/03 Financial Management Policy, updated for the 2003/04 Annual Plan.

A summary of the funding sources and mechanisms for the 2003/04 Annual Plan, is presented in Section 2.19.

#### **Support Services and Business Units**

The 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 services 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 services and covered in the funding analysis.

#### **2.16 TAX DEDUCTIBILITY ADJUSTMENT**

The 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. Council also determined that a tax deductibility adjustment is applied as a 'step-three' consideration across all the significant services.

#### **2.17 FUNDING MECHANISMS FOR THE CITY AS A WHOLE**

The Funding Policy is required to include a statement of funding mechanisms for the City as a whole and explanation of how the mix of funding mechanisms achieves the allocations decided on by Council. The selection and proportional mix of funding mechanisms and detail of individual funding mechanisms is outlined in Section 3.0 - Funding Impact Statement.

#### **2.18 PERFORMANCE TARGETS**

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

<b>Objective</b>	<b>Target</b>
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.	<p>Total commitments do not exceed \$2 million.</p> <p>Total contingencies do not exceed 2% of the general rate for the preceding financial year, (noting that for loan guarantees to only include the total annual contingent loan servicing charges of the loans, not the full value of the loan guarantees).</p>
To maintain a mix of funding mechanisms to meet the total funding requirements of the City.	<p>Fees and charges comprise at least 20% of total revenue.</p> <p>Differentials on property sectors maintained to achieve the rate recovery specified in the Annual Plan.</p>



## 2.19 TARGETED FUNDING SOURCES AND MECHANISMS

The Targeted Funding Sources and Mechanisms table shows the overall impact of the selection of funding mechanisms for the 2003/04 financial year. The impact of that selection of mechanisms is based on the 2003/04 Annual Plan estimates and the Council's decisions in respect of each service, taking into consideration the well-being of the community and individuals, as outlined in the Funding Policy of the 2002/03 Financial Management Policy.

The funding sources and mechanisms and recovery ratios presented in the table replace those included in the 2002/03 Financial Management Policy. Recovery ratios for the three year period, 2003/04 to 2005/06 have been updated for the 2003/04 Annual Plan estimates and presented in Appendix 12.7.

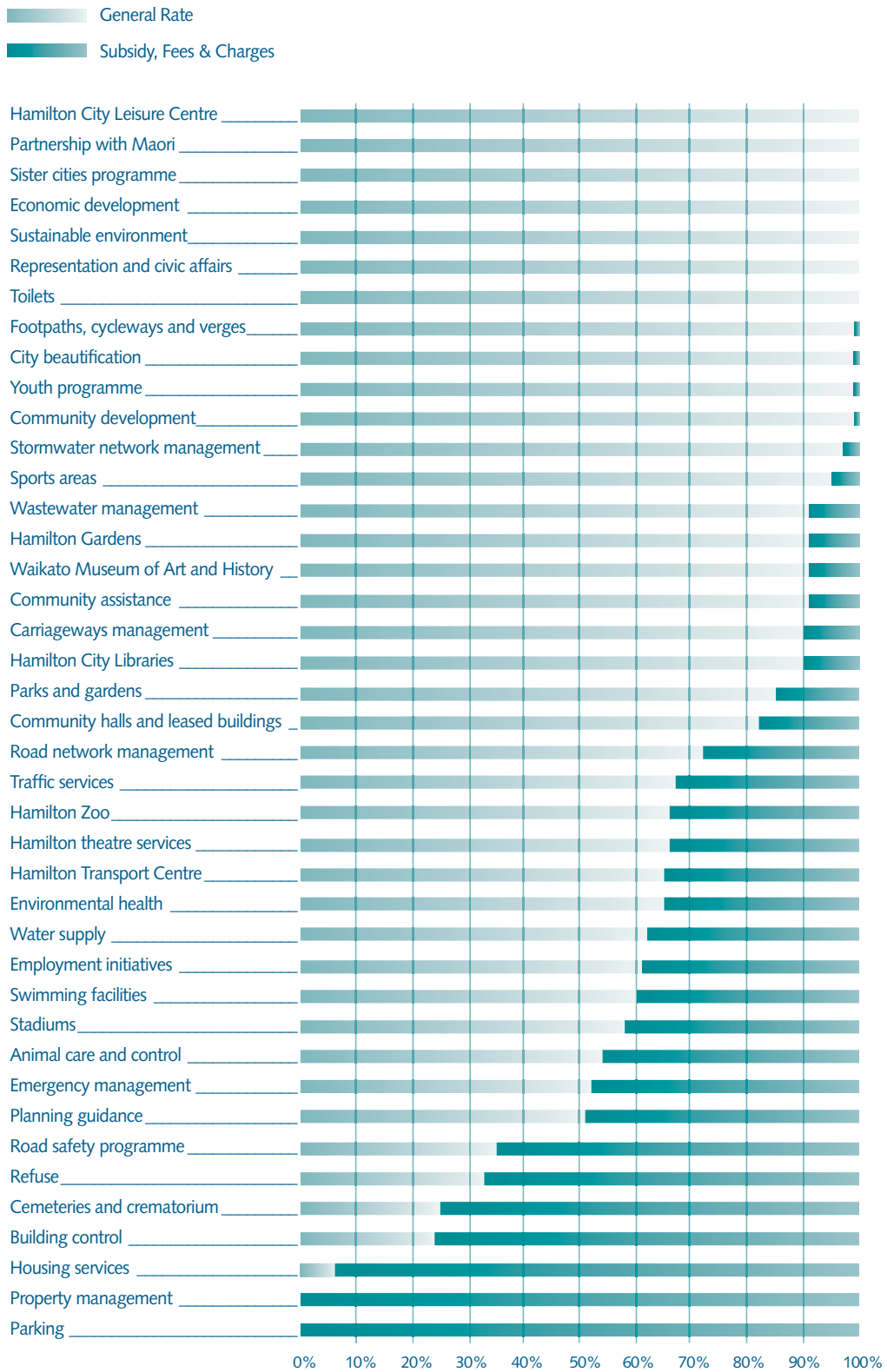
Strategic Area/Significant Services	2003/04 Annual Plan	Funding Sources and Mechanisms
<b>STRATEGIC AREA A: Sustaining Hamilton's Environment</b>		
<b>Wastewater</b> Management of the wastewater collection network and delivery to the treatment plant for disposal. The wastewater treatment plant treats the wastewater and delivers it to the Waikato River.	9% 91%	Fees & Charges General Rates
<b>Stormwater Network Management</b> Operation and maintenance of stormwater assets including public piped open drains and watercourses.	3% 97%	Fees & Charges General Rates
<b>Refuse</b> Collection and disposal of refuse, operation of refuse transfer station and management of closed landfills as well as the operation, monitoring and provision of aftercare at Horotiu landfill.	67% 33%	Fees & Charges General Rates
<b>Water Supply</b> Management of the water distribution network. Water abstraction from the Waikato River, treatment and storage in reservoirs.	38% 62%	Fees & 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>Environmental Health</b> Monitoring, inspection and enforcement of standards in regards to all food premises, pool water quality, inspections of premises storing hazardous substances, the control of air, noise and land pollution.	35% 65%	Fees & Charges General Rates
<b>STRATEGIC AREA B: Growing Hamilton</b>		
<b>Road Network Management</b> Professional and technical work involved in providing ongoing management of the City's roading network.	28% 72%	Subsidy General Rates
<b>Carriageways Management</b> General maintenance, cleaning, resealing, bridge maintenance and construction, rehabilitation and construction of the carriageway component of the roading network.	10% 90%	Subsidy General Rates

Strategic Area/Significant Services	2003/04 Annual Plan	Funding Sources and Mechanisms
<b>Traffic Services/Street Lighting</b> Operation and maintenance of roadmarking, safety fences, traffic islands, signs, street lighting, bus shelters and other road safety activities.	33% 67%	Subsidy General Rates
<b>Footpaths, Cycleways and Verges</b> Maintenance of the City's footpaths, cycleways and verges including resurfacing, cleaning and vegetation control.	1% 99%	Subsidy General Rates
<b>Road Safety Programme</b> Provides professional and technical input into management of roading safety and community based road safety initiatives.	65% 35%	Subsidy General Rates
<b>Hamilton Transport Centre</b> Management of the Hamilton Transport Centre in liaison with Environment Waikato.	35% 65%	Fees/Subsidy General Rates
<b>Central Area Off-Street Parking/Parking Enforcement</b> The management of off-street parking spaces in River Road, Knox Street and Kent Street car parks as well as the management of on-street parking control, parking turnover, vehicle and road safety.	100%	Fees & Charges
<b>Building Control</b> Applying laws relating to the construction and maintenance of new and existing buildings. Provides administrative and business support to the Environmental Services group, customer reception to Council and land Information services (LIM).	76% 24%	Fees & 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.	49% 51%	Fees & Charges General Rates
<b>Animal Care and Control</b> Animal control, litter and general bylaw enforcement.	46% 54%	Fees & Charges General Rates
<b>Property Management (Services)</b> Management and administration of endowment properties as well as the management and administration of Council's corporate properties.	100%	Fees & Charges
<b>STRATEGIC AREA C: Promoting Hamilton</b>		
<b>Economic Development</b> Contributions to Enterprise Hamilton and Tourism Waikato and other economic development and marketing programmes.	100%	General Rates

Strategic Area/Significant Services	2003/04 Annual Plan	Funding Sources and Mechanisms
<b>Sister Cities Programme</b> A programme of people-to-people links at City level to promote international understanding. Hamilton has formal links with three cities: Saitama City (Japan), Wuxi (China) and Sacramento (USA).	100%	General Rates
<b>STRATEGIC AREA D: Experiencing Our Arts Culture and Heritage</b>  <b>Hamilton Theatre Services</b> Management and operation of three unique live performance facilities (Founders Memorial Theatre, WestpacTrust Community Theatre and The Meteor theatre).  <b>Libraries</b> Public library services at the central library and five branch libraries.  <b>Waikato Museum of Art and History (incl ArtsPost and Exscite)</b> To encourage, support and promote the arts in Hamilton as well as promote and popularise science and technology through Exscite and the operation of a venue for the use by arts groups in the community and to oversee the leases and gallery operating contracts.	34% 66%  10% 90%  9% 91%	Fees & Charges General Rates  Fees & Charges General Rates  Fees/Subsidy General Rates
<b>STRATEGIC AREA E: Living in Hamilton</b>  <b>Community Development</b> Operation and management of community neighbourhood workers, community facilities, community houses and support to ethnic communities.  <b>Youth Programme</b> Operation and management of Youth Zone facility, youth workers and funding and monitoring of after-school care and holiday programmes.  <b>Community Assistance</b> Management of the dispersal of funds from Creative NZ, the Hillary Commission and Council to the community.  <b>Housing Services</b> Operation of affordable housing for older and less-abled persons.  <b>Employment Initiatives</b> Facilitation of people's entry into employment through training and project based work experience.  <b>Emergency Management</b> Management of emergency management strategies, programmes and plans that reduce or eliminate the impact of the consequences of a disaster in Hamilton and the Waikato region.	1% 99%  1% 99%  9% 91%  94% 6%  39% 61%  48% 52%	Subsidy General Rates  Fees & Charges General Rates  Subsidy General Rates  Fees & Charges General Rates  Subsidy General Rates  Subsidy/ Contributions General Rates

Strategic Area/Significant Services	2003/04 Annual Plan	Funding Sources and Mechanisms
<b>Partnership With Maori</b> Contribution to the Maori community by way of assistance with Maori development.	100%	General Rates
<b>Cemeteries and Crematorium</b> Operation and maintenance of burial and cremation of deceased persons.	75% 25%	Fees & Charges General Rates
<b>Representation and Civic Affairs</b> Provides support to Council's democratic process, including elected members remuneration, meetings, public consultation, communication, civic functions, elections and maintenance of electoral roll.	100%	General Rates
<b>STRATEGIC AREA F: Enjoying our City</b>		
<b>Sport Areas (Grounds and Buildings)</b> Maintenance and development of areas for sport.	5% 95%	Fees & Charges General Rates
<b>Parks and Gardens</b> Maintenance and management of parks and green spaces.	15% 85%	Fees & 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 & Charges General Rates
<b>Stadiums</b> Management and operation of the Waikato Stadium, Westpac Park and Waikato Events Centre.	42% 58%	Fees & Charges General Rates
<b>Hamilton Leisure Centre</b> Operation of a centre promoting affordable fitness, sport and leisure programmes and activities.	100%	General Rates
<b>Swimming Facilities</b> Operation of swimming facilities throughout the City.	40% 60%	Fees & Charges General Rates
<b>Community Halls and Leased Buildings</b> Operation of halls and Council-owned facilities leased for cultural, social and recreational needs.	18% 82%	Fees & Charges General Rates
<b>Hamilton Zoo</b> Operation and management of the zoo.	34% 66%	Fees & Charges General Rates
<b>Hamilton Gardens</b> Maintenance and management of Hamilton Gardens and Pavilion.	9% 91%	Fees & Charges General Rates
<b>Toilets</b> Operation and cleaning of toilet facilities throughout the City	100%	General Rates

## 2003/04 TARGETED FUNDING SOURCES AND MECHANISMS



### 3.0 FUNDING IMPACT STATEMENT

The revenue and financing mechanisms to be used to cover the estimated expenses of the Council for the 2003/04 financial year are outlined in the Revenue and Financing Policy (Section 2). For the 2003/04 Annual Plan, there have been no material departures from the sources of funding, or the allocation of costs and benefits to groups or sectors within the community, from the Council's 2002/03 Long-Term Financial Strategy (LTFS) and Funding Policy.

As the Long-Term Council Community Plan will not be prepared until 2004/05, the Funding Impact Statement is based on the 2003/04 Annual Plan.

A detailed description of funding sources, including the method and impact of both general and targeted rates for 2003/04 is covered in the Rating Policy (Section 6) and is also outlined in the table below. The table below also outlines the categories of expenditure for Council for the 2003/04 financial year.

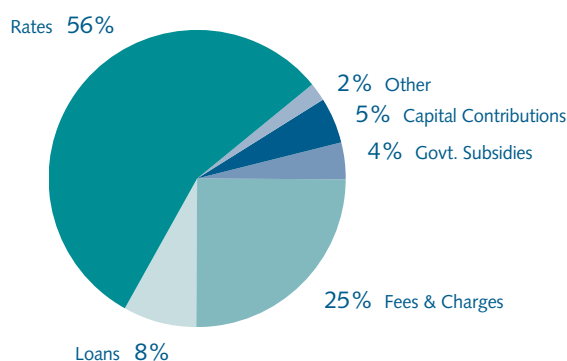
#### 3.1 HIGH LEVEL FINANCIAL INFORMATION

Operating Revenue	(\$ million) 2003/04	(\$ million) 2004/05	(\$ million) 2005/06
Fees & Charges	60.3	60.0	59.9
Operating Subsidies	3.1	3.1	3.1
Rates Penalty Charges Income	0.4	0.4	0.4
Capital Contributions			
Development Contributions	3.1	2.5	2.3
Financial Contributions	3.4	0.6	0.6
Subsidies	2.2	2.5	2.2
Other Income (Interest, Petrol Tax)	1.5	1.2	1.2
<b>Total Operating Revenue</b>	<b>74.0</b>	<b>70.3</b>	<b>69.7</b>
<b>Less Operating Expenditure</b>			
Operational Expenditure	107.6	107.0	106.8
Interest Expense	8.6	9.0	9.6
Other Expenses	0.2	0.2	0.2
<b>Total Operating Expenditure</b>	<b>116.4</b>	<b>116.2</b>	<b>116.6</b>
<b>Plus Other Funding</b>			
Loans	10.6	11.1	10.4
Transfer from Special & General Reserves	6.6	2.8	3.8
<b>Total Other Funding</b>	<b>17.2</b>	<b>13.9</b>	<b>14.2</b>
<b>Less Other Expenditure</b>			
Capital Expenditure & Special Projects	37.3	32.4	32.8
Debt Repayments	5.1	5.4	5.6
Transfer to Special & General Reserves	5.4	4.3	4.2
<b>Total Other Expenditure</b>	<b>47.8</b>	<b>42.1</b>	<b>42.6</b>
<b>NET RATES REQUIRED</b>	<b>73.0</b>	<b>74.1</b>	<b>75.3</b>
<b>RATES FUNDED FROM</b>			
General Rate	70.3	71.4	72.6
<b>Targeted Rates</b>			
Water Supply (metered properties only)	2.5	2.5	2.5
<b>Targeted Rates</b>			
Non-Rateable Properties			
(Water/Refuse/Wastewater)	0.2	0.2	0.2
<b>TOTAL RATES</b>	<b>73.0</b>	<b>74.1</b>	<b>75.3</b>



The mix of funding mechanisms for the city as a whole is also summarised graphically in the table below:

### 2003/04 FUNDING MIX



## 3.2 DETAILED DESCRIPTION OF FUNDING SOURCES

### 3.2.1 GENERAL RATE

A general rate will be assessed on the land value of all rateable land in the City.

General rates are set under Section 13 of the Local Government (Rating) Act 2002 on a differential basis on the land value of all rateable properties. The different categories of rateable land (differential) are explained in Section 6.7 of the Rating Policy and are outlined in the table below.

Total revenue sought - \$70.256 million (excluding GST) or \$79.038 million (including GST).

The general rate will be set and assessed on a differential basis as follows:

Source	Differential Categories	Differential Yield	Estimated Rate in cents per dollar of Land Value for 2003/04	Revenue (GST exclusive) 2003/04
<b>Rates</b>				
General Rate	Residential	64.7921%	1.9825 cents per \$ of LV	\$45,520,338
	Inner City Residential	0.1349%	1.8679 cents per \$ of LV	\$94,775
	Commercial/Industrial	31.809%	4.6006 cents per \$ of LV	\$22,347,731
	Multi Unit Residential	1.837%	2.9475 cents per \$ of LV	\$1,290,603
	Rural Small	1.107%	1.0233 cents per \$ of LV	\$777,734
	Rural Large	0.320%	0.5254 cents per \$ of LV	\$224,819

### 3.2.2 CATEGORY DEFINITIONS - GENERAL RATE

#### Category A – Residential and Other

##### All separately rateable properties:

- (i) Used solely or principally for residential purposes as the home or residence of not more than two households, excluding properties categorised as Category C or Category D; or
- (ii) 2,000 square metres or less in area, used solely or principally for rural purposes, which receive full water and wastewater services from the Council; or
- (iii) The residential portion of a property which is used for both residential/ commercial use, ie, small business operated from residential properties; or
- (iv) Not otherwise categorised in this special order.

#### Category B – Multi-Unit Residential

All separately rateable properties used solely or principally for residential purposes as the home or residence of three or more households, but excluding properties categorised as Category D.

#### Category C - Inner City Residential Apartments

##### All separately rateable properties:

- (i) Used solely or principally for residential purposes as the home or residence of not more than two households, excluding properties categorised as Category D; and
- (ii) Located within the CBD where the Council cannot provide a household waste collection service.

#### Category D – Commercial/Industrial

##### All separately rateable properties –

- (i) Used solely or principally for commercial or industrial purposes, but excluding properties categorised as Category E or F; or
- (ii) Used solely or principally for commercial residential purposes, including, but not limited to, hotels, boarding houses, rest homes, motels, residential clubs, hostels; or
- (iii) The commercial portion of the property, which is used for both commercial/residential use, i.e., small business, operated from residential property.

#### Category E – Rural Small Holding

All separately rateable properties less than 10 hectares in area, used solely or principally for rural purposes, excluding properties categorised under paragraph (ii) of Category A.

#### Category F – Rural Large Holding

All separately rateable properties over 10 hectares in area, which are used solely or principally for rural purposes.

For categories E and F, rural purposes include agricultural, horticultural or pastoral purposes and the keeping of bees or poultry or other livestock.

##### Note:

Subject to the right of objection in Sections 29 and 39 of the Local Government (Rating) Act 2002, it shall be at the sole discretion of the Council to determine the sole use or principal use of any separately rateable property within the district.

### 3.2.3 UNIFORM ANNUAL GENERAL CHARGE

The current policy is that Council will not be adopting a uniform annual general charge.

### 3.2.4 TARGETED RATE – NON-DOMESTIC WATER SUPPLY

A targeted rate will be set and assessed on a differential basis for water supply under Section 19 (2)(b) and Clause 7 of Schedule 3 of the Local Government (Rating) Act 2002 to all separately used or inhabited parts of a rating unit supplied with non-domestic water, being the categories of Commercial/Industrial, Rural Large and Rural Small properties (as defined by Hamilton City Council Water Supply Bylaw 1999).

Total revenue sought – \$2.552 million (excluding GST) or \$2.871 million (including GST).

Category	Rate per Unit of Water (cents per kilolitre)	Minimum Charge	Revenue (GST exclusive) 2003/04
Non-Domestic Supply Rateable/Non-Rateable City (Commercial/ Industrial Properties and Non-Rateable Properties)	51.0 (after the first 210 kilolitres of consumption or supply)	\$108	\$1,684,446
Non-Domestic Supply Rural - Restricted Flow Supply (Rural Large & Rural Small Properties which receive the service)	36.0 (after the first 300 kilolitres of consumption or supply)	\$108	\$14,524
Outside City - (Waipa District Council & Waikato District Council properties)	51.0 (after the first 210 kilolitres of consumption or supply)	\$108	\$651,287
Waikato District Council (supply agreement)	36.0 (after the first 300 kilolitres of consumption or supply)	\$108	\$201,743

Each rating unit assessed a targeted rate for non-domestic water supply will be charged a rate per unit of water supplied in accordance with the scale of charges above. Where the six monthly consumption is less than \$54 (annual minimum charge is \$108) a fixed amount of \$54 will be charged to every rating unit or every separately used or inhabited part of a rating unit supplied with non-domestic water.

The charge per unit of water consumed or supplied is on a scale that reflects the difference between City full pressure supply and rural restricted flow supply.

The revenue from this targeted rate will be applied to fund the operation, and maintenance of capital works, depreciation and financing costs of the water supply service.

The meters will be read twice during the year. The charges will be due and payable in two instalments per year, on receipt of an invoice from the Council.

Refer to Section 6.7.5 of the Rating Policy for further information.

### 3.2.5 TARGETED RATE – NON-RATEABLE PROPERTIES

A targeted rate will be set and assessed on a differential basis for water supply, waste collection (refuse) and sewage disposal (wastewater), under Section 16(3)(b) and Schedule 3, Clauses 3, 7 and 8 of the Local Government (Rating) Act 2002 to all non-rateable land that receives these services being the categories – Education Institutions, Churches (Place of Worship), Community Organisations and Sporting and Cultural Organisations (with gross annual income less than \$500,000).

#### Category Definitions – Non-Rateable Properties

##### Educational Institutions

Educational Institutions are defined in Schedule 1, Clause 6 of the Local Government (Rating) Act 2002.

##### Churches (Place of Worship)

Land and buildings that are to be used as a place of religious worship (Local Government (Rating) Act 2002, Schedule 1, Clause 9) not including associated rooms, halls or buildings which are used for meetings, accommodation and preparation of food. These are classified under the community category.

##### Community Organisations

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. (Ref: A Good Practice Guide, LGNZ, January 2000, page 20).

##### Sporting and Cultural Organisations

An organisation whose 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 the definition provided in the Local Government (Rating) Act 2002, Schedule 1, Part 2.

#### The Council will set and assess the following targeted rates:

##### Non-Rateable Water Targeted Rate

A targeted rate for water on all non-rateable properties as follows:

- (a) a fixed amount of \$108 per rating unit; and
- (b) a rate in the dollar on the land value to achieve the following differentials:
  - Educational institutions – the rate in the dollar required to meet this sector's proportion of the full cost of the service (after allowing for the total revenue raised by the fixed amount of \$108 per property), which is estimated to be 0.2245 cents in the dollar;
  - Churches – the rate in the dollar required to meet 33.3 per cent of the sector's proportion of the full cost of the service (after allowing for the total revenue raised by the fixed amount of \$36 per property), which is estimated to be 0.0750 cents in the dollar;
  - Community organisations and sporting and cultural organisations (other than large sporting and cultural organisations) – the rate in the dollar required to meet 60 per cent of this sector's full cost of the service (after allowing for the total revenue raised by the fixed amount of \$65 per property), which is estimated to be 0.1347 cents in the dollar.

##### Non-Rateable Refuse Targeted Rate

A targeted rate for refuse on all non-rateable properties as follows:

- (a) a fixed amount of \$85 per rating unit; and
- (b) a rate in the dollar on the land value to achieve the following differentials:
  - Educational institutions – the rate in the dollar required to meet this sector's proportion of the full cost of the service (after allowing for the total revenue raised by the fixed amount of \$85 per property), which is estimated to be 0.1570 cents in the dollar;

- Churches – the rate in the dollar required to meet 33.3 per cent of the sector's proportion of the full cost of the service (after allowing for the total revenue raised by the fixed amount of \$28 per property), which is estimated to be 0.0524 cents in the dollar;
- Community organisations and sporting and cultural organisations (other than large sporting and cultural organisations) – the rate in the dollar required to meet 60 per cent of this sector's full cost of the service (after allowing for the total revenue raised by the fixed amount of \$51 per property), which is estimated to be 0.0942 cents in the dollar.

#### **Non-Rateable Wastewater Targeted Rate**

A targeted rate for wastewater on all non-rateable properties as follows:

- a fixed amount of \$50 per rating unit; and
- a rate in the dollar on the land value to achieve the following differentials:
  - Educational institutions – the rate in the dollar required to meet this sector's proportion of the full cost of the wastewater services (after allowing for the total revenue raised by the fixed amount of \$50 per property), which is estimated to be 0.2634 cents in the dollar;
  - Churches – the rate in the dollar required to meet 33.3 per cent of the sector's proportion of the full cost of the service (after allowing for the total revenue raised by the fixed amount of \$17 per property), which is estimated to be 0.0880 cents in the dollar;
  - Community organisations and sporting and cultural organisations (other than large sporting and cultural organisations) – the rate in the dollar required to meet 60 per cent of this sector's full cost of the service (after allowing for the total revenue raised by the fixed amount of \$30 per property), which is estimated to be 0.1580 cents in the dollar.

#### **Notes:**

These targeted rates apply only to properties which are non-rateable in terms of the Local Government (Rating) Act 2002 and only to those properties supplied with the relevant service. Properties that are 50 per cent non-rateable (large sporting and cultural organisations) will be rated at 50 per cent of the general rate (residential).

Large sporting and cultural organisations means sporting and cultural organisations with a gross annual income of \$500,000 or more.

To calculate each sector's proportion of the cost of each service, the total cost of the service for the relevant year is multiplied by the proportion that the total rateable value of the sector bears to the total rateable value of the city.

Refer to Sections 6.7.12 to 6.7.17 of the Rating Policy for further information.

### **3.2.6 TARGETED RATES AND ACTIVITIES**

The water supply targeted rate funds operating and depreciation costs of water supplies to Commercial/Industrial, Rural properties and customers outside the city boundary.

The targeted rate for Non-Rateable properties for water, refuse and wastewater, represents a charge for the operating and depreciation costs for these activities.

### **3.3 FUNDING RATIONALE**

In selecting the above set of funding mechanisms, the Council applied the matters in Section 101 (3) of the Local Government Act 2002 and the funding of each service of Council is further explained in the Revenue and Financing Policy (Section 2).

## 4.0 INVESTMENT POLICY

This is a summary of the Investment Policy. In accordance with the Local Government Act 2002 the existing Investment Policy has been reviewed. A full copy of the Investment Policy is included in the 2002/03 Financial Management Policy.

### 4.1 OBJECTIVES

For the foreseeable future, Council will have a permanent net debt/borrowing position and will, where practical, use flexible short-term working capital money market funding lines instead of maintaining cash deposits. Accordingly, it will not have any requirement to be in a surplus cash situation apart from:

- the management of historical sinking funds
- restricted special funds, and
- trust funds.

Therefore, outside of the above-mentioned exceptions, any liquid investments must be restricted to a term that meets future cash flow projections.

### 4.2 GENERAL POLICY

#### 4.2.1 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 4.2.6 (below). The Council has established a level of \$2.5 million to identify significant issues, which require public consultation.

#### 4.2.2 CASH INVESTMENTS

Council's general, special or reserve funds cash (when required to be held in cash, e.g., Restricted Special Funds which can not be used for internal borrowing) 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.

#### 4.2.3 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.

#### 4.2.4 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. Liquid assets (except when restricted to being held in cash as per Section 4.2.2) will be utilised for internal borrowing to offset Council's working capital and debt funding requirements.

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

- Council's average weighted cost of funds for that period, or
- 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.



#### 4.2.5 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 should be maturity matched with equivalent borrowings. Council may also choose to utilise sinking funds for internal borrowing purposes and act as the Sinking Fund Commissioner. These methods 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.

#### 4.2.6 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.

#### 4.2.7 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 the 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 Liability 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 Liability Management Policy.

#### 4.5 COUNTERPARTY CREDIT RISKS

Refer to Section 5.6 of the Liability Management Policy 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 of the Liability Management Policy.

#### 4.7 DISPOSAL OF ASSETS

Any disposition of proceeds from the sale of assets or investments (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 Strategic Policy and Planning Co-ordination Committee through each quarterly meeting cycle:

- Funding Summary (Financial Overview)
- Funding Facilities/Liquidity Report
- Return on Investments Report
- Counterparty Credit 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 LIABILITY BORROWING MANAGEMENT POLICY

This is a summary of the Liability Management Policy. In accordance with the Local Government Act 2002, the existing Borrowing Management Policy has been reviewed and renamed the Liability Management Policy. A full copy of the Liability Management Policy is included in the 2002/2003 Financial Management Policy (referred to as the Borrowing Management Policy).

Borrowing under this Liability Management Policy includes internal as well as external borrowing (refer to the definition of borrowing in Section 112 of the Local Government Act 2002).

### 5.1 OBJECTIVE

The objective of the Liability Management 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 policy parameters, by actively managing funding risk and interest rate risk within the overall limit control of maximising benefits (from favourable interest rate movements) while having levels of protection in place against prolonged and significant adverse interest rate movements.

#### 5.1.1 ACTIVE MANAGEMENT AND HEDGING

Active management of borrowing is the use of direct borrowing methods such as committed or un-committed facilities, bond issues, term loans, overdraft etc. (as detailed in Section 5.4 of this policy).

Hedging is the use of interest rate swap contracts, forward rate agreements, options or swaptions to manage Council's interest rate exposure on existing loans (interest rate risk). There is no purchase or exchange of capital borrowing involved in the use of hedging products (Sections 5.4, 5.4.1 and 5.4.2 of this policy provide details of hedging products).

#### 5.1.2 DEFINITION OF TREASURY RISKS

Council is exposed to a number of risks when borrowing or investing funds, and in the management of treasury functions. These treasury risks are:

- Interest rate risk – Detailed in Section 5.2 of this policy.
- Funding risk – This is the risk of not having funding facilities spread over a reasonable period of years and being unable to source funding when required. To manage this risk Council has in place committed funding facilities with three banks and also issues term debt under its Debenture Trust Deed (further information is available in Section 5.3 of this policy).
- Settlement risk – Settlement risk is the risk that a counterparty fails to transfer funds or equities as agreed in a borrowing or investment contract. To manage this risk Council has become an associate member of Austraclear (a Reserve Bank operated facility to ensure simultaneous transfer of cash and securities at settlement) and only uses counterparties on the approved counterparty list (refer Section 5.6.1).
- Counterparty credit risk – Counterparty credit risk is the risk that a party to a transaction will default on its contractual obligations. This risk is managed by using only counterparties on the approved counterparty list (refer Section 5.6).

Hamilton City Council will have a permanent net debt/borrowing position (refer Section 4.1 of Council's Investment Policy). Council's cash requirements are managed on a daily basis. These cash requirements are achieved by the use of long term funding facilities, term loans and debenture stock/bond issuances along with short-term bank funding lines and bank overdraft. Investments will only occur occasionally and for brief periods and will be managed according to Council's Investment Policy. Risks associated with cash management in addition to those above are those associated with internal controls of treasury functions. These are managed by the use of formal delegation of authority and authority limits (refer Section 5.4.2) and by the separation of duties so that one person does not initiate a transaction and check confirmations.

### 5.2 INTEREST RATE RISK POLICY

Interest rate risk is the risk of significant unplanned changes to interest costs as a result of financial market movements.

The purpose of managing interest rate risk 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 interest rate movement 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 113 of the Local Government Act 2002).

#### **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 plans. 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 per cent 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 per cent minimum and 95 per cent maximum.

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

1 – 3 years	20% (min) – 50% (max) of the Fixed Rate total
3 – 5 years	20% (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 per cent minimum and 50 per cent maximum.

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

Call Market borrowings cannot exceed \$15 million.

#### **5.2.4 DEBT RATIOS AND LIMITS**

Debt will be managed within the macro limits as detailed in the Performance Targets section in 5.11 below.

Debt will be repaid as it falls due in accordance with the applicable loan agreement. Subject to the debt limits, a loan may be rolled over or re-negotiated as and when appropriate.

### **5.3 FUNDING RISK POLICY**

Funding risk is the risk to Council of not having funding facilities spread over a reasonable period of years and being unable to source funding when required.

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	–	50%
Debt/facilities maturing 1– 3 years time	12.5	–	47.5%
Debt/facilities maturing 3– 5 years time	12.5	–	47.5%
Debt/facilities maturing 5 years and over	5	–	47.5%.

## 5.4 APPROVED FINANCIAL INSTRUMENTS AND THEIR USE

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

A list of the current approved interest rate instruments is contained in Section 5.4 of the full Liability Management Policy.

Counterparties who sell Interest Rate Risk management products will require Council to sign a Master Agreement that covers all the legal terms, conditions, rights, responsibilities and liabilities under the contract. The 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).

### 5.4.1 FINANCIAL INSTRUMENT USE

#### Interest rate swap contracts (SWAP)

- SWAP contracts cannot exceed 10-years.
- Net outstanding/open interest rate swap contracts cannot exceed 100 per cent of total debt.
- Existing interest rate swap contracts may be closed out or amended prior to maturity by cancellation/amendment 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 per cent 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 1 per cent of the appropriate SWAP rate.
- Refer to interest rate swap contracts for transaction limits.

### 5.4.2 DELEGATION OF AUTHORITY AND AUTHORITY LIMITS

Treasury transactions entered into by Council without the proper authority are difficult to cancel given the legal doctrine of 'apparent authority'. Also, insufficient authorities for a given bank account or facility may prevent the execution of certain transactions (or at least cause unnecessary delays).

To prevent these types of situations, the following procedures must be complied with:

- all delegated authorities and signatories must be reviewed at least every 12-months to ensure that they are still appropriate and current.
- a comprehensive letter must be sent to all bank counterparties at least every year that details all relevant current delegated authorities of Council and contracted personnel empowered to bind Council.

Whenever a person with delegated authority on any account or facility leaves Council, all relevant banks and other counterparties must be advised in writing immediately to ensure that no unauthorised instructions are to be accepted from such persons.

A delegated authority schedule is contained in Section 5.4.3 of the full Liability Management Policy.

## 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 cash flows, 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
- un-drawn 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.

#### 5.5.2 COMMITTED BANK FACILITIES

To ensure the ongoing funding of Council and to manage funding risk (and hence liquidity), 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 issuing of a security stock certificate under the Debenture Trust Deed. Committed borrowing facilities will be maintained at 10 per cent above the maximum 12-month forecast net debt amount including 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).

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

#### 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 detailed in Section 5.6 of the full Liability Management Policy. Counterparties exceeding limits are 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 SETTLEMENT RISK

Counterparty settlement 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 counterparties 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 have 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 has registered as an Associate Member of Austraclear. Should 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 DEBT REPAYMENT POLICY**

Debt repayment shall be budgeted to be 4 per cent of the opening balance of net debt (excluding internal borrowing). Debt repayment will include sinking fund interest earned on accumulated sinking funds, but to exclude lump sum debt repayments from asset sales. Opening debt balance will be adjusted down for any lump sum debt repayments from asset sales in the budgeted year.

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

### **5.7.2 COST OF CAPITAL POLICY**

The borrowing policy is based on balance sheet funding, with all borrowings or debt deemed to be corporate debt. Debt repayments will be made from revenue. The cost of capital is to be spread over significant services on the basis of the book value of land and buildings employed, except where Council has provided for the costs to be recovered from specific activities (refer Statement of Accounting Policies and Long-Term Financial Strategy Section 2.10).

## **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, 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, a registrar, paying agent and advisors from time-to-time to act under the debenture trust deed.

Other security may be given under certain circumstances.

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 & 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 2002 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 provides for all foreign exchange purchases of \$25,000 or greater (in New Zealand dollars) to be covered forward by way of forward exchange contracts. The complete Foreign Exchange Risk Management Policy is contained in Section 5.9 of the full Liability Management Policy.

### 5.10 REPORTING

For reporting on the Liability Management Policy, the following reports will be completed and presented to Council's Strategic Policy and Planning Co-ordination Committee through each quarterly meeting cycle:

- Funding Facilities Report/Liquidity Report
- Financial Instrument Contracts Report
- Cost of Funds Report
- Summary of Funding and Interest Rate Risks
- Actual and Forecast Debt (current year)
- Debt Performance Targets Report
- Funding Summary (Financial Overview).

### 5.11 PERFORMANCE TARGETS

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

Objective	Target
To manage interest rate risk exposure.	Minimum (50%) and maximum (95%) level of fixed borrowing is not exceeded.
To maintain debt within specified limits and ensure adequate provision for repayments to maintain adequate liquidity.	<p>Net city debt does not exceed 15% of total ratepayers' equity.</p> <p>Net city debt does not exceed 150% of total income for the year.</p> <p>City debt interest payments do not exceed 15% of the total income for the year.</p> <p>City debt interest payments do not exceed 20% of the rating income for the year.</p> <p>Liquidity ratio to exceed 110%. Liquidity ratio defined as:</p> <p>Term debt and committed borrowing facilities is not less than 110% of the maximum 12-month forecast net debt, including working capital requirements.</p> <p>Net city debt does not exceed \$1,500 per capita.</p>
To maintain security for public debt by way of a charge over rates through the Debenture Trust Deed, or registered mortgage over specific assets.	Security documentation is reviewed to ensure compliance.
To ensure that transactions involving foreign currency exceeding \$25,000 in value are hedged by way of forward cover contracts.	Compliance with this policy is monitored by reviewing payments in foreign currency.

## 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 accounting principles: 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.
- Spread the incidence of rates as fairly as possible.
- Be consistent in charging rates.
- Ensure all ratepayers pay their fair share for Council services.
- Provide the income to meet the goals.

The Rating Policy should be read in conjunction with the summary of the Council's Revenue & Financing Policy (Section 2), and the Funding Impact Statement (Section 3).

At various points of this policy summary a level of rate or charge is specified. These are included to give ratepayers an opportunity to calculate their rates in the year covered by this Annual Plan (2003/04).

### 6.2 BACKGROUND

Rates are levied under the Local Government (Rating) Act 2002, on all rateable rating units on the land value supplied by Quotable Value New Zealand Limited.

### 6.3 RATING SYSTEMS

There are three rating systems available to local authorities under Section 13 of the Local Government (Rating) Act 2002 for the general rate.

#### 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 per cent 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.

### 6.4 DIFFERENTIAL RATING

Differential rating is the system on which rates are made. It is a means where rates levied on one or more groups of property that may vary from those levied in respect to others. Under Council's current policy the impact of rating on a differential basis is primarily to shift the rating levy off residential properties onto other sectors in the community based on funding considerations outlined in the funding policy.

## 6.5 TYPES OF RATES

### General Rate

Is a rate in the dollar levied on all rateable rating units.

### Targeted Rate

May be set on a uniform basis for all rateable land or only on some categories of rateable land either uniformly or differentially for different categories of rateable land under Section 17 of the Local Government (Rating) Act 2002.

### Uniform Annual General Charge

Is a fixed amount per rating unit or separately used or inhabited part of a rating unit applied equally to all rateable properties.

## 6.6 MAXIMUM UNIFORM ANNUAL CHARGE REVENUE

By law, rating revenue from uniform annual general charges and uniform per property targeted rates (except those for water and wastewater services) cannot exceed 30 per cent of the total rates revenue.

With effect from the 1997/98 rating year, Council has resolved not to levy uniform annual general charges or targeted rates except for a targeted rate for non-domestic water supply under Section 19(2)(b) of the Local Government (Rating) Act 2002 and a targeted rate for non-rateable land for water supply, refuse and wastewater under Section 16(3)(b) and Schedule 3, Clauses 3, 7 & 8 of the Local Government (Rating) Act 2002.

## 6.7 RATING SYSTEM

The following sub-sections describe in detail Council's rating system.

### 6.7.1 GENERAL RATE

The general rate under Section 13 of the Local Government (Rating) Act 2002 is set based on the rateable value of the land. The rateable value is the land value of the land. General rates are set at different rates in the dollar of rateable value for different categories of rateable land, as described below under the heading "Differential Rating".

### 6.7.2 DIFFERENTIAL RATING

For 2003/04 Council has set a general rate based on the land value of each rating unit in the City. The existing six sectors were retained because each has clearly defined patterns of benefit.

Significant changes in values across property sectors has resulted in a land value movement adjustment between the sectors, which has changed the revenue required from the six categories of properties. However, only properties transferring between sectors were subject to the land value movement adjustment. This has amended the differential fixed yield for each category of property.

For the 2003/04 general rate, the categories of rateable land, the differential yield, the differential factor (compared to residential rates) and the rate in the dollar of land value, are as shown in the table below.

The total revenue sought for 2003/04 is \$70.256 million (excluding GST) or \$79.038 million (including GST).

Sector	Differential Yield	Differential Factor	Rate in Cents per Dollar of Land Value for 2003/04
Residential	64.7921%	1.00	1.9825
Inner City Residential Apartments	0.1349%	0.94	1.8679
Commercial/Industrial	31.809%	2.32	4.6006
Multi-Units	1.837%	1.49	2.9475
Rural Small (< 10 hectares)	1.107%	0.52	1.0233
Rural Large (> 10 hectares)	0.320%	0.27	0.5254

### 6.7.3 CATEGORY DEFINITIONS

#### Category A – Residential and Other

All separately rateable properties –

- (i) Used solely or principally for residential purposes as the home or residence of not more than two households, excluding properties categorised as Category C or Category D; or
- (ii) 2,000 square metres or less in area, used solely or principally for rural purposes, which receive full water and wastewater services from the Council; or
- (iii) The residential portion of a property which is used for both residential/ commercial use, i.e., small business operated from residential properties; or
- (iv) Not otherwise categorised in this special order.

#### Category B – Multi-Unit Residential

All separately rateable properties used solely or principally for residential purposes as the home or residence of three or more households, but excluding properties categorised as Category D.

#### Category C – Inner City Residential Apartments

All separately rateable properties –

- (i) Used solely or principally for residential purposes as the home or residence of not more than two households, excluding properties categorised as Category D; and
- (ii) Located within the CBD where the Council cannot provide a household waste collection service.

#### Category D – Commercial/Industrial

All separately rateable properties –

- (i) Used solely or principally for commercial or industrial purposes, but excluding properties categorised as Category E or F; or
- (ii) Used solely or principally for commercial residential purposes, including, but not limited to, hotels, boarding houses, rest homes, motels, residential clubs, hostels; or
- (iii) The commercial portion of the property, which is used for both commercial/residential use, i.e., small business, operated from residential property.

#### Category E – Rural Small Holding

All separately rateable properties less than 10 hectares in area, used solely or principally for rural purposes, excluding properties categorised under paragraph (ii) of Category A.

### Category F – Rural Large Holding

All separately rateable properties over 10 hectares in area, which are used solely or principally for rural purposes.

For categories E and F, rural purposes include agricultural, horticultural or pastoral purposes and the keeping of bees or poultry or other livestock.

#### Note:

Subject to the right of objection in Sections 29 and 39 of the Local Government (Rating) Act 2002, it shall be at the sole discretion of the Council to determine the sole use or principal use of any separately rateable property within the district.

### 6.7.4 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.

### 6.7.5 TARGETED RATES

Council may set a targeted rate for an activity if the activity is identified in its Funding Impact Statement as an activity for which a targeted rate may be applied.

#### (a) Targeted Rate for Non-Domestic Water Supply

Pursuant to Section 19(2)(b) and Clause 7 of Schedule 3 of the Local Government (Rating) Act 2002, Hamilton City Council will set and assess the following targeted rate on all rating units supplied with non-domestic water supply (as defined by Hamilton City Council's Water Supply Bylaw 1999) as follows:

- (i) a fixed amount of \$108 on every separately used or inhabited parts of a rating unit supplied with non-domestic water; and
- (ii) a charge per unit of water consumed or supplied on every separately used or inhabited parts of a rating unit in accordance with the following scale:
  - commercial/industrial properties, non-rateable properties, or other properties with metered supply – 51 cents per kilolitre of water supplied after the first 210 kilolitres of consumption or supply;
  - rural properties receiving a restricted flow supply – 36 cents per kilolitre after 300 kilolitres of consumption or supply.

Properties in the Waikato District Council and Waipa District Council supplied with water under contractual arrangements will be charged at equivalent rates per unit of water, but outside the rating system.

#### (b) General Information

Non-Domestic Supply is defined in the Bylaw as any water supplied for all purposes other than domestic supply (domestic supply is generally limited to city based domestic use).

Total revenue sought – \$2,871,000 (\$2,552,000 excluding GST).

The revenue from this targeted rate will be applied to fund the operation, and maintenance of capital works, depreciation and financing costs of the water supply service.

The meters will be read twice during the year. The charges will be due and payable in two instalments per year, on receipt of an invoice from the Council.

All amounts stated above include Goods and Services Tax and are for the period commencing 1 July 2003 and ending on 30 June 2004.

#### 6.7.6 RATES PAYABLE BY INSTALMENTS

The Council provides for rates to be paid in four equal instalments. A ratepayer may elect to pay weekly, fortnightly, monthly by automatic payment through the banking system. Rates can also be paid by direct debit (monthly or quarterly), Internet and other banking methods.

#### 6.7.7 DISCOUNTS FOR PROMPT PAYMENT

The Local Government (Rating) Act 2002, Section 55 authorises a council, if it so desires, 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.

#### 6.7.8 RATING PENALTIES

In accordance with Sections 57 & 58 of the Local Government (Rating) Act 2002 a penalty of 10 per cent is added to each instalment or part thereof which are unpaid after the due date for payment. Previous years rates, which remain unpaid, will have a further 10 per cent added on 1 September 2003 and again on 1 March 2004.

#### 6.7.9 REMISSION AND POSTPONEMENT POLICIES

In accordance with Sections 139-142 of the Local Government (Rating) Act 2002, Council will continue to remit and postpone rates as if the Rating Powers Act 1988 were still in force until 30 June 2004.

##### Policy 1

##### Rate Remissions Remission of Penalties

Council's current policy is that additional charges by way of penalty be applied in accordance with Section 179 of the Rating Powers Act 1988, 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:
  - a) 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,
  - b) 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.

##### Policy 2

##### Rates Remission – Hardship Relief

Section 177 of the Rating Powers Act 1988 and Section 85 of the Local Government (Rating) Act 2002 provides for Council to remit rates in cases of extreme hardship. Council has approved a Rates Remission - Hardship Relief Policy based on the following criteria:

- (i) Council receive applications from ratepayers for rates remission - hardship relief as described in Section 177 of the Rating Powers Act 1988, and Section 85 of the Local Government (Rating) Act 2002.
- (ii) The maximum remission under Section 177 of the Rating Powers Act 1988, and Section 85 of the Local Government (Rating) Act 2002 is \$300.
- (iii) The application will be assessed independently from the Government Rates Rebate Scheme.
- (iv) The following essential elements must be met before any remission is granted:
  - the applicant must be the owner of the property, the applicant must reside at the property and the property must be classified as either a residential or inner city residential apartment. Companies, trusts and other similar ownership structures of these properties do not qualify for this remission;



- 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;
- the applicant must declare total household income and their total financial position for the purposes of the remission calculation;
- the applicant's total assets must not exceed the "total assets" formula described in the Rates Remission - Postponement due to Financial Hardship Policy;
- 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.

### **Policy 3**

#### **Rates Remission – Postponement due to Financial Hardship**

Section 178 of the Rating Powers Act 1988 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 earlier. 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, and
- 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 \$616 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 \$13,165. The completion of an application is required for each year of postponement.

The relief formula be 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 Local Government (Rating) Act 2002 appear to be adequate and acceptable to the community.

#### **6.7.10 REMISSION AND POSTPONEMENT OF RATES ON MAORI FREEHOLD LAND**

Council's current policy is that a remission of all or part of rates may be granted in respect of rating units which are Maori freehold land in multiple ownership, where the land is both unoccupied and unproductive.

The objective of this policy is to recognise situations where there is no occupier, no economic or financial benefit is capable of being derived from the land, and there is no practical means of enforcing the rates assessed.

Council Remission and Postponement of Rates on Maori Freehold Land Policy addresses the requirements prescribed under Section 108 and set out in Schedule 11 of the new Act.

The full policy is available upon request.

#### **6.7.11 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 14(b) of the Local Government (Rating) Act 2002).

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.

In future the apportionment of values for different “uses” on the property will occur through the operation of Section 27(5) of the Local Government (Rating) Act 2002.

#### **6.7.12 RATING OF NON-RATEABLE LAND**

For 2002/03, Hamilton City Council charged non-rateable land a proportionate part of the general rate in respect of water supply, waste collection (refuse) and sewage disposal services (wastewater) as it was authorised to do by Section 7 of the Rating Powers Act 1988.

Section 9 of the Local Government Act (Rating) Act 2002 continues to allow the rating of non-rateable land for these purposes, but in different terms.

Under the new section, non-rateable land is rateable for the purposes of setting a targeted rate if the rate is set solely for water supply, waste collection (refuse) or sewage disposal (wastewater) and the land is provided with the service.

Council can no longer charge non-rateable land a proportion of the general rate and must instead have a targeted rate for the relevant service. To minimise disruption to the rating system for the 2003/04 rating year, Council has introduced targeted rates for each of these activities for which only non-rateable land which receives the service will be liable. This is authorised by Section 16(3)(b) and Schedule 3, Clauses 3, 7 & 8 of the Local Government (Rating) Act 2002.

In addition, as a result of the Local Government (Rating) Act 2002, the Rating Powers (special provision for certain rates for education establishments) Amendment Act no longer applies from 1 July 2003.

#### **6.7.13 RATING FOR EDUCATIONAL INSTITUTIONS**

##### **Definition**

Educational Institutions are defined in Schedule 1, Clause 6 of the Local Government (Rating) Act 2002.

The current policy is as follows:

- that all educational institutions (including private schools and tertiary institutions) be rated for general rates on the same basis. Under the current legislation this means that no general rates will be chargeable;
- that these properties be charged by way of a targeted 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;
- that there be a minimum charge for each service.

#### **6.7.14 RATING OF CHURCHES (PLACE OF WORSHIP)**

##### **Definition**

Land and buildings that are to be used as a place of religious worship (Local Government (Rating) Act 2002, Schedule 1, Clause 9) not including associated rooms, halls or buildings which are used for meetings, accommodation and preparation of food. These are classified under the community category.

The current policy is as follows:

- that these properties be charged by way of a targeted rate for the full cost of water, refuse and wastewater services supplied, discounted by 66.6 per cent 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;
- that there be a minimum charge for each service.

### 6.7.15 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. (Ref: A Good Practice Guide, LGNZ, January 2000, page 20).

The current policy is as follows:

- that these properties be charged by way of a targeted rate for the full cost of water, refuse and wastewater services supplied, discounted by 40 per cent 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;
- that there be a minimum charge for each service.

### 6.7.16 RATING OF SPORTING AND CULTURAL ORGANISATIONS

#### Definition

An organisation whose 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 the definition provided in the Local Government (Rating) Act 2002, Schedule 1, Part 2.

The current policy is as follows:

- That these properties be classified into two categories based on gross annual income received by these organisations. The policy took 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 per cent of the targeted rate for the full cost of water, refuse and wastewater, with minimum charges applicable.

#### Category 2

Sporting and cultural organisations with gross annual income \$500,000 and over be rated at the 50 per cent general rate (residential) mandatory remission as authorised by Schedule 1, Part 2 of the Local Government (Rating) Act 2002. These properties are not assessed targeted rates for water, refuse and wastewater.

To implement this policy, properties in Category 1 will be liable for the targeted rates as set out below. Properties in Category 2 will not be liable for the targeted rates set out below but will be liable for 50 per cent of the general rate (residential) in accordance with their status under Section 8(2) of the Local Government (Rating) Act 2002, as 50 per cent non-rateable.

### 6.7.17 TARGETED RATES FOR NON-RATEABLE PROPERTIES

To give effect to the foregoing policies on the rating of non-rateable properties, the Council will set and assess the following targeted rates:

#### Non-Rateable Water Targeted Rate

A targeted rate for water on all non-rateable properties as follows:

- a fixed amount of \$108 per rating unit; and
- a rate in the dollar on the land value to achieve the following differentials:
  - Educational institutions - the rate in the dollar required to meet this sector's proportion of the full cost of the service (after allowing for the total revenue raised by the fixed amount of \$108 per property), which is estimated to be 0.2245 cents in the dollar;
  - Churches - the rate in the dollar required to meet 33.3 per cent of the sector's proportion of the full cost of the service (after allowing for the total revenue raised by the fixed amount of \$36 per property), which is estimated to be 0.0750 cents in the dollar;
  - Community organisations and sporting and cultural organisations (other than large sporting and cultural organisations) - the rate in the dollar required to meet 60 per cent of this

sector's full cost of the service (after allowing for the total revenue raised by the fixed amount of \$65 per property), which is estimated to be 0.1347 cents in the dollar.

#### **Non-Rateable Refuse Targeted Rate**

A targeted rate for refuse on all non-rateable properties as follows:

- (a) a fixed amount of \$85 per rating unit; and
- (b) a rate in the dollar on the land value to achieve the following differentials:
  - Educational institutions – the rate in the dollar required to meet this sector's proportion of the full cost of the service (after allowing for the total revenue raised by the fixed amount of \$85 per property), which is estimated to be 0.1570 cents in the dollar;
  - Churches – the rate in the dollar required to meet 33.3 per cent of the sector's proportion of the full cost of the service (after allowing for the total revenue raised by the fixed amount of \$28 per property), which is estimated to be 0.0524 cents in the dollar;
  - Community organisations and sporting and cultural organisations (other than large sporting and cultural organisations) – the rate in the dollar required to meet 60 per cent of this sector's full cost of the service (after allowing for the total revenue raised by the fixed amount of \$51 per property), which is estimated to be 0.0942 cents in the dollar.

#### **Non-Rateable Wastewater Targeted Rate**

A targeted rate for wastewater on all non-rateable properties as follows:

- (a) a fixed amount of \$50 per rating unit; and
- (b) a rate in the dollar on the land value to achieve the following differentials:
  - Educational institutions – the rate in the dollar required to meet this sector's proportion of the full cost of the wastewater services (after allowing for the total revenue raised by the fixed amount of \$50 per property), which is estimated to be 0.2634 cents in the dollar;
  - Churches – the rate in the dollar required to meet 33.3 per cent of the sector's proportion of the full cost of the service (after allowing for the total revenue raised by the fixed amount of \$17 per property), which is estimated to be 0.0880 cents in the dollar;
  - Community organisations and sporting and cultural organisations (other than large sporting and cultural organisations) – the rate in the dollar required to meet 60 per cent of this sector's full cost of the service (after allowing for the total revenue raised by the fixed amount of \$30 per property), which is estimated to be 0.1580 cents in the dollar.

#### **Notes:**

These targeted rates apply only to properties which are non-rateable in terms of the Local Government (Rating) Act 2002 and only to those properties supplied with the relevant service. Properties that are 50 per cent non-rateable (large sporting and cultural organisations) will be rated at 50 per cent of the general rate (residential).

Large sporting and cultural organisations means sporting and cultural organisations with a gross annual income of \$500,000 or more.

To calculate each sector's proportion of the cost of each service, the total cost of the service for the relevant year is multiplied by the proportion that the total rateable value of the sector bears to the total rateable value of the City.

#### **6.7.18 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, engaged a valuation consultant and these utility valuations have been entered on the District Valuation Roll.

While valuation under capital value is possible, legal advice received advises that there is no land value component in these valuations. This means Council will be unable to rate these utility properties for the 2003/04 rating year.

#### **6.7.19 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.

#### **6.7.20 REVIEW RATING SYSTEM AND DIFFERENTIALS**

The current Council policy is that the rating system and the differential system be reviewed every three years.

Council has reviewed its rating system for 2003/04 and has determined to retain the land value rating system for the 2003/04 rating year.

Council has reviewed the rating differential between property sectors, and this has been amended for the 2003/04 financial year for the following:

- the change in values across property sectors has resulted in a land value movement adjustment between the sectors, which has changed the rates required from the different categories of properties.

#### **6.8 DELEGATION OF RATING FUNCTIONS, POWERS AND DUTIES**

Section 132 of The Local Government (Rating) Act 2002 allows Council to delegate the exercise of functions, powers or duties conferred by this Act to the Chief Executive or to any officer specified. Council has delegated the responsibility of administering the rating function to the Revenue Manager. Section 132 prevents Council from delegating:

- (i) any of the powers to set and assess rates,
- (ii) any of the duties relating to the setting and assessment of replacement rates, and
- (iii) the power to delegate.

The delegation of powers from Council to the Chief Executive and staff is further outlined in the Delegation to Officers Council Policy.

#### **6.9 THREE YEARLY REVALUATION OF PROPERTY VALUES**

The property values on which the Council bases the general rates calculation are independently revalued every three years.

The revaluation may affect the amounts assessed against individual rating units within each differential rating sector relative to other rating units in that sector.

The last revaluation for the Hamilton City council was as at September 2000 and was effective for rating purposes on the year that commenced on 1 July 2001 (2001/02).

The next district wide revaluation will be in September 2003 and will become effective for rating purposes from 1 July 2004.

#### **6.10 IMPACT OF RATING POLICY DECISIONS**

Attached for readers consideration in the appendices to this policy document is a sample of various properties throughout the City, which shows the impact of the proposed changed differential system.

## 7.0 SIGNIFICANCE POLICY

### 7.1 OBJECTIVE

To ensure that the community of Hamilton is fully consulted and able to actively participate in the consideration of issues, proposals, decisions or other matters which are significant, and/or which involve Hamilton City Council's strategic assets.

### 7.2 POLICY OUTLINE

This policy outlines the general approach of Hamilton City Council (Council) to determining the significance of issues, proposals, decisions, and other matters. It includes thresholds, criteria and procedures that Council will use in assessing which issues, proposals, decisions and other matters are deemed to be significant as required by Section 90 of the Local Government Act 2002.

It also provides a list of assets which Council considers to be strategic assets.

Council will normally consult on any matters of significance through the preparation, review, or amendment to its Long-Term Council Community Plan (LTCCP), or where appropriate through its Annual Plan. Notwithstanding this Council may consult at any time, using the Special Consultative Procedure, with its community, where a matter is deemed to be significant through the application of this policy.

#### 7.2.1 LEGISLATIVE REQUIREMENT

Council is required to have a policy on significance under Section 90 of the Local Government Act 2002 (LGA 2002).

#### 7.2.2 DEFINITIONS

Section 5 of the LGA 2002 defines 'significance', 'significant' and 'strategic asset' as follows:

**significance**, in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for:

- (a) the current and future social, economic, environmental, or cultural well-being of the district or region;
- (b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision or matter; and
- (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.

**significant**, in relation to any issue, proposal, decision, or other matter, means that the issue, proposal, decision, or other matter has a high degree of significance.

**strategic asset**, in relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes:

- (a) any asset or group of assets listed in accordance with Section 90(2) by the local authority;
- (b) any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and
- (c) any equity securities held by the local authority in:
  - (i) a port company within the meaning of the Port Companies Act 1988
  - (ii) an airport company within the meaning of the Airport Authorities Act 1966.

### 7.3 APPLICATION OF THE SIGNIFICANCE POLICY

In determining the application of this policy Council will have regard to the definition of "Significance", "Significant", and "Strategic Asset" as defined in the LGA 2002, and contained in Section 7.2.2 of this policy. It will further have regard to the general approach to determining which issues, proposals, decisions or other matters are significant (Section 90(1)(a) LGA 2002), the thresholds, criteria, and procedures for determining which issues, proposals, decisions or other matters are significant (Section 90(1)(b) LGA 2002), and those strategic assets and groups of strategic assets as a whole identified by the Hamilton City Council (Section 90(2) LGA 2002). (See Attachment One.)

#### 7.3.1 GENERAL APPROACH

In considering whether any issue, proposal, decision or other matter is of significance under this policy Council will be guided by the following:

- the likely impact/consequences of the issue, proposal, decision or other matter, on the current and future social, economic, environmental, and cultural well-being of the community;
- the parties who are likely to be particularly affected by or interested in the issue, proposal, decision or other matter;
- the likely impact/consequences of the issue, proposal, decision or other matter from the perspective of those parties;
- the financial and non-financial costs and implications of the issue, proposal, decision or other matter having regard to Council's capacity to perform its role.

The more material the impact or consequences of the issue, proposal, decision or other matter is likely to be, the higher the standard of compliance required with Part 6 of the LGA 2002, and the more likely the matter will be 'significant'.

In determining whether any issue, proposal, decision or other matter is significant Council will consider the thresholds and apply the criteria and procedures set out below in this policy.

#### 7.3.2 THRESHOLDS

When undertaking a process to determine which issue, proposal, decision or other matter is significant Council will recognise the following thresholds in determining significance:

- Issues, proposals, decisions, assets, or other matters for which Council will:
  - incur unbudgeted operational expenditure exceeding 7.5% of its annual budget for that year
  - incur unbudgeted capital expenditure exceeding 2.5% of the total value of Council's assets, or where spent on a strategic asset or strategic asset as a whole as defined in the LGA 2002, or in Attachment One of this policy, exceeds 25% of that asset's value (provided that emergency works which are required to protect life, property or level of service target as specified in an LTCCP shall be exempted);
- Any transfer of ownership or control, or the disposal or abandonment, of a strategic asset as a whole as defined by the LGA 2002 or listed in Appendix One of this policy;
- The sale of Council's shareholding in any council controlled trading organisation, or council controlled organisation;
- A decision that will, directly or indirectly, severely affect the capacity (including financial capacity) of Council to carry out any activity identified in the Long-Term Council Community Plan;
- Entry into any partnership with the private sector to carry out a significant activity.

Where any issue, proposal, decision or other matter triggers one or more of the above thresholds, it shall be considered against the criteria spelt out in Section 7.3.3 of this policy in determining whether it is significant.



### 7.3.3 CRITERIA

In considering whether any issue, proposal, decision or other matter is significant the following criteria will be used:

- the issue, proposal, decision or other matter affects all or a large portion of the community in a way that is not inconsequential;
- the impact or consequences of the issue, proposal, decision or other matter on the affected persons will be substantial;
- the financial implications of the issue, proposal, decision or other matter on Council's overall resources are substantial;
- the outcomes will dramatically impact on the level of service for any significant activity, and/or will affect the Council's capacity to continue to carry out an established significant activity; and
- a consultation process for the issue, proposal, decision, or other matter is not specifically provided for under the Local Government Act 2002, or any other specific legislation.

### 7.3.4 PROCEDURES

In achieving this policy:

- Decisions on 'significance' shall be made by Council or a committee were specifically delegated in accordance with Council's Governance Statement, Standing Orders, and the Council Policy Manual.
- Where an issue, proposal, decision or other matter is considered to be significant in accordance with the Policy, any report to Council will also include a statement addressing the appropriate observance of such of Sections 77, 78, 80, 81 and 82 of the LGA 2002 as are applicable.
- Once an issue, proposal, decision or other matter is determined as significant in accordance with the application of this policy, the "Decision Making" provisions of the LGA 2002, shall be applied as outlined in Sections 76 to 82 of the LGA 2002.
- Council will determine the most appropriate means to conduct its consultation on any significant issue, decision or other matter. Generally Council will undertake this as part of the preparation, review or amendment to its Long Term Council Community Plan, or where appropriate through its Annual Plan.
- Council will report annually through its Annual Report on all issues, proposals, decisions or other matters determined to be significant, and subject to the procedure outlined in Sections 76 - 82 of the LGA 2002 as appropriate.

## 7.4 STRATEGIC ASSETS OF THE HAMILTON CITY COUNCIL

The LGA 2002 requires that this policy shall identify all the strategic assets, as defined in Section 5 of the LGA 2002, and outlined in Section 7.2.2 above.

The Strategic Assets register (Attachment One) is not an exhaustive list of Council assets but includes those that are considered to be significant in ensuring Council's capacity to achieve or promote any important outcome.

The strategic assets also include, pursuant to Section 90(2)(c)(ii) of the LGA 2002 the Hamilton City Council shareholding in the Hamilton Airport Company Ltd.

#### Note:

The Hamilton City Council owns a number of assets and assets managed "as a whole" that it considers to be strategic, however not all trading decisions made regarding these assets are regarded as significant nor do they affect the assets' strategic nature. For example the roading network is strategic, but the individual parcels of land that make it up may not be, and the purchase or sale of such parcels of land are unlikely to amount to a significant decision.

## ATTACHMENT ONE

## REGISTER OF HAMILTON CITY COUNCIL'S STRATEGIC ASSETS

Asset	Notes
Hamilton City Libraries as a whole	Includes books and heritage collections
Waterworld, & Gallagher Pool	Includes all land, buildings and structures
Founders Memorial Theatre, & Westpac Trust Theatre	
Waikato Museum of Art and History	Includes buildings and collections
Pensioner Housing as a whole	
Hamilton Transport Centre	
Hamilton Zoo	Includes all buildings, structures, land, animals and animal enclosures
Hamilton Gardens	Includes all land, buildings and structures
Amenity Parks, Sports Parks and Facilities under the Reserves Act 1977	
Stadiums	Includes Waikato Stadium, Westpac Park, and Porritt Stadium
Cemeteries	
Horotiu Landfill	
Refuse Transfer Station	
Wastewater reticulation system as a whole	Includes pipes, pump stations, and sewer bridge
Stormwater reticulation system as a whole	
Roading system as a whole	Footpaths Off-street Parking Bridges
Reservoirs and water reticulation system as a whole	Includes the land and structures
Waste Water Treatment Plant	Includes all land, buildings and plant
Water Treatment Station	Includes all land, buildings, treatment plant and tanks

## 8.0 PARTNERSHIPS WITH PRIVATE SECTOR POLICY

### 8.1 OBJECTIVE

To enable Council to enter into partnerships with the private sector, where there is a potential benefit for the well-being of the community in Hamilton city.

### 8.2 POLICY OUTLINE

This policy outlines the circumstances in which Council will consider entering into Public-Private Sector Partnerships (PPPs), when consultation would be undertaken prior to such a partnership, what conditions might be imposed on such partnerships, their risk management, and reporting on the funding and outcomes of any such partnerships. For statutory requirements, refer to Section 107 of the Local Government Act 2002 (LGA 2002).

### 8.3 DEFINITION

A Public-Private Sector Partnership (PPP) includes any agreement or arrangement that is entered into between one or more councils and one or more persons engaged in business, but does not include:

- A contract for the supply of goods or services to or on behalf of a council; or
- Arrangements where the only parties are local authorities, or local authority and local authority controlled organisations.

A partnership as defined in the LGA 2002 is any arrangement involving grants, loans, investments, commitments of resources or guarantees given to one or more persons engaged in business<sup>1</sup> by one or more local authorities. The nature of the entity's activities, rather than its legal form, is the relevant consideration, and can include charitable trusts.

Partnerships should have an identified shared interest, clear roles and responsibilities for both parties, and aim to build long-term relationships based on respect and trust.

This policy on PPPs sets out the processes that Council will adopt with respect to engaging in any PPPs. Once adopted, this policy may only be amended as an amendment to Council's Long-Term Council Community Plan (Section 102, LGA 2002).

### 8.4 CIRCUMSTANCES

Hamilton City Council (Council) may consider entering into a partnership with a private sector partner, where an activity has been identified in Council's Strategic Plan, Long-Term Council Community Plan (LTCCP) or Annual Plan (henceforth referred to generically in this section as LTCCP) as a community priority or desirable community outcome.

The circumstances where a PPP may be entered into shall be limited to one or more of the following:

- Where Council may be unwilling or unable to bear all of the risk (usually, though not always defined in terms of financial risks) of a particular project itself
- Where Council may believe a particular project is of significant community benefit, but Council may have legal restrictions on its power to participate fully in that project
- Where neither Council nor a private provider would otherwise provide the services or activity without the partnership
- Where there are identifiable advantages in the project or activity being undertaken as a public private sector partnership rather than by either of the parties separately
- Where the benefits to the community are greater than the costs of the PPP

<sup>1</sup> The term "engaged in business" is defined as "engaging in an activity for profit". The nature of the entity's activities, rather than its legal form, is the relevant consideration. (Opinion from Ann Webster, OAG) The focus is on commercial relationships with entities engaged in trading activities undertaken for the purpose of making a profit. (Opinion from Mike Reid, LGNZ)

## 8.5 CONDITIONS

Council will enter into a partnership only where it expects that the partnership will help achieve the community outcomes or objectives in the LTCCP, but nothing in this policy commits Council to entering into such a partnership even if it will help achieve community outcomes or objectives.

Before entering into a PPP, Council must be satisfied that:

- The partnership will help achieve the community outcomes or objectives identified in the Strategic Plan or LTCCP
- The benefit from the partnership is greater than the costs and risks
- Council is satisfied that the partner has demonstrated an ability to meet the terms of any agreement between Council and the private partner
- All necessary consents, licenses, or other approvals have been obtained prior to any financial commitment by the Council
- The partnership and its proposed business are lawful
- A clear exit/termination strategy is agreed
- Roles, responsibilities and liabilities of each partner are clearly defined

Council will not enter into a Public Private Partnership where:

- The activity is primarily speculative in nature
- Insurance cover cannot be obtained that is considered adequate to meet foreseeable risks
- The cost or risk of the PPP is judged to be greater to the community than the benefits that would accrue from the PPP

Where appropriate, Council reserves the right to apply competitive tendering processes, in accordance with Council policy.

Other conditions may be imposed as considered appropriate by Council.

## 8.6 TYPES OF PPP INVOLVEMENT

Council will consider the following methods of implementing a PPP:

- Grants, where the assessed benefit to the community justifies, where the PPP is accorded priority by Council, and funds are available for the activity
- Loans, where the benefit to the community is significant, but it is assessed that income or other funding can in time be accessed, and/or there will also be significant benefits to the private partner and/or it is otherwise unsuitable to provide other funding
- Investments, where there are deemed to be significant public benefits, and the community has been consulted, either during an LTCCP or Annual Plan consultation or separately using the special consultative procedure <sup>2</sup>
- Acting as a guarantor for assets being constructed on Council-owned land
- Acting as a guarantor in extraordinary circumstances may be considered by Council following community consultation, and where there are appropriate safeguards in place to ensure budgets are not exceeded and where limitations are specified as to the total amount Council is guarantor for.

## 8.7 CONSULTATION

Council will undertake consultation on any revision of this "Policy on Public-Private Sector Partnerships" as part of a Long-Term Council Community Plan.

Where Council decides to undertake a PPP in accordance with the policy, further consultation will not be required to be undertaken except in specific circumstances (below).

Council will consult on individual PPPs where:

- A PPP is assessed as being greatly beneficial, but falls outside the conditions or circumstances identified in the policy
- An investment is proposed

<sup>2</sup> The Policy on Partnership with the Private Sector should be developed to be robust enough to cover most 'run of the mill' potential opportunities for public-private sector partnerships (PPPs) without the need for further public consultation. PPPs that are unusual, controversial, or of considerable public interest would be expected to be consulted on separately (either using the special consultative procedure, or in a form otherwise specified in the policy).

- It is proposed to act as guarantor in extraordinary circumstances
- The partnership would result in significant positive or negative changes in service levels, as defined in Council's Significance Policy
- The proposal would have a material impact on Council's projected budgets, performance measures, outcomes or other objectives
- Ownership or control of a significant asset (as defined in Council's Significance Policy), is to be transferred to or from Council
- There is expected to be considerable public interest in whether or not the PPP should proceed and/or it meets the test of significance as set out in Council's Significance Policy.

Where practicable, consultation on PPPs under the above criteria will take place under the Annual Plan or Long-Term Council Community Plan process. Alternatively, a separate special consultative procedure may be undertaken.

### 8.8 FORMATION OF A PPP

Formation of a public private partnership that meets the conditions of this policy will be by ordinary Council resolution, unless authority to form a partnership is delegated to a committee, sub-committee, or the Principal Administrative Officer, in which case the partnership must also meet the conditions of this policy.

Formation of a partnership that does not meet the conditions of this policy will be by ordinary Council resolution only after appropriate and required consultation, and due consideration of any issues raised by that consultation.

### 8.9 RISK MANAGEMENT

When considering a public private partnership, the potential risks to Council will be outlined and where the risks are considered significant, in terms of probability and potential effect, Council will assess the level of the risks against their benefits and management strategies.

Risk will be assessed by calculating the probability of an adverse outcome multiplied by the cost/ impact of that adverse outcome, while taking into account mitigating strategies and associated costs.

Risks which may be considered are:

- Design and construction risk
- Commissioning and operating risk
- Service and under-performance risk
- Maintenance risk
- Risk of change to the legal or regulatory environment
- Risk of legal challenge
- Technology obsolescence risk
- Planning risk
- Price risk
- Taxation risk
- Residual value risk
- Demand or valuation risk
- Occupation safety and health risk
- The relative investment of the private sector partner
- The level of experience / track record of the partner, particularly in that activity
- Risk to the reputation of Hamilton City Council and Hamilton city generally
- Insurance coverage and limitations
- Risk to the capacity of the council to carry out its activities, now and in the future
- Risk to property
- Protection of any intellectual property and
- Any other risks identified.

Where risks exist and a partnership is to be agreed, a risk management strategy will be put in place to appropriately minimise or provide cover for that risk to the satisfaction of Council. Risk management in any or all of the above areas may be specified as being the responsibility of Council or the partner.

### 8.10 MONITORING AND REPORTING

A private sector partner will be expected to report using GAAP (Generally Accepted Accounting Principles) appropriate to their type of financial entity, and to allow auditing of financial and non-financial records as and when reasonably requested by Council or a representative appointed by Council.

Monitoring and reporting requirements will vary, depending on the level of resources Council is expending/investing/protecting, and the nature of the partnership.

The following points may be considered:

- Proposals for PPPs should state how they might contribute to outcomes or objectives in the LTCCP
- Measurable and auditable performance standards should be included where appropriate in partnership documents
- Progress on agreed outcomes and objectives should be reported on to Council's Strategic Planning and Policy Committee on a six-monthly basis
- Quarterly or annual financial reports may be required
- Transparency in the conduct and reporting of PPP activities should be emphasised, acknowledging the need to protect commercial confidentiality where appropriate
- The performance of PPPs will be reported on in Council's Annual Report.

## 9.0 DEVELOPMENT AND FINANCIAL CONTRIBUTIONS POLICY

### 9.1 OBJECTIVE

To enable financial contributions to be taken that ensures that developers make a fair contribution to the development of infrastructure and services to support the provision of services as the City develops and to mitigate the economic, environmental and community impacts of additional development in the city.

### 9.2 POLICY OUTLINE

This policy outlines the circumstances in which Council intends to require development or financial contributions. For statutory requirements, refer to Section 106 of the Local Government Act 2002.

### 9.3 REQUIREMENT

The Local Government Act 2002 (hence referred to as “the Act”) requires Council to adopt a policy on development contributions or financial contributions. This applies regardless of whether it has decided to assess:

- development contributions under the Act; or
- financial contributions under the Resource Management Act 1991 (RMA).

Once adopted, this policy may only be amended as an amendment to Council’s Long-Term Council Community Plan (LTCCP).

### 9.4 POLICY

Council’s policy is to take contributions pursuant to Section 108 of the Resource Management Act (1991) (RMA), as incorporated in Section 7 and Appendix 8 of the Transitional District Plan until such time as the Proposed District Plan (References version November 2001) comes into force, at which time Rules 6.4 and 6.5 of the Proposed District Plan (References version November 2001) shall apply, as described in the appendices attached to the full policy, available from any Hamilton public libraries and the main Council offices in Garden Place.

Levies are currently payable in respect of the stormwater system, wastewater collection, water supply reticulation system, and the roading network, and for reserves.

### 9.5 POLICY REVIEW

This policy shall be reviewed within two years of the policy coming into force. The review shall specifically consider whether Council will continue to take contributions under the RMA, and/or whether Council will take contributions under the Local Government Act 2002.

Attachments one and two following, outlines policy requirements in relation to development contributions and financial contributions.



## ATTACHMENT 1: CONSIDERATIONS FOR REVIEW PROCESS

In reviewing the policy on development contributions or financial contributions, the following requirements for the policy in the Act will be considered. The policy will:

- summarise the capital expenditure (identified in LTCCP), which Council expects to incur to pay for facilities to meet growth
- state what proportion of that capital expenditure will be funded by:
  - development contributions
  - financial contributions
  - other sources of funding
- explain (see Section 101(3) of the Act<sup>1</sup>), why these funding sources will be used
- identify separately each activity or group of activities for which a contribution will be required, and the total amount of funding to be sought by contributions
- if development contributions will be required, comply with Sections 201 and 202 of the Act. This must:
  - First, include in summary form; the explanation and justification for the calculation method; significant assumptions underlying calculation of the schedule, including potential effects if there is significant uncertainty; conditions and criteria for remission, postponement, or refund of development contributions, or the return of land; the basis on which the value of additional allotments or land is assessed for Section 203(1).
  - Second, contain a schedule specifying: the development contributions payable in each district, calculated in respect of reserves, network infrastructure, and community infrastructure, and the event (trigger) that will give rise to a requirement for a development contribution, whether that is a resource consent, a building consent, or an authorisation for a service connection. If different development contributions are payable in different parts of the district, the schedule must be done for each of those, and also be separately specified for each activity or group of activities for which separate development contributions are required.
- if financial contributions will be required, summarise the provisions that relate to financial contributions in the District Plan
- if development contributions are required, the full methodology demonstrating how the calculations for those contributions were made must be kept available for public inspection
- if financial contributions are required, the provisions of the District Plan relating to financial contributions must be kept available for public inspection

## ATTACHMENT 2: DISTRICT PLAN EXCERPTS

Contains sections and appendices from:

### The Transitional District Plan

- Section 7: Subdivision & Development (SU)
- Appendix 8: Financial Contributions

### The Proposed District Plan (References version November 2001)

- Appendix 6.4-I
- Appendix 6.4-II
- Appendix 6.4-III
- Appendix 6.4-IV
- Appendix 6.4-V
- Appendix 6.4-VI
- Appendix 6.4-VII
- Appendix 6.5-I
- Appendix 6.5-II
- Appendix 6.5-III

<sup>1</sup> Sources of funding to be determined following consideration of outcomes, benefits, period, exacerbators, costs and benefits of separate funding, and the overall impact on community well-being.

## 10.0 APPOINTMENT AND REMUNERATION OF DIRECTORS OF COUNCIL ORGANISATIONS POLICY

This policy should be read in conjunction with the Council-Controlled Organisations (CCOs) and Council Organisations (COs) pages in the financial section of the Annual Plan.

### 10.1 INTRODUCTION

Council is required by Section 57 of the Local Government Act 2002 to adopt a policy that sets out an objective and transparent process for:

- the identification and consideration of the skills, knowledge and experience required of directors of a council organisation;
- the appointment of directors to a council organisation;
- the remuneration of directors of a council organisation.

### 10.2 DEFINITIONS

The term Council Organisation (CO) is used in the context of the definitions provided in Section 6 of the Act.

The Act also creates two sub-categories of COs – Council-Controlled Organisations (CCOs) and Council-Controlled Trading Organisations (CCTOs).

The Council has interests that fall in each of these categories. Attached is an appendix which provides a list of such organisations.

The following definitions are provided for guidance purposes only. Fuller definitions are provided in Section 6 of the Act.

#### Meaning of Council Organisation

In broad terms, a CO is an organisation in which Council has a voting interest or the right to appoint a director, trustee or manager (however described). This is a wide-ranging definition, covering a large number of bodies.

#### Meaning of Council-Controlled Organisation

A CCO is a CO in which one or more local authorities control, directly or indirectly, 50% or more of the votes or have the right, directly or indirectly, to appoint 50% or more of the directors, trustees or managers (however described).

#### Meaning of Council-Controlled Trading Organisation

A CCTO is a CCO that operates a trading undertaking for the purpose of making a profit.

### 10.3 COUNCIL-CONTROLLED ORGANISATIONS

Council owns a shareholding in two organisations that are defined as CCOs by the Local Government Act 2002. These are:

- Waikato Regional Airport Ltd (Council owns 50% of the shareholding). This company manages and operates the Hamilton International Airport. Other shareholders of this company are:
 

- Waikato District Council	15.625%
- Matamata-Piako District Council	15.625%
- Waipa District Council	15.625%
- Otorohanga District Council	3.125%

Council must co-operate with the other shareholders for the appointment of directors. The Economic Development Committee of Council monitors the performance of Waikato Regional Airport Limited. The Council's shareholder representative is His Worship the Mayor or in his absence, the Chairperson of the Economic Development Committee.

- Mount Pirongia Afforestation, Council's shareholding is 25%. This company manages and operates the forest in Mt Pirongia. The other share-holders in this company are:
  - Waipa District Council           60%
  - Waikato District Council       5%
  - Otorohanga District Council   10%

The Economic Development Committee of Council monitors the performance of Mt Pirongia Afforestation Committee. The shareholder representative is the Deputy Mayor.

Council considers that persons to be considered for directorship must have the skills, knowledge and experience to:

- guide the organisation given the nature and scope of its activities;
- contribute to the achievement of the objectives of the organisation.

### 10.3.1 SKILLS REQUIRED

Council considers that any person that it appoints to be a director of a CCO should, as a minimum, have the following skills:

- intellectual ability;
- an understanding of governance issues;
- either business experience or other experience that is relevant to the activities of the organisation (or both);
- sound judgement;
- a high standard of personal integrity;
- the ability to work as a member of a team.

### 10.3.2 APPOINTMENT OF DIRECTORS

When vacancies arise in the CCO the Council will undertake the following process:

- Waikato Regional Airport Ltd  
The appointment of directors will be undertaken jointly with the other four shareholding councils. Nominations will be received from elected representatives from all current shareholders. The shareholders representatives will shortlist the nominations taking into account the skills required for the positions. The shareholder representatives will interview short listed nominations and a joint decision made for recommendation to the company AGM. The mix of skills and experience on the board will be taken into account, and consideration given to complementing and reinforcing existing skills and reducing known weaknesses where necessary.
- Mount Pirongia Afforestation  
Councillors will be asked to consider suitable applicants and bring nominations forward to the triennial Council appointments meeting. Council will make the decision taking into account the skills required for the position at the triennial meeting or at a meeting following receipt of a notice of motion.

### 10.3.3 FINAL APPOINTMENT

The final appointment for directors for any CCO will be made in committee thus protecting the privacy and protecting the privacy of natural persons. Public announcements of the appointments will be made as soon as practicable after the Council and/or shareholding councils have made a decision.

### 10.3.4 CONFLICTS OF INTEREST

The Council expects that directors of any CCO will avoid situations where their actions could give rise to a conflict of interest. To minimise these situations the Council requires directors to follow the provisions of the New Zealand Institute of Directors' Code of Ethics. All directors are appointed "at the pleasure of the Council" and may be dismissed for breaches of this code.

### 10.3.5 REMUNERATION

Remuneration of directors of CCOs is a matter of public interest. The Council, in conjunction with other shareholders, will set the director's remuneration by resolution at the Annual General Meeting. On reaching a view on the appropriate level of remuneration for directors the shareholder's representative will consider the following factors:

- the need to attract and retain appropriately qualified people to be directors;
- the level and movement of salaries in comparable organisations;
- the past performance of the organisation;
- the financial position of the organisation.

## 10.4 COUNCIL ORGANISATIONS

### 10.4.1 HAMILTON RIVERVIEW HOTEL LIMITED (HRHL)

Council owns 42% of Hamilton Riverview Hotel Limited and in accordance with the joint venture agreement with the other owners, is entitled to appoint up to two of the directors. The Council's shareholder representative is His Worship the Mayor or in his absence, the Deputy Mayor.

Council considers that persons to be considered for directorship must have the skills, knowledge and experience to:

- guide the organisation given the nature and scope of its activities;
- contribute to the achievement of the objectives of the organisation.

#### 10.4.1.1 SKILLS REQUIRED

The Council considers that any person that it appoints to be a director of HRHL should, as a minimum, have the following skills:

- intellectual ability;
- an understanding of governance issues;
- either business experience or other experience that is relevant to the activities of the organisation (or both);
- sound judgement;
- a high standard of personal integrity;
- the ability to work as a member of a team.

#### 10.4.1.2 APPOINTMENT OF DIRECTORS

The directors will be Anthony John Marryatt, whilst he is employed as Chief Executive Officer of Hamilton City Council, and one other appointed by Council at the triennial Council appointment meeting (or by notice of motion). Council will make the decision taking into account the skills required for the position at the triennial meeting or at a meeting following receipt of a notice of motion.

#### 10.4.1.3 CONFLICTS OF INTEREST

The Council expects that directors of HRHL will avoid situations where their actions could give rise to a conflict of interest. To minimise these situations the Council requires directors to follow the provisions of the New Zealand Institute of Directors' Code of Ethics. All directors are appointed "at the pleasure of the Council" subject to the terms of the Chief Executive Officer's Individual Employment Contract and may be dismissed for breaches of this code.

#### 10.4.1.4 REMUNERATION

The Council, in conjunction with other shareholders, will set the director's remuneration by resolution at the Annual General Meeting. On reaching a view on the appropriate level of remuneration for directors the shareholder's representative will consider the following factors:

- the need to attract and retain appropriately qualified people to be directors;
- the level and movement of salaries in comparable organisations;
- the past performance of the organisation;
- the financial position of the organisation.

## **10.4.2 OTHER COUNCIL ORGANISATIONS**

### **10.4.2.1 INTRODUCTION**

The Council has non-controlling interests in numerous COs. These are not-for-profit bodies. Appointments to COs are made for a number of reasons. These include:

- to provide a means of monitoring where the Council has made a grant to that body;
- to enable Council involvement where the CO's activity is relevant to the Council;
- to satisfy a request from the CO that the Council appoint a representative;
- statutory requirements.

Appointments to a CO are generally for a three year term, and are made after the triennial Council elections at the triennial Council appointments meeting or at a meeting following receipt of a notice of motion.

The Council will endeavour to minimise the number of appointments where the benefit to the Council of such an appointment is minimal.

All appointments will be at the pleasure of Council.

### **10.4.2.2 IDENTIFICATION OF REQUIRED SKILLS, KNOWLEDGE AND EXPERIENCE OF CO DIRECTORS, AND APPOINTMENT**

The range of reasons for the appointment of Council representatives to COs results in a wider range of desired attributes for appointees to these bodies.

Council will determine the required skills, knowledge and experience for each appointment. Candidates are not restricted to Councillors – in some cases, it may be more appropriate to appoint Council staff or external people with affiliations to the Council.

### **10.4.2.3 REMUNERATION OF CO DIRECTORS**

CO directors appointed by the Council will receive the remuneration (if any) offered by that body.

## **11.0 FREEHOLDING OF COUNCIL DOMAIN AND MUNICIPAL ENDOWMENT LEASES POLICY**

### **11.1 OBJECTIVE**

To freehold Council Domain and Municipal Endowment Perpetual Leases.

Hamilton City Council owns land originally acquired by endowment from the Crown to be held by Council on the terms of the original endowment.

The land is held for the purposes of endowment funds:

- a) Domain Endowment
- b) Municipal Endowment

The Domain land (as listed in Attachment One) is held by Council for the purposes of the Domain Endowment Fund which include the maintenance or improvement of reserves, purchase of land in the name of the Crown as Recreation Reserve, or purchase of land in the name of Council for the purposes of the Hamilton Domain Endowment Act 1979.

The Municipal land (as listed in Attachment Two) is held by Council for purposes of the Municipal Endowment Fund, which include the purchase of land to provide revenue to Council.

### **11.2 POLICY**

Upon application from the lessee, Council will freehold Council Domain and Municipal Endowment Leases as follows:

#### **11.2.1 DOMAIN ENDOWMENT LEASES**

Freeholding of Domain Endowment Leases shall proceed at 100% of the Current Market Value of the land based on independent valuation. The value may be contestable by arbitration.

The applicant lessee will pay all Councils reasonable costs in the matter, including arbitration costs.

#### **11.2.2 MUNICIPAL ENDOWMENT LEASES**

Freeholding of Municipal Endowment Leases shall proceed at not less than 85% of the Current Market Value of the land OR the Lessor's interest value based on independent valuation, whichever is the greatest. The value shall NOT be contestable.

The applicant lessee will pay all Councils reasonable costs in the matter.

The proceeds (11.2.1 & 11.2.2) shall be immediately credited to the relevant Domain Endowment Fund or the Municipal Endowment Fund, and those proceeds shall be used for (in the case of Domain Endowment Land) the maintenance or improvement of reserves, purchase of land in name of Crown as Recreation Reserve, or purchase of land in name of Council for purposes of the Act; and (in the case of Municipal Endowment Land) for the purchase of other land to be held for the purposes of the Fund.

**ATTACHMENT ONE**  
**Domain Endowment Leasehold Land**

Property Reference	Property Address	Legal Description	Land Area
10002	297 Ulster Street	Lot 1 DPS 12212	2157.5m <sup>2</sup>
10003	9 Willoughby Street	Part Lot 7 DP 19982	801m <sup>2</sup>
10005	92 Bryce Street	Lot 1 DPS 28891	1.2228 ha
10007	37 Thackeray Street	Lot 1 DPS 43212	1012m <sup>2</sup>
10010	225 Dey Street	Lot 10 DP 35144	812m <sup>2</sup>
10012	229 Fox Street	Lot 1 DPS 3236	685m <sup>2</sup>
10014	219 Fox Street	Lot 3 DPS 1525	812m <sup>2</sup>
10016	100 Wellington Street	Lot 3 DPS 1200	675m <sup>2</sup>
10017	189 Fox Street	Lot 7 DPS 1200	675m <sup>2</sup>
10020	5 Henry Street	Lot 8 DPS 2099	759m <sup>2</sup>
10026	5 Cotter Place	Lot 8 DPS 4051	679m <sup>2</sup>
10027	126 Fox Street	Lot 4 DPS 5647	718m <sup>2</sup>
10028	122 Fox Street	Lot 1 DPS 3597	895m <sup>2</sup>
10029	103 Dey Street	Lots 7 & 8 DP 34426	1457m <sup>2</sup>
10030	101 Naylor & Dey Streets	and Lot 1 DPS 82950	
10031	101 Brookfield Street	Lot 4 DPS 176	556m <sup>2</sup>
10032	67 Dey Street	Lot 3 DPS 1095	1012m <sup>2</sup>
10033	13 Graham Street	Lot 2 DPS 9966	3407m <sup>2</sup>
10034	29 Grey Street	Lot 3 DPS 6679	1131m <sup>2</sup>
10036	37 Sillary Street	Lot 1 DP 33843	2023m <sup>2</sup>

**ATTACHMENT TWO**  
**Municipal Endowment Leasehold Land**

Property Reference	Property Address	Legal Description	Land Area
20017.001	145-149 Ward Street	Lots 14 & 15 DP 17135	791m <sup>2</sup>
20017.002	145-149 Ward Street		
20018	151-155 Ward Street	Lots 16 & 17 DP 17135	971m <sup>2</sup>
20019	179 Ward Street	Lots 23 & 24 DP 17135	592m <sup>2</sup>
20021.001	109 Ward Street	Lots 1 & 2 DP 17135	590m <sup>2</sup>
20021.002	109 Ward Street	Lots 3 & 4 DP 17135	788m <sup>2</sup>
20021.003	109 Ward Street	Lots 5 & 6 DP 17135	788m <sup>2</sup>
20001	13A Edgecumbe Street	Lot 2 DPS 10245	490m <sup>2</sup>
20003	58 Willoughby Street	Lot 11 DP 33796	586m <sup>2</sup>
20006	10 Palmerston Street	Lot 2 DPS 13718	1717m <sup>2</sup>
20007	92 Clyde Street	Lot 6 DP 35296	559m <sup>2</sup>
20008	104 Clyde Street	Lot 3 DP 35296	716m <sup>2</sup>
20009	100 Clyde Street	Lot 4 DP 35296	736m <sup>2</sup>
20011	16 Cassidy Street	Lot 2 DPS 6250	660m <sup>2</sup>
20012	205 Clyde Street	Lot 13 DPS 6250	696m <sup>2</sup>
20013	251 Fox Street	Lot 5 DP 35867	640m <sup>2</sup>
20015	258 Fox Street	Lot 13 DP 35611	558m <sup>2</sup>
20016	12 Wiremu Street	Lot 9 DPS 5418	830m <sup>2</sup>
20022	5 Lake Road	Lot 2 DPS 8955	690m <sup>2</sup>
20023.001	77 Norton Road	Lots 3, 4 & 6 DPS 8955	1668m <sup>2</sup>
20023.002	79 Norton Road	Lot 5 DPS 8955	614m <sup>2</sup>





APPENDIX 12.1  
CONSOLIDATED FORECAST STATEMENT OF FINANCIAL PERFORMANCE

All figures in \$000s	1 2002/03	2 2003/04	3 2004/05	4 2005/06	5 2006/07	6 2007/08	7 2008/09	8 2009/10	9 2010/11	10 2011/12
<b>INCOME</b>										
<b>General Revenues</b>										
Government operating grants and subsidies	3,006	3,026	3,063	3,032	3,074	3,076	3,105	3,103	3,132	3,127
Ordinary revenue	28,695	28,733	28,395	28,098	25,455	23,103	22,879	22,879	23,103	22,879
Rates - excluding Environment Waikato	65,955	68,175	68,205	68,080	69,821	70,919	71,993	72,790	73,390	74,829
Rates remissions	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)
Rates penalties and service charges	625	625	625	625	625	625	625	625	625	625
Petrol tax	900	900	900	900	900	900	900	900	900	900
Investment income	1,194	1,218	1,132	1,132	1,132	1,132	1,132	1,132	1,132	1,132
<b>Total general revenues</b>	<b>100,345</b>	<b>102,647</b>	<b>102,290</b>	<b>101,837</b>	<b>100,977</b>	<b>99,725</b>	<b>100,604</b>	<b>101,399</b>	<b>102,252</b>	<b>103,462</b>
<b>Revenue assigned to asset development</b>										
Government capital grants and subsidies	2,116	2,070	2,282	1,875	1,974	4,489	2,255	1,918	1,930	1,942
Other capital contributions	2,787	2,948	2,564	2,564	2,564	2,564	2,564	2,564	2,564	2,564
Contributions - fixed assets vested	4,125	4,125	23,625	4,125	4,125	4,125	4,125	4,125	4,125	4,125
<b>Total asset development revenue</b>	<b>9,028</b>	<b>9,143</b>	<b>28,471</b>	<b>8,564</b>	<b>8,663</b>	<b>11,178</b>	<b>8,944</b>	<b>8,607</b>	<b>8,619</b>	<b>8,631</b>
<b>TOTAL INCOME</b>	<b>109,373</b>	<b>111,790</b>	<b>130,761</b>	<b>110,401</b>	<b>109,640</b>	<b>110,903</b>	<b>109,548</b>	<b>110,006</b>	<b>110,871</b>	<b>112,093</b>
<b>EXPENDITURE</b>										
Direct operating costs	70,591	71,041	70,115	69,040	68,427	66,915	67,156	67,722	68,498	68,580
Interest paid	8,500	8,839	9,324	9,642	9,906	9,885	10,513	10,625	10,535	10,471
Sundry expenditure	125	125	125	125	125	125	125	125	125	125
Depreciation	22,450	22,382	22,404	22,193	20,463	20,574	20,772	20,955	21,126	21,296
<b>TOTAL EXPENDITURE</b>	<b>101,666</b>	<b>102,387</b>	<b>101,968</b>	<b>101,000</b>	<b>98,921</b>	<b>97,499</b>	<b>98,566</b>	<b>99,427</b>	<b>100,284</b>	<b>100,472</b>
<b>SURPLUS FOR THE YEAR</b>	<b>7,707</b>	<b>9,403</b>	<b>28,793</b>	<b>9,401</b>	<b>10,719</b>	<b>13,404</b>	<b>10,982</b>	<b>10,579</b>	<b>10,587</b>	<b>11,621</b>

Note: These figures are from the 2002/03 Long-Term Financial Strategy. They have been superseded by the 2003/04 Annual Plan. Variations between the 2002/03 Long-Term Financial Strategy and the 2003/04 Annual Plan are detailed in the Financial Section of the Annual Plan on page 122.

APPENDIX 12.2  
CONSOLIDATED FORECAST CASHFLOW STATEMENT

All figures in \$'000s	1 2002/03	2 2003/04	3 2004/05	4 2005/06	5 2006/07	6 2007/08	7 2008/09	8 2009/10	9 2010/11	10 2011/12
<b>OPERATING ACTIVITIES</b>										
<b>Cash will be provided from:</b>										
Rates excluding Environment Waikato	65,925	68,145	68,175	68,050	69,791	70,889	71,963	72,760	73,360	74,799
Rates penalty income and service charges	625	625	625	625	625	625	625	625	625	625
Petrol tax	900	900	900	900	900	900	900	900	900	900
Government operating grants and subsidies	3,006	3,026	3,063	3,032	3,074	3,076	3,105	3,103	3,132	3,127
Fees rents and charges	28,695	28,733	28,395	28,098	25,455	23,103	22,879	22,879	23,103	22,879
Interest on special and sinking funds	1,194	1,218	1,132	1,132	1,132	1,132	1,132	1,132	1,132	1,132
	<b>100,345</b>	<b>102,647</b>	<b>102,290</b>	<b>101,837</b>	<b>100,977</b>	<b>99,725</b>	<b>100,604</b>	<b>101,399</b>	<b>102,252</b>	<b>103,462</b>
<b>Cash will be applied to:</b>										
Direct operating costs	68,336	71,531	70,465	68,021	66,553	67,828	67,335	69,500	68,436	68,844
Interest paid	8,500	8,839	9,324	9,642	9,906	9,885	10,513	10,625	10,535	10,471
	<b>76,836</b>	<b>80,370</b>	<b>79,789</b>	<b>77,663</b>	<b>76,459</b>	<b>77,713</b>	<b>77,848</b>	<b>80,125</b>	<b>78,971</b>	<b>79,315</b>
<b>Net Cashflow from Operating Activities</b>	<b>23,509</b>	<b>22,277</b>	<b>22,501</b>	<b>24,174</b>	<b>24,518</b>	<b>22,012</b>	<b>22,756</b>	<b>21,274</b>	<b>23,281</b>	<b>24,147</b>
<b>INVESTING ACTIVITIES</b>										
<b>Cash will be provided from:</b>										
Sale of fixed assets	1,323	50	50	50	50	50	50	50	50	50
Government capital grants and subsidies	2,116	2,070	2,282	1,875	1,974	4,489	2,255	1,918	1,930	1,942
Special fund receipts	2,091	2,064	1,968	1,968	1,968	1,968	1,968	1,968	1,968	1,968
Other capital contributions	696	884	596	596	596	596	596	596	596	596
	<b>6,226</b>	<b>5,068</b>	<b>4,896</b>	<b>4,489</b>	<b>4,588</b>	<b>7,103</b>	<b>4,869</b>	<b>4,532</b>	<b>4,544</b>	<b>4,556</b>
<b>Cash will be applied to:</b>										
Investments made	2,141	1,895	1,561	1,526	668	352	327	313	313	313
Capital expenditure	33,637	29,692	31,785	30,066	26,870	36,532	31,435	24,315	23,781	25,908
	<b>35,778</b>	<b>31,587</b>	<b>33,346</b>	<b>31,592</b>	<b>27,538</b>	<b>36,884</b>	<b>31,762</b>	<b>24,628</b>	<b>24,094</b>	<b>26,221</b>
<b>Net Cashflow from Investing Activities</b>	<b>(29,552)</b>	<b>(26,519)</b>	<b>(28,450)</b>	<b>(27,103)</b>	<b>(22,950)</b>	<b>(29,781)</b>	<b>(26,893)</b>	<b>(20,096)</b>	<b>(19,550)</b>	<b>(21,665)</b>
<b>FINANCING ACTIVITIES</b>										
<b>Cash will be provided from:</b>										
Loans uplifted	12,205	7,997	11,356	8,552	3,730	12,971	9,650	4,500	1,900	3,000
<b>Cash will be applied to:</b>										
Loan repayments	5,713	5,276	5,407	5,623	5,297	5,202	5,513	5,678	5,631	5,482
	<b>6,492</b>	<b>2,721</b>	<b>5,949</b>	<b>2,929</b>	<b>(1,567)</b>	<b>7,769</b>	<b>4,137</b>	<b>(1,178)</b>	<b>(3,731)</b>	<b>(2,482)</b>
<b>Net Cashflow from Financing Activities</b>	<b>5,713</b>	<b>5,276</b>	<b>5,407</b>	<b>5,623</b>	<b>5,297</b>	<b>5,202</b>	<b>5,513</b>	<b>5,678</b>	<b>5,631</b>	<b>5,482</b>
Net increase/(decrease) in cash held	449	(1,521)	0	0	1	0	0	0	0	0
Plus opening cash balance 1 July	1,314	1,763	242	242	242	243	243	243	243	243
<b>Closing cash balance 30 June</b>	<b>1,763</b>	<b>242</b>	<b>242</b>	<b>242</b>	<b>243</b>	<b>243</b>	<b>243</b>	<b>243</b>	<b>243</b>	<b>243</b>
<b>Reconciliation of balances to Consolidated Forecast Statement of Financial Position</b>										
Short-term investments at call	2,063	542	542	542	542	542	542	542	542	542
General bank	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)
<b>Balance 30 June</b>	<b>1,763</b>	<b>242</b>	<b>242</b>	<b>242</b>	<b>242</b>	<b>242</b>	<b>242</b>	<b>242</b>	<b>242</b>	<b>242</b>

Note: These figures are from the 2002/03 Long-Term Financial Strategy. They have been superseded by the 2003/04 Annual Plan. Variations between the 2002/03 Long-Term Financial Strategy and the 2003/04 Annual Plan are detailed in the Financial Section of the Annual Plan on page 122.

APPENDIX 12.3  
CONSOLIDATED FORECAST STATEMENT OF FINANCIAL POSITION

	1	2	3	4	5	6	7	8	9	10
All figures in \$000s	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
<b>RATEPAYERS' EQUITY</b>	<b>1,501,217</b>	<b>1,510,620</b>	<b>1,539,413</b>	<b>1,548,814</b>	<b>1,609,532</b>	<b>1,622,936</b>	<b>1,633,918</b>	<b>1,644,497</b>	<b>1,655,084</b>	<b>1,716,705</b>
<b>CURRENT ASSETS</b>										
Accounts receivable and prepaid expenditure	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Inventories	350	350	350	350	350	350	350	350	350	350
Short-term investments	2,063	542	542	542	542	542	542	542	542	542
<b>TOTAL CURRENT ASSETS</b>	<b>9,413</b>	<b>7,892</b>	<b>7,892</b>	<b>7,892</b>	<b>7,892</b>	<b>7,892</b>	<b>7,892</b>	<b>7,892</b>	<b>7,892</b>	<b>7,892</b>
<b>CURRENT LIABILITIES</b>										
Bank balances overdrawn	300	300	300	300	300	300	300	300	300	300
Employee entitlements	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Accounts payable and income in advance	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Term liabilities - current portion	1,742	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
<b>TOTAL CURRENT LIABILITIES</b>	<b>14,542</b>	<b>14,800</b>	<b>14,800</b>	<b>14,800</b>	<b>14,800</b>	<b>14,800</b>	<b>14,800</b>	<b>14,800</b>	<b>14,800</b>	<b>14,800</b>
<b>TOTAL WORKING CAPITAL</b>	<b>(5,129)</b>	<b>(6,908)</b>	<b>(6,908)</b>	<b>(6,908)</b>	<b>(6,908)</b>	<b>(6,908)</b>	<b>(6,908)</b>	<b>(6,908)</b>	<b>(6,908)</b>	<b>(6,908)</b>
<b>NON CURRENT ASSETS</b>										
Long-term investments	12,858	12,858	12,858	12,858	12,858	12,858	12,858	12,858	12,858	12,858
Fixed assets, work in progress and deferred and development expenditure	1,571,325	1,586,782	1,622,479	1,635,619	1,690,165	1,710,602	1,724,216	1,733,617	1,740,473	1,799,612
Investment properties	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000
<b>TOTAL NON CURRENT ASSETS</b>	<b>1,616,183</b>	<b>1,631,640</b>	<b>1,667,337</b>	<b>1,680,477</b>	<b>1,735,023</b>	<b>1,755,460</b>	<b>1,769,074</b>	<b>1,778,475</b>	<b>1,785,331</b>	<b>1,844,470</b>
<b>NON-CURRENT LIABILITIES</b>										
Employee entitlements	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Term liabilities	108,537	112,812	119,716	123,455	117,283	124,316	126,948	125,770	122,039	119,557
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>109,837</b>	<b>114,112</b>	<b>121,016</b>	<b>124,755</b>	<b>118,583</b>	<b>125,616</b>	<b>128,248</b>	<b>127,070</b>	<b>123,339</b>	<b>120,857</b>
<b>NET ASSETS</b>	<b>1,501,217</b>	<b>1,510,620</b>	<b>1,539,413</b>	<b>1,548,814</b>	<b>1,609,532</b>	<b>1,622,936</b>	<b>1,633,918</b>	<b>1,644,497</b>	<b>1,655,084</b>	<b>1,716,705</b>

Note: These figures are from the 2002/03 Long-Term Financial Strategy. They have been superseded by the 2003/04 Annual Plan. Variations between the 2002/03 Long-Term Financial Strategy and the 2003/04 Annual Plan are detailed in the Financial Section of the Annual Plan on page 122.

APPENDIX 12.4  
CONSOLIDATED FORECAST STATEMENT OF MOVEMENT IN EQUITY

All figures in \$000s	1 2002/03	2 2003/04	3 2004/05	4 2005/06	5 2006/07	6 2007/08	7 2008/09	8 2009/10	9 2010/11	10 2011/12
Opening equity	1,493,510	1,501,217	1,510,620	1,539,413	1,548,814	1,609,533	1,622,937	1,633,919	1,644,498	1,655,085
Net surplus from operations	7,707	9,403	28,793	9,401	10,719	13,404	10,982	10,579	10,587	11,621
Increase in revaluation reserves	0	0	0	0	50,000	0	0	0	0	50,000
<b>CLOSING EQUITY</b>	<b>1,501,217</b>	<b>1,510,620</b>	<b>1,539,413</b>	<b>1,548,814</b>	<b>1,609,533</b>	<b>1,622,937</b>	<b>1,633,919</b>	<b>1,644,498</b>	<b>1,655,085</b>	<b>1,716,706</b>

Note: These figures are from the 2002/03 Long-Term Financial Strategy. They have been superseded by the 2003/04 Annual Plan. Variations between the 2002/03 Long-Term Financial Strategy and the 2003/04 Annual Plan are detailed in the Financial Section of the Annual Plan on page 122.

APPENDIX 12.5  
STATEMENT OF COMMITMENTS AND CONTINGENCIES

	1	2	3	4	5	6	7	8	9	10
All figures in \$000s	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
<b>COMMITMENTS</b>										
Contractual commitments	1,881	611	0	0	0	0	0	0	0	0
<b>TOTAL COMMITMENTS</b>	<b>1,881</b>	<b>611</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CONTINGENCIES</b>										
Loan guarantees	100	100	100	100	100	100	100	100	100	100
Other claims - not covered by insurance	400	400	400	400	400	400	400	400	400	400
<b>TOTAL CONTINGENCIES</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>

Note: Council's policy regarding loan guarantees (Section 2 of the long term financial strategy) states that "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." The contingent amount for loan guarantees stated above is the estimated amount of loan servicing on estimated loans whereas the limit as per the policy is stated below.

Loan guarantee limit of contingency	1,266	1,319	1,364	1,364	1,362	1,396	1,418	1,440	1,456	1,468
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Note: These figures are from the 2002/03 Long-Term Financial Strategy. They have been superseded by the 2003/04 Annual Plan. Variations between the 2002/03 Long-Term Financial Strategy and the 2003/04 Annual Plan are detailed in the Financial Section of the Annual Plan on page 122.

APPENDIX 12.6  
NET DEBT TABLE

All figures in \$000s	1 2002/03	2 2003/04	3 2004/05	4 2005/06	5 2006/07	6 2007/08	7 2008/09	8 2009/10	9 2010/11	10 2011/12
NET DEBT (1) excluding internal borrowing	102,673	108,336	115,799	119,199	117,641	124,810	128,948	127,770	124,039	121,557
		110,217	118,487	123,693	121,951	128,944	132,913	131,577	127,694	125,066
NET DEBT (2) including internal borrowing	117,673	122,336	128,799	132,199	130,641	137,810	141,948	140,770	137,039	134,557
		124,217	131,487	136,693	134,951	141,944	145,913	144,577	140,694	138,066

Note: Where Council has funds that are required to be set aside for restricted or special purposes these funds are used for internal borrowing prior to incurring further debt. Interest paid to the special fund is less than what would be incurred by external borrowing thus this policy of internal borrowing reduces Council's overall interest cost.

## LINKAGE TO THE LIABILITY MANAGEMENT POLICY AND DEBT SERVICING TARGETS

	1 2002/03	2 2003/04	3 2004/05	4 2005/06	5 2006/07	6 2007/08	7 2008/09	8 2009/10	9 2010/11	10 2011/12
<b>Net debt (1) as % ratepayers equity</b>	6.8%	7.2%	7.5%	7.7%	7.3%	7.7%	7.9%	7.8%	7.5%	7.1%
		7.2%	7.7%	7.9%	7.5%	8.0%	8.2%	8.1%	7.8%	7.4%
<b>Net debt (2) as % ratepayers equity</b>	7.8%	8.1%	8.4%	8.5%	8.1%	8.5%	8.7%	8.6%	8.3%	7.8%
(Debt performance target: maximum 15%)		8.1%	8.6%	8.8%	8.4%	8.8%	9.0%	8.9%	8.6%	8.2%
<b>Net debt (1) as % income</b>	93.9%	82.5%	104.0%	108.0%	107.5%	112.9%	118.0%	116.5%	112.2%	108.7%
		92.6%	101.2%	90.1%	105.1%	111.2%	114.6%	113.4%	110.1%	107.8%
<b>Net debt (2) as % income</b>	107.6%	93.2%	115.7%	119.8%	119.4%	124.6%	129.9%	128.3%	123.9%	120.3%
(Debt performance target: maximum 150%)		104.3%	112.3%	99.5%	116.4%	122.4%	125.8%	124.7%	121.3%	119.0%
<b>Interest as % of income</b>	7.8%	6.7%	8.4%	8.7%	9.1%	8.9%	9.6%	9.7%	9.5%	9.4%
		7.2%	7.7%	6.9%	8.4%	8.5%	9.0%	9.1%	9.2%	9.2%
(Debt performance target: maximum 15%)		13.0%	13.7%	14.2%	14.2%	13.9%	14.6%	14.6%	14.4%	14.0%
<b>Interest as % of rating income</b>	12.9%	12.1%	12.6%	13.1%	13.3%	13.5%	14.2%	14.4%	14.5%	14.6%
(Debt performance target: maximum 20%)		894	946	963	941	988	1010	990	951	923
<b>Net debt (1) per capita</b>	856	893	950	982	958	1002	1023	1002	962	932
		981	1009	1068	1045	1091	1112	1091	1051	1021
<b>Net debt (2) per capita</b>		1007	1055	1085	1060	1103	1123	1101	1060	1029
(Debt performance target: maximum \$1800)		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Liquidity</b>	127.2%	134.2%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
(Debt performance target: minimum 110%)										



APPENDIX 12.7  
RECOVERY RATIOS

	2003/04				2004/05				2005/06			
	Costs	Revenue	Budget Recovery	2002/03 FMP Ratio	Costs	Revenue	Budget Recovery	2002/03 FMP Ratio	Costs	Revenue	Budget Recovery	2002/03 FMP Ratio
All figures in \$000s												
Sustaining Hamilton's Environment												
Wastewater management	10,272	924	9%	7%	10,170	934	9%	7%	10,263	954	9%	7%
Stormwater network management	5,051	143	3%	3%	5,018	143	3%	3%	5,006	143	3%	3%
Refuse (excl Horotiu)	5,468	1,979	36%	37%	5,518	1,979	36%	37%	5,541	1,979	36%	37%
Refuse disposal (Horotiu)	3,934	4,277	100%	96%	3,705	3,706	100%	92%	3,671	3,741	100%	102%
Water supply	6,825	2,601	38%	39%	7,139	2,601	36%	37%	7,273	2,601	36%	38%
Sustainable environment	622	0	0%	0%	615	0	0%	0%	577	0	0%	0%
Environmental health	1,099	390	35%	46%	1,178	390	33%	46%	1,165	390	33%	47%
Growing Hamilton												
Road network management	492	137	28%	18%	498	142	29%	18%	437	100	23%	18%
Carriageways/street lighting	11,234	1,119	10%	10%	11,702	1,153	10%	10%	12,022	1,127	9%	9%
Traffic services/traffic management	3,608	1,177	33%	29%	3,630	1,185	33%	29%	3,675	1,192	32%	28%
Footpaths, cycleways and verges	3,853	45	1%	0%	3,890	45	1%	0%	3,938	45	1%	0%
Road safety programme	395	258	65%	44%	395	258	65%	44%	395	258	65%	44%
Hamilton Transport Centre	543	188	35%	26%	530	188	35%	26%	521	188	36%	26%
Central area off-street parking	254	445	100%	100%	254	445	100%	100%	254	445	100%	100%
Parking enforcement	1,590	2,351	100%	100%	1,591	2,351	100%	100%	1,591	2,351	100%	100%
Building control	3,015	2,280	76%	76%	2,982	2,280	76%	76%	2,985	2,280	76%	75%
Planning guidance	1,302	638	49%	47%	1,301	638	49%	47%	1,300	638	49%	47%
Animal care and control	916	421	46%	48%	915	421	46%	48%	913	421	46%	48%
Property management (services)	2,202	4,482	100%	100%	2,187	4,510	100%	100%	2,177	4,510	100%	100%
Promoting Hamilton												
Economic development	2,751	0	0%	0%	1,731	0	0%	0%	1,756	0	0%	0%
Sister cities programme	20	0	0%	0%	20	0	0%	0%	20	0	0%	0%
Experiencing our Arts, Culture & Heritage												
Hamilton theatre services	1,758	599	34%	38%	1,753	606	35%	38%	1,752	605	35%	38%
Hamilton City Libraries	6,597	662	10%	11%	6,560	662	10%	11%	6,548	662	10%	11%
Waikato Museum of Art and History	3,401	303	9%	4%	3,404	303	9%	4%	3,404	303	9%	4%
ArtsPost	196	4	2%	2%	193	4	2%	2%	190	4	2%	2%
Excite	0	0	0%	35%	0	0	0%	35%	0	0	0%	35%
Living in Hamilton												
Community development	2,107	25	1%	2%	2,213	25	1%	1%	2,233	25	1%	1%
Youth programme	223	3	1%	1%	223	3	1%	1%	223	3	1%	1%
Community assistance	926	85	9%	22%	854	85	10%	22%	1,067	85	8%	22%
Housing services	1,580	1,490	94%	95%	1,578	1,490	94%	95%	1,576	1,490	95%	96%
Employment initiatives	1,279	498	39%	40%	1,278	498	39%	40%	1,276	498	39%	40%
Emergency management	541	262	48%	59%	540	262	49%	59%	537	262	49%	59%
Partnership with Maori	265	0	0%	0%	265	0	0%	0%	265	0	0%	0%
Cemeteries and crematorium	905	676	75%	63%	915	676	74%	63%	912	676	74%	63%
R&CA: Elections	7	7	100%	100%	367	231	63%	63%	7	7	100%	100%
R&CA: Councillor services	2,707	10	0%	0%	2,690	10	0%	0%	2,668	10	0%	0%
R&CA: Mayoral services	1,799	0	0%	0%	1,783	0	0%	0%	1,761	0	0%	0%
Enjoying our City												
Sports areas	2,257	110	5%	6%	2,306	110	5%	6%	2,313	110	5%	6%
Parks and gardens	4,486	675	15%	18%	4,423	547	12%	15%	4,654	545	12%	14%
City beautification	1,771	13	1%	1%	1,770	13	1%	1%	1,776	13	1%	1%
Waikato Stadium	3,829	1,601	42%	57%	3,746	1,643	44%	57%	3,700	1,663	45%	64%
Westpac Park	520	133	26%	45%	520	133	26%	45%	520	133	26%	45%
Waikato Events Centre	1,011	501	50%	58%	938	501	53%	71%	769	501	65%	85%
Hamilton City Leisure Centre	1,612	0	0%	0%	1,400	0	0%	0%	1,400	0	0%	0%
Swimming facilities	4,055	1,612	40%	43%	4,030	1,612	40%	44%	4,031	1,612	40%	43%
Community halls and leased buildings	255	47	18%	20%	253	47	19%	20%	248	47	19%	20%
Hamilton Zoo	1,635	550	34%	37%	1,744	550	32%	36%	1,743	550	32%	36%
Hamilton Gardens	1,760	163	9%	8%	1,727	163	9%	8%	1,729	163	9%	8%
Toilets	458	0	0%	0%	452	0	0%	0%	454	0	0%	0%

APPENDIX 12.8  
RATE ALLOCATION

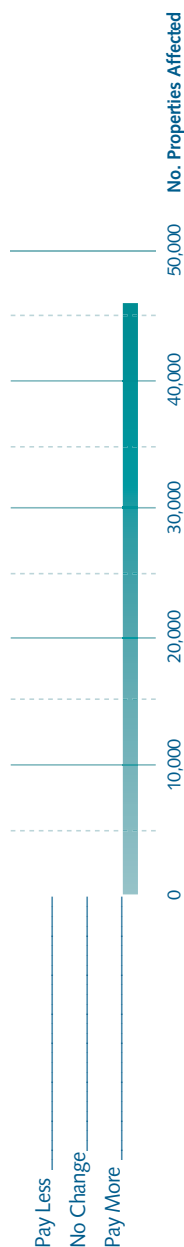
	Residential %	Inner City Residential Apartments %	Commercial Industrial %	Multi-unit %	Rural Large %	Rural Small %
<b>Sustaining Hamilton's Environment</b>						
Wastewater	75.08	0.166	23.07	1.69	0.00	0.00
Stormwater network management	74.84	0.165	23.01	1.69	0.17	0.13
Refuse	80.70	0.029	11.97	1.76	2.80	2.75
Water Supply	97.74	0.216	0.00	2.04	0.00	0.00
Sustainable Environment	73.26	0.162	22.43	1.64	0.18	2.33
Environmental Health	71.18	0.157	22.03	1.61	2.57	2.46
<b>Growing Hamilton</b>						
Road Network Management	29.63	0.065	66.62	0.97	1.54	1.19
Carriageways Management	31.99	0.071	66.62	1.02	0.17	0.13
Traffic Services/Street Lighting	31.99	0.071	66.62	1.02	0.17	0.13
Footpaths, Cycleways and Verges	58.17	0.129	39.97	1.42	0.17	0.13
Safety Programme	29.63	0.065	66.62	0.97	1.54	1.19
Hamilton Transport Centre	71.18	0.157	22.03	1.61	2.57	2.46
Parking	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Building Control	71.18	0.157	22.03	1.61	2.57	2.46
Planning Guidance	71.18	0.157	22.03	1.61	2.57	2.46
Animal Care and Control	71.18	0.157	22.03	1.61	2.57	2.46
Property Management	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Promoting Hamilton</b>						
Economic Development	0.02	0.000	98.99	0.51	0.20	0.28
Sister Cities Programme	71.98	0.159	22.20	1.63	1.55	2.49
<b>Experiencing our Arts, Culture &amp; Heritage</b>						
Hamilton Theatre Services	73.26	0.162	22.43	1.64	0.18	2.33
Libraries	73.26	0.162	22.43	1.64	0.18	2.33
Waikato Museum of Art and History	73.26	0.162	22.43	1.64	0.18	2.33
ArtsPost	73.26	0.162	22.43	1.64	0.18	2.33
<b>Living in Hamilton</b>						
Community Development	73.26	0.162	22.43	1.64	0.18	2.33
Youth Programme	73.26	0.162	22.43	1.64	0.18	2.33
Community Assistance	73.26	0.162	22.43	1.64	0.18	2.33
Housing Services	73.26	0.162	22.43	1.64	0.18	2.33
Employment Initiatives	73.26	0.162	22.43	1.64	0.18	2.33
Emergency Management	73.26	0.162	22.43	1.64	0.18	2.33
Partnership with Maori	73.26	0.162	22.43	1.64	0.18	2.33
Cemeteries and Crematorium	73.26	0.162	22.43	1.64	0.18	2.33
Elections	71.98	0.159	22.20	1.63	1.55	2.49
Councillor Services	71.98	0.159	22.20	1.63	1.55	2.49
Mayoral Services	71.98	0.159	22.20	1.63	1.55	2.49
<b>Enjoying our City</b>						
Sports Areas	73.26	0.162	22.43	1.64	0.18	2.33
Parks and Gardens	73.26	0.162	22.43	1.64	0.18	2.33
City Beautification	73.26	0.162	22.43	1.64	0.18	2.33
Stadiums	73.26	0.162	22.43	1.64	0.18	2.33
Hamilton City Leisure Centre	73.26	0.162	22.43	1.64	0.18	2.33
Swimming Facilities	73.26	0.162	22.43	1.64	0.18	2.33
Community Halls and Leased Buildings	73.26	0.162	22.43	1.64	0.18	2.33
Hamilton Zoo	73.26	0.162	22.43	1.64	0.18	2.33
Hamilton Gardens	73.26	0.162	22.43	1.64	0.18	2.33
Toilets	73.26	0.162	22.43	1.64	0.18	2.33
<b>TOTAL</b>	<b>64.7921</b>	<b>0.1349</b>	<b>31.809</b>	<b>1.837</b>	<b>0.320</b>	<b>1.107</b>
<b>DIFFERENTIAL FACTOR</b>	1.00	0.94	2.32	1.49	0.27	0.52

## APPENDIX 12.9

## IMPACT OF RATING SYSTEM

Based on the Land Value Method with new Differentials and One General Rate

## RATE IMPACT



Property Sector	Pay less	%	No change	%	Pay more	%
Residential	0	0%	0	0%	41,680	100%
Inner City Residential	0	0%	0	0%	144	100%
Commercial/Industrial	0	0%	0	0%	3,361	100%
Multi-Unit	0	0%	0	0%	470	100%
Rural Small (<10 ha)	0	0%	0	0%	448	100%
Rural Large (>10 ha)	0	0%	0	0%	65	100%
<b>Total</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>46,168</b>	<b>100%</b>

Properties that have an indicative rate impact of +/- 0.5% and greater, pay more or pay less, respectively.

## RATE IMPACT

Property Sector	Rate Decrease %	Rate Increase %
Residential		3.86%
Inner City Residential		3.91%
Commercial/Industrial		5.03%
Multi-Unit		6.58%
Rural Small (<10 ha)		6.20%
Rural Large (>10 ha)		6.44%

APPENDIX 12.10  
2003/04 SELECTED SAMPLE OF INDICATIVE RATES

Basket of Properties Category	Land Value	Capital Value	Current Rates	Rates Calculated	Difference	% Change
<b>MISCELLANEOUS RESIDENTIAL</b>						
Delamare Road	175,000	480,000	3,341	3,469	129	3.86%
Argyle Street	214,000	710,000	4,085	4,243	158	3.86%
River Road	540,000	1,050,000	10,308	10,706	397	3.86%
Balfour Crescent	170,000	342,000	3,245	3,370	125	3.86%
Victoria Street	55,000	160,000	1,050	1,090	40	3.86%
Femleigh Street	66,000	215,000	1,308	1,368	49	3.86%
Ellicott Road	70,000	207,000	1,336	1,388	52	3.86%
Charles Henry Place	85,000	410,000	1,623	1,685	63	3.86%
Ngaho Place	64,000	192,000	1,222	1,269	47	3.86%
Lake Domain Drive	255,000	430,000	4,868	5,055	188	3.86%
Jellicoe Drive	71,000	142,000	1,355	1,408	52	3.86%
Casey Avenue	90,000	240,000	1,718	1,784	66	3.86%
Chesterman Road	80,000	272,000	1,527	1,586	59	3.86%
<b>INNER CITY RESIDENTIAL APARTMENTS</b>						
Collingwood Street	45,000	135,000	809	841	32	3.91%
Garden Place	50,000	180,000	899	934	35	3.91%
<b>MULTI UNITS</b>						
Charlemont Street - 4 Units	90,000	310,000	2,489	2,653	164	6.58%
Firth Street - 10 Units	93,000	475,000	2,572	2,741	169	6.58%
<b>INDUSTRIAL</b>						
Te Rapa Industrial	1,397,000	3,800,000	61,191	64,270	3,079	5.03%
Te Rapa Industrial	765,000	2,600,000	33,509	35,195	1,686	5.03%
Te Rapa Industrial	65,000	395,000	2,847	2,990	143	5.03%
<b>COMMERCIAL</b>						
Suburban Commercial	3,500,000	47,900,000	153,307	161,021	7,714	5.03%
CBD Commercial	1,150,000	4,600,000	50,372	52,907	2,535	5.03%
CBD Retail	580,000	990,000	25,405	26,684	1,278	5.03%
CBD Retail	500,000	4,750,000	21,901	23,003	1,102	5.03%
CBD Retail	5,100,000	37,000,000	223,390	234,631	11,240	5.03%
CBD Commercial	260,000	750,000	11,389	11,962	573	5.03%
CBD Commercial	700,000	7,700,000	30,661	32,204	1,543	5.03%
CBD Commercial	1,607,000	6,000,000	70,390	73,932	3,542	5.03%
Te Rapa Industrial	299,000	415,000	13,097	13,756	659	5.03%
CBD Retail	2,231,000	17,000,000	97,722	102,639	4,917	5.03%
CBD Commercial	1,260,000	15,200,000	55,191	57,968	2,777	5.03%
CBD Commercial	340,000	1,300,000	14,893	15,642	749	5.03%
CBD Commercial	440,000	2,300,000	19,273	20,243	970	5.03%
CBD Retail	657,000	5,510,000	28,778	30,226	1,448	5.03%
Te Rapa Industrial	105,000	770,000	4,599	4,831	231	5.03%
Frankton Industrial	520,000	5,050,000	22,777	23,923	1,146	5.03%
Frankton Industrial	50,000	300,000	2,190	2,300	110	5.03%
<b>RURAL SMALL (&lt; 10 HECTARES)</b>						
Randomly Selected Property	250,000	465,000	2,409	2,558	149	6.20%
Randomly Selected Property	490,000	500,000	4,722	5,014	293	6.20%
(a) Greater than 2,000 square meters but less than 10 hectares						
<b>RURAL LARGE (&gt; 10 HECTARES)</b>						
Randomly Selected Property	2,550,000	3,200,000	12,587	13,398	811	6.44%
Randomly Selected Property	2,000,000	2,500,000	9,872	10,508	636	6.44%
(b) Greater than 10 hectares.						

