

0405060708

A VISION FOR OUR CITY



HAMILTON'S

ANNUAL PLAN

2005 / 06



Hamilton City Council

Te kaunihera o Kirikiriroa

0405060708 AVISIONFOROURCITY

Whakatauki

Kotahi ano te kohao te ngira
E kuhuna ai te miro ma, te miro whero
Me te miro pango.
A muri I a au kia mau ki te ture,
Ki te whakapono, ki te aroha.
Hei aha te aha! Hei aha te aha!

*There is but one eye of the needle
Through which the white, red and black threads must pass.
After me obey the commandments, keep faith,
And hold fast to love and charity
Forsake all else.*

Na Potatau Te Wherowhero, 1858

He Mihi

Na take i korerohia e tatau i mua
Tui ai te kupu korero I korerotia
Kia tu te winiwini kia tu te wanawana
I nga pu korero I wanangatia
I roto I te whai ao I te ao marama

*We bring our combined history and past discussions
Into our plans here for the future.
Be open and stand strongly
For the issues considered and discussed,
To benefit the world, now and in the future.*

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Hamilton City Council
Te kaunihera o Kirikiriroa

COMMITMENT TO THE TREATY OF WAITANGI (Kaingaakau ki te Tiriti o Waitangi)

Hamilton City Council (Te Kaunihera o Kirikiriroa) supports the principles of justice and partnership offered and agreed to in the Treaty of Waitangi (Te Tiriti o Waitangi) by Maori and the Crown. Through Articles II and III the Hamilton City Council recognises Maori as tangata whenua with kaitiakitanga (guardianship) status and ownership rights regarding land, and that Maori are assured the same rights as other citizens. To this end, Council enjoys partnerships of long-standing with:

- Waikato Raupatu Trustee Company Ltd – an iwi authority representing the views of Waikato-Tainui across the Waikato and King Country regions
- Nga Mana Topu o Kirikiriroa – an iwi group representing the views of local mana whenua (Maori with historic ties to the Hamilton/Kirikiriroa area)
- Te Runanga o Kirikiriroa – an urban iwi authority representing the views of mata waka (Maori from other areas).

The city enjoys the benefits of the historic knowledge, experience and views of Maori and the inclusive role that Maori play in Hamilton communities. The Local Government Act 2002 reinforces and reminds the community of the importance of continuing to foster such relationships, the necessity of good communication and the value of Maori heritage and values in New Zealand's progress as a distinctive nation.

Maori people comprise around 20 per cent of Hamilton residents. It is estimated that 40 per cent of those identifying as Maori are from hapu with close ties to the Hamilton area, while 60 per cent are originally from other areas of the country. Hamilton City Council has an important role in supporting its local communities, including working to improve the opportunities for Maori and other citizens to contribute to decision-making and playing an active role in the city's development.

COUNCIL'S PARTNERSHIP WITH MAORI (Te kaunihera mahi ngatahi ki te iwi Maori)

In 1995 Hamilton City Council commissioned the 'Shane Jones Report' which gave clear guidelines for Council to consult with Maori within the city in respect to their responsibilities under the Treaty of Waitangi, the Waikato-Tainui Raupatu Settlement 1995 and the Resource Management Act 1991.

In the ten years since the Shane Jones Report was adopted Maori have played an increasing influence in the city, both as part of the community and through the distinctive contribution of Maori heritage and culture to Hamilton city.

Hamilton City Council, Waikato Raupatu Trustee Company Ltd, Nga Mana Topu o Kirikiriroa and Te Runanga o Kirikiriroa are proud to work, individually and collectively at continuing to develop Hamilton as a city where all cultures work in partnership and respect each others' views, heritage, culture and strengths. Council recognises and respects the kawa/protocols and associations of Waikato-Tainui and the importance of that role within the city, and the mutual welcoming of Maori, Pacific people, Asian people, European people and other New Zealanders alike.

Council partnerships and service agreements with Te Runanga o Kirikiriroa and Nga Mana Topu o Kirikiriroa are long-term and mutually beneficial. They provide a mana whenua perspective and a mata waka (urban Maori/Pacific) view on issues relating to the Treaty.

In line with the spirit of the Local Government Act 2002, Council will continue consultation with these three organisations and other key community stakeholders in order to foster positive community and city initiatives. The relationship, roles and functions of each of the partnerships is outlined below.



WAIKATO RAUPATU TRUSTEE COMPANY LTD

Waikato Raupatu Trustee Company Ltd is the principal constitutional and legally mandated iwi authority for the Waikato-Tainui tribe within the Waikato-King Country region, encompassing some 33 hapu and 63 marae across several local authority boundaries.

Waikato-Tainui as a whole takes on the overall umbrella governance focus for its people, its tribal culture and their maintenance. In terms of its people, Waikato-Tainui regards the sustainable development of local communities as being of utmost importance. To this end it participates in commercial business activities to provide for housing, employment and training and the necessary funding for education and marae grants.

In terms of Waikato-Tainui culture the Waikato River is regarded as te tupuna awa (the ancestral river), representing the mana (authority) and mauri (life-force) of the iwi. A key environmental issue for the Raupatu Lands Trust is to monitor any pollutant effects on the river and lakes within the city.

The Waikato Raupatu Trustee Company is in the process of strengthening its relationship with Council. Both parties are seeking a partnership approach to ensure that consultation is robust and positive. The intention is to ensure an effective and durable working relationship that will supplement and reinforce the existing partnerships Council has with Nga Mana Topu o Kirikiriroa and Te Runanga o Kirikiriroa.

NGA MANA TOPU O KIRIKIRIROA

Nga Mana Topu o Kirikiriroa advocates the views and opinions of Hamilton's mana whenua people (a subset of Waikato-Tainui) who have a strong affinity with the natural and physical resources within the boundaries of Hamilton city and neighbouring local authorities. They carry out this function with the blessings of the iwi authority and Te Runanga o Kirikiriroa, by virtue of being able to bring forward their local historical and cultural knowledge of the natural resources to any issue.

As a result Nga Mana Topu o Kirikiriroa is seen as the primary authority for such knowledge, kawa and protocol within the city and its environs. Nga Mana Topu o Kirikiriroa regards its partnership with Council as honouring Article II of the Treaty of Waitangi, preserving and commemorating traditional landmarks from a mana whenua perspective in order to assist with positive community dialogue between Maori and non-Maori.

TE RUNANGA O KIRIKIRIROA

Te Runanga o Kirikiriroa provides Council with a number of support services, and access to urban Maori (Waikato-Tainui and other Maori) perspectives on a wide range of social issues (Article III). Council and Te Runanga o Kirikiriroa are working together to provide information on election processes to Hamilton communities, and are providing support for a range of community support and housing services. The two organisations meet regularly through the Joint Venture Committee to discuss Maori contribution to decision-making, to facilitate Council consultation with Maori and to support Maori social services and organisations. The Maori Project Fund, which Te Runanga o Kirikiriroa administers on behalf of Council, provides valuable funding for a range of projects, including capacity building for Rauawawa (Maori community support groups in the city).

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1.0 PURPOSE OF COUNCIL'S 2005/06 ANNUAL PLAN (Nga tikanga o te kaunihera 2005/06 Hui-a-tau)

The purpose of Council's 2005/06 Annual Plan is to:

- support the 10 year LTCCP (Long-Term Council Community Plan – known as Hamilton's Community Plan 2004–14) which is Council's strategic framework for the city's long-term development
- identify any amendments and variations to year 2 (2005/06) of Hamilton's Community Plan 2004–14
- detail the 2005/06 budget and funding impact statement
- provide a basis for accountability of Council to the community
- provide an opportunity for the public to participate in decision-making processes on the activities to be undertaken by Council in 2005/06.

The relevant references to Hamilton's Community Plan 2004–14 are shown throughout this Annual Plan. The annual plan provides the accountability base for the setting and assessing of rates (rates cannot be set until the annual plan has been adopted) and can be described as a budgetary instrument.

The annual plan's focus is on financial matters in the year to which it relates and not on the role, scope, service levels and priority of Council's activities. These wider matters are intended to be dealt with through the preparation and adoption of Council's LTCCP (every three years), and any subsequent amendment or variation if necessary. To this end, the annual plan is intended to be a companion document to be read in conjunction with the base LTCCP.

What is Hamilton's Community Plan 2004–14?

Under the Local Government Act 2002 Council is required to produce a community plan (Long-Term Council Community Plan) every three years, beginning 1 July 2004. Although referred to as a Long-Term Council Community Plan in the Local Government Act 2002, Council has called its plan 'Hamilton's Community Plan 2004–14'. It is Council's primary long-term strategic framework as to how it wants Hamilton to develop over the next 10 years. The plan is developed in partnership with the community and sets out the community's desired outcomes for the following 10 year period. The community plan will be reviewed and evaluated every three years, and every six years the community outcomes will be reviewed and evaluated by the community.

What are Community Outcomes?

The Local Government Act 2002 requires local authorities to get their local communities thinking about the long-term desired outcomes and priorities for the city that people want to work towards for the coming 10 year period. The outcomes identified by the community indicate the community's desire for how the city should progress socially, economically, environmentally and culturally (known as the four well-beings). These outcomes and the processes required to achieve them will serve as a focal point for Council and organisational planning for the city.

Hamilton's Community Plan 2004–14 is required to state the outcomes identified by the community and how the outcomes were identified. Council has to explain what it will be doing to contribute to the outcomes and how it will be working with other key stakeholders/organisations to achieve them.

What about the Annual Report?

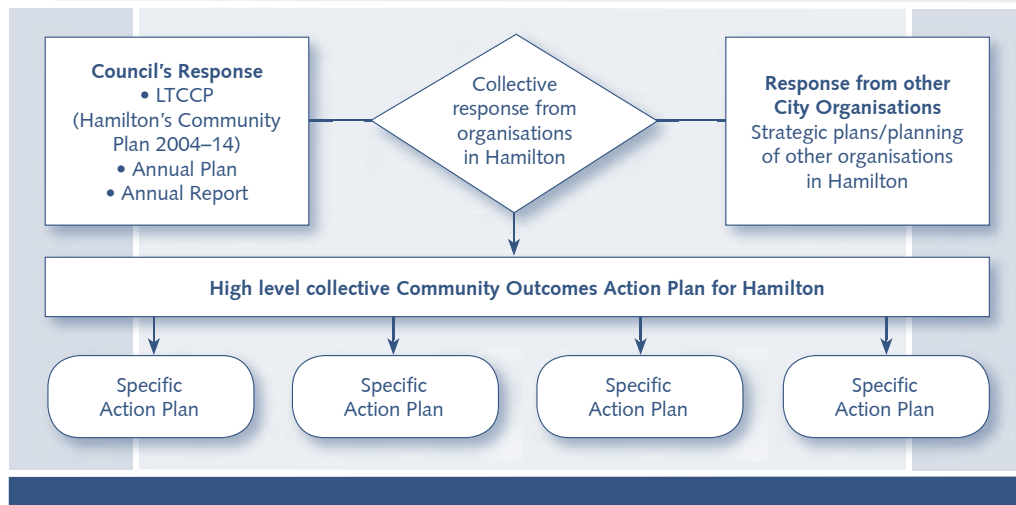
Council will still produce an annual report at the completion of each financial year (30 June) to show how the actual activities, services and performance of Council measured up to the intended activities, services and levels of performance as set out in the previous community plan or annual plan.

The relationship of the annual plan to Hamilton's Community Plan 2004–14 and the community outcomes is shown below.

Relationship of the Community Outcomes Framework to Council's LTCCP, Annual Plan, and Annual Report

HAMILTON'S COMMUNITY OUTCOMES AND PRIORITIES

(How the community wants Hamilton to develop over the next 10–20 years)



2.0 MAYOR AND CHIEF EXECUTIVE'S OVERVIEW

Hamilton is a city of growth in all aspects – diversity, population, development and innovation. Alongside this, our city's aspirations are also growing, bringing fresh enthusiasm and positivity for Hamilton. There is increasing recognition of what Hamilton has to offer, not just locally – but nationally and internationally. Now is a critical time in our city's development and with this comes the need for careful planning to shape Hamilton now and into the future.

With the considerable growth Hamilton is experiencing, a number of key issues face our city. Council has identified addressing transport issues as the key priority. Through Access Hamilton, Council aims to secure an integrated approach to provide workable solutions for our dynamically changing transport issues.

Council has implemented a new committee structure to reflect its priorities. One key change is the creation of a special transport committee to focus on transport issues. To provide immediate access to funding for roading and transport solutions Council has set a targeted transport rate that will apply over the first three years of a 10-year plan for Access Hamilton.

Growth, urban design, heritage plus arts and culture have also been highlighted as key priorities within our city. Council's new policy of Financial and Development Contributions will provide a dedicated funding stream to support continued urban growth. The development contributions will be triggered by a subdivision, land use or building consent, or by a request for service connection. It is highly responsive to development trends and will assist Council in its project planning and financial planning for growth. Economic development is also a major focus and the formation of The Katolyst Group has captured the essence of Hamilton's commitment to innovation and excellence in all fields including the creation of a range of internationally competitive business clusters starting with agritech at Innovation Park and aviation at Hamilton International Airport.

The Long-Term Council Community Plan (Hamilton's Community Plan 2004–14) (LTCCP) outlines key Council projects and programmes, the structure of Council and how it operates, information on Hamilton's community outcomes and how Council intends to address them through its Significant Services and projects and programmes. This Annual Plan is an extension of the priorities identified in year 2 (2005/06) of Hamilton's Community Plan 2004–14 and this will lead onto a new Community Plan for the 10-year period of 2006–16.

Elected members and staff are committed to a collaborative effort underpinning Council's approach to the coming year and rollout of Hamilton's LTCCP. As a Council, we have explored the city Vision and identified what this means for this term of Council. How we see the Vision unfolding is included in this document and will have a valuable input to the wider debate that will be occurring this year as the city explores its community outcomes.

To drive through meaningful outcomes we will be fostering strong partnerships with other councils, key organisations and the community. Council has initiated a major community consultation process to identify outcomes and priorities for Hamilton in response to the Local Government Act 2002. This is being facilitated by a group of key stakeholders representing the spectrum of social, economic, environmental and cultural well being. Community outcomes are statements of what the community would like to achieve over the coming 10 years or more.

The organisation is continuing in its quest of achieving Business Excellence so it can effectively and efficiently deliver better services through its direct association with the Business Excellence Foundation which is committed to 'best practice' in the way organisations are run. Last year Council achieved a Business Excellence Progress Award.

The key changes made to the Annual Plan 2005/06 as a result of the submission process are noted in the section Outcomes from the Public Submission Process, page 32. In considering the public submissions, Council met and made its decisions on 27 June 2005 and set the rates strike for the 2005/06 financial year on 6 July 2005.

Council's website www.hcc.govt.nz/annualplan2005-06/ includes a digital copy of the annual plan.



Michael Redman
HAMILTON MAYOR



Tony Marryatt
CHIEF EXECUTIVE

The Annual Plan 2005/06 was adopted by Council on 27 June 2005.

TE TUMUAKI ME TE RANGATIRA KAIWHAKAHAERE TIROHANGA WHAANUI

Ko Kirikiriroa he taaone nui mo te tupuranga, no te mea he rerenga kee, he pakari haere, he hou, ki ngaa hunga e noho nei ki wheenei momo aahuatanga. Ki te taha o wheenei ko ngaa tuumanako e tupu haere ana, ko ngaa painga hei ngaakaunui mo Kirikiriroa. Kei te piki ngaa moohiotanga mo teeneki ta aone nui o Kirikiriroa, ehara mo maatou anake, engari mo ngaa rohe katoa huri noa o te motu, huri noa i te ao whaanui. Inaianei he waa tino whai tikanga, ko te take kia aata haere ngaa whakaritenga mo te waa e tuu mai nei.

He maha ngaa momo kaupapa kei te heke mai nei mo teeneki taone nui. Na te kaunihera e tohu ana mo ngaa waka e hari tangata te mea nui mo teeneki taone. Na reira, ko te putanga o Kirikiriroa (Access Hamilton) te take nui rawa atu hei arataki teeneki kaupapa.

Ko te kaunihera hei timata he komiti hou, taa raatou mahi kia aata tirohia e ngaa mahi waka e hari tangata. Ma te kaunihera e whai putea mo teeneki kaupapa mo ngaa tau e toru e heke mai nei, engari mai te 10 tau e tuu mai nei (Access Hamilton).

Haunga i ngaa kaupapa e koorerohia nei, ko ngaa ahuatanga mahi toi, tikanga-aa-iwi ngaa kaupapa nui rawa atu, ko te whai putea teetehi ano ki raro i te (WED), ko te take te waahi waka rererangi me te paaka hou. He ingoa ta te roopuu nei, ko te (Katolyst) na raatou te roopu kaiwhakahaere. Ma te kaunihera ano e whai putea ana mai ngaa rawa o te whenua, te whakatuu whare ngeera aahuatanga katoa.

Te tirohanga whaanui o Kirikiriroa 2004–14 (LTCCP) whakatakoto nei ngaa kaupapa, ngaa hootaka ranei mo ngaa haapori huri noa. Kei roto hoki ngaa korero e pa ana ki to maatou kaunihera, e ahu pewhea maatou ngaa tau kei te tuu mai. Na reira, kei te aata waananga maatou mo teeneki pepa mo ngaa tau e heke mai nei, 2006–16 mai ngaa tau e rua (2005/06) mahue ake nei.

Ko ngeetehi aau maatou kaitohutohu, kaimahi hoki e kaingakaunui ana ki ngaa kaupapa mo te LTCCP. Me pewhea te tutuki? kei roto teeneki pukapuka ngaa hua e whakaputaina e ngaa hapori huri noa.

Na reira me wheenei ngaa whakaritenga mo teeneki whakaaturanga. Tuatahi, rapaina ngaa hapori, ngaa ratonga ki roto o Kirikiriroa e karanga mai nei he hui e pa ana ki te ture kaawanatanga kaunihera 2002. Tuarua, ma ngaa kaitohutohu e whakahaere wheenei hui. Ko te tumanaako ka puta mai ngaa hua, ngaa painga mo ngaa tau 10 e heke mai nei.

Kei te kimi haere maatou teetehi roopuu mo te taha whai putea moohio nei maatou he roopuu wheenei. I wheera tau i whiwhi nei maatou te kaunihera teeneki tohu.

No reira, kua whiwhi kee maatou ngeetehi aau koutou tono-a-pepa, kei roto te pukapuka Tirohanga whaanui 2005/06 wharangi 32 ngaa hua, i hui tahi nei maatou ki to koutou taha. I hui nei maatou te kaunihera mo te take e pa ana ki te tau whai putea 2005/06 6 o Hurae mo ngaa reeti, ko te 27 o Hune 2005 taua hui raka.



MICHAEL REDMAN
HAMILTON MAYOR



TONY MARRYATT
CHIEF EXECUTIVE

Ko te Tirohanga Whaanui 2005/06 e taurima na te kaunihera i te raa 27 o Hune 2005.

3.0 COUNCIL'S VISION FOR THE CITY (Te Tirohanga whanui o te kaunihera o Kirikiriroa)

Council's vision for the city (adopted on 10 October 2003) is:

*Vibrant Hamilton
Pride of the Waikato, Achieving for New Zealand
Investing in our People, Creating Prosperity, Protecting our Future*

The new Council has worked through this to bring further meaning to the vision, and on 1 March 2005 established its commitment for each component of the vision for Hamilton:

Vibrant Hamilton

- Generate a spirit of cooperation, innovation, celebration and achievement.
- Help build local capacity and encourage the active and energetic participation of all residents.
- Ensure through good planning and urban design, that our built environment, and the city's gateways and CBD in particular, reflect our spirit of energy, innovation and identity.
- Maintain and strengthen a sense of connection with our history and place, through the protection of heritage, environment and the celebration of arts and culture.
- Help to create a dynamic lifestyle environment through recreation and leisure opportunities, and city events.

Pride of the Waikato

- Meet its responsibility to the wider Waikato region by providing leadership and advocating on its behalf
- Develop and maintain strong partnerships with key stakeholders in the region.
- Set high standards for governance, planning and development in the region.
- Enhance Hamilton's position as the logical 'hub' of the region.
- Ensure that Hamilton continues to provide core skills, services, facilities and industry for the region.

Achieving for New Zealand

- Support and promote Hamilton as New Zealand's export growth capital.
- Encourage the establishment of centres of excellence in this region.
- Encourage the city's institutions to play a key role in solving New Zealand's problems and leading national debate.
- Promote the development of innovative local solutions that will become models for the rest of the country.

Investing in Our People

- Place a high value on our people, communities and organisations.
- Develop processes that enable the wider community to contribute to decisions about the city's future.
- Focus on finding local solutions through the use of innovative processes of consultation and collaboration.
- Support services and processes that enhance the sense of connectedness, belonging and safety for all residents.
- Encourage values and behaviour that reflect a truly multi-cultural society.
- Measure our success and progress using quality of life indicators.

Creating Prosperity

- Promote strategies for the development of the regional economy and the effective management of key strategic assets.
- Create a flexible and responsive business environment that encourages positive investment decisions.
- Encourage links between education providers and industry to ensure that there are appropriately skilled people to meet the needs of our economy and future growth strategy.
- Gather and distribute information that will assist economic and social development.

Protecting Our Future

- Focus on sustainable growth.
- Develop and maintain a robust framework of policies and strategies that balance the short-term and long-term interests of the city.
- Take a visionary yet disciplined approach to long-term planning and decision-making.
- Maintain prudent financial management.
- Ensure that social infrastructure keeps pace with community growth and needs.

4.0 INTRODUCTION TO COUNCIL (Whakatuki ki Te kaunihera o Kirikiriroa)

COUNCIL'S GOVERNANCE STRUCTURE

Hamilton City Councillors are members of the Hamilton community who have been elected by the community and given responsibility for the overall governance of the city. This includes setting Hamilton's long-term direction, and ensuring that Council acts in the best interests of its community.

Hamilton City Council comprises 13 councillors elected from three wards, and a mayor who is elected from the city as a whole.

Council's elected members are responsible for:

- law-making (bylaws) and overseeing that the relevant Acts of Parliament (e.g., the Local Government Act 2002) are complied with
- developing and approving Council policy
- determining the expenditure and funding requirements of Council through the LTCCP and Annual Plan processes
- monitoring the performance of Council against its stated objectives and policies (in particular through the Annual Report)
- employing and monitoring the performance of the Chief Executive.

Council may borrow money, purchase assets, and dispose of assets for the purposes of performing its role in terms of the Local Government Act 2002 (and other relevant statutes) and may delegate any such activities to a committee or other subordinate decision-making body, or member or officer of the local authority.

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

The local authority elections held in October 2004 resulted in a new Council comprising the following elected members:



ELECTED MEMBERS (Ngaa pootitia mema)

HIS WORSHIP THE MAYOR



Michael Redman

Phone: 838 6976

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Email: mayor@hcc.govt.nz

Council Committees/Subcommittees:

Although His Worship the Mayor is an ex-officio member of all committees, however, he is specifically appointed to subcommittee 8 (Chief Executive's Performance Assessment Panel) as chairman.

Key to Council Committees

1. City Development Committee
2. Community and Leisure Committee
3. Statutory Management Committee
4. Transport Committee
5. Finance and Audit Committee
6. Stadiums Management Board

(C) = Chairperson

(DC) = Deputy Chairperson

His Worship the Mayor is an ex-officio member of all committees.

Subcommittees

7. Applications Subcommittee
8. Chief Executive's Performance Assessment Panel
9. Community Centre Capital Funding Subcommittee
10. Community Well-being Grant Allocation Subcommittee
11. Contracts Subcommittee
12. Event Sponsorship Subcommittee
13. Parking Management Subcommittee
14. Passenger Transport Subcommittee
15. Speed Limits Subcommittee
16. Traffic Calming Subcommittee
17. Cycling Subcommittee



EAST WARD COUNCILLORS



Daphne Bell

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Council Committees/

Subcommittees:

2 (DC), 3, 4, 9, 10, 17 (C)



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Council Committees/

Subcommittees:

2, 3 (DC), 5



Roger Hennebry

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Council Committees/

Subcommittees:

1, 3, 5 (C), 11 (C)



SOUTH WARD COUNCILLORS



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Council Committees/

Subcommittees:

1, 3, 4, 6 (C), 8, 16 (C)



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Council Committees/

Subcommittees:

1 (C), 2, 4, 11, 12, 13 (C)



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Council Committees/

Subcommittees:

2 (C), 3, 4, 9, 10



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Council Committees/

Subcommittees:

1, 3 (DC), 5



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Council Committees/

Subcommittees:

1, 3, 5



WEST WARD COUNCILLORS



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Council Committees/

Subcommittees:

1, 4 (C), 5, 14 (C)



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Council Committees/

Subcommittees:

2, 3, 5



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Council Committees/

Subcommittees:

1, 3 (C), 4, 7 (C), 14, 15 (C)



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Council Committees/

Subcommittees:

1 (DC), 2, 4, 8, 11

DEPUTY MAYOR



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Council Committees/

Subcommittees:

1, 2, 5 (DC)

COUNCIL COMMITTEES

Committees 1–4 meet every six-weeks, and committees 5 and 6 quarterly.

1. **City Development** – This new committee focuses on the strategic direction of the city (i.e., District Plan, city growth, provision of infrastructure) and also the continued facilitation of the economic development strategy.

Role: To consider and recommend policy to Council on all matters that are of either a strategic nature or that relate to the economic development of the city.

2. **Community and Leisure** – This committee has the same role as the previous Social and Community Committee, but with a change of name to more clearly represent the role of the committee.

Role: To consider and recommend policy to Council, and to monitor the effective and efficient implementation of that policy for the community and leisure fields of activity.

3. **Statutory Management** – This committee has the same role as the Statutory Management Committee of the previous Council.

Role: To hear and consider applications under the Health Act 1956, Local Government Act 2002, Reserves Act 1977, Sale of Liquor Act 1989, Building Act 1991, Resource Management Act 1991 and any other Act and bylaws, other applications and objections to applications.

To consider and recommend to Council on regulatory matters.

4. **Transport** – This new committee focuses solely on the review and implementation of Access Hamilton. (Access Hamilton being the brand for an integrated transportation strategy for the city.)

Role: To consider and recommend policy to Council and to monitor the effective and efficient implementation of that policy in the area of integrated transportation.

5. **Finance and Audit** – This new committee will monitor the financial performance of Council against the community/annual plan, and audit coordination and the management of commercial properties funded from the Municipal Endowment and Domain Fund.

Role: To monitor the financial performance of Council.

6. **Stadiums Management Board** – There is no change to the role of this committee due to arrangements entered into with the Waikato Rugby Union and Northern Districts Cricket Association.

Role: To maximise the multi-purpose use of the facilities.

To maintain to a high standard the amenities and facilities at both grounds.

To manage the grounds in an efficient and effective manner.

SUBCOMMITTEES

7. Applications Subcommittee

This subcommittee reports to the Statutory Management Committee. Its role is to consider and resolve as expediently as possible all minor planning matters where there is agreement of all parties involved in the application.

8. Chief Executive's Performance Assessment Panel

This panel reports to Council. Its role is to maintain an overview of the performance of the Chief Executive.

9. Community Centre Capital Funding Subcommittee

This subcommittee reports to the Community and Leisure Committee. Its function is to disburse capital grants on behalf of Council, and to recommend operational grants to the community/annual plan.

10. Community Well-being Grant Allocation Subcommittee

This subcommittee reports to the Community and Leisure Committee. Its function is to disburse grants on behalf of Council.

11. Contracts Subcommittee

This subcommittee reports to the Finance and Audit Committee. Its role is to approve all contracts for supply and services in excess of the delegated sum (\$500,000 excluding GST) and when the amount of work involved in a decision not to go to tender exceeds \$100,000 (GST excluded).

12. Event Sponsorship Subcommittee

This subcommittee reports to the City Development Committee. Its function is to evaluate and make recommendations on which events should receive Council funding and to what value.

13. Parking Management Subcommittee

The Transport Committee is to receive petitions and refer to the Parking Management Subcommittee, which is delegated to make recommendations to the Transport Committee and Council in line with policy.

14. Passenger Transport Subcommittee

The role of this subcommittee is to recommend to the Transport Committee and to Environment Waikato:

- new and altered Hamilton passenger transport routes, times and related issues
- passenger transport infrastructure provision
- passenger transport promotional campaigns
- passenger transport policy issues
- funding for the above
- make recommendations on matters arising from comments and complaints received about Hamilton passenger transport from passengers and the public
- advocacy of the Hamilton passenger transport strategy.

15. Speed Limits Subcommittee

The Transport Committee sets policy in line with Land Transport New Zealand rules. The Speed Limits Subcommittee is delegated to make decisions.

16. Traffic Calming Subcommittee

The Transport Committee reviews and receives petitions. Decisions are then referred to the Traffic Calming Subcommittee, which is delegated to make decisions in line with policy.

17. Cycling Subcommittee

The primary purpose of this subcommittee will be to oversee the implementation of Council's 2000 Cycling Strategy and to review and propose recommendations to the Transport Committee relating to this strategy.

Note: Further detail on Council's committees (including fields of activity, meeting dates/times, agendas/minutes etc) can be viewed/downloaded from Council's website www.hcc.govt.nz.

5.0 AMENDMENTS TO HAMILTON'S COMMUNITY PLAN 2004–14 (Nga whakatikanga mo nga kaupapa haponi 2004–14)

Hamilton's Community Plan 2004–14

On 29 June 2004 Council adopted its first Long-Term Council Community Plan (LTCCP – known as Hamilton's Community Plan 2004–14). This plan is Council's key strategic planning document for the period 1 July 2004 to 30 June 2014.

What is an amendment?

An amendment is where Council decides to make a significant change to the direction outlined in Hamilton's Community Plan 2004–14. The term 'significant' is taken to be any change of direction that triggers Council's Significance Policy. The objective of Council's Significance Policy (page 166 of Hamilton's Community Plan 2004–14: Volume 2) is:

"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 the community's strategic assets."

The only changes outlined in this annual plan that trigger Council's Significance Policy are the:

1. Targeted Rate (Capital Value Basis) for Access Hamilton
2. Review of Council's Development and Financial Contributions Policy.

These two amendments are outlined below.

TARGETED RATE (CAPITAL VALUE BASIS) FOR ACCESS HAMILTON

In Council's 2004 Residents Survey, 'traffic' (including congestion) was rated the most important issue that residents felt Council should be addressing, i.e., this was mentioned by 27 per cent of survey respondents. The third most important issue was 'roads' (including road maintenance, development of roads and bypasses – mentioned by 17 per cent of respondents); fifth was 'car parking' (9.9 per cent of respondents) and sixth was 'public transport' (9.7 per cent).

The vision of Access Hamilton is to enable good access in and around the city by managing the issues of traffic congestion, travel times, safety, risk, parking, and ensuring good networks for all travellers who walk, cycle or use passenger transport and cars. It is about balancing choices in relation to the demands placed on transport infrastructure, with the supply of transport infrastructure. Transport is a complex system and no one action will produce the desired outcome. It is the sum of a range of initiatives that will make a difference.

Access Hamilton integrates many of Council's existing strategies and construction programmes. In summary, the key elements of Access Hamilton are:

- Ring road and cross-city connectors
- Arterial road and intersection upgrades
- Alternatives to the car (public transport, ferries, park and ride, trains, walking, cycling)
- Provision of commuter parking in the Central Business District
- Travel demand management.

Hamilton's Community Plan 2004–14 makes limited provision for the projects encompassing Access Hamilton. As a result of this funding shortfall, Council has introduced a new targeted rate for Access Hamilton in addition to Council's existing rating system.

The introduction of the new targeted rate for 2005/06 is a departure from the funding impact statement contained in Hamilton's Community Plan 2004–14. The targeted rate represents a new funding mechanism which will be used to obtain additional revenue for Council. It also signals Council's intention to commit to spending up to \$50 million on Access Hamilton in Years 2–4 of Hamilton's Community Plan 2004–14, and the commitment of \$22 million of future new debt.

Targeted Rate

A targeted rate on a capital value basis will fund Council's response by way of project and work programmes and/or financing costs relating to Access Hamilton and the Hamilton Alternatives to Roving Transportation Study (HARTS) investigations, commencing in the 2005/06 financial year.

The projects and work programmes may comprise capital projects (rates and loan funded), investigation, design and feasibility studies, subsidies of transport initiatives, and other operational costs.

The targeted rate will be set under the following legislation:

- Section 16(3)(b) and section 16 (4)(a) of Local Government (Rating) Act 2002 (Schedule 2 Clause 1).

The targeted rate will be against:

- All categories of rateable land within the city excluding 'not rated', '100 per cent non-rateable' and '50 per cent non-rateable properties', as these categories of property are currently paying rates the equivalent of core "service charges" only.

Amount to Rate

The amount to be levied by the new targeted rate will be \$2,559,840 (GST exclusive) from 1 July 2005. This amounts to 3.5 per cent of the general rate levied in 2004/05, i.e., an average increase of 3.5 per cent to ratepayers.

The amount raised by this targeted rate will be transferred into an Access Hamilton Special Reserve and these funds will be used to fund:

1. Investigations or associated Access Hamilton capital costs
2. Debt servicing of loan-funded Access Hamilton capital projects
3. Subsidies of transport initiatives, design and feasibility studies and other operational costs linked to Access Hamilton.

The cost estimates have assumed that all Access Hamilton capital projects will receive a 56 per cent subsidy from Land Transport New Zealand.

The targeted rate will service \$22 million of debt which, when combined with the expected subsidy of \$28 million, will result in an Access Hamilton work programme of \$50 million.

As the Access Hamilton work programme is not being considered by Council until September 2005, the actual timing of capital works and loan raising (for which the funds outlined above will be applied) cannot be identified until that date. However, Council wishes to commence work on the Access Hamilton programme as soon after this date as possible, and the funds raised under this new targeted rate will allow this to occur.

Options Considered for the Targeted Rate

Council considered two options to fund Access Hamilton.

- **Option 1** – Targeted rate to be set on a uniform basis on the capital value of rateable land.

Under this rating option a targeted rate would be set at the same rate in the dollar for all property categories within Hamilton city.

- **Option 2** – Targeted rate to be set differentially on the capital value for the different categories of rateable land (based on the same differential factor as the general rate).

Under this rating option a targeted rate would be set on a differential basis for each category of property within Hamilton city (i.e., a different rate in the dollar for each sector based on the same ratio as the general rate on land value).

Council resolved to use Option 1 as a targeted rate on capital value (uniform basis) as a "pure" taxing mechanism for the allocation of costs. Council also determined that this option may link better to people's ability to pay and their use of services such as the roading network. Capital value on a uniform basis also moderates extremes between property sectors and reduces the need for differentials.

In regard to Option 2, it is extremely hard to justify the differential when based on capital value. Courts have recognised that capital value rating reduces the need for differentials. There is no easy rationale to explain why a differential should be applied to property sectors for Access Hamilton under a capital value rating system.

The current general rate differential, in part, relates to the particular activities funded by the general rate (for example, which categories receive the waste collection service). Therefore, it seems illogical to apply those differentials to the funding of a totally different activity.

Impact of Not Introducing the New Targeted Rate

If the targeted rate was not assessed by Council to fund Access Hamilton, no alternative funding source is otherwise available to enable these projects to proceed.

Council could have chosen to fund Access Hamilton by way of the existing general rate, but this option was not supported as ratepayers would not transparently see the true cost of the Access Hamilton programme of work.

Further, if the new rate funding for Access Hamilton was not introduced for the 2005/06 rating year, only very limited funding would have been available when the Access Hamilton programme of work is reported to Council in September 2005. Any work incurring costs described in the section headed 'Amount to Rate' would have been delayed until the 2006/07 rating year at the earliest, when funding may have been considered as part of Council's 2006–16 Long-Term Council Community Plan.

Access Hamilton Information Sheet

An information sheet was sent to all Hamilton households in March 2005 outlining the traffic issues facing the city and the purpose of Access Hamilton.

The information sheet contained a submission form for residents to provide Council with their feedback by 2 May 2005. These submissions were considered as part of Council's Proposed Annual Plan 2005/06 process. Of the 574 submissions received, 465 were made in direct response to the Access Hamilton information sheet.

Access Hamilton Meetings

Council outlined its intentions for Access Hamilton at a public meeting as well as a meeting for key stakeholders (e.g., Transit New Zealand, Land Transport New Zealand, etc).

Consequential Impact of Amendments to Hamilton's Community Plan 2004–14 Regarding the Revenue and Financing Policy

The Revenue and Financing Policy, Rating Policy, Funding Impact Statement and Financial Statements included in Hamilton's Community Plan 2004–14 do not provide for Access Hamilton.

The Annual Plan 2005/06 includes a commitment to Access Hamilton and a work programme (following presentation of an investigation report back to Council in September 2005) to be implemented up to an annual net rate cost to Council of the amount held in the Access Hamilton Special Reserve, which is funded from the new targeted rate. The new targeted rate of \$2,560,000 is a funding mechanism for Access Hamilton.

The Rating Policy which sets out how Council will determine the setting and collecting of rates, types of rates, etc, has been amended for Access Hamilton. The new targeted rate will be assessed on all categories of rateable land within the city (excluding 'not rated', '100 per cent non-rateable' and '50 per cent non-rateable' properties) on a uniform rate in the dollar based on the capital value of the property.

The Funding Impact Statement which discloses the revenue, operational and capital expenditure requirement and financing mechanisms has been amended to show the impact of Access Hamilton. The amount to be levied by the new Access Hamilton targeted rate of \$2,560,000 appears in the rates funded section of the statement. A transfer to the Access Hamilton Special Reserve of \$2,560,000 is included in the transfers to reserves. Other estimates on this Statement have also been revised in line with budget decisions made by Council. (Refer to Section 13.0 for further details.)

The Revenue and Financing Policy which shows how Council's operational and capital expenditure requirements will be funded for each significant service, has not been amended because the process for identifying the actual projects and programmes to be funded, is not being considered by Council until September 2005. At that time, the actual

timing of works, quantum of dollar spend against significant services (carriageways, footways cycleways and verges, traffic and the Hamilton Transport Centre) and outcome areas and loan raising will be identified. It is acknowledged, however, that Council wishes to commence work on Access Hamilton as soon after this date as possible, and the funds raised under the new targeted rate will allow this to occur.

The Financial Statements have been amended to show the impact of Access Hamilton. The amendment is outlined in the table below:

All figures in \$000s	Annual Plan 2005/06	Amended Community Plan 2004–14							
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Targeted Rates									
Per Community Plan 2004–14	475	472	467	462	464	459	453	453	448
Per Annual Plan 2005/06	3115	3032	3027	3022	3024	3019	3013	3013	3008
Amendment for Targeted Rate–Access Hamilton	2560	2560	2560	2560	2560	2560	2560	2560	2560
Transfer to Access Hamilton Special Reserve									
Per Community Plan 2004–14	0	0	0	0	0	0	0	0	0
Per Annual Plan 2005/06	2560	2560	2560	2560	2560	2560	2560	2560	2560
Amendment for Transfer to Access Hamilton Special Reserve	2560	2560	2560	2560	2560	2560	2560	2560	2560

Note: As part of the work associated with Access Hamilton during the period 2005/06–2013/14, Council may spend up to \$50 million on Access Hamilton, and fund this by up to \$22 million of new debt and up to \$28 million of subsidy from Land Transport New Zealand.

Consequential Impact of Amendments to Hamilton's Community Plan 2004–14 Regarding Debt

The Annual Plan 2005/06 predicts some changes to the debt profile as outlined in Hamilton's Community Plan 2004–14. The Annual Plan predicts net debt at 30 June 2006 at \$158.780 million compared to net debt of \$154.016 million in Hamilton's Community Plan 2004–14. It should be noted that there is further committed debt beyond 2005/06 of up to \$27.9 million, comprising Borman Road (\$1.9 million), Terra 21 (\$10 million), and Access Hamilton (\$16 million).

The debt profile in Hamilton's Community Plan 2004–14 has not been amended to take account of these changes because it is not possible to predict the timing of the changes on a year-by-year basis at this point. The debt model will be reviewed once the process for identifying the actual projects to be funded is considered by Council (commencing with Access Hamilton in September 2005). The debt model will be reassessed in conjunction with Council's next Long-Term Council Community Plan in 2006. By that time, the actual timing of works, quantum of dollar spend and loan raising will be identified.

What has been assumed is that future new debt borrowing will have an impact on Council's debt level, interest cost expenditure and debt servicing performance targets over the period of Hamilton's Community Plan 2004–14. With the addition of the Access Hamilton loan of \$22 million to the current committed and planned debt programme (as per the Annual Plan 2005/06 and Hamilton's Community Plan 2004–14), it is estimated that Council will breach the policy limit for net debt as a percentage of income in 2007/08. This is based on the assumption that the full \$22 million of loans relating to Access Hamilton is raised by 2007/08.

This issue will be reviewed next year when Council prepares its Long-Term Council Community Plan 2006–16.

All figures in \$000s	Community Plan 2004–14	Annual Plan 2005/06
	2005/06	2005/06
Net debt excluding internal borrowing	139,016	153,729
Net debt including internal borrowing	154,016	173,729

Council reduces its financing costs by utilizing an internal borrowing programme. Rather than sourcing all its borrowing externally, Council utilizes funds from reserves and working capital cash to reduce external borrowing and charges an interest rate on these funds. Provision for the repayment of internal borrowing is covered via committed external bank funding facilities.

Linkage to the Liability Management Policy and Debt Servicing Performance Limits

All figures in \$000s	Policy Limits	Community Plan 2004–14	Annual Plan 2005/06
		2005/06	2005/06
Net debt excluding internal borrowing			
Net debt as % of equity	Max 15%	9.0%	9.9%
Net debt as % of income	Max 150%	115.3%	118.0%
Interest as % of income	Max 15%	7.8%	8.0%
Interest as % of rating income	Max 20%	12.7%	13.2%
Net debt per capita	Max \$1,500	\$1,101	\$1,165
Liquidity	Min 110%	n/a	131.1%
Net debt including internal borrowing			
Net debt as % of equity	Max 15%	10.0%	11.2%
Net debt as % of income	Max 150%	127.7%	133.4%
Interest as % of income	Max 15%	8.6%	8.7%
Interest as % of rating income	Max 20%	13.9%	14.5%
Net debt per capita	Max \$1,500	\$1,219	\$1,316
Liquidity	Min 110%	n/a	128.9%

REVIEW OF COUNCIL'S DEVELOPMENT AND FINANCIAL CONTRIBUTIONS POLICY

Council's Development and Financial Contributions Policy (page 176 of Hamilton's Community Plan 2004–14: Vol 2) has been reviewed and a new policy has been prepared under the Local Government Act 2002 that will enable the recovery of growth related capital expenditure from new development throughout the city.

The objective of the new policy is:

To enable financial and development contributions to be taken that ensures that developers make a fair contribution to the development of infrastructure and services to maintain accepted levels of service for infrastructure in response to increasing demand generated by ongoing city growth.

From 1 July 2005 the following development contribution rates will apply:

Residential Rate per dwelling	Industrial Rate per 100 ² /GFA*	Commercial Rate per 100 ² /GFA*
\$2491.71	\$936.52	\$1159.31

* GFA Gross Floor Area

Copies of the policy and background paper explaining how it was developed are available from Council's Strategic Group (floor 2 of the main municipal building in Garden Place), at all Hamilton City Libraries, or a copy can be posted or emailed to you on request (phone 838 6810, email: Strategic@hcc.govt.nz).

For further information on the review of the Development and Financial Contributions Policy, contact the Strategic Group (phone: 838 6810, email: Strategic@hcc.govt.nz).

6.0 VARIATIONS TO YEAR 2 (2005/06) OF HAMILTON'S COMMUNITY PLAN 2004–14 (Nga wahanga ki te tau 2 mo nga kaupapapa hapori 2004–14)

What is a Variation?

A variation is where Council proposes to change the direction to that shown in year 2 (2005/06) of Hamilton's Community Plan 2004–14, and can include:

- a change to the budget provision of a particular project or programme
- a change to the timing of a particular project or programme
- a change to the direction or nature of a particular project or programme
- the addition of a new project or programme
- the deletion of an existing or planned project or programme.

Where such changes do **not trigger** Council's Significance Policy they are called variations (changes that trigger the Significance Policy become **amendments** to Hamilton's Community Plan 2004–14). Using Hamilton's Community Plan 2004–14 as the long-term framework, Council, has taken a prudent and financially responsible approach, and deliberated what it sees as the optimum set of projects and programmes for the 2005/06 financial year. In doing so, it has made a number of variations to the projects and programmes shown in year 2 (2005/06) of Hamilton's Community Plan 2004–14.

The variations to projects and programmes (and reason(s) for these variations) for 2005/06 identified in this section focus primarily on those where the amount proposed to change is \$100,000 or more.

The variations are shown under the Community Plan's six outcome areas:

- Sustaining Hamilton's Environment
- Growing Hamilton
- Promoting Hamilton
- Experiencing Arts, Culture and Heritage in Hamilton
- Living in Hamilton
- Enjoying Hamilton.

There are also two additional variations to those shown in the six outcome areas, i.e.:

- Support Services: Property Management (Vehicle and Plant renewals)
- Establishment of a Council Controlled Organisation for the Provision of Local Authority Shared Services.

Explanation of Operational Variation from the Community Plan 2004–14

An explanation of operational variances is disclosed at the bottom of each Cost of Services Statement (Section 9.0: Council's Significant Services by the Community Plan's six Outcome Areas).

Explanation of Capital Expenditure Variation from the Community Plan 2004–14

For a number of projects, circumstances have changed, resulting in Council proposing variations from the position set out in Hamilton's Community Plan 2004–14. All variations to capital projects are shown in the Capital Expenditure Statement in Section 10.0: Financial Section for 2005/06. A key is shown on the Capital Expenditure Statement which indicates the nature of the variation, i.e., whether the variation is due to revised financial costings and funding estimates (R), revised timing to account for deferment or deletion of a project (D), or a new project (N).

Each project or programme is given a number (where applicable) known as a Strategic Action Plan (SAP) number. These numbers correspond with the SAP numbers shown in Hamilton's Community Plan 2004–14.

OUTCOME AREA A: SUSTAINING HAMILTON'S ENVIRONMENT (Te rohe whakaputaina A: Tautoko te taiao o Kirikiriroa)

(Page 59 Hamilton's Community Plan 2004–14)

Wastewater Management (Te Ropu Whakahaere Parawhakakino)

(Page 62 Hamilton's Community Plan 2004–14)

Wastewater Treatment Plant Upgrade (SAP #238 – \$449,000 in 2005/06)

- Work will continue on the stage 2 development of the Wastewater Treatment Plant to further cater for urban growth. A new resource consent is required in 2006/07 for operating the city's wastewater treatment plant. The project provides for increased capacity and may also involve changes to the treatment process.

Funding of \$149,000 has been brought forward from 2006/07 to 2005/06.

Reason: A portion of the upgrade works has been moved forward due to increased certainty in upgrade requirements. This includes completing some works earlier than previously anticipated to assist with gathering data for the next resource consent application.

Recycling/Refuse Collection (Whakahou (tia)/Kohinga Rapihi)

(Page 66 Hamilton's Community Plan 2004–14)

Horotiu Landfill Stages 4 and 6 (SAP #151.0 – \$1.350m in 2005/06)

- Capping of stages 4 and 6 at Horotiu Landfill will continue. Final capping will be completed in 2006/07. Funding provision for this project has been brought forward from 2006/07 (\$1.270m) to 2005/06 (\$1.350m).

Reason: A portion of the works involving the capping of stages 4 and 6 have been brought forward to 2005/06 to ensure that Horotiu Landfill closes prior to 31 December 2006. This capping work will be completed in 2006/07. Overall funding has increased as a result of increased certainty with the capping design and aftercare requirements.

Water Supply (Tukua Wai)

(Page 68 Hamilton's Community Plan 2004–14)

Upgrade of Hamilton's Water Treatment Station (SAP # 455.0 – \$15.5m in 2005/06)

- This project provides for meeting the requirements of the Drinking-Water Standards for New Zealand 2000 that will become mandatory after an amendment to the Health Act 1956 (on drinking water safety) is passed by Parliament.

The project involves the design and construction of an upgrade to Hamilton's Water Treatment Station. The objectives of the upgrade are to:

- Ensure optimal capacity for Hamilton's residential and industrial growth
- Retain Hamilton's 'A' grade water supply rating
- Provide advanced pathogen (Cryptosporidium) protection
- Remove odour and improve taste
- Manage potential toxins
- Control corrosivity of the treated water on the pipes/network
- Implement effective automation and control.

Designs were completed and the main construction contract awarded in 2004/05. Installation of a granular activated carbon system (GAC) and ultra-violet disinfection system (UV) are scheduled for 2005/06, as well as automation and renewal upgrades. In 2013/14, a future \$7 million is budgeted for possible ozonation.

A portion of the funding provision (\$3.0m) for this project has been brought forward from 2006/07 to 2005/06. Funding provision in 2005/06 has also been increased from \$13.5m to \$15.5m.

Reason: Construction of the Water Treatment Station Upgrade has been brought forward to 2005/06 and the budget altered to meet the tendered contract timetable and price, now that the contract has been let.

Water Treatment Station Operating and Maintenance Impact (SAP # 455.1 – \$160,000 in 2005/06)

- The additional operational costs due to the upgrade of the Water Treatment Station commencing in 2005/06 have been reduced from \$600,000 to \$160,000.

Reason: Additional operating costs have been reduced as a portion of the upgrade works has been moved towards the end of the 2005/06 financial year. Hence they have a smaller impact on operational costs in the 2005/06 financial year than had originally been anticipated. The overall timeframe for this project has also been compressed to maximise construction efficiency while ensuring that the project's objectives still meet the timetable detailed in Hamilton's Community Plan 2004–14.

Rototuna Reservoir Land Purchase Fees (NEW SAP # 509.0 – \$30,000 in 2005/06)

- This project provides \$30,000 to pay for fees associated with land purchase for the new Rototuna Reservoir site.

Reason: This item was added into the budget to repay the Strategic Land Purchase fund which was used to fund the cost during the 2004/05 financial year.

Water Bulkmain Extensions (SAP # 277.0 – \$2.030m in 2005/06)

- Funding for this project has been increased from \$1.845m to \$2.030m in 2005/06.

Reason: The budget has been altered to meet anticipated increases in industry labour and material costs in 2005.

OUTCOME AREA B: GROWING HAMILTON **(Te rohe whakaputaina B: Te whakatupu o Kirikiriroa)**

(Page 75 Hamilton's Community Plan 2004–14)

Road Network Management (Te Ropu whakahaere tuhonotanga Huarahi)

(Page 78 Hamilton's Community Plan 2004–14)

Borman Road (SAP # 6.0 – \$100,000 in 2005/06)

- This project replaces previous SAP number 497.0 (refer next SAP). The new Borman Road route was designated in October 2004. Funding provision of \$100,000 has been made for design work in 2005/06. Construction will be staged in response to market demands. At present, indications are that the construction will be west of Resolution Drive to tie in with the extension of Resolution Drive in 2005 and planned residential development. Further construction will be east of Resolution Drive, which is estimated to commence in 2007/08.

Reason: The timing and quantum of funding required an adjustment to respond to development proposals.

Borman Road (East of Cate Road) (SAP # 497.0 – \$840,000 in 2005/06)

- This project was in year 2 (2005/06) of Hamilton's Community Plan 2004–14 to provide for construction of part of the new Borman Road between Cate Road and Horsham Downs Road (as identified on the Rototuna Structure Plan).

Reason: SAP # 497.0 has been deleted and replaced by a new SAP # 6.0 (refer above).

Resolution Drive (Discovery to Borman) (SAP # 8.0 – \$650,000 in 2005/06)

- This project provides for the extension of Resolution Drive north to Borman Road as subdivisional development occurs in the north-eastern growth cell. It will include the extension of off-road cycle and pedestrian facilities. Now that the detailed design has been completed, additional costs associated with stormwater have been identified, requiring additional funds for 2005/06.

Reason: Additional funds are required to accommodate design changes (a bridge instead of a culvert) and cost increases in the road construction industry.

Brymer Road (SAP # 18.0 – \$540,000 in 2005/06)

- This project was in year 2 (2005/06) of Hamilton's Community Plan 2004–14 to provide for the upgrade to urban standards and partial realignment of Brymer Road between Highgrove Drive and Baverstock Road. This project has been deferred indefinitely.

Reason: The strategic importance of upgrading this road has been reassessed in the context of Access Hamilton.

CBD Improvements (SAP # 228.0 – \$150,000 in 2005/06)

- This programme will enable upgrade/development work within the CBD. A specific programme of work is currently being developed by the CBD Working Party. The project is no longer disclosed as a SAP but instead is represented by an equivalent \$150,000 transfer to the CBD Improvements Fund Reserve.

Reason: Funding for this project has been transferred to a special reserve (available for expenditure on CBD improvements as projected timing necessitates) rather than being specified as yearly project funding.

E1 East Hamilton Arterial Land Purchase (SAP # 447.0 – \$2.550m in 2005/06)

- This project provides for purchasing land required for the East Hamilton Arterial Road (formerly known as the E1).

Funding provision for this project has been increased from \$1.280m to \$2.550m in 2005/06.

Reason: Project costs have been updated to reflect more realistic costs for purchasing the land required for stage 1. Funding is split over two years, i.e., 2005/06 and 2006/07.

NEW Peachgrove Road Land Purchases (SAP # 521.0 – \$329,000 in 2005/06)

- This is a new project which provides for the purchase of residential properties on the corner of Peachgrove Road/Te Aroha Street/Ruakura Road to enable traffic capacity and safety improvements at the intersection.

NEW Peachgrove Road/Te Aroha Street Land Purchase (SAP # 522.0 – \$621,000 in 2005/06)

- This is a new project which provides for repayment to the Strategic Land Purchase fund, which was used to fund the purchase of properties on the corner of Peachgrove Road/Te Aroha Street/Ruakura Road during the 2004/05 financial year. These properties are required to enable traffic capacity and safety improvements at the intersection.

Church Road Upgrade (SAP # 39.0 – \$115,000 in 2005/06)

- Funding provision of \$115,000 in 2005/06 has been deferred. Council will reconsider the project's funding when it develops the projects and programmes for the 2006–16 Long-Term Council Community Plan.

Reason: The upgrade at Church Road is considered a non-urgent project in relation to the revised roading programme for 2005/06.

Powerline Undergrounding Programme (SAP # 395.0 – \$333,000 in 2005/06)

- Funding provision of \$333,000 in 2005/06 has been deferred. Council will reconsider the project's funding when it develops the projects and programmes for the 2006–16 Long-Term Council Community Plan.

Reason: The powerline undergrounding programme is considered a non-urgent project in relation to the roading programme required for 2005/06.

OUTCOME AREA E: LIVING IN HAMILTON

(Te rohe whakaputaina E: Nohonga ki roto o Kirikiriroa)

(Page 107 Hamilton's Community Plan 2004–14)

Community Facilities (Nga whare-a-iwi)

(Page 112 Hamilton's Community Plan 2004–14)

Community Houses Operating Grants (SAP # 76.0 – \$309,000 in 2005/06)

- Council provides a grant to approved community centres/houses to assist with their operation (the community centres/houses are also dependent on other funders to obtain their total operating costs).

Funding provision for this SAP has been increased from \$309,000 to \$434,000 in 2005/06.

Reason: Council received a number of submissions to Hamilton's Community Plan 2004–14 for additional community houses to be provided with operating funding. These submissions were referred to the Community Centre Funding Subcommittee, and then reported to Council at its meeting of 29 September 2004.

The additional \$125,000 (which also comprises a \$75,000 transfer from SAP # 73.1 – Community Centres construction grant operating and maintenance impact) will enable operating funding provision for four new community houses.

OUTCOME AREA F: ENJOYING HAMILTON (Te rohe whakaputaina F: Harikoa o Kirikiriroa)

(Page 120 Hamilton's Community Plan 2004–14)

Sports Areas (Wahi Hakinakina)

(Page 124 of Hamilton's Community Plan 2004–14)

Minogue Park Netball Courts (SAP #158.0 – \$95,000 in 2005/06)

- Funding provision for this SAP has been increased by \$26,000 (to a total of \$95,000) and the timing brought forward from 2006/07 to 2005/06 to enable the renewal of courts 2, 3, 4, and 5.

Reason: Renewal of courts 2, 3, 4 and 5 (i.e., releveling and new asphalt) in 2005/06 will then enable the Waikato Netball Association to apply a special overlay surface (designed specifically for netball purposes) in 2006/07.

Parks and Gardens (Wahi Paka me nga Mara)

(Page 125 of Hamilton's Community Plan 2004–14)

Car Park Development (SAP # 135 – \$130,000 in 2005/06)

- Funding provision of \$130,000 in 2005/06 for development of the Pukete Boat Ramp access and car park has been deferred. Council will reconsider the project's funding when it develops the projects and programmes for the 2006–16 Long-Term Council Community Plan.

Reason: The development of the Pukete Boat Ramp access and car park is considered a non-urgent project in relation to the overall revised Parks and Gardens programme for 2005/06.

Event Facilities (Wahi Taiwhanga)

(Page 127 Hamilton's Community Plan 2004–14)

Waikato Events Centre Scoping and Design (NEW SAP # 536.0 – \$175,000 in 2005/06)

- A feasibility study will be undertaken this year to advise on the feasibility of the Waikato Events Centre site for an upgraded events building, convention centre and a future indoor stadium.

Funding provision of \$175,000 has been made in 2005/06 to design and cost the upgrade and development strategy. This will then be considered in the development of Council's 2006–16 Long-Term Council Community Plan.

Reason: The feasibility study and concept design for the development of the Waikato Events Centre was completed in 2004/05.

This project enables the next stage of the planning to occur, which is completion of the design (including plans and costings) along with priority components for Council to consider in its 2006–16 Long-Term Council Community Plan.

Asbestos Removal of Waikato Events Centre (SAP # 506.0)

- The funding provision of \$850,000 in year 2 (2005/06) of Hamilton's Community Plan 2004–14 has been removed.

Reason: Funding provision has been removed to ensure that any expenditure of the Waikato Events Centre is made in line with the total plan and upgrade – refer SAP # 536.0 above).

Swimming Facilities (Wahi Kaukau)

(Page 129 Hamilton's Community Plan 2004–14)

Hydroslide Renewal (SAP # 348.0 – \$300,000 in 2005/06)

- The hydroslide at Waterworld was originally programmed to be renewed in 2005/06. This project has now been moved to 2007/08.

Reason: Renewal of the hydroslide in 2007/08 will coincide with the covering of Waterworld's Outdoor Lido Pool.

Upgrade of the Dive Towers at Waterworld (SAP # 349.0 – \$160,000 in 2005/06)

- The dive towers at Waterworld were originally programmed to be upgraded in 2005/06. This project has now been moved to 2006/07.

Reason: The current metal structure needs to be replaced with a new concrete structure to withstand the corrosive atmosphere within the pool environment. However, remedial work has been undertaken recently on the metal structure (primarily rust protection measures) that has enabled deferment of the project until 2006/07.

Hamilton Zoo (Te Whare Kararehe)

(Page 131 Hamilton's Community Plan 2004–14)

Zoo Development Programme (SAP # 310.0 – \$234,000 in 2005/06)

- The funding provision of \$234,000 in year 2 (2005/06) of Hamilton's Community Plan 2004–14 has now been moved to 2006/07.

Reason: This project comprises a development programme which allows for older enclosures and infrastructure to be upgraded through planned programmes to maintain and develop the zoo for visitors. Given that the zoo has had a number of capital improvements made to it in recent years, deferment of funding for this project in 2005/06 is not considered to have any significant detrimental impact on the ongoing implementation of the development programme.

SUPPORT SERVICES (Ratonga Tautoko)

Property Management (Ropu kaiwhakahaere Rawa)

Vehicle and Plant Renewals (SAP # 149.0 – \$889,000 in 2005/06)

- Funding provision for this project has been increased by \$100,000.

Reason: Funding provision has been increased to enable the purchase of new additional fleet vehicles (above the funding provided to renew/replace the existing fleet) required to service city growth and increased building inspection workload resulting from legislation changes.

FORMATION OF A COUNCIL CONTROLLED ORGANISATION FOR THE PROVISION OF SHARED SERVICES ACROSS LOCAL AUTHORITIES IN THE WAIKATO

1. Introduction

A Council Controlled Organisation (CCO) is defined as:

- 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.

The Local Authorities within the boundaries of the Waikato Regional Council have for some time undertaken a number of joint activities with the purpose of reducing the cost of performing those activities to the community at large.

More recently under the auspices of the Chief Executives Group the local authorities have been undertaking the development of new shared service initiatives in the form of a valuation database for the provision of an on-line updated database to all councils which wish to avail themselves of the service being developed.

2. Description of CCO

The local authorities of the Waikato region have resolved to establish a new CCO which will be used as an umbrella company for the future development of shared services.

The specific objectives of the CCO will be agreed each year in accordance with the constitution of the CCO and the Statement of Intent to be agreed between the board of the CCO and the shareholders.

3. Shareholding

Each local authority will have a single share in the umbrella company.

Participating councils will be able to access particular shared services by way of an agreement providing appropriate obligations and benefits relating to each of those services.

4. Reasons for the formation of the CCO

There are a number of services provided by local authorities, particularly involving information collection and management, where improved services at lower aggregate cost can be achieved by having a number of authorities participate in purchase or development of the infrastructure for the service, and ongoing operation of it.

Historically those have been addressed by one council developing the service and sharing it with others on an agreed basis.

The shared valuation database service was initially set up as a stand alone business unit of Waikato Regional Council jointly funded by the participating local authorities with the intention that alternative structures would be considered.

The reasons for establishing the CCO included:

- A desire for a more transparent governance structure that involves all the local authorities in the region in deciding what the priorities should be for shared services, and in the management of shared services undertaken
- The need for an entity that can enter into commercial arrangements with suppliers and partners on behalf of the participating local authorities
- A desire to ensure there is focus on ensuring the services do add benefit to the community through enhanced services and/or reduced costs, and that opportunities to sell processes and systems to other local authorities to reduce the cost of services to the shareholding local authorities are pursued.

After considering four options for structures, the limited liability company structure was selected as the preferred option. The main reason for this was the ease of involving different groups of participating local authorities for each type of shared services through the flexibility of this structure.

The other structures considered included a charitable trust, a stand alone business unit, and a joint venture.

5. Summary

1. The local authorities of the Waikato region have established a CCO, structured as a limited liability company, to provide shared services for local authorities that may from time-to-time participate in those services.
2. Hamilton City Council is a shareholder in the Local Authority Shared Services CCO.

It is expected that improved services at lower aggregate cost can be achieved by a number of local authorities participating in the purchase or development of the infrastructure for the service and the ongoing operation of it. There are a number of services provided by local authorities, particularly involving information collection and management, where these benefits could be achieved.

Council now has three CCOs, i.e.:

- Hamilton Properties Ltd
- Waikato Regional Airport Ltd
- Local Authority Shared Services Ltd.

For further information on the Council Controlled Organisation for the provision of shared services across local authorities in the Waikato (which is proposed to be named Local Authority Shared Services Ltd), contact the Finance and Administration Unit (phone 838 6742, email FinanceAndAdministration@hcc.govt.nz).

7.0 HIGHLIGHTS OF 'EXISTING' KEY PROJECTS AND PROGRAMMES FOR 2005/06 (Nga hua mo nga mahi 2005/06)

A growing and dynamic city

Hamilton is a growing and dynamic city as shown by the 9900 additional residents gained between June 2001 (119,500) and June 2004 (129,400). Over 162,000 people are projected to live in Hamilton by 2026. Business growth has also increased significantly, i.e., from 8891 businesses in 2000 to 10,313 businesses in 2004.

Such growth requires Council to plan for and carefully manage the city's social, economic, environmental and cultural well-being through the provision of a variety of roles, e.g., service provider, funder/support funder, regulator.

The projects and programmes listed below (under the six outcome areas) are existing ones shown in year 2 of Hamilton's Community Plan 2004–14, and give a broad indication of the direction that Council proposes to undertake in 2005/06.

Note:

- Each project or programme is given a number (where applicable) known as a Strategic Action Plan (SAP) number. These numbers correspond with the SAP numbers shown in Hamilton's Community Plan 2004–14.
- Costs are shown for a range of selected projects or programmes in 2005/06, some of which are of a capital nature and some that are classified as operating costs. Full details of operating and maintenance costs, and special and capital projects and programmes, are located in the appendices of Volume II of Hamilton's Community Plan 2004–14 (the Funding and Financial Policy 2004–14).
- The budget allocation for some projects or programmes is not shown as they form part of the operating and maintenance component of a larger project or programme.

OUTCOME AREA A: SUSTAINING HAMILTON'S ENVIRONMENT (Te rohe whakaputaina A: Tautoko te taiao o Kirikiriroa)

(Page 59 Hamilton's Community Plan 2004–14)

Wastewater Management (Te Ropu Whakahaere Parawhakakino)

(Page 62 Hamilton's Community Plan 2004–14)

Rototuna Wastewater Trunks (SAP # 242.0 – \$580,000 in 2005/06)

- Extension of the Rototuna wastewater network is continued. This ongoing project will ensure the development of essential wastewater infrastructure to meet the demands of residential growth and expansion in the city's north-eastern area.

Wastewater Interceptor and Trunks for Future Urban Growth (SAP # 243.0 – \$300,000 in 2005/06)

- This study will determine and provide the wastewater network requirements for the Rotokauri growth area.

Pump Station Storage (SAP # 253.0 – \$95,000 in 2005/06)

- This annual programme continues the installation of storage chambers for wastewater pump stations around the city. These chambers help prevent wastewater overflows during times of heavy rain and hence provide protection to the city's streams and rivers.

Stormwater Management (Te Ropu Whakahaere Wai-awha)

(Page 64 Hamilton's Community Plan 2004–14)

Rototuna Urban Growth (SAP # 170.0 – \$300,000 in 2005/06)

- Extension of the Rototuna stormwater systems will continue. This ongoing project will ensure the development of essential stormwater infrastructure to meet the demands of residential growth and expansion in the city's north-eastern area.

Recycling/Refuse Collection (Whakahou (tia)/Kohinga Rapihi)

(Page 66 Hamilton's Community Plan 2004–14)

Refuse Transfer Station Asset Management Upgrades (SAP # 152.0 – \$170,000 in 2005/06)

- This project provides for various capital and renewal projects to maintain Council's asset at the Refuse Transfer Station (RTS). The RTS will be leased to Waste Management NZ Ltd after the Horotiu landfill closes. The lease will occur in the period 2006–17. Council is required to hand over a fully serviceable and sound facility.

Water Supply (Tukua Wai)

(Page 68 Hamilton's Community Plan 2004–14)

Hamilton South Reservoir and Bulkmain (SAP # 268.0 – \$2.416m in 2005/06)

- Hamilton South Reservoir is scheduled to be commissioned by November 2006. This new reservoir will increase water supply pressure to areas of Hamilton located on the east of the Waikato River and will provide further security of supply for the whole city.

Construction of the pipeline connecting the reservoir to the Water Treatment Station (which started in 2003) will also be completed.

Rototuna Urban Growth (SAP # 262.0 – \$457,000 in 2005/06)

- Extension of the Rototuna water supply reticulation trunkmains will continue. This ongoing project will ensure the development of essential water supply infrastructure to meet the demands of residential growth and expansion in the city's north-eastern area.

Rotokauri Trunkmains (SAP # 266.0 – \$480,000 in 2005/06)

- Extension of trunkmain services into Rotokauri continues.

Trunkmain Duplication (Temple View) (SAP # 477.0 – \$30,000 in 2005/06)

- Investigation and design for improving the reliability of water supply to Temple View commences.

Sustainable Environment (Tautoko te taiao)

(Page 70 Hamilton's Community Plan 2004–14)

Gully Restoration Programme (SAP # 208.0 – \$15,000 in 2005/06)

- Hamilton has only a few tiny remnants of the former indigenous forest cover, perhaps less than 20 hectares in total of high quality indigenous habitat. The Gully Restoration Programme is an initiative that aims to encourage private gully owners to attempt restorations on their own gully sections and to contribute to the overall vision of ecological restoration for Hamilton.

The programme will continue to support a range of initiatives that provide the necessary resources for the private gully restorer. This long-term funding will allow the Gully Restoration Programme to build on previous work to increase the number of people participating in restorations. A key highlight of the programme will be the establishment of professional development opportunities for architects and landscapers with a view to creating 'preferred consultants' to meet the growing need by gully owners of professionals with a good knowledge of gully systems.

Review of Council's Consultation Policy

- In 2004/05, a review of Council's consultation policy and practice was undertaken. This review contained several steps, including a series of meetings with external stakeholders and internal workshops with staff. A number of issues were identified and recommendations for improvements to the policy and current practice made. As a result, the policy and guidelines will be updated and number of recommendations relating to practice will be implemented over the 2005/06 financial year.

OUTCOME AREA B: GROWING HAMILTON (Te rohe whakaputaina B: Te whakatupu o Kirikiriroa)

(Page 75 Hamilton's Community Plan 2004–14)

Road Network Management (Te Ropu whakahaere tuhonotanga Huarahi)

(Page 78 Hamilton's Community Plan 2004–14)

Extension of Wairere Drive from Hukanui Road to Huntington Drive (SAP # 15.0 – \$1.5m in 2005/06)

- This project provides for the extension of Wairere Drive from Hukanui Road to Tramway Road to ease traffic pressure on the existing road network in the north-east. The project includes off-road facilities and underpasses for cyclists and pedestrians. Phase 1 involves construction as far as the second connection to Huntington Drive in 2005/06 and phase 2 will complete the connection to Tramway Road in 2007/08.

Building Control (Mana whakahaere Whare)

(Page 83 Hamilton's Community Plan 2004–14)

Building Control Authority Registration

- Hamilton City Council's Building Control aims to be the first local authority to achieve registration as a registered inspection body, in terms of ISO 17020, and to achieve registration as a building consent authority with the Department of Building and Housing.

Waikato Building Consent

- Building Control will continue to be part of the 'Waikato Building Consent', which comprises the local authorities of Waipa District Council, Waikato District Council, Matamata-Piako District Council, Otorohanga District Council, and Hamilton City Council. This ongoing partnership will result in world-class processes around building construction and the processing of building consent applications.

World Class Building Consent

- Building Control will implement a world-class system of processing building consent applications, resulting in a 24–48 hour processing turnaround for customers. This will be significantly quicker than the new statutory timeframe of the Building Act 2004 (and subsequent regulations) of 20 days.

Planning Guidance (Hanga tikanga arahitanga)

(Page 84 Hamilton's Community Plan 2004–14)

Land online TA Online Certification

- Land Information New Zealand has developed an online certification process in Land online for territorial authority certification of land transfer survey plans. The flexibility of the system allows for all combinations of manual/paper and digital processes between the surveyor and the territorial authority.

With the eSurvey, digital datasets will be viewed instead of paper plans and certifications will be undertaken online.

This is a significant move away from the current manual process, although interim systems will be put in place to accommodate surveyors (and territorial authorities) still working with paper plans.

Planning Guidance is now equipped to sign-off Online Certification.

Animal Care and Control (Mana whakahaere karaehe)

(Page 85 Hamilton's Community Plan 2004–14)

National Dog Database

- The development of the National Dog Database project is an emerging project, with funding provision of \$40,000. The development and implementation of the national database is being managed by the Department of Internal Affairs and is due to go live by May 2006. Once the database design is completed, councils will be advised of the interface and formats that will be used to enable implementation to proceed.

Micro chipping of Dogs

- Council will undertake a process review in the micro chipping of dogs as required by the Dog Control Amendment Act 2003. Regulations relating to the micro chipping of dogs are expected to be implemented in early 2005. The national database is planned to be in place by the end of June 2005, ready for pilot councils to begin testing their interfaces prior to being rolled out on a national scale.

OUTCOME AREA C: PROMOTING HAMILTON (Te rohe whakaputaina C: Nga whakaturanga o Kirikiriroa)

(Page 89 Hamilton's Community Plan 2004–14)

Economic Development (Nga ratonga Taiao)

(Page 92 Hamilton's Community Plan 2004–14)

Economic Development Strategy

In the past 12 months Council has updated the Economic Development Strategy for the city in partnership with Waikato Economic Development.

The focus this year will be on the implementation of this strategy, which broadens the city's offer in terms of economic development. Hamilton now sees its main opportunities for economic development in agbio research and development, agritech development based around the dairy industry as well as aviation. These are areas where Hamilton is considered to have a point of difference and competitive advantage.

Supporting these areas will be a greater focus on education and tourism as a means of delivering the most benefit from our economy.

City Promotion (Nga ratonga whakapiki)

(Page 94 Hamilton's Community Plan 2004–14)

Events

Support and development of events will continue to be a major focus through which Hamilton is promoted.

Council policy is to use events to not only create greater economic opportunity in the city, but to use events to promote and enhance the image of Hamilton.

Council's Event Sponsorship Fund is a key mechanism through which events are fostered and developed.

City News

The Council produced newsletter to all city residents, City News, is an important way in which Hamilton city is promoted.

Further improvements to the publication are planned to ensure City News is well received by residents and it continues to be an effective way to communicate the successes of the city.

OUTCOME AREA D: EXPERIENCING ARTS, CULTURE AND HERITAGE IN HAMILTON (Te rohe whakaputaina D: Nga mahi toi, tikanga-a-lwi, taonga tuku iho o Kirikiriroa)

(Page 97 Hamilton's Community Plan 2004–14)

Hamilton Theatre Services (Te Whare Tapere o Kirikiriroa)

(Page 100 of Hamilton's Community Plan 2004–14)

Arts and Culture Policy

- In recognising the important role the arts play in the development of a healthy and vibrant city, Council will develop a new Arts and Culture Policy. The policy will provide a clear direction for arts and culture development in Hamilton, and a common framework for groups in the sector to collaborate around.

Theatres Strategy

- A new comprehensive framework for Hamilton Theatre Services will be developed. The aim of this framework will be to ensure exciting and relevant theatre experiences are available to all. The framework will provide direction for each of the theatre venues and define strategies for the development of a vibrant performing arts sector.

Hamilton City Libraries (Te Whare Pukapuka o Kirikiriroa)

(Page 102 Hamilton's Community Plan 2004–14)

Information and Technology Plan

- This year will see an increase in the number of terminals available for customers, along with the provision of internet and extended information resources in community libraries. Automated self-check machines in the

Central and Chartwell libraries will provide customers with an alternative fast and efficient self-help means of issuing collection items.

Collection Development

- Based on feedback from customers, the libraries will commence a project aimed at aligning the collection to the needs and aspirations of library customers. This will entail detailed customer research and the removal of old and outdated stock from library shelves.

Heritage and Customer Service Improvements

- This project aims to better meet customers' information needs and add increased value to customer experiences. The project will encompass layout changes, coupled with the establishment of a strong heritage focus at the Central Library, integration of catalogue and electronic resources, and the expansion of reference and information services in community libraries.

Waikato Museum of Art and History (Te Whare Taonga o Waikato)

(Page 104 Hamilton's Community Plan 2004–14)

Dynamic Exhibition Programme

- The museum will present an exciting and engaging exhibition programme. Highlights of this will be; the best of Ron Sang's Ceramic Collection, the work of Fred and Brett Graham, the first significant major Korean exhibition to be held in Aotearoa, along with two major exhibitions of work by indigenous Maori and Pacific Island artists as part of the citywide programme for the World Indigenous People's Conference on Education (2005).

OUTCOME AREA E: LIVING IN HAMILTON

(Te rohe whakaputaina E: Nohonga ki roto o Kirikiriroa)

(Page 107 Hamilton's Community Plan 2004–14)

Community Support (Te Ropu tautoko hapori)

(Page 110 Hamilton's Community Plan 2004–14)

Community Centres (SAP # 73.0 – \$400,000 in 2005/06)

- 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 Centres and Houses Policy.

Disability Strategy for Council (SAP # 440.0 – \$5000 in 2005/06)

- Funding provision of \$10,000 was made in Hamilton's Community Plan 2004–14 (in 2004/05) for the development of a Disability Strategy for Council. An additional \$5000 has been provided in 2005/06 to enable finalisation of the draft strategy.

Since October 2004 a working group of key community stakeholders and Council staff has facilitated the development of a draft Disability Strategy for Council through a collaborative process that has included consultation with representatives from the disability sector.

A draft Disability Strategy for Council will be formally consulted on during the third quarter of 2005 prior to Council adopting the final strategy. The final strategy is likely to include a series of objectives that outline the framework by which Council provides specific services and facilities for the disabled community. A separate action plan will describe in more detail what services and facilities are provided under this framework.

Emergency Management (Ropu whakahaere ohore)

(Page 114 Hamilton's Community Plan 2004–14)

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 man-made), and requires CDEM groups to be established as a consortium of local authorities working in partnership with emergency services.

Eleven local authorities within the Waikato region have united to form the Waikato Region Civil Defence Emergency Management (CDEM) Group. Hamilton City Council provides regional support and coordination for the group and has established a new emergency operations centre at Duke Street.

Representation and Civic Affairs (Manatu mangai whakatinana)

(Page 118 Hamilton's Community Plan 2004–14)

Review of Wards and Representation

- Council will commence a review of wards and representation and the electoral voting system for the 2007 triennial election.

Development of Council's 2006–16 Long-Term Council Community Plan

- Council produced its first Long-Term Council Community Plan (LTCCP) in June 2004 covering the period 1 July 2004 to 30 June 2014.

The Local Government Act 2002 requires Council to have its next LTCCP in place for the period 1 July 2006 to 30 June 2016.

A key component of Council's 2006–16 LTCCP will be the incorporation of Hamilton's community outcomes (to be developed – refer highlight below), and clear linkages in the LTCCP showing Council's contribution to progress the community outcomes.

From 2006 onwards, Council is required by the LGA 2002 to review its LTCCP every three years.

Facilitation of Hamilton's Community Outcomes

- Community consultation will be undertaken in 2005 to identify the outcomes Hamilton communities want to work towards over the coming ten years or more. The results will be reported in Council's LTCCP 2006–16 and will also be the basis for development of a Community Outcomes Strategy for the city. The Community Outcomes Strategy will describe actions to be undertaken not just by Council but also other key stakeholders such as the district health board and police. It will focus on collaborative projects that will promote progress towards the community outcomes, and will also include a monitoring programme to track progress towards the community outcomes.

OUTCOME AREA F: ENJOYING HAMILTON (Te rohe whakaputaina F: Harikoa o Kirikiriroa)

(Page 120 Hamilton's Community Plan 2004–14)

Sports Areas (Wahi hakinakina)

(Page 124 of Hamilton's Community Plan 2004–14)

Funding of New In-line Hockey Facility (SAP # 420.0 – \$200,000 in 2005/06)

- Council will assist in the funding of a new in-line hockey facility in 2005/06 with a contribution of \$200,000 to the In-line Hockey Association. Conditions on this funding require the facility to be constructed on Council land, that it be a multiuse facility and be available for community use, i.e., the facility will provide recreation and leisure opportunities to the wider community.

Parks and Gardens (Wahi Paka me nga Mara)

(Page 125 of Hamilton's Community Plan 2004–14)

Hamilton Lake Domain Redevelopment (SAP # 125.0 – \$240,000 in 2005/06)

- The Hamilton Lake Domain is a significant recreational space for Hamilton. Over the last four years redevelopment of the playground, walkway and roading has taken place. Funding provision of \$240,000 in 2005/06 will enable completion of the roading and car parking within the domain. This is in accordance with the Hamilton Lake Domain Redevelopment Programme adopted by Council in 1999.

Walkway and Cycleway Development (SAP #s 122.0, 133.0, 136.0, 481.0, 482.0)

- The Hamilton landscape provides an excellent platform for walking and cycling. Extensions to off-road walkways and cycleways within the city have been identified for 2005/06, at Kirikiriroa Gully (\$120,000),

Flagstaff Park (\$156,000) and from Hamilton Gardens to Hungerford Terrace (\$205,000). Improvements to the riverside routes at Hayes Paddock (\$100,000) are also planned.

Hamilton Gardens – Te Parapara Garden Development (SAP # 99.0 – \$125,000 in 2005/06)

- Construction of stage 1 of Te Parapara Garden is due to start in 2005/06. This garden will add to the notable collection of themed gardens at Hamilton Gardens. Council is working with Nga Mana Toopu o Kirikiriroa in the design and development of Te Parapara Garden.

Event Facilities (Wahi Taiwhanga)

(Page 127 Hamilton's Community Plan 2004–14)

Waikato Event Centre Renewals (SAP # 284.0 – \$30,000 in 2005/06)

- Ongoing renewal of assets for Waikato Events Centre of \$30,000 for carpets and panels.

Key Events for Waikato Stadium

- Waikato Stadium to host the closing ceremony and cultural extravaganza of the WIPCE (World Indigenous People's Conference in Education) in December 2005.
- Waikato Stadium to host the National Pipe Band Championships in March 2006.
- The continuation of the provision of other significant events and functions at all three venues, including the Super 12 rugby competition being revamped to a Super 14 format from February 2006.
- Waikato Stadium to host an Australian Rugby League (NRL competition) home game against the Vodafone Warriors.

Swimming Facilities (Wahi Kaukau)

(Page 129 Hamilton's Community Plan 2004–14)

Waterworld Plant Replacement (SAP # 209.0 – \$100,000 in 2005/06)

- This is the final year of the staged replacement of the operating plant programme for Waterworld. Replacement/renewal of this equipment has been required to ensure continuity of service and to maintain standards of water and air quality.

Partner Pool Grants (SAP # 214.0 – \$121,000 in 2005/06)

- Council has approved the provision of grants to partner pools in Hamilton to ensure pool space for the public over the summer period, i.e., at present Council swimming facilities by themselves are unable to meet public demand. Grants are made available to partner pools to meet the shortfall.

The partner pools include the Municipal Pool, Campus Pool (University of Waikato), Hillcrest Normal School Pool, Fairfield College Pool, and Te Rapa Primary School Pool.

Hamilton Zoo (Te Whare Kararehe)

(Page 131 Hamilton's Community Plan 2004–14)

Zoo Asset Renewal (SAP # 311.0 – \$86,000 in 2005/06)

- Hamilton Zoo has a variety of infrastructural assets over its 25 hectare site for animals and visitors. This programme makes provision for renewal of these infrastructural assets, e.g., animal enclosures, paths, viewing platforms, boardwalks, viewers, seating and shelters.

8.0 OUTCOMES FROM THE PUBLIC SUBMISSION PROCESS (Nga hua i puta mai nei mo te katoa)

Introduction

Between 1 April and 2 May 2005 Council invited the public to make submissions on:

- The Access Hamilton Information Sheet that was distributed to all Hamilton households in March 2005 (which included a questionnaire and a freepost submission form)
- Council's Proposed 2005/06 Annual Plan (a summary of the proposed plan was distributed to all Hamilton households in April 2005 edition of City News). Copies of the proposed plan and summary (which also contained a freepost submission form), were also available at all Hamilton City Libraries and the main municipal building. The plan in summary were also able to be accessed and downloaded from the website www.myhamilton.org.nz/annualplan2005-06/. People could also complete and send their submission online.
- Council's proposed review of its Development and Financial Contributions Policy (copies of the proposed Policy, including a submission form, were available at all Hamilton City Libraries and the main municipal building).

Number/type of submissions

A total of 574 submissions were received, of which 465 (81 per cent) were made in direct response to the Access Hamilton Information Sheet. Of the balance (109), 104 were made to the Proposed 2005/06 Annual Plan, and five were made to Council's Proposed Development and Financial Contributions Policy. Ninety six submitters requested to be heard at the Council hearings in support of their written submission (i.e., 478 did not request to be heard). The hearings were held on 7–9 June 2005.

Table 1 – Overall breakdown of submissions by the three main categories

Submission Type	Heard	Not Heard	Total
Access Hamilton	41	424	465
Annual Plan	53	51	104
Development and Financial Contributions Policy	2	3	5
Total	96	478	574

The submissions were further considered and decisions made by Council on 27 June 2005.

Key Changes

The following is a summary of key changes to Council's projects and programmes for 2005/06.

Access Hamilton

Council will consider all submissions received in response to the Access Hamilton Information Sheet at a workshop on 29 August 2005. Workshop findings will then be considered by the Transport Committee (6 September 2005) and then by full Council (21 September 2005).

Council has introduced a targeted rate (capital value basis) for Access Hamilton. The amount to be levied by the new targeted rate (commencing 1 July 2005) will be \$2,559,840 (GST exclusive), and will be transferred into an Access Hamilton Special Reserve.

Funding will be used to pay for:

- investigations or associated Access Hamilton capital costs
- debt servicing of loan-funded Access Hamilton capital projects
- subsidies of transport initiatives, design and feasibility studies and other operational costs linked to Access Hamilton.

Annual Plan

Pukete Neighbourhood House

- The Pukete Neighbourhood House will be temporarily accommodated as part of the recently acquired Te Rapa Sportsdome. Council will continue to work with the Pukete Neighbourhood House Group to establish long-term accommodation needs, and facilitate an application to the Council Community Centre House Capital Fund if required.

Hydrotherapy Pool

- Council will undertake a review of the Aquatic Facilities Strategy and address the provision, prioritisation, and possible providers of a hydrotherapy pool for the city. It will then recommend changes to the strategy as part of the Draft 2006–16 Long-Term Council Community Plan.

Temple View Rates

- Subject to Local Government Commission approval, Council (from 1 July 2006) will spread the financing costs relating to the Temple View loans inherited from Waipa District Council across the entire city rating base.

Hamilton Permaculture Trust

- Council resolved that no funding be provided for the Sustainable Backyard Garden project (at Hamilton Gardens) in 2005/06.

Council's Disability Strategy

- The Draft Disability Strategy will be considered by Council during its August committee round and will then be available for public submissions. Implementation of the strategy will then be addressed by Council through amendments to its Operating and Maintenance budgets, and projects and programmes through the Draft 2006–16 Long Term Council Community Plan.

Strategic Action Plan (SAP) number 440.0 (Disability Strategy) has been extended into the 2005/06 year, and \$5,000 has been added to enable the finalisation of the proposed strategy.

GST on Rates

- Council will continue to work through Local Government New Zealand to lobby the government to review the present policy of charging GST on rates.

Rates Remission Hardship Scheme

- Council is developing a marketing strategy to promote the Rates Remission Hardship Scheme. An income indexing system for the Policy will also be investigated.

Promotion of Kowhai Festival

- Council has endorsed the concept of the Kowhai Festival (as advocated by Nga Mana Toopu O Kirikiriroa), and acknowledge that the key first step is to establish kowhai along the riverbank in sufficient numbers to become an icon tree.

Funding provision of \$20,000 has been made in the final 2005/06 Annual Plan to enable the planting of 500 kowhai trees along the riverbank within the CBD.

Projects by Hamilton East Village Business Association/Hamilton East Community Development Group

- Funding provision of \$5,000 has been approved for the Council to work with the two groups to undertake a Streetscape Design for the Hamilton East project, and to make recommendations on any implementation works as part of the Draft 2006–16 Long Term Council Community Plan.

Council will support Stage 1 of the proposed Hamilton East Heritage Trail, and has made a grant of \$30,000 for directional signage. Council also recommended that the two groups seek funding for Stage 2 (Interpretative Signage) from other community sources.

Age Concern

- Additional funding provision of \$15,000 has been made to Age Concern Hamilton in Council's final 2005/06 Annual Plan towards operational overheads and a salary contribution to the new manager's position.

Hamilton West Citizens Advice Bureau

- The annual grant funding provision from Council of \$11,000 to the Hamilton West Citizens Advice Bureau has been increased to \$15,000 for 2005/06.

Minogue Park Netball Courts

- An additional \$26,000 has been added to SAP number 158 (Minogue Park Netball Courts – \$69,000 in 2006/07). The revised SAP (\$95,000) has also been brought forward to 2005/06 to enable courts no's 2, 3, 4 and 5 to be renewed.

Mobile Home Dump Station

- Council will evaluate other options for the location of a mobile home dump station, and will contribute up to a maximum of \$10,000 to the construction of the facility.

Development and Financial Contributions Policy

Council approved a number of changes to the Development and Financial Contributions Policy. The final policy is included in the Financial Section of this Annual Plan.

9.0 COUNCIL'S SIGNIFICANT SERVICES BY THE COMMUNITY PLAN'S SIX OUTCOME AREAS (Nga ratonga ki nga hapori e ono nga hua)

Introduction

As noted previously, Hamilton's Community Plan 2004–14 is divided into six key sections known as outcome areas:

- A. Sustaining Hamilton's Environment
- B. Growing Hamilton
- C. Promoting Hamilton
- D. Experiencing Arts, Culture and Heritage in Hamilton
- E. Living in Hamilton
- F. Enjoying Hamilton.

In turn, Council's 25 cost centres (known as significant services) are aligned under the relevant outcome area.

This section gives an overview of Council's 25 significant services, what they do, their key highlights for 2005/06, and the variations (and the reasons for these variations) to projects and programmes shown in year 2 (2005/06) of Hamilton's Community Plan 2004–14 (primarily those that exceed \$100,000). Changes (and reasons for the changes) to performance measures and targets shown in Hamilton's Community Plan 2004–14 are also shown.

Note: Detailed information on the key highlights for 2004/05 and variations to projects and programmes by each significant service to that shown in year 2 (2005/06) of Hamilton's Community Plan 2004–14 is shown in sections 6.0 and 7.0.

Contact details are also shown for each significant service, along with the relevant page reference to Hamilton's Community Plan 2004–14.

OUTCOME AREA A: SUSTAINING HAMILTON'S ENVIRONMENT (Te rohe whakaputaina A: Tautoko te taiao o Kirikiriroa)

(Page 59 Hamilton's Community Plan 2004–14)

SUSTAINING HAMILTON'S ENVIRONMENT

Projected and consolidated cost of service for the year ended 30 June 2006

Community Plan 2004–14		Community Plan 2004–14	Annual Plan 2005/06
2004/05 \$000		2005/06 \$000	2005/06 \$000
	EXPENDITURE		
11,359	Wastewater management	11,361	11,555
5,204	Stormwater management	5,030	5,348
9,614	Recycling/refuse collection	9,624	10,643
7,878	Water supply	9,290	10,316
603	Sustainable environment	598	618
1,284	Environmental health	1,280	1,431
35,942	Total Expenditure	37,183	39,911
	Less REVENUE		
1,251	Wastewater management	1,231	1,652
2	Stormwater management	2	5
6,547	Recycling/refuse collection	6,580	7,247
3,126	Water supply	3,726	3,800
453	Environmental health	453	505
11,379	Total Revenue	11,992	13,209
24,563	Net Cost of Service	25,191	26,702
16,617	Capital Expenditure	22,523	29,176

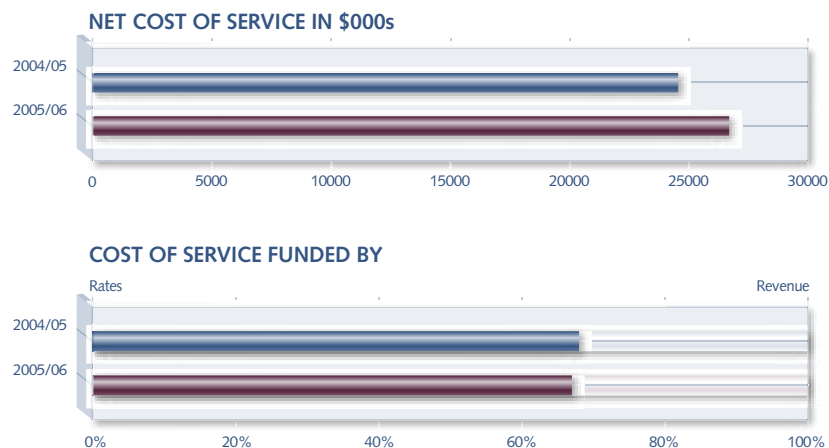
Total expenditure for 2005/06 contains depreciation of \$11.037m.

Explanation of operational variation from Community Plan

Increased expenditure reflects increased costs of disposal at the Horotiu landfill. Increased revenue reflects increased volume at the Refuse Transfer Station and increased recoveries at the Horotiu landfill.

Explanation of capital expenditure variation from Community Plan

Refer to Section 6: Variations to year two (2005/06) of Hamilton's Community Plan 2004–14.



Wastewater Management (Te Ropu Whakahaere Parawhakakino)

(Page 62 Hamilton's Community Plan 2004–14)

What we do

- Collection and treatment of urban wastewater, to help ensure protection of public health and the environment.
- Wastewater is piped to the Wastewater Treatment Plant, where it is treated to a very high standard (including nutrient removal and disinfection) prior to the treated effluent being discharged into the Waikato River.
- Solids are disposed of to ensure that there is no degradation of soils.
- A comprehensive wastewater asset management plan is in place.
- The wastewater network includes 740km of pipes (ranging from 100mm to 1800mm in diameter), 14,000 manholes, 121 pumping stations, and 5 major wastewater pipe bridges.

Highlights for 2005/06

Detail on the following highlights can be found in section 7.0.

- **Rototuna Wastewater Trunks** (SAP # 242.0 – \$580,000 in 2005/06)
- **Wastewater Interceptor and Trunks for Future Urban Growth** (SAP # 243.0 – \$300,000 in 2005/06)
- **Pump Station Storage** (SAP # 253.0 – \$95,000 in 2005/06)

Key Variations to Projects and Programmes in Year 2 (2005/06) of Hamilton's Community Plan 2004–14

Detail on the following variation can be found in section 6.0.

- **Wastewater Treatment Upgrade** (SAP # 238.0 – \$449,000 in 2005/06)

Changes to Performance Measures and Targets

- Change to Long-Term Performance Measure 1.:

Existing: "1. Achieved a high level of compliance for the Wastewater Treatment Plant's resource consents as identified each year in an interim report by the Water and Wastewater Treatment Plants Unit (Environment Waikato to be provided with a final report by 30 September)."

Replacement: "1. Achieved a high level of compliance for the Wastewater Treatment Plants resource consents as reported to and audited by Environment Waikato annually."

Reason: The replacement long-term performance measure better reflects Council's annual reporting timeframe.



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Stormwater Management (Te Ropu Whakahaere Wai-awha)

(Page 64 Hamilton's Community Plan 2004–14)

What we do

- Convey stormwater away from roadways and public land. The stormwater network helps to ensure community safety and the protection of property by collecting stormwater through pipes and open watercourses to the city's streams, lakes and the Waikato River.
- The stormwater system comprises 590km of piping (ranging from 225mm to 2300mm in diameter), 11,000 manholes, and 90km of open drains and natural watercourses.
- A comprehensive stormwater asset management plan is in place.

Highlight for 2005/06

Detail on the following highlight can be found in section 7.0.

- **Rototuna Urban Growth** (SAP # 170.0 – \$300,000 in 2005/06)

Key Variations to Projects and Programmes in Year 2 (2005/06) of Hamilton's Community Plan 2004–14

There are no variations exceeding \$100,000 to the Stormwater Management significant service.



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Recycling/Refuse Collection (Whakahou (tia)/Kohinga Rapihi)

(Page 66 Hamilton's Community Plan 2004–14)

What we do

- Collection of household recyclables and refuse from over 47,000 residential properties, operation of the Refuse Transfer Station (including the recycling centre) and operation of the Horotiu Landfill.
- A green waste disposal facility is provided as a sustainable means of disposing of garden waste.
- Closed landfills are managed to minimise adverse effects on health and the environment.
- A comprehensive recycling/refuse collection asset management plan is in place.

Highlights for 2005/06

Detail on the following highlight can be found in section 7.0.

- **Refuse Transfer Station Asset Management Upgrades** (SAP # 152.0 – \$170,000 in 2005/06)

Key Variations to Year 2 (2005/06) of Hamilton's Community Plan 2004–14

Detail on the following variation can be found in section 6.0.

- **Horotiu Landfill Stages 4 and 6** (SAP # 151.0 – \$1.350m in 2005/06)

Changes to the Objective, Performance Measures and Targets

- Change to the Objective:

Existing: "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, and management of closed landfills"

Replacement: "To ensure that adequate and appropriate waste collection and reduction, reuse, recycling, recovery, treatment and disposal are provided for the city (whether by public or private means) in order to protect public health and the natural environment."

Reason: The new objective better reflects the service delivery components of the Recycling/Refuse Collection significant service.

- Change to Service Delivery Performance Measure 4:

Existing: "4. Achieved a high level of compliance for the Horotiu Landfill's resource consents as identified in an interim annual report by the Water and Waste Services Unit (Environment Waikato and Waikato District Council provided with a final report by 30 September each year)."

Replacement: "4. Achieved a high level of compliance for the Horotiu Landfill's resource consents as reported to and audited by Environment Waikato and Waikato District Council annually."

Reason: The replacement long-term performance measure better reflects the reporting process.

- Change to Service Delivery Performance 6, i.e., Increased tonnage recycled from 20,000 with 25,000 tonnes.

Existing: "6. Diverted 20,000 tonnes of waste for recycling through kerbside recycling, recycling centre operations and greenwaste composting at the Hamilton Organic Centre."

Replacement: "6 Diverted 25,000 tonnes of waste for recycling through kerbside recycling, recycling centre operations, and greenwaste composting at the Hamilton Organic Centre."

Reason: The target has been increased from 20,000 to 25,000 tonnes as the target of 20,000 tonnes was achieved in 2003/04.



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Kerbside Recycling & Refuse service queries



Ph: 0800 10 10 10

Hamilton Organic Centre



Ph: 846 1514



Water Supply (Tukua Wai)

(Page 68 Hamilton's Community Plan 2004–14)

What we do

- Treated water (which currently has an 'Aa' water quality grading from the Ministry of Health) is supplied to:
 - Over 130,000 Hamilton residents (through more than 47,000 household connections)
 - Over 3000 commercial and industrial properties in Hamilton.
- The water supplied complies with standards set out in the New Zealand Drinking Water Standards 2000, the New Zealand Fire Service Code of Practice, the Hamilton City Water Supply Bylaw 1999, and the Hamilton City Development Manual.
- A comprehensive water supply asset management plan is in place.
- The water supply system includes the Water Treatment Station, 960km of pipes, 8 reservoirs and 9 pumping stations.

Highlights for 2005/06

Detail on the following highlights can be found in section 7.0.

- **Hamilton South Reservoir and Bulkmain** (SAP # 268.0 – \$2.416m in 2005/06)
- **Rototuna Urban Growth** (SAP # 262.0 – \$457,000 in 2005/06)
- **Rotokauri Trunkmain** (SAP # 266.0 – \$480,000 in 2005/06)
- **Trunkmain Duplication (Temple View)** (SAP # 477.0 – \$30,000 for 2005/06)

Key Variations to Year 2 (2005/06) of Hamilton's Community Plan 2004–14

Detail on the following variations can be found in section 6.0.

- **Upgrade of Hamilton's Water Treatment Station** (SAP # 455.0 – \$15.5m in 2005/06)
- **Water Treatment Station Operating and Maintenance Impact** (SAP # 455.1 – \$160,000 in 2005/06)
- **Rototuna Reservoir Land Purchase Fees** (NEW SAP # 509.0 – \$30,000 in 2005/06)
- **Water Bulkmain Extensions** (SAP # 277.0 – \$2.030m for 2005/06)



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Sustainable Environment (Tautoko te taiao)

(Page 70 Hamilton's Community Plan 2004–14)

What we do

- Undertakes actions that focus on facilitating community action to protect and enhance Hamilton's environment. This actively contributes to urban sustainability.

Highlights for 2005/06

Detail on the following highlights can be found in section 7.0.

- **Gully Restoration Programme** (SAP # 208.0 – \$15,000 in 2005/06)
- **Review of Council's Consultation Policy**

Key Variations to Year 2 (2005/06) of Hamilton's Community Plan 2004–14

There are no variations exceeding \$100,000 to the Sustainable Environment significant service.



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Environmental Health (Te Whaiao Hauora)

(Page 72 Hamilton's Community Plan 2004–14)

What we do

- Protection and promotion of 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).
- Environmental Health also investigates any incidences of communicable diseases; controls noise pollution; carries out environmental noise monitoring; investigates contaminated sites and monitors and undertakes a range of central city safety initiatives.

Key Variations to Year 2 (2005/06) of Hamilton's Community Plan 2004–14

There are no variations exceeding \$100,000 to the Environmental Health significant service.

Changes to Performance Measures and Targets

- Removal of Service Delivery Performance Measure 3.:

"3. The average risk factor for food businesses maintained at no more than 5.5, derived from Council's risk assessment programme."

Reason: The risk factor will no longer be relevant from 1 July 2005 due to changes in Council's food compliance monitoring programme and the method used to measure the level of compliance.

- Removal of Service Delivery Performance Measure 5.:

"5. Approximately 600 inspections of premises storing dangerous goods completed in accordance with regulations under the Hazardous Substances and New Organisms Act 1996 and Council's monthly inspection schedules."

Reason: Council no longer carries out inspections of premises that store dangerous goods (as from 1 April 2004) in accordance with the implementation of new legislative requirements. That is, through amendments to the Hazardous Substances and New Organisms Act 1996, Occupational Health and Safety are now the regulatory authority for premises that store dangerous goods. Rather than premises being licensed, hazardous systems and facilities are now required to be test certified by independent test certifiers.

Other Changes

The Hamilton City Council Public Places Liquor Control Bylaw 2003 has been repealed by the Hamilton City Council Public Places Liquor Control Bylaw 2005, which comes into force on 1 August 2005.

The primary purpose of the new bylaw is "to enhance safety and the public enjoyment of public places in a responsible manner, particularly within the central city, by providing for liquor control in specified public areas to reduce the incidence of alcohol related offences, particularly those of a violent and/or destructive nature."

OUTCOME AREA B: GROWING HAMILTON (Te rohe whakaputaina B: Te whakatupu o Kirikiriroa)

(Page 75 Hamilton's Community Plan 2004–14)

GROWING HAMILTON

Projected and consolidated cost of service for the year ended 30 June 2006

Community Plan 2004–14		Community Plan 2004–14	Annual Plan 2005/06
2004/05 \$000		2005/06 \$000	2005/06 \$000
	EXPENDITURE		
19,629	Road network management	19,374	19,720
7,607	Environmental services	7,419	8,257
532	Hamilton Transport Centre	516	877
2,020	Endowment and investment property portfolio management	1,970	2,091
29,788	Total Expenditure	29,279	30,945
	Less REVENUE		
3,397	Road network management	3,237	3,376
6,837	Environmental services	6,657	7,873
190	Hamilton Transport Centre	190	203
4,556	Endowment and investment property portfolio	4,556	4,642
14,980	Total Revenue	14,640	16,094
14,808	Net Cost of Service	14,639	14,851
11,692	Capital Expenditure	11,426	18,477

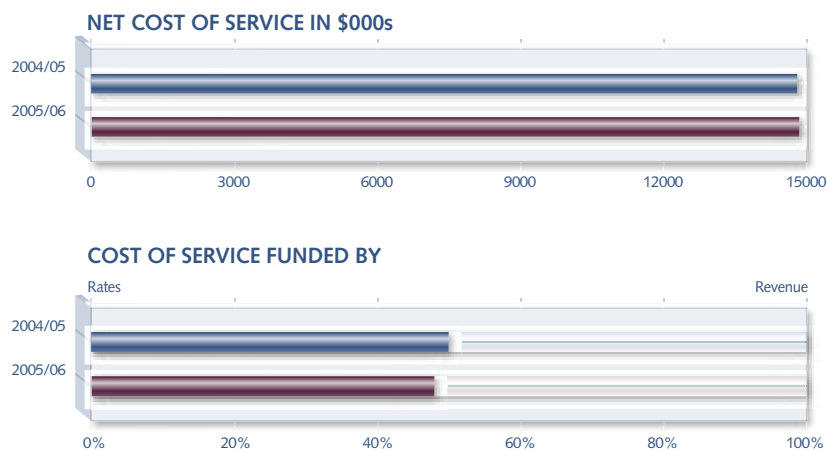
Total expenditure for 2005/06 contains depreciation of \$8.484m.

Explanation of operational variation from Community Plan

Increased revenue reflects increased charges to Environmental Services users.

Explanation of capital expenditure variation from Community Plan

Refer to Section 6: Variations to year two (2005/06) of Hamilton's Community Plan 2004–14.



Road Network Management (Te Ropu whakahaere tuhonotanga Huarahi)

(Page 78 Hamilton's Community Plan 2004–14)

What we do

- Road Network Management includes:
 - professional and technical work involved in ongoing management of growth and development of the city's roading network
 - provision of a comprehensive roads and traffic asset management plan, safety management system, and road safety strategy
 - general maintenance, rehabilitation and construction of the carriageway component of roading assets
 - improvement and day-to-day operation and maintenance of traffic network facilities
 - improvement and maintenance of the city's footpaths, cycleways and verges
 - provision of a roading improvement programme consistent with Council's Road Safety Strategy
 - provision and management of six off-street parking facilities in and around the central city.

Highlights for 2005/06

Detail on the following highlight can be found in section 7.0.

- **Extension of Wairere Drive from Hukanui Road to Huntington Drive** (SAP # 15.0 – \$1.5m in 2005/06).

Key Variations to Year 2 (2005/06) of Hamilton's Community Plan 2004–14

Detail on the following variations can be found in section 6.0.

- **Borman Road** (SAP # 6.0 – \$100,000 in 2005/06)
- **Borman Road (East of Cate Road)** (SAP # 497.0 – \$840,000 in 2005/06)
- **Resolution Drive (Discovery to Borman)** (SAP # 8.0 – \$650,000 in 2005/06)
- **Brymer Road** (SAP # 18.0 – \$540,000 in 2005/06)
- **CBD Improvements** (SAP # 228.0 – removal of \$150,000 in 2005/06)
- **E1 East Hamilton Arterial Land Purchase** (SAP # 447.0 – \$2.550m in 2005/06)
- **NEW Peachgrove Road Land Purchases** (SAP # 521.0 – \$329,000 in 2005/06)
- **NEW Peachgrove Road/Te Aroha Street Land Purchase** (SAP # 522.0 – \$621,000 in 2005/06)
- **Church Road Upgrade** (SAP # 39.0 – \$115,000 in 2005/06)
- **Powerline Undergrounding Programme** (SAP # 395.0 – \$333,000 in 2005/06)

Changes to Performance Measures and Targets

- Change to Service Delivery Performance Measure 7.:

Existing: "7. Achieved a 75% satisfaction rating for acknowledgement of, and response to, requests for service, as measured by the Roads and Traffic Unit's monthly feedback surveys."

Replacement: "7. Achieved an 80% satisfaction rating for acknowledgement of, and response to, requests for service, as measured by the Roads and Traffic Unit's monthly feedback surveys."

Reason: As scores from recent feedback surveys have increased, Roads and Traffic staff wish to stretch the satisfaction rate target.

Other Changes

The Land Transport Rule 'Setting of Speed Limits' (Rule 54001) transfers responsibility to Hamilton City Council to manage speed limits in Hamilton.

The Speed Limit Bylaw 2004, in conjunction with this Rule, provides a mechanism for Council to establish and maintain speed limits in Hamilton city.

The purpose of the Speed Limit Bylaw 2004 is to ensure that the risk to public safety is minimised and that the freedom of road users to travel on roads at speeds that are reasonable and appropriate, is protected through checks and balances on the actions of Council.

The bylaw will not automatically change any existing speed limits. Any changes to existing speed limits will require an additional public consultation process.



Hamilton Transport Centre (Te wahi hari waka o Kirikiriroa)

(Page 80 Hamilton's Community Plan 2004–14)

What we do

- The Hamilton Transport Centre is an integral part of the city and the region's transportation network, and supports the objectives of Hamilton's Integrated Transport Strategy (HITS).
- The centre 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 the city's Visitor Information Centre.

Key Variations to Year 2 (2005/06) of Hamilton's Community Plan 2004–14

There are no variations exceeding \$100,000 to the Hamilton Transport Centre significant service.



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Environmental Services (Nga ratonga taiao)

(Page 81 Hamilton's Community Plan 2004–14)

What we do

- Environmental Services provides a range of services that implement education and enforcement techniques to promote compliance with legislation, both internally within Council and externally in the city.

Environmental Services comprises:

- **Parking Enforcement**
- **Building Control**
- **Planning Guidance**
- **Animal Care and Control.**

Parking Enforcement (Uruhi (na) wahi tu o nga waka)

(Page 82 Hamilton's Community Plan 2004–14)

What we do

- Provision of on-street parking space turnover availability and control, and promotion of vehicle safety by ensuring that vehicles have a current licence, Warrant or Certificate of Fitness, and safe tyres. Parking Officers also enforce heavy motor vehicle parking regulations, abandoned vehicle removal, and give aid and assistance to the public where appropriate or requested in the course of their duties.
- The service operates under the Land Transport Act 1998, Traffic Regulations 1962, and Hamilton City Council Parking Bylaw 1996.

Key Variations to Year 2 (2005/06) of Hamilton's Community Plan 2004–14

There are no variations exceeding \$100,000 to the Parking Enforcement significant service.

Other Changes

The Hamilton City Council Parking Bylaw 1996 has been reviewed and updated to reflect changing demands for parking on roadways and in public spaces. The Hamilton City Parking Bylaw 2004 also provides for better management and safe use of the road space.



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Building Control (Mana whakahaere Whare)

(Page 83 Hamilton's Community Plan 2004–14)

What we do

- Application of laws relating to the construction and maintenance of new and existing buildings. Approximately 3000 building consents are processed annually, of which around 1000 are for new dwellings, with the balance being made up of commercial and industrial buildings, and alterations and additions (e.g., garages, swimming pools).

Highlights for 2005/06

Detail on the following highlights can be found in section 7.0.

- **Building Control Authority Registration**
- **Waikato Building Consent**
- **World Class Building Consent**

Key Variations to Year 2 (2005/06) of Hamilton's Community Plan 2004–14

There are no variations exceeding \$100,000 to the Building Control significant service.

Changes to Performance Measures and Targets

- Changes made to Long-Term Performance Measure 2.:

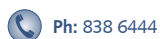
Existing: "2. Audited 100% of the fire safety records of all buildings identified (approx 3000 in total) on Council's compliance schedule matrix:

- 900 high risk buildings – annually
- 190 low risk buildings – once every 5 years".

Replacement: "2. Audited 100% of the fire safety records of all buildings identified on Council's compliance schedule matrix (comprising approximately 1000 high risk and 2000 low risk buildings):

- 1000 high risk buildings – annually
- 400 low risk buildings – annually.

Reason: The increase in numbers is reflective of the recent revisions to Council's Compliance Schedule Matrix.



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Email: BuildingControl@hcc.govt.nz

Planning Guidance (Hanga tikanga arahitanga)

(Page 84 Hamilton's Community Plan 2004–14)

What we do

- Provision of 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(s) and the Resource Management Act 1991.

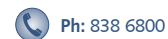
Highlights for 2005/06

Detail on the following highlight can be found in section 7.0.

- **Land online TA Online Certification**

Key Variations to Year 2 (2005/06) of Hamilton's Community Plan 2004–14

There are no variations exceeding \$100,000 to the Planning Guidance significant service.



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Animal Care and Control (Mana whakahaere karaehe)

(Page 85 Hamilton's Community Plan 2004–14)

What we do

- Addresses compliance with public place and litter control bylaws, and in particular focuses on dog and animal control issues.

Highlights for 2005/06

Detail on the following highlights can be found in section 7.0.

- National Dog Database
- Micro chipping of Dogs

Key Variations to Year 2 (2005/06) of Hamilton's Community Plan 2004–14

There are no variations exceeding \$100,000 to the Animal Care and Control significant service.



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Email: AnimalControl@hcc.govt.nz

Website for dog adoption



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

Endowment And Investment Property Portfolio Management (Te Taiao whai tikanga ropu whakahaere)

(Page 86 Hamilton's Community Plan 2004–14)

What we do

- Manage Council's Endowment Fund properties and investment properties, by providing for the management and investment of 116 properties in Hamilton.
- Returns from the Domain Endowment Fund are used for the improvement, development and creation of reserves. The Municipal Endowment Fund is invested in commercial properties and income from the fund is used to reduce the rates requirement of the city. The latter fund is required by legislation to be invested in property in order to maximise the return to the city.
- Other properties include small perpetual leases, Council owned and occupied buildings, Council owned and leased buildings, and stakes in significant city development.

Key Variations to Year 2 (2005/06) of Hamilton's Community Plan 2004–14

There are no variations exceeding \$100,000 to the Endowment and Investment Property Portfolio Management significant service.

Changes to Performance Measures and Targets

- Change made to Service Delivery Performance Measure 3 and corresponding targets for 2005/06 and 2006/07.

Existing: "3. Developed and implemented an Asset Management Plan for Property Portfolio Management."

Target 2005/06 "Implemented basic level Asset Management Plan/developed Advanced Asset Management Plan."

Target 2006/07 "Implemented Advanced Asset Management Plan."

Replacement: "Developed and implemented an Activity Management Plan for Properties."

Target 2005/06 "Activity Management Plan developed and incorporated as part of Council's 2006–16 Long-Term Council Community Plan."

Target 2006/07 "Ongoing implementation of the Activity Management Plan."

Reason: Council is in the process of developing Activity Management Plans for a number of its operations. These will be undertaken in a series of stages. The Activity Management Plan for Properties is part of the first stage of Activity Management Plans to be produced.



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OUTCOME AREA C: PROMOTING HAMILTON (Te rohe whakaputaina C: Nga whakaturanga o Kirikiriroa)

PROMOTING HAMILTON

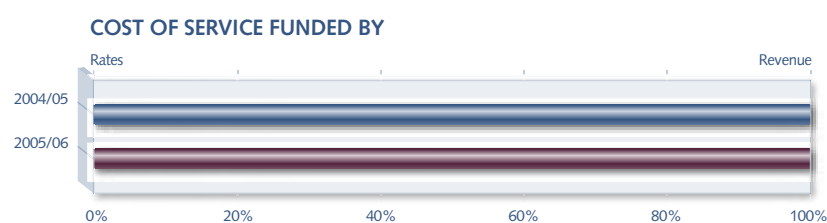
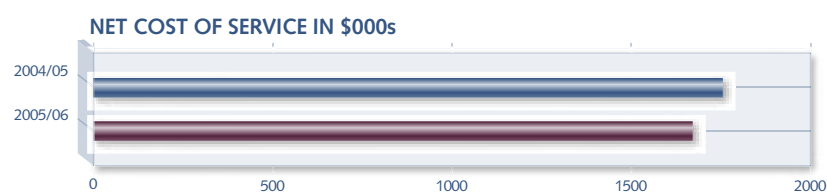
Projected and consolidated cost of service for the year ended 30 June 2006

Community Plan 2004–14		Community Plan 2004–14	Annual Plan 2005/06
2004/05 \$000		2005/06 \$000	2005/06 \$000
	EXPENDITURE		
1,106	Economic development	1,129	1,002
650	City promotion	670	670
1,756	Total Expenditure	1,799	1,672
1,756	Net Cost of Service	1,799	1,672
15	Capital Expenditure	15	15

Total expenditure for 2005/06 contains depreciation of \$0.003m.

Explanation of operational variation from Community Plan

The decrease in expenditure is because some expenditure is now allocated across other cost centres.



Economic Development (Nga ratonga Taiao)

(Page 92 Hamilton's Community Plan 2004–14)

What we do

- Economic development is a key component that contributes to the quality of life of Hamilton's residents. Communicating, marketing and supporting Hamilton's economic development activities are also key aspects of creating an environment that is conducive to ensuring the ongoing sustainable economic development of the city.

Highlights for 2005/06

Detail on the following highlight can be found in section 7.0.

- Economic Development Strategy**

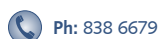
Variations to Year 2 (2005/06) of Hamilton's Community Plan 2004–14

There are no variations exceeding \$100,000 to the Economic Development significant service.

Changes to Performance Measures and Targets

- Change to 2005/06 target for Service Delivery Performance Measure 2.
"2. Reviewed and implemented Hamilton's Economic Development Strategy."
- Existing target for 2005/06 "Reviewed Strategy."
- Changed to "Implementation of Strategy"

Reason: The review of Hamilton's Economic Development Strategy will be completed in 2004/05 enabling implementation to begin in 2005/06.



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City Promotion (Nga ratonga whakapiki)

(Page 94 Hamilton's Community Plan 2004–14)

What we do

- Promotes the quality of life advantages that Hamilton offers. This includes communicating with, and marketing to, audiences within and outside Hamilton through a variety of promotional opportunities.
- Hamilton participates in a Sister Cities Programme on the basis that international understanding can be enhanced by people-to-people links at a city level. Hamilton has formal links with three cities; Saitama (Japan), Wuxi (China) and Sacramento (USA).
- Hamilton City Council is a strong supporter of events in the city through its Events Sponsorship Fund. Events are regarded as an important way to promote the city and foster economic development. In particular Council is seeking to establish and support icon events (e.g., Gallagher Boathouse 8s, FUEL Festival of New Zealand Theatre, New Zealand National Motor Show, Hamilton Gardens Summer Festival) which add to the vibrancy of the city.

Highlights for 2005/06

Detail on the following highlights can be found in section 7.0.

- Events**
- City News**

Key Variations to Year 2 (2005/06) of Hamilton's Community Plan 2004–14

There are no variations exceeding \$100,000 to the City Promotion significant service.



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OUTCOME AREA D: EXPERIENCING ARTS, CULTURE AND HERITAGE IN HAMILTON
(Te rohe whakaputaina D: Nga mahi toi, tikanga-a-lwi, taonga tuku iho o Kirikiriroa)

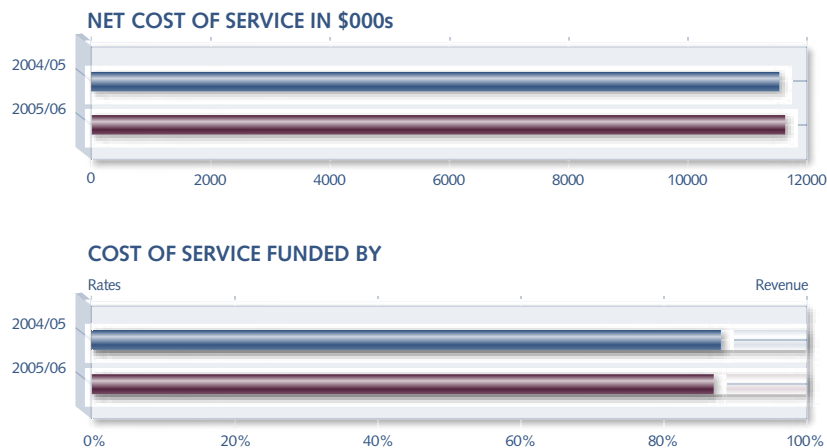
(Page 97 Hamilton's Community Plan 2004–14)

EXPERIENCING ARTS, CULTURE AND HERITAGE IN HAMILTON

Projected and consolidated cost of service for the year ended 30 June 2006

Community Plan 2004–14		Community Plan 2004–14	Annual Plan 2005/06
2004/05 \$000		2005/06 \$000	2005/06 \$000
	EXPENDITURE		
2,171	Hamilton theatre services	2,173	2,285
7,031	Hamilton City Libraries	7,044	6,949
3,951	Waikato Museum of Art and History	3,906	4,068
13,153	Total Expenditure	13,123	13,302
	Less REVENUE		
624	Hamilton theatre services	622	663
676	Hamilton City Libraries	676	689
313	Waikato Museum of Art and History	313	313
1,613	Total Revenue	1,611	1,665
11,540	Net Cost of Service	11,512	11,637
1,233	Capital Expenditure	1,191	1,266

Total expenditure for 2005/06 contains depreciation of \$1.093m.



Hamilton Theatre Services (Te Whare Tapere o Kirikiriroa)

(Page 100 of Hamilton's Community Plan 2004–14)

What we do

- Management and operation of three different live performance venues i.e.: Founders Memorial Theatre, The Community Theatre (formally the WestpacTrust Community Theatre), and The Meteor.
- 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.
- Hamilton Theatre Services also provide specialised theatre equipment and professional services for the presentation of events within the community.

Highlights for 2005/06

Detail on the following highlights can be found in section 7.0.

- **Arts and Culture Policy**
- **Theatres Strategy**

Key Variations to Year 2 (2005/06) of Hamilton's Community Plan 2004–14

There are no variations exceeding \$100,000 to the Hamilton Theatre Services significant service.

Changes to Performance Measures and Targets

- Service Delivery Performance Measure 5 has been deleted:
 "‘As expected or better’ rating for overall quality of service delivery by hirer clients maintained for all venues at 92% or greater, as measured by performance reports."
Reason: Hamilton Theatre Services has ascertained that this measure cannot be reliably obtained/reported due to extremely low response rates from hirer/clients surveyed.

Founders Theatre

The Community Theatre

The Meteor



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Email: HamiltonTheatreServices@hcc.govt.nz

Hamilton City Libraries (Te Whare Pukapuka o Kirikiriroa)

(Page 102 Hamilton's Community Plan 2004–14)

What we do

- Provision of services and resources that help to grow a strong, intelligent community with a passion for knowledge.
- Council provides five community libraries situated at Chartwell, Dinsdale, Hillcrest, St Andrews and Glenview, as well as the main Central Library in Garden Place.
- The libraries are currently being transformed into dynamic, innovative learning environments where people can be stimulated and challenged, or just sit back, relax and enjoy their library experience.

Highlights for 2005/06

Detail on the following highlights can be found in section 7.0.

- **Information and Technology Plan**
- **Collection Development**
- **Heritage and Customer Service Improvements**

Key Variations to Year 2 (2005/06) of Hamilton's Community Plan 2004–14

There are no variations exceeding \$100,000 to the Hamilton City Libraries significant service.



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Email: HamiltonCityLibraries@hcc.govt.nz



Website: www.hamiltonlibraries.co.nz

Waikato Museum of Art and History (Te Whare Taonga o Waikato)

(Page 104 Hamilton's Community Plan 2004–14)

What we do

- The Waikato Museum of Art and History (Te Whare Taonga o Waikato) is located at the southern end of Hamilton's Central Business District and provides 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.
- The Museum includes the Exscite Science Centre, which provides and popularises science and technologies.
- ArtsPost is a community arts facility adjacent to the Waikato Museum of Art and History. Its purpose is to develop and promote artists and grow a dynamic and supportive environment for the arts in the Waikato region.

Highlights for 2005/06

Detail on the following highlight can be found in section 7.0.

- **Dynamic Exhibition Programme**





Key Variations to Year 2 (2005/06) of Hamilton's Community Plan 2004–14

There are no variations exceeding \$100,000 to the Waikato Museum of Art and History significant service.

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

OUTCOME AREA E: LIVING IN HAMILTON

(Te rohe whakaputaina E: Nohonga ki roto o Kirikiriroa)

(Page 107 Hamilton's Community Plan 2004–14)

LIVING IN HAMILTON

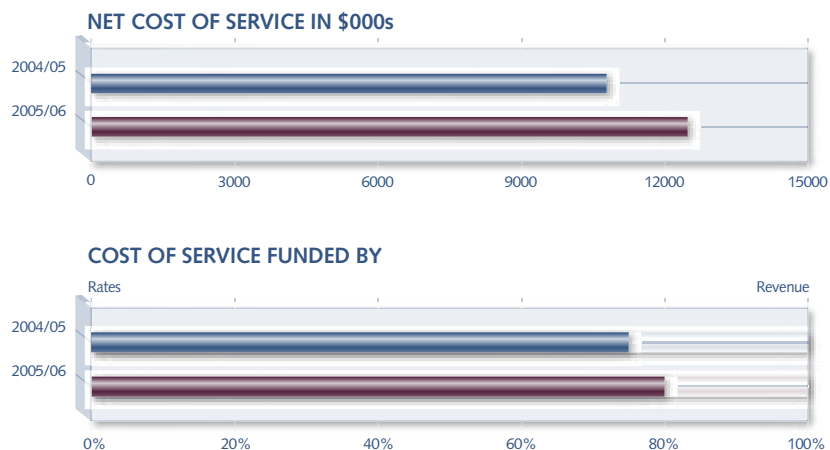
Projected and consolidated cost of service for the year ended 30 June 2006

Community Plan 2004–14		Community Plan 2004–14	Annual Plan 2005/06
2004/05 \$000		2005/06 \$000	2005/06 \$000
	EXPENDITURE		
3,270	Community support	3,775	3,515
5,201	Community facilities	5,581	5,913
565	Emergency management	561	647
265	Partnership with Maori	265	265
5,020	Representation and civic affairs	4,589	5,236
14,321	Total Expenditure	14,771	15,576
	Less REVENUE		
807	Community support	807	504
2,226	Community facilities	2,226	2,242
254	Emergency management	254	324
246	Representation and civic affairs	22	22
3,533	Total Revenue	3,309	3,092
10,788	Net Cost of Service	11,462	12,484
612	Capital Expenditure	115	115

Total expenditure for 2005/06 contains depreciation of \$0.067m.

Explanation of operational variation from Community Plan

Decreased revenue is because an Employment Initiatives scheme was not able to be implemented due to lack of funding from partner agencies.



Community Support (Te Ropu tautoko hapori)

(Page 110 Hamilton's Community Plan 2004–14)

What we do

- Provision of employment programmes, implementing social policy, and developing and supporting community capacity building for the communities within Hamilton.

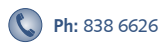
Highlights for 2005/06

Detail on the following highlights can be found in section 7.0.

- **Community Centres** (SAP # 73.0 – \$400,000 in 2005/06)
- **Disability Strategy for Council** (SAP # 440.0)

Key Variations to Year 2 (2005/06) of Hamilton's Community Plan 2004–14

There are no variations exceeding \$100,000 to the Community Support significant service.



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Community Facilities (Nga whate-a-iwi)

(Page 112 Hamilton's Community Plan 2004–14)

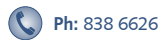
What we do

- Community Facilities provides:
 - facilities that meet the needs of youth, older persons, and community groups
 - housing for older people (452 units at 26 locations throughout the city)
 - support to community groups through facility rental and subsidy
 - a professional and caring service that represents best practice in attending to all burial and cremation services
 - public toilets in the central city and at sports grounds and major passive parks
 - halls and leased buildings (providing both short and long-term facilities for indoor recreation and cultural groups).

Key Variations to Year 2 (2005/06) of Hamilton's Community Plan 2004–14

Detail on the following variation can be found in section 6.0.

- **Community Houses Operating Grants** (SAP # 76.0 – \$309,000 in 2005/06)



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Emergency Management (Ropu whakahaere ohore)

(Page 114 Hamilton's Community Plan 2004–14)

What we do

- Prepares strategies, programmes and plans that minimise, reduce or eliminate the impact of the consequences of a major disaster.

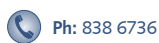
Highlights for 2005/06

Detail on the following highlight can be found in section 7.0.

- **Civil Defence Emergency Management Plan**

Key Variations to Year 2 (2005/06) of Hamilton's Community Plan 2004–14

There are no variations exceeding \$100,000 to the Emergency Management significant service.



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Email: Emergency/Management@hcc.govt.nz

Partnership with Maori (Hononga ki te Iwi Maori)

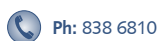
(Page 116 Hamilton's Community Plan 2004–14)

What we do

- Partnership with Maori 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 embodies a commitment by both parties to work toward a strong community for all people. It is achieved through the operation of a Joint Venture Committee (comprising representatives of Council and Te Runanga o Kirikiriroa) to discuss partnership reports and issues, and to continue building the capacity of Maori to contribute towards Council's decision-making processes.
- Council recognises Nga Mana Toopu o Kirikiriroa as the representative of Hamilton/Kirikiriroa iwi with regard to natural and physical resource management issues under the Resource Management Act 1991.

Key Variations to Year 2 (2005/06) of Hamilton's Community Plan 2004–14

There are no variations exceeding \$100,000 to the Partnership with Maori significant service.



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Email: Strategic@hcc.govt.nz

Representation and Civic Affairs (Manatu mangai whakatinana)

(Page 118 Hamilton's Community Plan 2004–14)

What we do

- Representation and Civic Affairs enables democratic local decision-making to promote the social, cultural, economic and environmental well-being of Hamilton and its residents, both now and in the future.
- Council comprises the mayor and 13 councillors. The mayor is elected 'at large' across the city, whereas councillors are elected by a ward system, i.e., (East Ward (3), West Ward (5), and South Ward (5)).
- The mayor and councillors are responsible for setting policy direction, monitoring Council's performance, and representing the interests of Hamilton.
- Representation and Civic Affairs provides for the costs of Council's democratic and decision-making processes, including elected members remuneration, meetings, public consultation, communication and civic functions. Provision is also made for conducting any elections, as well as maintenance of the electoral roll.
- Council oversees the development, consultation and implementation of the organisation's umbrella documents, i.e., the Governance Statement (mycouncil), Long-Term Council Community Plan (Hamilton's Community Plan 2004–14), Annual Plan, Annual Report, and District Plan.

Highlights for 2005/06

Detail on the following highlights can be found in section 7.0.

- **Review of Wards and Representation**
- **Development of Council's 2006–16 Long-Term Council Community Plan**
- **Facilitation of Hamilton's Community Outcomes**

Key Variations to Year 2 (2005/06) of Hamilton's Community Plan 2004–14

There are no variations exceeding \$100,000 to the Representation and Civic Affairs significant service.

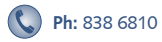
Changes to Performance Measures and Targets

- Change to 2005/06 target of Service Delivery Performance Measure 3.

Existing: "Final 2005/06 Annual Plan, 2004/05 Annual Report, Proposed 2006–16 Community Plan."

Replacement: "Final 2005/06 Annual Plan, 2004/05 Annual Report, Proposed 2006–16 Community Plan, and Hamilton City Proposed District Plan, (November 2001–References Version) made operative."

Reason: The anticipated operative date of the Hamilton City Proposed District Plan (November 2001–References Version) has been moved from 2004/05 to 2005/06 due to the plan's dependency on the resolution of references that need to be considered by the Environment Court.



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OUTCOME AREA F: ENJOYING HAMILTON (Te rohe whakaputaina F: Harikoa o Kirikiriroa)

(Page 120 Hamilton's Community Plan 2004–14)

ENJOYING OUR CITY

Projected and consolidated cost of service for the year ended 30 June 2006

Community Plan 2004–14		Community Plan 2004–14	Annual Plan 2005/06
2004/05 \$000		2005/06 \$000	2005/06 \$000
	EXPENDITURE		
2,541	Sports areas	2,566	2,615
8,479	Parks and gardens	8,602	9,268
6,948	Event facilities	7,652	7,654
4,459	Swimming facilities	4,463	4,623
1,944	Hamilton Zoo	1,944	2,170
24,371	Total Expenditure	25,227	26,330
	Less REVENUE		
111	Sports areas	111	111
785	Parks and gardens	785	728
2,389	Event facilities	2,464	2,965
1,635	Swimming facilities	1,685	1,735
672	Hamilton Zoo	672	698
5,592	Total Revenue	5,717	6,237
18,779	Net Cost of Service	19,510	20,093
3,678	Capital Expenditure	2,968	2,311

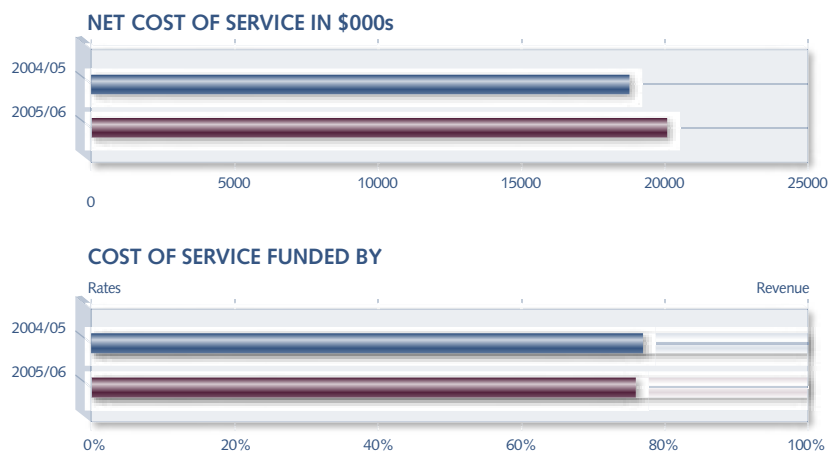
Total expenditure for 2005/06 contains depreciation of \$4.029m.

Explanation of operational variation from Community Plan

Increased revenue is expected from recreational facilities.

Explanation of capital expenditure variation from Community Plan

Refer to Section 6: Variations to year two (2005/06) of Hamilton's Community Plan 2004–14.



Sports Areas (Wahi hakinakina)

(Page 124 of Hamilton's Community Plan 2004–14)

What we do

- Provision of playing fields, changing rooms and toilets for organised sports and games.

Highlights for 2005/06

Detail on the following highlight can be found in section 7.0.

- **Funding of New In-line Hockey Facility** (SAP # 420.0 – \$200,000 in 2005/06)

Key Variations to Year 2 (2005/06) of Hamilton's Community Plan 2004–14

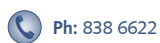
Detail on the following variation can be found in section 6.0.

- **Minogue Park Netball Courts** (SAP # 158.0 – \$95,000 in 2005/06)

Changes to Performance Measures and Targets

- Removal of key Long-Term Performance Measure 4 "Achieved the provision of 1 playing field per 2000 residents".

Reason: Although this ratio can serve as a guide for determining playing field requirements in the newly developing areas of Hamilton, it is too coarse a measure for the city as a whole since it takes no account of high use citywide facilities, such as hockey turfs, nor of national standard facilities such as the stadia.



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Parks and Gardens (Wahi Paka me nga Mara)

(Page 125 of Hamilton's Community Plan 2004–14)

What we do

- Provision of trees and gardens for the enjoyment of people engaged in passive recreation and the enhancement of the natural environment within Hamilton's parks.

Highlights for 2005/06

Detail on the following highlights can be found in section 7.0.

- **Hamilton Lake Domain Redevelopment** (SAP # 125.0 – \$240,000 in 2005/06)
- **Walkway and Cycleway Development** (SAP #s 122.0, 133.0, 136.0, 481.0, 482.0)
- **Hamilton Gardens – Te Parapara Garden Development** (SAP # 99.0 – \$125,000 in 2005/06)

Key Variations to Year 2 (2005/06) of Hamilton's Community Plan 2004–14

Detail on the following variation can be found in section 6.0.

- **Car Park Development** (SAP # 135.0 – \$130,000 in 2005/06)

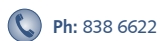
Changes to Performance Measures and Targets

- Changes to Service Delivery Performance Measure no. 6.

Existing: "6. Planted trees on public open space with the involvement of not less than 60 representatives from community organisations, adjacent property owners or interested stakeholders."

Replacement: "6. Planted trees on public open space with the involvement of not less than 80 representatives from community organisations, adjacent property owners or interested stakeholders."

Reason: There has been an increase in the level of involvement by groups, organisations and other interested parties in community planting programmes, i.e., around 80 groups/individuals are currently involved and there are many more parties interested in participating.



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Email: ParksAndGardens@hcc.govt.nz

Event Facilities (Wahi Taiwhanga)

(Page 127 Hamilton's Community Plan 2004–14)

What we do

- Provision of Waikato Stadium, Westpac Park, Waikato Events Centre and Hamilton City Leisure Centre as key city facilities designed to attract local, national and international sports fixtures as well as other events, exhibition and conferences.

Highlights for 2005/06

Detail on the following highlights can be found in section 7.0.

- **Waikato Events Centre Renewals** (SAP # 284.0 – \$30,000 in 2005/06)
- **Key Events for Waikato Stadium**

Key Variations to Year 2 (2005/06) of Hamilton's Community Plan 2004–14

Detail on the following variations can be found in section 6.0.

- **Waikato Events Centre Scoping and Design** (NEW SAP # 536.0 – \$175,000 for 2005/06)
- **Asbestos Removal of Waikato Events Centre** (SAP # 506.0)

Changes to Performance Measures and Targets

- Deletion of part of Service Delivery Performance Measure 4 "Achieved the number of hours used for functions for: • Westpac Park of 500 hours."

Reason: Westpac Park functions are controlled by the resident caterer with no input from Council.

- Change to Long-Term Performance Measures 1.:

Existing: "1. Achieved a CSI score for the: • Waikato Stadium of 80, • Westpac Park of 75, • Waikato Events Centre of 65, as measured by a survey of users."

Replacement: "1. Achieved a CSI score from venue patrons for the: • Waikato Stadium of 85, • Westpac Park of 80, • Waikato Events Centre of 70, as measured by a survey of venue patrons."

Reason: The target CSI scores have been 'stretched' to reflect recent increases in survey results for these three facilities.

- Change to Long-Term Performance Measures 3.:

Existing: "3. Achieved annual event day usage for: • Waikato Stadium of 30 days, • Westpac Park of 30 days, • Waikato Events Centre of 25 days, as measured by usage records."

Replacement: "3. Achieved annual event day usage for: • Waikato Stadium of 30 days, • Westpac Park of 30 days, • Waikato Events Centre of 50 days, as measured by usage records."

Reason: There has been a considerable increase in usage of the Waikato Events Centre in the past year, hence the target has been 'stretched' from 25 to 50 days.



Ph: 958 5800



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Email: admin@WaikatoStadium.co.nz



Website: www.WaikatoStadium.co.nz

Swimming Facilities (Wahi Kaukau)

(Page 129 Hamilton's Community Plan 2004–14)

What we do

- Provision of Waterworld at Te Rapa and the Gallagher Aquatic Centre at Melville. The Municipal Pool (southern end of the CBD) is operated under contract to the Hamilton Amateur Swimming Club.
- Partner pool grants are also provided to the University of Waikato Campus Pool, Hillcrest Normal School, Te Rapa Primary School, and Fairfield College.
- Swimming Facilities encourages an appreciation of water safety through Learn to Swim and Swim Safe programmes, while also addressing intergenerational needs through related health and fitness programmes.
- A comprehensive asset management plan is in place for Swimming Facilities.

Highlights for 2005/06

Detail on the following highlights can be found in section 7.0.

- **Waterworld Plant Replacement** (SAP # 209.0 – \$100,000 in 2005/06)
- **Partner Pool Grants** (SAP # 214.0 – \$121,000 in 2005/06)

Key Variations to Year 2 (2005/06) of Hamilton's Community Plan 2004–14

Detail on the following variations can be found in section 6.0.

- **Hydroslide Renewal** (SAP # 348.0 – \$300,000 in 2005/06)
- **Upgrade of Dive Towers at Waterworld** (SAP # 349.0 – \$160,000 in 2005/06)



Ph: 849 4389



Fax: 849 3510



Email: Waterworld@hcc.govt.nz



Ph: 843 9476



Fax: 843 4678



Email: GallagherAquaticCentre@hcc.govt.nz

Hamilton Zoo (Te Whare Kararehe)

(Page 131 Hamilton's Community Plan 2004–14)

What we do

- Provides Hamilton with a key recreation and leisure facility, a conservation base, and an educational experience.
- The zoo, which is set on 20.8 hectares on the north-western boundary of the city, contributes towards the city's economic development through tourism and visitor attraction.
- Hamilton Zoo is committed to worldwide conservation programmes designed for the long-term protection and preservation of threatened and endangered species.

Highlights for 2005/06

Detail on the following highlight can be found in section 7.0.

- **Zoo Asset Renewal** (SAP # 311.0 – \$86,000 in 2005/06)

Key Variations to Year 2 (2005/06) of Hamilton's Community Plan 2004–14

Detail on the following variation can be found in section 6.0

- **Zoo Development Programme** (SAP #310.0 – \$234,000 in 2005/06)



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Email: hamzoos@wave.co.nz



Website: HamiltonZoo.co.nz



10.0 LOOKING AHEAD TO COUNCIL'S 2006–16 LONG-TERM COUNCIL COMMUNITY PLAN (Te Tirohanga Whanui 2006–16 mo nga kaupapa hapori)

Process to Identify Hamilton's Community Outcomes and Priorities

One of Council's key business drivers is to promote outcomes and priorities that Hamilton communities want to work towards. The Local Government Act 2002 requires Council to carry out a process to clearly identify these community outcomes and priorities. This means developing vision statements through community consultation about how people want the city to develop over the coming ten years or more.

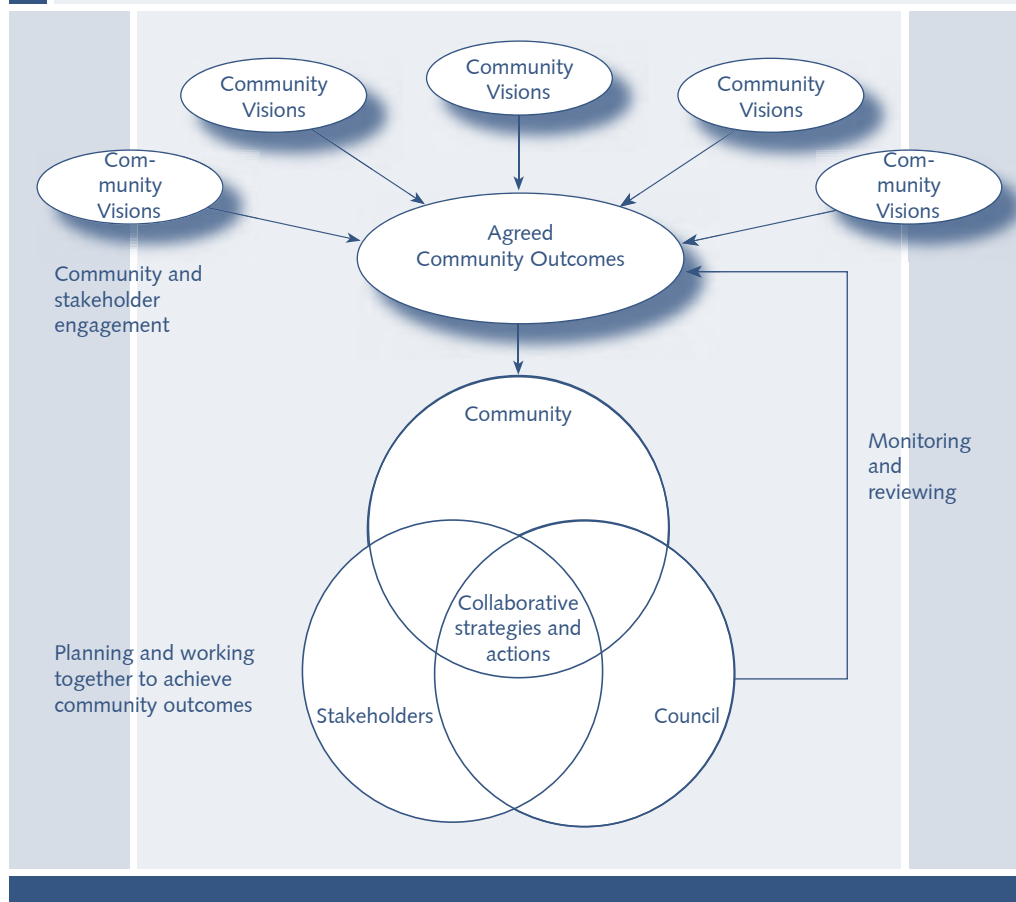
Identifying Community Outcomes and Priorities

The current Long-Term Council Community Plan (Hamilton's Community Plan 2004–14) describes a set of community outcomes developed through previous public engagement, including information collected for Hamilton's first Strategic Plan in 1997, as well as subsequent documents involving high levels of community consultation and participation. In preparation for the revised LTCCP (2006–16) Council has initiated a joint approach to update and refine this information. A major consultation process is taking place throughout 2005 to seek people's view of the most important outcomes for the city. The process is being driven by a Consultation Steering Group of key stakeholders representing the spectrum of social, economic, environmental and cultural well-being.

Community Outcomes and Priorities Strategy

The main purpose of identifying community outcomes and priorities is to develop a Community Outcomes Strategy involving partnerships between Council, other key stakeholders and communities. Work will begin near the end of 2005 to develop the strategy. Parallel work will develop Hamilton's sustainability indicators (www.myhamilton.org.nz) into community outcomes progress indicators. The Community Outcomes Strategy will have a three-year cycle similar to the plans of Council and other key stakeholders but will focus on collaborative actions and shared performance indicators. The aim of the myhamilton process is to enhance communication and cooperation in the city and provide a framework for organisations to work together more effectively. The Community Outcomes Strategy is also intended to be an Agenda 21 action plan for sustainable development in the city. In addition it will have close linkages with the Choosing Futures Waikato regional community outcomes process (www.choosingfutures.co.nz).

The following diagram outlines the myhamilton Community Outcomes Strategy.



Activity Management Plans

Council is currently in the process of preparing Activity Management Plans which represents the next generation of asset management planning. Up to now, Council has produced asset management plans. Asset management plans describe the infrastructural assets of Hamilton City Council and outline the financial, engineering and technical practices (as well as strategies adopted) to ensure that the assets are maintained and developed to meet the requirements of the community over the long-term. A collection of 22 asset management plans were prepared in 2003. The 2004–14 Community Plan (Volume II, Appendix 12) sets out summary information concerning Council's 22 asset management plans.

Activity Management Plans focus on the service that is delivered as well as the physical assets. This change in focus brings together all activities of Council, and not just those that use physical assets.

Due to the relatively large number of Council activities, activity management plans will be developed in a staged process, with the first 10 to be completed by September 2005. These 10 include the key infrastructural services provided in the city, plus a selection of other services provided by Council. The 10 Activity Management Plans being prepared are:

- Aquatic Facilities
- Cemeteries and Crematorium
- Parks and Gardens (including sports fields, city beautification, toilets and Hamilton Gardens)
- Planning Guidance
- Property (including managing building assets for other activities)
- Roads and Traffic (including the Hamilton Transport Centre)

- Recycling and Refuse (including Horotiu Landfill)
- Stormwater
- Wastewater (including treatment)
- Water Supply (including treatment).

Activity Management Plans for all other activities of Council are planned for preparation over the following two years, with an estimated completion target of July 2007.

The work undertaken for the activity management plans will provide key baseline information for development of the 2006–16 Long-Term Council Community Plan.

11.0 FINANCIAL SECTION FOR 2005/06 CONTENTS (Wahanga moni awhina)

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FINANCIAL OVERVIEW

For the 2005/06 financial year, Council has budgeted income from rates of \$78.4m (2004/05 \$73.6m). Rates income will increase by 6.56 per cent for the 2005/06 year, which includes the new Access Hamilton targeted rate. Taking account of growth in the city's rating base, this represents an average increase of 4.73 per cent to existing Hamilton ratepayers. Within the total rate requirement, Council has approved a new Access Hamilton targeted rate of 3.48 per cent to fund major roading and other passenger transport initiatives in 2005/06. It is planned that the new targeted rate will be raised on a capital value basis.

Based on the annual budget for 2005/06, the rates levy on the average value Hamilton home will be around \$1301, that is about \$25 a week. The rates levy for 2005/06 on the average value for the other property sectors are: inner city \$793, commercial \$7700, multi-unit \$3550, rural residential \$2626, rural small \$1849 and rural large \$4105.

Council has budgeted for a surplus of \$7.7m in the 2005/06 financial year (2004/05 \$4.4m). Compared to 2004/05, total net operating expenditure from outcome areas will increase by \$4.9m to \$85.9m. The increase in net operating expenditure is partly due to an increase in interest costs allocated to outcome areas (\$2.0m), the impact of market movement on contracts for services (\$2.5m) and an increase in depreciation (\$0.4m).

Capital expenditure will increase by \$18.1m to \$56.7m. Interest costs incurred in servicing the debt will be \$11.3m, which is a \$2.1m increase on 2004/05. The overall level of net city debt excluding internal borrowing, will increase by \$29.9m to \$153.7m for the 2005/06 financial year. Council has budgeted for internal borrowing from special funds and other cash funds (\$20m) which when included, makes the net city debt position \$173.7m.

A number of significant special projects are planned during the 2005/06 financial year. These include:

- upgrade of water treatment station \$15.5m
- Access Hamilton programme \$6.0m
- Hamilton east arterial road land purchase \$2.55m
- construction of new water reservoir in Hamilton south \$1.983m
- extension of Wairere Drive from Hukanui Road to Tramway Road \$1.3m
- extension of Resolution Drive from Discovery Road to Borman Road \$0.65m
- water supply reticulation trunks in the Rotokauri area \$0.48m
- water supply reticulation trunks in the Rototuna area \$0.457m
- Hamilton Lake redevelopment \$0.24m
- development of riverside walkways and cycleways \$0.205m

FINANCIAL SUMMARY

A graphical presentation of key financial statistics from June 2003 to June 2006 is shown as follows:



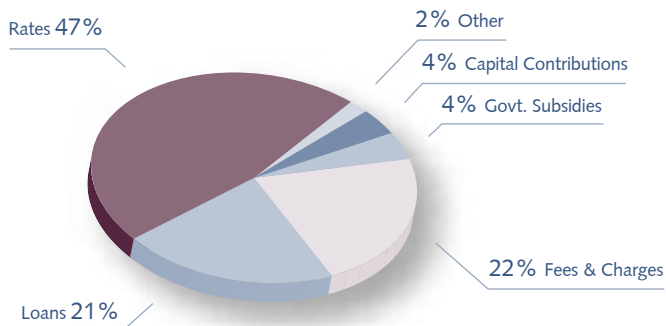
CP = Community Plan 2004–14 AP = Annual Plan 2005/06



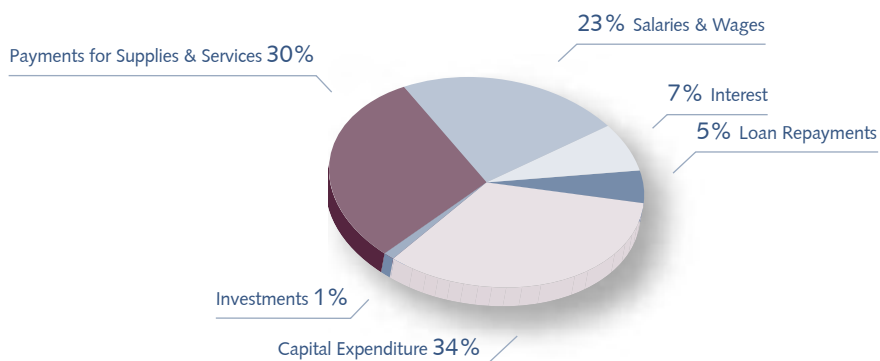
CASH FLOW

The estimated sources and uses of cash for the year ended 30 June 2006 are summarised as follows:

Sources of Cash (\$166m)

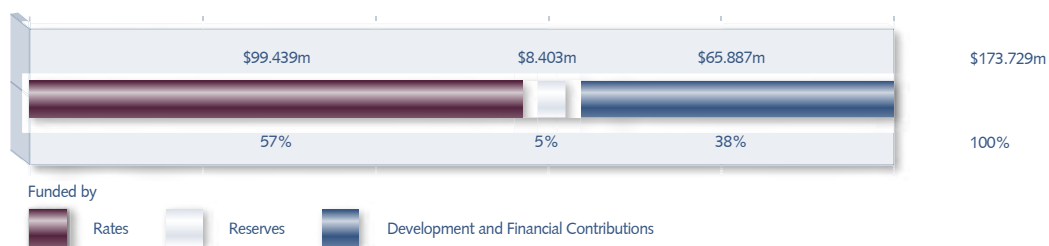


Uses of Cash (\$159m)



CITY DEBT

The graph below shows projected net city debt at 30 June 2006.



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 equity.

Council's proposed net city debt as at 30 June 2006 is \$153.7m, compared with equity of \$1547.5m.

- The target has been met at 9.9 per cent.

If internal borrowing of \$20m is included, the net city debt position for the same period is \$173.7m and the net city debt to total equity ratio is 11.2 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 2006 is \$153.7m, compared with total revenue of \$130.2m.

- The target has been met at 118.0 per cent.

If internal borrowing of \$20m is included, the net city debt position for the same period is \$173.7m and the net city debt to total revenue ratio is 133.4 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 2005/06 are \$10.4m, compared with total revenue of \$130.2m.

- The target has been met at 8.0 per cent.

If internal borrowing of \$20m is included, the interest costs for the same period is \$11.4m and the interest costs to total revenue ratio is 8.7 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 2005/06 are \$10.4m, compared with rates levied of \$78.4m.

- The target has been met at 13.2 per cent.

If internal borrowing of \$20m is included, the interest costs for the same period is \$11.4m and the interest costs to rates levied ratio is 14.5 per cent.

5. The net city debt per capita shall not exceed \$1,500 for that year.

Council's proposed net city debt as at 30 June 2006 is \$153.7m, compared with the population projection of 132,000.

- The target has been met at \$1165.

If internal borrowing of \$20m is included, the net city debt position for the same period is \$173.7m and the net debt per capita is \$1316.

6. Liquidity – the term debt and committed loan facilities as a percentage current net debt shall not be less than 110 per cent.

Council's proposed term debt and committed loan facilities as at 30 June 2006 is \$154.8m, compared with the current net city debt as at July 2005 of \$118.1m.

- The target has been met at 131.1 per cent.



FINANCIAL SUMMARY

Community Plan
2004-14

Annual Plan
2005/06

	2002/03	2003/04	2004/05	2005/06 CP	2005/06 AP
Rates levied	\$65.9 m	\$70.3 m	\$73.6 m	\$74.7 m	\$78.4 m
Rates outstanding	\$1.6 m	\$1.4 m	\$1.4 m	\$1.4 m	\$1.4 m
Total fixed assets	\$1620.2 m	\$1646.2 m	\$1664.7 m	\$1684.2 m	\$1684.1 m
Equity	\$1527.0 m	\$1534.9 m	\$1539.8 m	\$1543.3 m	\$1547.5 m
Capital expenditure	\$34.1 m	\$37.3 m	\$38.6 m	\$42.8 m	\$56.7 m
City debt repaid during year	\$ 7.9 m	\$ 4.7 m	\$ 5.2 m	\$ 5.8 m	\$ 7.0 m
Net city debt*	\$94.1 m	\$110.2 m	\$123.8 m	\$139.0 m	\$153.7 m
Net city debt (incl. internal borrowing)	\$ 113.9 m	\$ 124.2 m	\$ 138.8 m	\$ 154.0 m	\$ 173.7 m

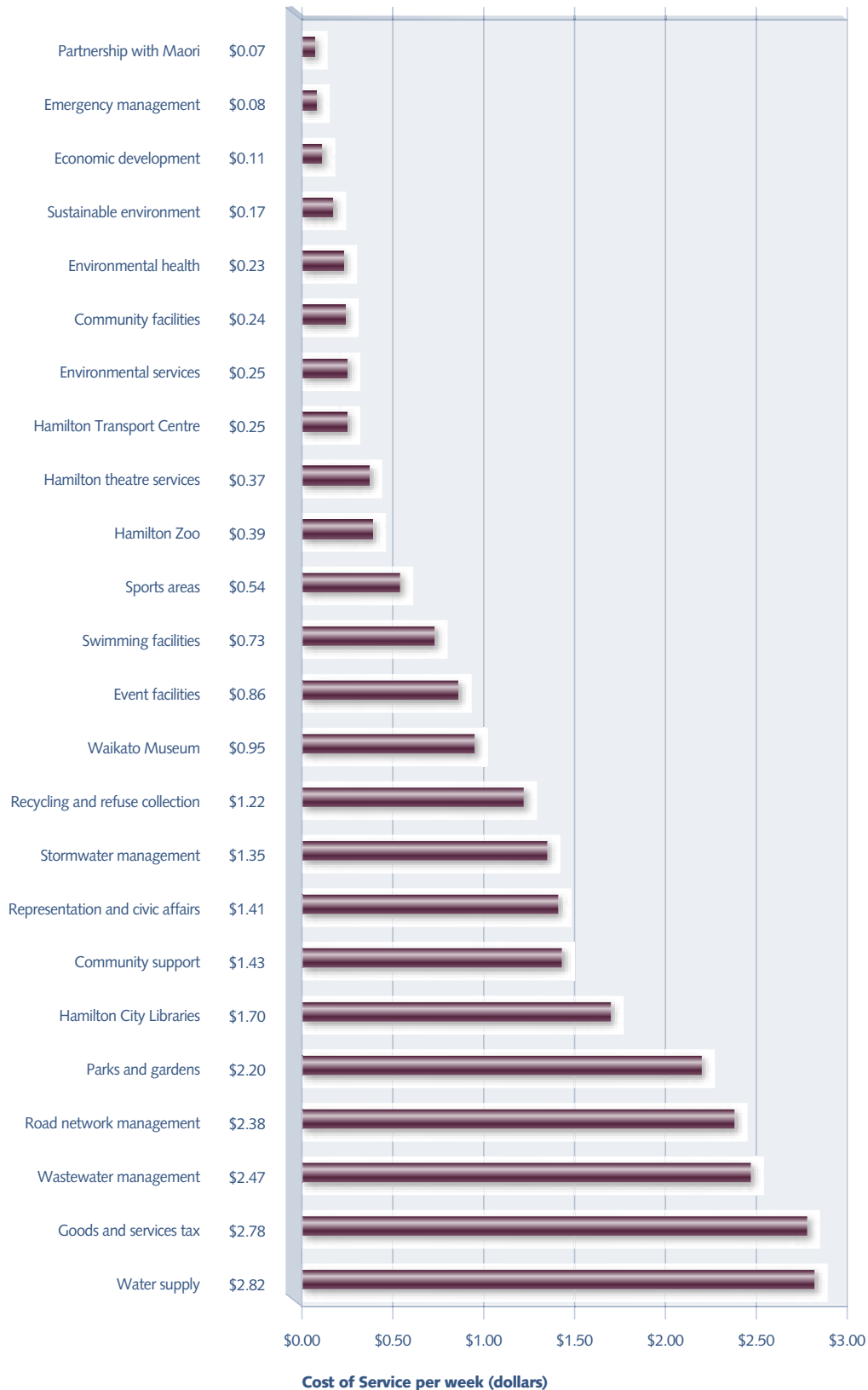
FINANCIAL INDICATORS

	2002/03	2003/04	2004/05	2005/06 CP	2005/06 AP
% Rates outstanding to rates levied	2.4%	2.0%	1.9%	1.9%	1.8%
Net city debt* per rateable property	\$1931	\$2261	\$2579	n/a	\$3140
Net city debt* per capita	\$763	\$893	\$990	\$1219	\$1165
Net city debt* as % of rates levied	142.8%	156.8%	168.2%	186.0%	196.0%
Interest payment as % of rates levied	11.7%	12.1%	12.7%	13.9%	14.5%
Interest payment* as % of rates levied	10.6%	10.9%	11.4%	12.7%	13.2%
Loan principal repayment as % of rates levied	12.0%	6.7%	7.1%	7.7%	8.9%
Total financing costs as % of rates levied	23.7%	18.8%	19.8%	21.6%	23.4%
Net city debt* as % of equity	6.2%	7.2%	8.0%	9.0%	9.9%
Net city debt (incl. internal borrowing) as % of equity	7.5%	8.1%	9.0%	10.0%	11.2%
Liquidity-term debt and committed loan facilities to net city debt* at start of year	134.8%	134.2%	118.9%	n/a	131.1%

*Excluding internal borrowing

INDICATIVE RESIDENTIAL RATES

For 2005/06, the rates levy on the average value Hamilton home will be \$1301, that is, about \$25 a week. The indicative rates levy per week is presented graphically below for each service of Council.



COUNCIL CONTROLLED ORGANISATIONS (CCO)

The Community Plan 2004–14 sets out the full list of Council-Controlled Organisations. These being: Hamilton Properties Ltd, and the Waikato Regional Airport Ltd. This Annual Plan has a variation to the Council-Controlled Organisations list outlined in the Community Plan 2004–14. Council has approved the formation and will become a shareholder of a new Council-Controlled Organisation for the provision of shared services across local authorities in the Waikato. Details of the Local Authority Shared Services organisation are set out below and in Section 6 of this annual plan.

The following table explains what the organisation proposes to do and how its performance will be measured.

A Council-Controlled Organisation is:

- any organisation that Council controls and/or other local authorities, 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	Own-ership	Represen-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)
Local Authority Shared Services Ltd	7.69%	1 (9)	To provide local authorities within the Waikato region with shared services, particularly in respect of information collection and management, for those authorities that may from time to time participate in those services with the purpose of reducing the cost of performing those activities to the community at large.	The company will be used as an umbrella company to investigate opportunities for future development of shared services. The specific objectives of the company will be agreed each year in accordance with the constitution and the Statement of Intent to be agreed between the Board of the company and the shareholders.	Statement of Corporate Intent, Interim Report and Annual Report is presented to Finance and Audit Committee.

COUNCIL ORGANISATIONS (CO)

The Community Plan 2004–14 sets out the full list of organisations Council is involved and represented in. This annual plan has a variation to the Council Organisations list outlined in the Community Plan 2004–14. Council is involved in The Katolyst Group.

Details of The Katolyst Group are set out below.

The following table explains what the organisation does and how its performance is measured.

The list of Organisations the Council is involved and represented in is based on:

- 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	Represent-ation (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)
The Katolyst Group		1 (9)	Formed to bring together under one agency Business 2 Hamilton (B2H), Business Development Centre, and Tourism Waikato.	An economic development agency formed with the goal of accelerating economic growth in Hamilton and the Waikato, through increased investment in strategic industries, small business and tourism.	Report annually to Council through City Development Committee on performance for the previous year and its business plan for the coming year.

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2006

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 and Section 111 of the Act.

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, 41.38 per cent share in Hamilton Riverview Hotel Ltd (Novotel), 7.69 per cent share in Local Authority Shared Services Ltd, and 3.17 per cent share in New Zealand Local Government Insurance Company Limited, 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, but not control, over operating and financial policies.

The results of Waikato Regional Airport Ltd, Hamilton Riverview Hotel Ltd, Local Authority Shared Services Ltd and New Zealand Local Government Insurance Company Ltd 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. Land Transport New Zealand 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 accounts receivable and accounts payable, 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

Unless stated valuations are carried out or reviewed by independent qualified valuers and are carried at least five yearly. Valuations will be undertaken more regularly if necessary to ensure no individual item of property, plant and equipment within a class is at a valuation that is materially different from its fair value.

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.

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 2006.

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

Inventories are valued at the lower of cost (determined on a first-in-first-out basis) 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 significant activities of Council.

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

- Support services are those activities, which are not considered to be direct services to the public and are allocated across the significant activities on a basis, which reflects usage of the support services. Included in the allocation for support services is an allocation of the business unit surpluses/deficits. These are allocated where possible on a usage basis.
- Interest is allocated to the outcome area 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 outcome 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 2005/06 financial year.

In relation to that standard, the financial information for the 2005/06 financial year is considered to be a 'forecast'.

The actual results achieved for the 2005/06 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 forecast for 2005/06 as included in the Community Plan 2004–14 is shown in a column in the financial statements. Any significant variances between the Community Plan 2004–14 forecast and the Annual Plan 2005/06 forecast are explained at the bottom of the relevant financial statement.

The following assumptions have been made in preparing this plan:

- interest rates on new loans raised during the 2005/06 year will be 7.51 per cent
- interest earned on funds invested will be 5.75 per cent.

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

Sixty seven per cent of borrowed funds are subject to fixed interest charges. Over a full year period, the sensitivity to a half per cent change in interest rates on borrowed funds that are not subject to fixed interest charges would be \$358,000.

Total funds invested (sinking funds) are expected to average approximately \$5.9 million throughout the year, giving sensitivity in interest earnings to a half per cent change in interest rates of \$29,500 over a full year.

22. Impact of Adoption of International Accounting Standards

The forecast financial information contained within this document has been prepared in accordance with the Council's current accounting policies as specified above. The Council is aware that it may have to alter some of its accounting policies in the future as a result of the Accounting Standards Review Board's decision to adopt International Financial Reporting Standards as the basis for new New Zealand financial reporting standards, for periods commencing 1 January 2007. However, the forecast financial information presented does not take account of the potential impact on the Council of the new New Zealand financial reporting as this impact is not yet known.

CHANGES IN ACCOUNTING POLICIES

There have been no changes from the accounting policies adopted in the last audited financial statements. All policies have been applied on a basis consistent with the previous period.

SIGNIFICANT FORECASTING ASSUMPTIONS

The assumptions underlying the preparation of these forecasts are consistent with the assumption contained in the Community Plan 2004–14.

In accordance with Schedule 10, Part 1, clause 11 of the Local Government Act 2002, the following information is provided.

Consideration has been given to the requirements of Section 101 of the Local Government Act 2002, which states:

1. A local authority must manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community.
2. A local authority must make adequate and effective provision in its Long-Term Council Community Plan and in its annual plan (where applicable) to meet the expenditure needs of the local authority identified in that Long-Term Council Community Plan and Annual Plan.
3. The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of:
 - (a) in relation to each activity to be funded:
 - (i) the community outcomes to which the activity primarily contributes; and
 - (ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
 - (iii) the period in or over which those benefits are expected to occur; and
 - (iv) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and
 - (b) 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.

In order to provide predictability and certainty about sources and levels of funding, the Council has adopted the following funding and financial policies:

1. Funding and Financial Policy
2. Revenue and Financing Policy
3. Funding Impact Statement
4. Investment Policy
5. Liability Management Policy
6. Rating Policy
7. Rates Remission Policies
8. Rates Postponement Policies
9. Remission and Postponement of Rates on Maori Freehold Land
10. Partnerships with Private Sector Policy

In addition, this Annual Plan includes a funding impact statement which provides information about the revenue and financing mechanisms to be used by the Council.

SIGNIFICANT FORECASTING ASSUMPTIONS AND RISKS

Dollars

All figures are in current New Zealand dollars.

Inflation

The financial estimates have been prepared in 2005/06 dollars with no allowance for inflation.

Accounting Policies

In areas of judgement the principle of accounting prudence has been applied. All financial statements in the Annual Plan 2005/06 have been prepared in accordance with the accounting policies.



The only significant forecasting assumption involving a level of uncertainty relates to Access Hamilton concerning the actual timing of works, quantum of dollar spend and loan raising.

Nature of the Business

It is assumed there will be no changes in the nature of the Hamilton City Council's business.

Growth

Projections have been made on city growth which influences several of Council's financial estimates, for example development contribution levies received, processing of building consents and subdivision assets vested with Council. Should the assumed growth occur at a greater or lesser level this would affect a range of costs and revenues. As a further consequence of urban expansion and city growth, the rating base increases each year. The effect of this is that a portion of the rates levy each year is borne by new ratepayers as well as existing ratepayers. For the 2005/06 financial year, the amount of rates borne by new ratepayers is approximately \$1.350 million.

Assumptions Relating to Treasury Risk Management

For key assumptions specific to treasury risk management refer to the Liability Management Policy and the Investment Policy contained in the Community Plan 2004–14.

Revenue

Ongoing revenue (subsidies) from Land Transport NZ and other income from funding providers for ongoing operating and capital projects has been included.

Expenses

Expenditure is estimated to include increased operating costs for new projects and facilities.

Capital Expenditure

Capital expenditure including renewals is funded from the sources deemed most appropriate by Council. Such sources are development contribution levies, debt, user charges, other contributions, reserves, asset sales and rates. Refer to the Capital Expenditure Policy for Council's guidelines for funding Special and Capital Projects in the Community Plan 2004–14.

Depreciation

Assets are depreciated on a straight-line basis over their useful lives with annual depreciation expense included in the total costs for each outcome area. Refer to the Statement of Accounting Policies outlined in this Annual Plan for a detailed list of the estimated useful lives for each major class of assets.

Service Levels

It is assumed that the current range of services and their delivery options will continue at the present levels except for refuse services. The Council operated landfill at Horotiu is expected to close at the end of December 2006 at which point Council will no longer operate a landfill. Refuse collection costs are expected to increase as a result. In addition, from 1 January 2007 Council will contract out the operation of the Refuse Transfer Station. It is assumed that this change will have no effect on rates.

Debt

Debt is repaid at 4 per cent of opening net debt (i.e., a 25 year repayment term). Some projects incur a greater level of debt repayment above the 4 per cent level, where specific business cases approved by Council deem the loan associated with the project shall be repaid earlier than 25 years, however these amounts are relatively minor.

Interest on Borrowing

Interest paid on new debt raised is assumed to be at a rate of 7.51 per cent in 2005/06. If interest rates increase half of a per cent in 2005/06, the additional interest paid would be \$358,000. Refer to the Liability Management Policy contained in the Community Plan 2004–14 for further details on Council's interest rate risk management policies.

Risk

There are no material risks underlying the financial estimates apart from the effect on costs and revenues inherent in the assumptions listed above.

Estimated Cashflow Projections

A consolidated estimate of cashflows is provided based on the costs revenues outlined in the Annual Plan, subject to the assumptions listed above.

Changes to Assumptions Resulting from Amendments to the Community Plan 2004–14

The amendment to the Community Plan 2004–14 regarding the introduction of The Development and Financial Contributions Policy is based on assumptions concerning the timing and effective implementation of the Policy and the risk that development may proceed at a different rate than that assumed. The consequential impact of the Development and Financial Contributions Policy on the receipt of development contributions, debt, interest and asset sales has been outlined in this Annual Plan. Refer to Section 5 for further details.



PROJECTED AND CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June 2006

Community Plan 2004–14		Community Plan 2004–14	Annual Plan 2005/06
2004/05 \$000	Note	2005/06 \$000	2005/06 \$000
REVENUE			
33,597	Revenue from outcome areas 1	33,769	36,597
73,500	Rates 2	74,630	78,229
10,345	Revenue assigned to asset development 3	10,838	13,904
1,572	Other revenue 4	1,381	1,497
119,014	Total Operating Revenue	120,618	130,227
EXPENDITURE			
114,556	Expenditure from outcome areas 1	116,622	122,463
40	Other expenditure	40	50
114,596	Total Operating Expenditure	116,662	122,513
4,418	Net Surplus	3,956	7,714

Balanced Budget Requirement

Under Section 100 of the Local Government Act 2002, Council must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses. The Statement of Financial Performance above indicates a surplus of \$7.714 million for 2005/06. Therefore, Council has determined that the balanced budget requirement has been met.

PROJECTED AND CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY

For the year ended 30 June 2006

Community Plan 2004–14		Community Plan 2004–14	Annual Plan 2005/06
2004/05 \$000	Note	2005/06 \$000	2005/06 \$000
4,418	Net surplus for the year	3,956	7,714
4,418	Total Recognised Revenues and Expenses for the Year	3,956	7,714
1,535,391	Equity at Beginning of Year	1,539,304	1,539,809
1,539,809	Equity at End of Year 5	1,543,260	1,547,523

The accompanying statement of accounting policies and notes to the financial statements form part of and should be read in conjunction with these financial statements.

PROJECTED AND CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2006

Community Plan 2004–14			Community Plan 2004–14	Annual Plan 2005/06
2004/05 \$000		Note	2005/06 \$000	2005/06 \$000
	EQUITY			
1,291,084	Accumulated funds	5	1,297,016	1,291,777
224,319	Revaluation reserves	5	222,210	224,319
6,854	Restricted reserves	5	6,826	7,274
17,552	Council created reserves	5	17,208	24,153
1,539,809	Total Equity		1,543,260	1,547,523
	ASSETS			
	Current Assets			
0	Investments	6	4,885	5,034
10,000	Accounts receivable and prepayments		10,000	10,000
400	Inventories		400	400
10,400	Total Current Assets		15,285	15,434
	Non-Current Assets			
34,048	Investment properties		34,048	34,048
19,512	Investments	6	15,324	15,613
1,630,674	Fixed assets		1,650,134	1,668,510
1,684,234	Total Non-Current Assets		1,699,506	1,718,171
1,694,634	Total Assets		1,714,791	1,733,605
	LIABILITIES			
	Current Liabilities			
300	Bank overdraft		300	300
13,495	Accounts payable and income in advance		14,000	14,000
3,500	Employee entitlements		3,500	3,500
5,718	Term debt	7	11,869	10,564
300	Finance lease liabilities		300	300
23,313	Total Current Liabilities		29,969	28,664
	Non-Current Liabilities			
1,500	Employee entitlements		1,500	1,500
123,512	Term debt	7	133,287	149,418
1,000	Finance lease liabilities		1,000	1,000
5,500	Landfill aftercare provision		5,775	5,500
131,512	Total Non-Current Liabilities		141,562	157,418
154,825	Total Liabilities		171,531	186,082
1,539,809	Net Assets		1,543,260	1,547,523

Note: The Community Plan 2004–14 figure for opening equity has been adjusted to agree with the financial statements as at 30 June 2004. The corresponding balancing entry has been made to Accounts payable and income in advance.

The accompanying statement of accounting policies and notes to the financial statements form part of, and should be read in conjunction with these financial statements.

PROFECTED AND CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2006

Community Plan 2004–14		Community Plan 2004–14	Annual Plan 2005/06
2004/05 \$000		2005/06 \$000	2005/06 \$000
	CASHFLOWS FROM OPERATING ACTIVITIES		
	Cash will be provided from:		
73,500	Rates	74,630	78,229
900	Petrol tax	900	950
3,480	Government operating subsidies and grants	3,320	3,184
2,384	Government capital subsidies and grants	3,090	3,427
33,617	Fees, rents and charges	33,949	37,113
3,836	Other capital contributions	3,623	6,352
2	Interest on investments	0	2
247	Interest on sinking funds	481	320
200	Dividends	0	225
118,166		119,993	129,802
	Cash will be applied to:		
34,108	Salaries and wages	34,088	38,459
50,304	Payments for supplies and services	46,268	50,188
9,394	Interest paid	10,420	11,386
93,806		90,776	100,033
24,360	Net Cash Inflow from Operating Activities	29,217	29,769
	CASH FLOWS FROM INVESTING ACTIVITIES		
	Cash will be provided from:		
180	Sale of fixed assets	75	1,575
1,622	Investments withdrawn	0	0
1,802		75	1,575
	Cash will be applied to:		
38,607	Purchase of fixed assets	42,764	56,708
0	Investments made	0	1,135
38,607		42,764	57,843
(36,805)	Net Cash (Outflow) from Investing Activities	(42,689)	(56,268)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Cash will be provided from:		
16,455	Loans uplifted	19,671	34,176
16,455		19,671	34,176
	Cash will be applied to:		
5,283	Loan repayments	5,828	7,067
349	Finance lease repayments	371	610
5,632		6,199	7,677
10,823	Net Cash Inflow from Financing Activities	13,472	26,499
(1,622)	Net increase (decrease) in cash held	0	0
1,322	Plus opening cash balance 1 July	(300)	(300)
(300)	Closing Cash Balance 30 June	(300)	(300)
	Made up of:		
(300)	Bank overdraft	(300)	(300)
(300)	Closing Cash Balance 30 June	(300)	(300)

The accompanying statement of accounting policies and notes to the financial statements form part of, and should be read in conjunction with these financial statements.

PROJECTED AND CONSOLIDATED CAPITAL EXPENDITURE STATEMENT

For the year ended 30 June 2006

Community Plan 2004-14	Community Plan 2004-14	Annual Plan 2005/06	FUNDED BY							Funding Source
Expenditure 2004/05 \$000	SAP No	Expenditure 2005/06 \$000	Expenditure 2005/06 \$000	Reserves	Loans (DCL) ¹	Loans	Subsidies	Revenue	Depreciation	
Outcome Area A: SUSTAINING HAMILTON'S ENVIRONMENT										
Wastewater management										
Network connections	R 239	150	200					200		UC
Contributions for increasing pipe sizes in subdivisions	241	50	50		50					
Rototuna wastewater trunks	R 242	580	1,267		1,267					
Interceptor & trunks for future growth	243	300	300		300					
Network upgrade to subdivision standard	245	215	215						215	
Asbestos pipes replacement	250	80	80						80	
Pump station upgrades	251	150	150						150	
Increase pump station storage	253	95	95						95	
Interceptor venting (anti corrosive)	255	40	40						40	
Pipeline repairs (Temple View)	D 469	15								
Pump station storage upgrade (Temple View)	D 471	20								
Pump station monitoring (SCADA) renewals	N 249		35						35	
Wastewater disposal to land (Terra 21)	N 237		60			60				
Treatment plant secondary treatment	R 238	300	449		449					
Treatment plant improvements	305	40	40		20				20	
Treatment plant sludge disposal	306	860	860	310		550				SD
Treatment plant asset renewals	307	36	36						36	
Stormwater management										
Network connections	R 165	200	250					250		UC
Stormwater impact mitigation	167	70	70						70	
Rototuna/Flagstaff trunk	170	300	300		300					
Network renewals	175	200	200						200	
Network upgrades to prevent flooding	176	265	265						265	
Upgrades associated with road works	177	210	210						210	
River outfall improvements	178	10	10						10	
Erosion mitigation works	179	50	50						50	
Renew stormwater outlets to kerbs	180	30	30						30	
Project Watershed emergency works	388	85	85	85						PW
Recycling/refuse collection										
Landfill stages 4 & 6	N 151		1,350	1,350						HR
Landfill leachate management	413	10	10	10						HR
Landfill pump replacements	414	10	10	10						HR
Transfer station renewals	D 152	230								
Water supply										
Network connections	R 261	140	170					170		UC
Rototuna trunk mains	262	457	457		457					
Nawton trunk mains	263	171	171		171					
Rotokauri trunk mains	266	480	480		480					
New mains	267	673	673						673	
Mains renewal	269	345	345						345	
Bulkmain valve automation	272	20	20		20					
Bulkmain extensions	R 277	1,845	1,791		1,791					
Contribution for increasing pipe size in subdivisions	264	20	20		20					
Fittings renewal	270	375	375						375	
Replacement of water meters	271	35	35						35	
Restricted supply to rural properties	274	13	13						13	
Trunkmains duplication (Temple View)	477	30	30		3				27	
Treatment station upgrade	R 455	10,500	15,500		3,100	10,400		2,000		CO
Rototuna reservoir	N 509		30						30	
Hamilton south reservoir	R 268	2,416	1,983		1,983					
Reservoir asset renewals	278	260	260						260	
Reservoir improvements	304	30	30						30	
16,617	Total Sustaining Hamilton's Environment		22,411	29,100	1,765	10,411	11,010	0	2,620	3,294

Community Plan 2004-14	Community Plan 2004-14	Annual Plan 2005/06	FUNDED BY							Funding Source
Expenditure 2004/05 \$000	SAP No	Expenditure 2005/06 \$000	Expenditure 2005/06 \$000	Reserves	Loans (DCL) ¹	Loans	Subsidies	Revenue	Depreciation	
Outcome Area B: GROWING HAMILTON										
Road network management										
Borman Rd (West of Resolution)	N 6		100		100					
Borman Rd (East of Cate Rd)	D 497	840								
Resolution Dve (Discovery to Borman)	N 8		650		490		160			LT
Wairere Dr (Hukanui to Tramway)	R 15	1,500	1,276		436		840			LT
Subdivision associated works	17	115	115		115					
Brymer Rd	D 18	540								
Miscellaneous land purchases	30	50	50						50	
Church Rd upgrade	D 39	115								
Kerb and channel replacement	40	683	683				156		527	LT
Area-wide treatment	R 41	822	762				350		412	LT
Carriageways reseals	44	2,342	2,342				1,077		1,265	LT
Stormwater quality improvements	46	50	50				23		27	LT
ACCESS Hamilton programme	N 518		6,000			6,000				
Footpaths and verges shape correction	92	333	333						333	
Footpaths and verges resurfacing	93	481	481						481	
Litter bins	94	20	20						20	
Cycleway construction	96	205	205		20		115		70	LT
Footpath construction	97	50	50		5				45	
Minor safety improvements	222	288	288				161		127	LT
Traffic improvements	223	150	150						150	
Traffic calming	224	150	150				84		66	LT
Amenity lighting	226	10	10						10	
Installation of new street lights	227	200	200				112		88	LT
CBD improvements	D 228	150								
Bus shelters	229	9	9	9						PT
Street furniture	230	20	20						20	
Replacement of existing street lights	231	342	342				156		186	LT
Traffic signal renewal	232	90	90				41		49	LT
Street sign renewal	233	176	176				81		95	LT
Traffic signal controller renewal	234	50	50				23		27	LT
Safety barriers renewal	235	25	25				11		14	LT
East Hamilton arterial land purchase	R 447	1,270	2,550		2,550					
Electronic traffic information signage	416	80	80		22		37		21	LT
Land purchase for park and ride	457	250	250	188	62					PT
Land purchases Te Aroha, Peachgrove	N 521,2		950		950					
Environmental services										
Parking meter replacement	117	20	20	20						PT
9,882	Total Growing Hamilton	11,426	18,477	217	4,750	6,000	3,427	0	4,083	
Outcome Area C: PROMOTING HAMILTON										
City promotion										
Christmas decorations	85	15	15						15	
15	Total Promoting Hamilton	15	15	0	0	0	0	0	15	
Outcome Area D: EXPERIENCING ARTS, CULTURE AND HERITAGE IN HAMILTON										
Hamilton theatre services										
Theatre equipment (new)	219	23	23						23	
Theatre equipment (renewals)	220	140	140						140	
Hamilton City Libraries										
Library collection purchases	R 106	908	983						983	
Library collection purchases (Dinsdale)	462	30	30						30	
Waikato Museum of Art and History										
Museum lighting	112	90	90						90	
1,233	Total Experiencing Arts, Culture and Heritage in Hamilton	1,191	1,266	0	0	0	0	0	1,266	
Outcome Area E: LIVING IN HAMILTON										
Community facilities										
Toilets construction (Dinsdale shops)	221	115	115		57				58	
612	Total Living in Hamilton	115	115	0	57	0	0	0	58	

Community Plan 2004–14	Community Plan 2004–14	Annual Plan 2005/06	FUNDED BY							Funding Source
Expenditure 2004/05 \$000	SAP No	Expenditure 2005/06 \$000	Expenditure 2005/06 \$000	Reserves	Loans (DCL) ¹	Loans	Subsidies	Revenue	Depreciation	
Outcome Area F: ENJOYING OUR CITY										
Sports areas										
Minogue Park netball courts resurfacing	N 158		95						95	
Asset renewal	163	30	30						30	
Parks and gardens										
Land acquisition and esplanade reserves	120	20	20	20						RC
Riverside Pa reserves	121	60	60	60						RC
Gully development (Kirikiriroa)	122	120	120	120						RC/PW
Passive park development	124	110	110	110						RC
Hamilton Lake Domain redevelopment	125	240	240						240	
Structures refurbishment	129	37	37						37	
Riverbank stability programme	N 130		100	100						PW
Claudelands Park development	131	200	200			20			180	
Walkway (Flagstaff Park)	133	156	156			156				
Taitua Arboretum development	D 134	78								
Car park development (Pukete boat ramp)	D 135	130								
Pedestrian linkages on parks	136	34	34	34						RC
New recreation equipment programme	137	100	100			50			50	
Nursery upgrade	138	40	40			30			10	
Car park maintenance	139	33	33						33	
Asset renewal	143	80	80						80	
Riverside walkway new (Hamilton Gardens)	481	205	205	205						RC
Riverside walkway upgrades	482	100	100						100	
Park seats	483	10	10						10	
Mobile home waste disposal	N 512		10						10	
Asset renewal (city beautification)	65	10	10						10	
Hamilton Gardens – Te Parapara Garden	99	125	125	25					100	RC
Event facilities										
Waikato Events Centre asset renewal	284	30	30						30	
Waikato Stadium asset renewal	N 531		30						30	
Westpac Park asset renewal	N 532		30						30	
Swimming facilities										
Waterworld plant replacement	209	100	100						100	
Asset renewal – Waterworld	212	58	58						58	
Asset renewal – Gallagher Aquatic Centre	213	12	12						12	
Hydroslide renewal	D 348	300								
Dive towers refurbishment	D 349	160								
Gallagher Aquatic Centre playground shade	D 486	40								
Hamilton Zoo										
Development programme	D 310	234								
Asset renewal	311	86	86						86	
Staff facilities	R 426	30	50						50	
3,678 Total Enjoying our City		2,968	2,311	674	256	0	0	0	1,381	
SUPPORT SERVICES										
Property and risk management										
Vehicles and plant replacement	R 149	789	889	64				75	750	VR/AS
Strategic land purchases	R 192	1,000	1,192			1,192				
Duke St compound covered storage	R 402	40	36						36	
Asset renewal	150	2,476	2,476						2,476	
Information management										
System upgrades	D 444	221								
GPS survey station	N 546		75						75	
National dog database	N 525		40						40	
4,760 Total Support Services		4,526	4,708	64	0	1,192	0	75	3,377	0
REPAYMENT OF FUNDING ADVANCED BY DEVELOPERS										
Stormwater management										
Pipeline (The Boulevard)	R 433	112	76						76	
1,810 Total Advanced Funding		112	76	0	0	0	0	0	76	
0 Allowance for contract price increases	N		640						640	
38,607 Total Capital Expenditure		42,764	56,708	2,720	15,474	18,202	3,427	2,695	14,190	

1. Loans (DCL) are developers' contributions funded by loans. Loans are raised in advance of anticipated contributions being received from developers. Those contributions will repay the loans.

Funding Source Key

Asset Sales	AS	Public Transport and Parking Reserve	PT
Contributions	CO	Reserve Contributions	RC
Horotiu Reserve	HR	Sludge Disposal	SD
Land Transport NZ	LT	User Charges	UC
Project Watershed Reserve	PW	Vehicles and Plant Reserve	VR

Variations to Community Plan 2004–14

D	Deleted/Deferred
N	New
R	Revised Costing



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2006

NOTE 1: Summary of Cost of Services

Community Plan 2004–14		Community Plan 2004–14	Annual Plan 2005/06
2004/05 \$000		2005/06 \$000	2005/06 \$000
	Revenue from Outcome Areas		
11,379	Sustaining Hamilton's Environment	11,992	13,209
14,980	Growing Hamilton	14,640	16,094
0	Promoting Hamilton	0	0
1,613	Experiencing Arts, Culture and Heritage in Hamilton	1,611	1,665
3,533	Living in Hamilton	3,309	3,092
5,592	Enjoying our City	5,717	6,237
37,097		37,269	40,297
(3,500)	Less internal revenue	(3,500)	(3,700)
33,597	Total Revenue from Outcome Areas	33,769	36,597
	Expenditure from Outcome Areas		
35,942	Sustaining Hamilton's Environment	37,183	39,911
29,788	Growing Hamilton	29,279	30,945
1,756	Promoting Hamilton	1,799	1,672
13,153	Experiencing Arts, Culture and Heritage in Hamilton	13,123	13,302
14,321	Living in Hamilton	14,771	15,576
24,371	Enjoying our City	25,227	26,330
119,331		121,382	127,736
(3,500)	Less internal expenditure	(3,500)	(3,700)
(350)	Less rates charged to Council properties	(350)	(550)
(925)	Less interest on internal borrowing	(910)	(1,023)
114,556	Total Expenditure from Outcome Areas	116,622	122,463

Revenue from outcome areas includes fees, rents and charges, and government operating subsidies and grants.

NOTE 2: Rates

Community Plan 2004–14		Community Plan 2004–14	Annual Plan 2005/06
2004/05 \$000		2005/06 \$000	2005/06 \$000
73,138	Rates	74,272	75,331
450	Rates penalties	450	550
0	Targeted rates – Access Hamilton	0	2,560
300	Targeted rates – 100% non-rateable land	300	380
139	Targeted rates – Temple View loans	135	135
40	Targeted rates – 50% non-rateable land	40	40
(217)	Rates remissions	(217)	(217)
(350)	Less rates charged to Council properties	(350)	(550)
73,500	Total Rates	74,630	78,229

Explanation of variation from Community Plan

See Section 5.1 for details of the Access Hamilton targeted rates.

NOTE 3: Revenue Assigned to Asset Development

Community Plan 2004–14		Community Plan 2004–14	Annual Plan 2005/06
2004/05 \$000		2005/06 \$000	2005/06 \$000
2,384	Land Transport NZ capital subsidies	3,090	3,427
4,125	Contributions – vested assets	4,125	4,125
	Other capital contributions		
900	Reserve contributions	900	900
1,800	Contributions to infrastructural reserves	1,600	2,212
55	Cemetery fees	55	55
1,081	General contributions	1,068	3,185
3,836		3,623	6,352
10,345	Total Revenue Assigned to Asset Development	10,838	13,904

Explanation of variation from Community Plan

Increased contributions are expected for some items of capital expenditure.

NOTE 4: Other Revenue

Community Plan 2004–14		Community Plan 2004–14	Annual Plan 2005/06
2004/05 \$000		2005/06 \$000	2005/06 \$000
900	Petrol tax	900	950
249	Investment income	281	322
223	Sundry revenue	0	0
200	Dividends	200	225
1,572	Total Other Revenue	1,381	1,497

Explanation of variation from Community Plan

Budgeted income for petrol tax has been increased based on actual revenues received. Investment income and dividends is expected to be higher than previously forecast.

NOTE 5: Equity

Community Plan 2004–14		Annual Plan 2005/06		
2004/05 \$000			2005/06 \$000	
	Accumulated funds			
1,290,208	Opening balance		1,291,084	
4,418	Net surplus		7,714	
3,520	Transfers from restricted and Council created reserves		4,783	
(7,062)	Transfers to restricted and Council created reserves		(11,804)	
1,291,084	Total Accumulated Funds		1,291,777	
	Revaluation Reserves			
213,792	General asset revaluation reserves		213,792	
10,527	Property revaluation reserves		10,527	
224,319	Total Revaluation Reserves		224,319	
		Transfers to	Transfers from	
	Restricted Reserves			
1,368	Cemetery plot maintenance in perpetuity	125	70	1,423
1,627	Domain sales endowment	183	0	1,810
3,829	Municipal crown endowment	181	0	4,010
30	Waikato art gallery endowment	1	0	31
6,854	Total Restricted Reserves	490	70	7,274
	Council Created Reserves			
0	Access Hamilton	2,560	247	2,313
65	Bus shelter (Adshel)	59	21	103
728	CBD improvements fund	184	0	912
2	Dame Hilda Ross library memorial	0	0	2
2,654	Disaster recovery	251	0	2,905
0	General interest	0	100	(100)
1,519	Horotiu aftercare	280	0	1,799
838	Horotiu landfill	1,976	1,375	1,439
943	Infrastructural	3,125	744	3,324
119	Lake Domain Drive	6	0	125
5,187	Loan repayment	321	0	5,508
71	Museum collection	29	0	100
244	Project Watershed	445	351	338
1,281	Public transport and parking	848	727	1,402
4	Roman Catholic schools library	0	0	4
(8)	Site development	0	0	(8)
251	Storm damage	12	0	263
3,221	Reserve contributions	1,099	774	3,546
0	Vehicle and plant	64	64	0
95	Waikato Stadium events	4	0	99
34	Waitawhiriwhiri plant	2	0	36
303	Wastewater treatment plant sludge lagoon	14	310	7
1	Zoo animal acquisition	35	0	36
17,552	Total Council Created Reserves	11,314	4,713	24,153
24,406	Total Restricted and Council Created Reserves	11,804	4,783	31,427
1,539,809	Total Equity			1,547,523

Note: The Community Plan 2004–14 figure for opening equity has been adjusted to agree with the financial statements as at 30 June 2004. Opening balances for reserves have been adjusted to reflect estimated June 2005 balances.

NOTE 6: Investments

Community Plan 2004–14		Annual Plan 2005/06
2004/05 \$000		2005/06 \$000
0	Sinking fund commissioners	5,034
0	Current Investments	5,034
5,443	Sinking fund commissioners	1,219
14,069	Shares and investments in other organisations*	14,394
19,512	Non-Current Investments	15,613
19,512	Total Investments	20,647

*Shares and investments in other organisations are comprised as follows:

	Number of shares	% Holding	Balance Date	2005/06 \$000
Hamilton Riverview Hotel Ltd (Novotel)	42	41.38	31 Dec	3,735
Hamilton Properties Ltd	1,000	100.00	30 Jun	0
NZ Local Government Insurance Co Ltd	202,729	3.17	31 Dec	401
Local Authority Shared Services Ltd	1,000	7.69	30 Jun	1
Waikato Regional Airport Ltd	1,430,000	50.00	30 Jun	10,257
Total Shares and Investments in Other Organisations				14,394

NOTE 7: Term Debt

The city's debt has been issued in accordance with the Local Government Act 2002. The loans are secured through the debenture trust deed over all rates with one exception. The \$5.204m loan used to purchase Claudelands Park is secured by way of a mortgage over the Claudelands Park property.

Community Plan 2004–14		Annual Plan 2005/06
2004/05 \$000		2005/06 \$000
17,718	Payable no later than one year	32,234
5,138	Later than one, not later than two years	8,775
26,676	Later than two, not later than five years	38,666
79,698	Later than five years	80,307
129,230	Total Term Liabilities	159,982
17,718	Payable with one year	32,234
12,000	Less renewal loans to be raised	21,670
5,718	Current	10,564
123,512	Non-current	149,418
129,230	Total Term Liabilities	159,982

Under authority of the Local Government Act 1974 (Local Authority Loans Act 1956), sinking funds to the value of \$6.253m (2005, \$5.443m) are held to provide for the repayment of debt.

Council reduces its financing costs by utilising an internal borrowing programme. Rather than sourcing all its borrowing externally, Council utilises funds from reserves and working capital cash to reduce external borrowing and charges an internal interest rate on these funds. Provision for the repayment of internal borrowing is covered via committed external bank funding facilities.

Internal borrowing from cash held for special funds and working capital is projected to be \$20m at 30 June 2006 (2005, \$15m). If this is added to Council's net debt of \$153.729m (2005, \$123.787m) the overall net city debt at 30 June 2006 will be \$173.729m (2004, \$138.787m). The \$173.729m will be funded by developers (\$65.887m), reserves (\$8.403m), and the balance of \$99.439m by rates.

NOTE 8: Transit New Zealand Act Disclosures

This information is presented in accordance with section 31 of the Transit New Zealand Act which requires Council to separately disclose those activities that use their own staff or assets in providing in-house professional services for which funding is received from the Land Transport Disbursement Account. Surpluses or deficits on operation of the business units are transferred to relevant outcome areas.

Community Plan 2004-14		Annual Plan 2005/06
2004/05 \$000		2005/06 \$000
	Roads and traffic business unit	
1,826	Operating costs	2,209
	Less revenue:	
620	In-house professional services	620
1,197	Other revenue	1,367
9	Net (Surplus)/Deficit	222
	Design services business unit	
2,462	Operating costs	3,074
	Less revenue:	
380	In-house professional services	380
2,113	Other revenue	2,784
(31)	Net (Surplus)/Deficit	(90)

NOTE 9: Commitments and Contingencies

Community Plan 2004-14		Annual Plan 2005/06
2004/05 \$000		2005/06 \$000
	Commitments	
4,000	Capital expenditure commitments	4,000
3,000	Non cancellable operating lease commitments	2,000
7,000	Total Commitments	6,000
	Contingencies	
1,000	Loan guarantees ¹	1,000
10,800	Uncalled capital Waikato Regional Airport Ltd ²	11,800
350	Insurance claim excess and other claims	350
12,150	Total Contingencies	13,150

- ¹ Council is at times requested to act as Guarantor to loans raised by community organisations and sports clubs for the construction of facilities on reserve land.
- ² During May 2004 the shareholders of Waikato Regional Airport Limited (of which HCC has a 50 per cent shareholding) authorised the company to issue further shares totalling \$21.6m to existing shareholders. This capital restructure is part of the WRAL Airport Development and allows WRAL to borrow at commercially favourable interest rates.

The WRAL Airport Development is estimated to cost \$20.5m over the next 4 years, which is being funded by new external borrowings of \$14.6m and retained earnings.

Whilst there are no plans to call up the capital, Council has a contingent liability for \$10.8m for uncalled capital.

In addition, Council has given a commitment to WRAL to provide \$1m by way of loan or called up capital for the purchase of land. This liability is contingent upon WRAL not having funding in place by 30 June 2007.

NOTE 10: Depreciation

Community Plan 2004–14		Annual Plan 2005/06
2004/05 \$000		2005/06 \$000
30,601	Depreciation	31,019
30,601	Total Depreciation	31,019

NOTE 11: External Consultants

Costs for external consultants (comprising legal and professional fees) have been included in the statement of financial performance.

Community Plan 2004–14		Annual Plan 2005/06
2004/05 \$000		2005/06 \$000
143	Chief executive's office	142
446	Community services	504
197	Corporate	199
160	Environmental services	168
110	Works and services	127
1,056	Total External Consultants	1,140

FEES AND CHARGES

The Council has reviewed fees and charges for the 2005/06 financial year. The changes to fees and charges affect the following services:

- Animal Care and Control
- Building Control
- Business Support
- Cemeteries and Crematorium
- Community Halls and Leased Buildings
- Footpaths
- Hamilton Gardens
- Housing Services
- Hamilton City Libraries
- Planning Guidance
- Recycling and Refuse
- Sports Areas
- Strategic
- Swimming Facilities
- Hamilton Theatres Services
- Waikato Events Centre
- Waikato Stadium
- Wastewater
- Water Supply
- Hamilton Zoo

Full details of fees and charges are available on request from the Finance and Administration Unit, 1st floor, Municipal Offices, Garden Place.

PROJECTS UNFUNDED

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

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

References identified in the Projects Unfunded table are:

SAP No. – Strategic Action Plan number C – capital expenditure on projects
M – operating and maintenance costs R – renewals

Unfunded Special and Capital Projects by Service

SPECIAL AND CAPITAL PROJECTS IN 000's Unfunded	SAP No	Type	Total Cost			
			2005/06 Yr 1	2006/07 Yr 2	2007/08 Yr 3	2008/09 Yr 4
Cemeteries and crematorium						
Newstead cemetery gully development	317.0	C	40		40	
Hamilton Park reception facility	318.0	C		50	450	
Hamilton Park reception facility O&M impact	318.1	M				20
City parks						
Covered storage for cricket wicket clay	399.0	C	20	250		
Community development						
NEW Enderley Park Community arts studio	511.0	C	18			
Economic development						
Christmas float	325.0	M	5	5	5	5
Footpaths, cycleways and verges						
Future provision for pedestrian overbridge/ underpasses	328.0	C	40	410	25	250
Cobham Dr underpass	329.0	C	50	680		
Hamilton Gardens						
Hamilton Gardens pavilion kitchen & storage	330.0	C			132	
Hamilton Gardens pavilion kitchen & storage O&M impact	330.1	M				3
Housing services						
Upgrade of older housing pt 2	331.0	R		30	1000	
Replacement of bedsits	332.0	R				50
New housing for the elderly	333.0	C			50	
Parks and gardens						
Replacement of Lake Domain tearooms	341.0	C		100	1300	
Taitua Arboretum development	534.0	C	78			
Taitua Arboretum development O&M impact	534.1	M	5			
Strategic						
Economic monitoring & reporting	345.0	M	20			
Youth needs survey	346.0	M		25		25
Swimming facilities						
Additional changing facilities	350.0	C		50	300	
Swimming facilities meeting rooms	352.0	C			50	200
Waterworld deep water pool	353.0	C	1236			
Gallagher Aquatic Centre playground sun shade	486.0	C	40			
Hamilton theatre services						
Air conditioning for Council facilities	342.0	C	15	285		
Hamilton Zoo						
Development of an african savannah exhibit	374.0	C		900	1000	1300
Zoo playground stage 2	492.0	C	45		0	0
Zoo canopy adjacent café	494.0	C	175		0	0
Total			1787	2785	4352	1853

SUMMARY OF FUNDING AND FINANCIAL POLICY (VOLUME II)

The following table outlines the policies and statements that Hamilton City Council has adopted. Full versions of the policies and summaries are in the Approved Community Plan 2004–14 (Volume II) – Funding and Financial Policy. Refer to the contents page for more information on places where you can look in Volume II.

Policy	Outline
Funding and Financial Policy	Sets out Council's policy parameters, targets and guidelines concerning the policies outlined below, and sets out the guidelines of how Council plans for, and acquires funds to finance its operations, and the projects and programmes planned.
Revenue and Financing Policy	Shows how Council's operational and capital expenditure will be funded or financed for each significant service, after taking into consideration a number of different factors.
Funding Impact Statement	Discloses the revenue, operational and capital expenditure requirements and financing mechanisms of Council. It also discloses in detail the rating system and funding sources for Council for 2005/06.
Investment Policy	Sets out how Council will manage its cash investments, trust funds, special and reserve funds, sinking funds and investment in shares and property, recognising that Council is a net borrower for the foreseeable future.
Liability Management Policy	Sets out how Council will manage its borrowing, funding and interest rate risks, recognising that Council is a net borrower for the foreseeable future. The policy guides Council on the specific borrowing limits and funding facilities, debt repayment parameters, credit exposure and foreign exchange risk management.
Rating Policy	<p>Sets out how Council will determine the setting and collecting of rates, types of rates, rate systems, differential rating, rating levels, and remission and postponement policies.</p> <p>In setting the budget for the 2005/06 year, Council has approved an overall increase in the total Council rate take of 6.56 per cent, with 4.73 per cent of this being payable by existing ratepayers.</p>
Rates Remission Policies	Sets out Council's criteria for remitting rates, which involves reducing the amount of rates owing or waiving collection of rates under certain circumstances.
Rates Postponement Policies	Sets out Council's criteria for postponing rates which involves the payment of rates that is not waived in the first instance, but delayed until a certain time, or until certain events occur.
Remission and Postponement of Rates on Maori Freehold Land	Sets out Council's criteria for remitting and postponing rates on Maori freehold land, which involves situations where there is no occupier, no economic or financial benefit capable of being derived from the land and there is no practical means of enforcing the rates assessed.
Significance Policy	Sets out how Council will decide on the significance of proposals and decisions. The policy guides Council on how to consult when making decisions of varying importance to the community. It also lets the community know what is expected in terms of consultation.
Partnerships with Private Sector Policy	Sets out Council's policy on committing resources to partnerships between Council and the private sector. It also guides Council on the circumstances 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	Sets out how Council will determine the financial contributions to be taken from developers, to develop 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.
Appointment and Remuneration of Directors of Council Organisations Policy	Sets out an objective and process for the identification and consideration of skills, knowledge and experience required of directors of a Council organisation, and the appointment of directors and the remuneration of directors.
Freeholding of Council Domain and Municipal Endowment Leases Policy	Sets out the process Council will follow relating to the sale (freeholding) of Council domain and municipal endowment leases. It also sets out how Council will use the proceeds from the sales of such property.
Asset Management Plan Summary	Sets out summary information about Council's major assets based on asset management plans prepared in 2003.

SALE OF MUNICIPAL ENDOWMENT INVESTMENT PROPERTIES

Council holds commercial investment properties listed in the table below, which were acquired by Council with funds from the Municipal Endowment Investment Fund to provide revenue for the general purposes of the district of Hamilton City Council. Council may dispose of any individual property listed in the table below at any time to take advantage of market conditions or commercial opportunities as and when they may arise and the proceeds shall be reinvested in the Municipal Endowment Investment Fund. Such disposals shall be effected in accordance with the relevant provisions of the Local Government Act 2002 at current market value based on independent valuation.

MUNICIPAL ENDOWMENT INVESTMENT FUND PROPERTIES

Property Reference	Property Address	Legal Description	Land Area
21100	354 Victoria Street BNZ Building	Lot 2 DPS 80554	4459m ²
21300	455 Te Rapa Road National Bank, Te Rapa	Lot 1 DPS 26345	1465m ²
21400	445 Victoria Street Beggs Wiseman Building	Lot 1 DPS 15240	276m ²
21600	32 Kaimiro Street Steel Tube Building	Lot 1 DPS 76960	1.46ha
21700	49 Foreman Road Carter Holt Harvey Building	Lot 2 DPS 88522	1.7ha
21900	378 Avalon Drive Allied Building	Lot 4 DPS 91882	7655m ²
20027	58 Masters Avenue Masters Avenue Shops	Lots 11 & 12 DPS 8656	417m ²

SALE OF COUNCIL OWNED LAND

From time to time Council identifies land that no longer supports its business operations and has become surplus to requirements, e.g., properties purchased for roading construction where part of the land is subsequently not required.

Where such land is identified, Council may elect to sell the surplus land with any sale proceeds applied to debt repayment or transferred to reserve.

Any surplus land sales that are deemed to be significant as per Council's Significance Policy, are subject to the requirements of that policy with regards to decision-making and public consultation.

SUMMARY ASSESSMENT OF WATER AND OTHER SANITARY SERVICES (Te Aromatawai mo nga momo wai)

INTRODUCTION

The assessments of water and sanitary services have been completed, as required by the Local Government Act 2002. Council adopted the Water and Sanitary Services Assessments Report on 27 June 2005. Water and sanitary services comprise water supply, wastewater services, stormwater services, cemeteries, crematoria, public toilets and waste disposal. These services are considered important to maintaining public health within a local government district.

ASSESSMENTS

The assessments describe the level of services provided to the current population within Hamilton city, the demands on infrastructure and identify potential health risks. The assessments also summarise likely future situations, estimated population growth and demand and Council's proposed methods to meet these demands.

The adopted Water and Sanitary Services Assessments Report is available upon request from the Finance and Administration Unit (phone 8386742, email FinanceAndAdministration@hcc.govt.nz).

LINKAGES TO OTHER COUNCIL PLANS AND REPORTS

The water and sanitary services assessments summarises information in other relevant Council plans and reports or makes references to them. These Council plans and reports provide significant information on the nature and provision of these services. The main references being:

- 2004–14 Hamilton's Community Plan (LTCCP)
- 2003 Asset Management Plans. These being: Cemeteries and Crematorium, Public Toilets, Stormwater, Refuse, Wastewater and Water Supply
- Cemeteries Management Plan 1999–2008
- Hamilton City Structure Plans
- Hamilton City Wastewater Treatment Plan Process Capacity Review 2003
- Hamilton City Council Water Treatment Station 2003 Milestone Development Plan
- 2020 Water Supply Network Strategic Planning.

CONSULTATION

The Council Meeting on 8 and 9 February 2005 considered the draft water and sanitary services assessments. Council approved the assessments and they were included in the Proposed 2005/06 Annual Plan for consultation with the public, using the special consultative procedure required by the Local Government Act. Copies of the full draft assessments were available through the consultative process which took place for one month, from 1 April 2005 to 2 May 2005. No submissions were received from the public in relation to these assessments.

Council's public hearings to hear public submissions (7 to 9 June 2005) did not raise issues concerning these assessments.

Consultation has been held with the Medical Officer of Health for the Waikato District Health Board as required under Part 128 of the Local Government Act 2002 when making these assessments. Comments and suggestions from the Medical Officer of Health have been considered and incorporated into the adopted report.

Consultation has also been held with Environment Waikato, Tainui and Nga Mana Topu o Kirikiriroa.

SUMMARY OF HAMILTON CITY COUNCIL'S WASTE MANAGEMENT PLAN

(Te Aromatawai mo nga momo wai)

Hamilton City Council's Waste Management Plan, which was adopted by Council on 18 August 2004, is based on some key targets adapted from the New Zealand Waste Strategy 2002. The first stage of the plan focuses solely on solid waste. It will be reviewed in 2005/06 to include liquid wastes and then again in 2007/08 to include gaseous wastes, e.g., emissions to air.

An industry working group was formed to assist with development of the plan. This group consisted of representatives from the waste management industry, recycling operators, Council contractors, staff from Environment Waikato, Hamilton city councillors and staff, an iwi representative, and representatives from relevant community stakeholder groups, e.g., the Waikato Chamber of Commerce.

This group worked through the targets relevant to Hamilton City Council and prioritised five, as follows:

- By July 2004 Hamilton City Council will have instituted a measurement programme to identify existing organic waste quantities, and set local targets for diversion from disposal. By December 2005, 60 per cent of garden wastes will be diverted from landfill and beneficially used, and by December 2010, the diversion of garden wastes from landfill to beneficial use will have exceeded 95 per cent.
- By December 2004, Hamilton City Council will have instituted a measurement programme to identify existing construction and demolition waste quantities and set local targets for diversion from landfills. By December 2008, there will have been a reduction of construction and demolition to landfill of 50 per cent of December 2004 levels measured by weight.
- By December 2004, Hamilton City Council will ensure that procedures for waste minimisation have been addressed for all facilities and assets they manage and will have set target reductions based on public health, environmental and economic factors.
- By December 2005, over 500 Hamilton businesses will be receiving support from the Waikato Advisory Service and other groups supporting this service, and 100 of these businesses will be able to report on the quantity of waste they are diverting from landfill.
- By December 2006, Hamilton City Council will ensure that building consents incorporate references to space allocation for appropriate recycling facilities in new multi-unit residential and commercial buildings.

A range of initiatives and projects has been developed and adopted to enable these targets to be met.

For further information about Hamilton City Council's Waste Management Plan, contact the Strategic Group (phone 838 6810, email Sustain@hcc.govt.nz, fax 838 6464).



FUNDING IMPACT STATEMENT

INTRODUCTION

In terms of the Local Government (Rating) Act 2002, and the Local Government Act 2002, each Council is required to prepare a Funding Impact Statement disclosing the revenue and financing mechanisms it intends to use.

The information in the following sub-sections is intended to achieve compliance with this legislation by, among other things, giving ratepayers full details of how rates are calculated.

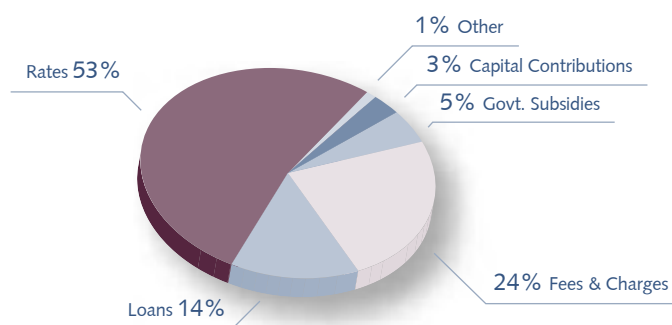
This statement should be read in conjunction with Council's Revenue and Financing Policy (Section 2) of Volume II of the Community Plan 2004–14 which sets out Council's policies in respect of each source of funding of operating and capital expenses – i.e., the revenue and financing mechanisms to be used to cover the estimated expenses of the Council.

SUMMARY OF FUNDING MECHANISMS AND INDICATION OF LEVEL OF FUNDS TO BE PRODUCED BY EACH MECHANISM

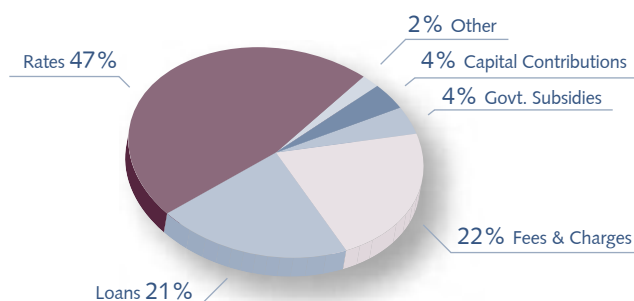
2005/06 Funding Mix

The mix of funding mechanisms for the city as a whole for the 2005/06 financial year is summarised graphically below. There have been no material departures from sources of funding or the allocation of costs and benefits to groups or individuals within the community, from Council's Community Plan 2004–14, however due to the advancement of some loan funded projects this has altered the percentage funding mix between rates and loans.

Sources of Cash Funding 2005/06 (Community Plan 2004–14)



Sources of Cash Funding 2005/06 (Annual Plan 2005/06)



The particular revenue and financing mechanisms selected by Council, including the estimated amount to be produced by each mechanism to meet the forecast expenditures in 2005/06 (as outlined in the Community Plan 2004–14) and the budgeted expenditures in 2005/06 (as outlined in the Annual Plan 2005/06), are set out in the Funding Impact Statement.

Details of user charges, other funding sources and rating mechanisms, and the proportion applicable to each service are outlined further in the Revenue and Financing Policy (Section 2) and the Appendices (Section 13) to the Funding and Financial Policy in the Community Plan 2004–14 (Volume II).

FUNDING IMPACT STATEMENT 2005/06

	Community Plan 2004–14	Annual Plan 2005/06
All figures in \$000s	2005/06 \$000	2005/06 \$000
OPERATING REVENUE		
Fees and charges	65,203	71,881
Operating subsidies	3,320	3,184
Rates penalties	450	550
Capital contributions		
Development contributions	3,133	3,732
Financial contributions	565	2,695
Subsidies	3,090	3,428
Other income (interest, petrol tax)	1,381	2,997
Total Operating Revenue	77,142	88,467
LESS OPERATING EXPENDITURE		
Operational expenditure	115,222	124,137
Interest expense	10,421	11,518
Other expenses	257	267
Total Operating Expenditure	125,900	135,922
PLUS OTHER FUNDING		
Loans	21,021	18,702
Transfers from reserves	4,153	20,188
Total Other Funding	25,174	38,890
LESS OTHER EXPENDITURE		
Capital expenditure	42,764	56,289
Debt repayments	6,198	6,882
Transfer to reserves	5,872	7,901
Transfer to Access Hamilton Special Reserve	0	2,560
Total Other Expenditure	54,834	73,632
NET RATES REQUIRED	78,419	82,197
RATES FUNDED FROM		
General rate	74,272	75,331
Targeted rates		
50% non-rateable properties	40	40
Water supply (metered properties only)	3,672	3,751
Temple View	135	135
100% non-rateable properties (water/refuse/wastewater)	300	380
Access Hamilton		2,560
TOTAL RATES	78,419	82,197

DETAILED DESCRIPTION OF RATE FUNDING MECHANISMS

Council sets the following rates for the year commencing 1 July 2005 and ending 30 June 2006 pursuant to the powers conferred on it by the Local Government Act 2002 and the Local Government (Rating) Act 2002.

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 differential basis is based on the use to which the land is put. The different categories of rateable land (differential) are outlined in the table below.

This funding mechanism covers all services of Council. The total revenue sought for 2005/06 is \$84.747 million including GST (\$75.331 million excluding GST).

The general rate will be set and assessed on a differential basis as follows:

Source	Differential Categories	Differential Factor	General Rate in the dollar of Land Value for 2005/06	Revenue (GST exclusive) 2005/06
Rates				
General Rate	Residential	1.00	\$0.017784	\$48,504,017
	Inner City Residential	0.92	\$0.016406	\$115,487
	Commercial/Industrial	2.00	\$0.035567	\$24,215,438
	Multi Unit Residential	1.50	\$0.026675	\$1,494,536
	Rural Residential	0.88	\$0.015649	\$40,522
	Rural Small	0.41	\$0.007244	\$746,498
	Rural Large	0.18	\$0.003202	\$214,502

Category Definitions – General Rate Differential

Each rating unit is allocated to a differential rating category (based on the land use) for the purpose of calculating the general rate. Set out below are the definitions used to allocate rating units to categories.

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 B or Category C; or
- (ii) 2000 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 – 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 C; and
- (ii) Located within the CBD where the Council cannot provide a household refuse collection service.

Category C – Commercial/Industrial

All separately rateable properties:

- (i) Used solely or principally for commercial or industrial purposes, but excluding properties categorised as Category F or G; or
- (ii) Used solely or principally for commercial residential purposes, including, but not limited to, hotels, boarding houses, resthomes, 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 D – 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 C.

Category E – Rural Residential

All separately rateable properties:

- (i) Used solely or principally for residential purposes as the home or residence of not more than two households; or
- (ii) Receive all the services of a residential property apart from stormwater, footpaths and traffic/streetlighting services.

Category F – 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 or Category E.

Category G – Rural Large Holding

All separately rateable properties over 10 hectares in area, which are used solely or principally for rural purposes.

For categories A, F and G, 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.

Uniform Annual General Charge

The current policy is that Council will not use a uniform annual general charge.

Targeted Rates

Targeted Rate – Non-Domestic Water Supply

- (a) 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 a differential basis to 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 on every separately used or inhabited parts of a rating unit supplied with non-domestic water in accordance with the following scale:
 - \$180 for commercial/industrial properties, non-rateable properties, or other properties with metered supply;
 - \$140 for rural properties receiving a restricted flow supply.
 - (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 – 75 cents per kilolitre of water supplied after the first 240 kilolitres of consumption or supply;
 - rural properties receiving a restricted flow supply – 59 cents per kilolitre of water supplied after the first 240 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.



The Targeted Rate – Non-Domestic Water Supply is summarised in the table below.

Summary of Targeted Rate – Non-Domestic Water Supply

Category	Rate per Unit of Water (cents per kilolitre)	Minimum Charge (incl GST)
Non-Domestic Supply Rateable/Non-Rateable City (Commercial/Industrial Properties and Non-Rateable Properties)	75.0 (after the first 240 kilolitres of consumption or supply)	\$180
Non-Domestic Supply Rural – Restricted Flow Supply (Rural Large & Rural Small Properties which receive the service)	59.0 (after the first 240 kilolitres of consumption or supply)	\$140
Outside City – (Waipa District Council & Waikato District Council properties)	75.0 (after the first 240 kilolitres of consumption or supply)	\$180
Waikato District Council (supply agreement)	59.0 (after the first 240 kilolitres of consumption or supply)	\$140

(b) General Information – Targeted Rate for Non-Domestic Water Supply:

Each rating unit, or part of a 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 50 per cent of the annual minimum charge, a fixed amount of 50 per cent of the annual minimum charge 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.

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).

This funding mechanism covers the Water Supply service. The total revenue sought for 2005/06 is \$4.197 million including GST (\$3.731 million 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 on properties with a total annual consumption of less than 30,000 kilolitres are 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.

Meters on properties with a total annual consumption of more than 30,000 kilolitres are read monthly. These charges will be due and payable in twelve 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 2005 and ending 30 June 2006.

Targeted Rate – Temple View Area (for Temple View Loans)

Council assesses two targeted rates in the Temple View area (excluding rural properties) to cover the financing costs of existing Temple View loans transferred from the Waipa District Council, assessed on a uniform rate in cents per dollar based on the capital value of the property.

These targeted rates are assessed in accordance with Sections 16(3)(b) & 16(4)(a) and Matters 5 & 6 of Schedule 2 of the Local Government (Rating) Act 2002 as follows:

- A targeted rate – Temple View area (for Temple View wastewater loans), assessable to all Temple View

properties excluding rural properties. Targeted Rate of \$0.001720 per dollar of capital value.

- A targeted – Temple View area (for Temple View stormwater loans), assessable to all Temple View properties excluding rural and 100 per cent (fully) non-rateable properties (education and church properties). Targeted Rate of \$0.000484 per dollar of capital value.

Temple View rural properties are excluded from these targeted rates, as they do not receive the full services for which the loans were originally raised by Waipa District Council.

The Temple View area is defined as those properties that were incorporated into the Hamilton City Council on 1 July 2004 from the Waipa District Council in accordance with the Order in Council gazetted on the 18 December 2003.

These funding mechanisms cover the financing costs for the Temple View loans transferred from the Waipa District Council. The total revenue sought for 2005/06 is \$152,764 including GST (\$135,790 excluding GST).

Targeted Rate – Access Hamilton

Council have resolved from 1 July 2005 to introduce a targeted rate relating to Access Hamilton, assessed on a uniform rate based on the capital value of all categories of rateable properties (excluding 100 per cent non-rateable and 50 per cent non-rateable properties).

The amount raised by this targeted rate will be transferred into a special reserve and these funds will be used to fund any of:

- Investigation or associated Access Hamilton capital costs
- Debt servicing of loan funded Access Hamilton capital projects
- Subsidies of transport initiatives, design and feasibility studies and other operational costs linked to the Access Hamilton strategy.

These targeted rates are assessed in accordance with Sections 16(3)(b) & 16(4)(a) and Schedule 2 Clause 1 of the Local Government (Rating) Act 2002.

The targeted rate will be \$0.000250372 per dollar of capital value. The total revenue sought for 2005/06 is \$2,879,820 including GST (\$2,559,840 excluding GST).

Targeted Rate – 100 per cent (fully) Non-Rateable Properties

Council rates a number of categories of non-rateable land assessed under the Local Government (Rating) Act 2002.

The properties which are 100 per cent (fully) non-rateable (excluding water, refuse and wastewater rates) are:

- Educational Institutions
- Churches (Place of Worship)
- Community Organisations (Need Based)
- any land which falls within Part 1 of Schedule 1 of the Local Government (Rating) Act 2002, e.g., Health Services (public hospitals and related services).

Where the land is 100 per cent (fully) non-rateable, three targeted rates will be set and assessed on a differential basis for water supply, waste collection (refuse), and sewerage disposal (wastewater), in accordance with Sections 8, 9 & 16(3)(b) and Schedules 2 & 3 (Clauses 3, 7 & 8) of the Local Government (Rating) Act 2002.

These funding mechanisms cover the Water, Refuse and Wastewater services. The total revenue sought for 2005/06 is \$435,000 including GST (\$386,666 excluding GST).

Category Definitions – 100 per cent (fully) Non-Rateable Properties

Educational Institutions

Educational Institutions are defined in Clause 6 of Part 1 of Schedule 1 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 (Part 1 of Schedule 1 of the Local Government (Rating) Act 2002) not including associated rooms, halls or buildings which are used for meetings, accommodation and preparation of food. These are classified under the Community Organisations' category.

Community Organisations (Need Based)

Community Organisations (Need Based) (as defined in Clause 21 of Part 1 of Schedule 1 of the Local Government (Rating) Act 2002) with a not-for-profit status, existing to deliver social benefits to the community where neither government nor business is best or appropriately placed.

(Refer: A Good Practice Guide, LGNZ, January 2000, page 20).

Any land (other than Educational Institutions, Churches (Place of Worship), or Community Organisations (Need Based)) defined within Part 1 of Schedule 1 of the Local Government (Rating) Act 2002 will be rated the same as a Community Organisation (Need Based).

Details of Targeted Rates

To give effect to the foregoing policies on the rating of 100 per cent (fully) 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 100 per cent (fully) non-rateable properties as follows:

- (a) a fixed amount of \$180 per rating unit, or separately used or inhabited part of a rating unit; and
- (b) a rate per dollar of land value to achieve the following differentials:
 - Educational Institutions – the rate per dollar of land value 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 \$180 per property), which is estimated to be \$0.003429;
 - Churches (Place of Worship) – the rate per dollar of land value 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 \$60 per property), which is estimated to be \$0.001143;
 - Community Organisations (Need Based) (and any other land defined within Part 1 of Schedule 1 of the Local Government (Rating) Act 2002 not including churches (place of worship) or education institutions) – the rate per dollar of land value 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 \$108 per property), which is estimated to be \$0.002058.

Non-Rateable Refuse Targeted Rate

A targeted rate for refuse on all 100 per cent (fully) non-rateable properties as follows:

- (a) a fixed amount of \$90 per rating unit, or separately used or inhabited part of a rating unit; and
- (b) a rate in cents in the dollar on the land value to achieve the following differentials:
 - Educational Institutions – the rate per dollar of land value 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 \$90 per property), which is estimated to be \$0.001212;
 - Churches (Place of Worship) – the rate per dollar of land value 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 \$30 per property), which is estimated to be \$0.000404;
 - Community Organisations (Need Based) (and any other land defined within Part 1 of Schedule 1 of the Local Government (Rating) Act 2002 not including churches (place of worship) or education institutions) – the rate per dollar of land value 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 \$54 per property), which is estimated to be \$0.000727.

Non-Rateable Wastewater Targeted Rate

A targeted rate for wastewater on all 100 per cent (fully) non-rateable properties as follows:

- (a) a fixed amount of \$195 per rating unit, or separately used or inhabited part of a rating unit; and
- (b) a rate per dollar of land value to achieve the following differentials:
 - Educational Institutions – the rate per dollar of land value 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 \$195 per property), which is estimated to be \$0.002649;
 - Churches (Place of Worship) – the rate per dollar of land value 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 \$65 per property), which is estimated to be \$0.000883;

- Community Organisations (Need Based) (and any other land defined within Part 1 of Schedule 1 of the Local Government (Rating) Act 2002 not including churches (place of worship) or education institutions) – the rate per dollar of land value 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 \$117 per property), which is estimated to be \$0.001590.

Notes: These targeted rates apply only to properties which are 100 per cent (fully) non-rateable in terms of Part 1 of Schedule 1 of the Local Government (Rating) Act 2002 and only to those properties supplied with the relevant service.

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.

Targeted Rates and Activities

The targeted rate for non-domestic water supply funds the operating and depreciation costs of water supplies to Commercial/Industrial, Non-Rateable, Rural properties and other customers outside the city boundary.

The targeted rate for Temple View loans funds the financing costs of loans transferred to Hamilton City Council from Waipa District Council as a result of the incorporation of Temple View.

The targeted rate for Access Hamilton funds the work programmes and /or financing costs relating to this project.

The targeted rate for Non-Rateable properties for water, refuse and wastewater, represents a charge for the operating, financing and depreciation costs for these activities.

Rating of 50 per cent Non-Rateable Land

Council rates a number of categories of non-rateable land assessed under the Local Government (Rating) Act 2002.

The properties which are 50 per cent non-rateable (excluding water, refuse and wastewater rates) are:

- Community Organisations (Arts Based)
- Sporting and Cultural Organisations (with income under \$500,000 income)
- any land which falls within Part 2 of Schedule 1 of the Local Government (Rating) Act 2002

Where the land is 50 per cent non-rateable as defined under Part 2 of Schedule 1 of the Local Government (Rating) Act 2002, rather than assess the existing three targeted rates for water, refuse and wastewater, Council must rate these properties at 50 per cent of the residential general rate (mandatory rates). Council has a Rates Relief – 50 per cent Non-Rateable Land Policy, in accordance with Sections 16(1), 17 & 18 of the Local Government (Rating) Act 2002, to give properties in this category a further relief by way of new differentials.

These funding mechanisms cover all the services of Council. The total revenue sought for 2005/06 is \$45,725 including GST (\$40,644 excluding GST).

Targeted Rate – Rating of Community Organisations (Arts Based) – 50 per cent Non-Rateable

Definition: Community Organisations (Arts Based) (as defined in Clause 3 of Part 2 of Schedule 1 of the Local Government (Rating) Act 2002) 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 rates relief policy is as follows:

Land in the category of Community Organisations (Arts based) – 50 per cent non-rateable will receive a further relief (in addition to 50 per cent general residential mandatory rates) in the form of a lower rate in the dollar of all relevant rates in excess of the amounts specified below. The relief policy is to create four new rating differentials (with a rate per dollar of land value) based on the services provided to these properties:



- (i) Wastewater only (metered water and no refuse collection) – charge 18 per cent of mandatory rates (which is 50 per cent of general residential rates). Therefore these properties are paying 9 per cent of the general residential rates, which is estimated to be a rate per dollar of land value of \$0.001601.
- (ii) Wastewater & Refuse (metered water) – charge 31 per cent of mandatory rates (which is 50 per cent of general residential rates). Therefore these properties are paying 15.5 per cent of the general residential rates, which is estimated to be a rate per dollar of land value of \$0.002756.
- (iii) Wastewater, Water & Refuse – charge 58 per cent of mandatory rates (which is 50 per cent of general residential rates). Therefore these properties are paying 29 per cent of the general residential rates, which is estimated to be a rate per dollar of land value of \$0.005157.
- (iv) Wastewater & Water (no refuse collection) – charge 39 per cent of mandatory rates (which is 50 per cent of general residential rates). Therefore these properties are paying 19.5 per cent of the general residential rates, which is estimated to be a rate per dollar of land value of \$0.003468.

Community Organisations (Arts Based) with more than three separately used or inhabited parts of one rating unit will be rated at the 50 per cent general residential mandatory rates, and receive no further rates relief.

Unless otherwise stated, any land:

- which is entitled to a 50 per cent rates exemption under Part 2 of Schedule 1 of the Local Government (Rating) Act 2002; but
- to which the rates relief policies for Community Organisations (Arts based); and Sporting and Cultural Organisations do not apply

will be rated in accordance with the rates relief policy for Community Organisations (Arts Based) – 50 per cent non-rateable.

Targeted Rate – Rating of Sporting and Cultural Organisations – 50 per cent Non-Rateable

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 Part 2 of Schedule 1 of the Local Government (Rating) Act 2002.

The rates relief policy is as follows:

That these properties be classified into two categories based on gross annual income received by these organisations.

Category 1

Land in the category of Sporting and Cultural Organisations – 50 per cent non-rateable, where the organisation has a gross annual income of less than \$500,000, will receive a further relief (in addition to 50 per cent general residential mandatory rates) in the form of a lower rate in the dollar in excess of the amounts specified below. The relief policy is to create four new rating differentials (with a rate in cents in the dollar on the land value) based on the services provided to these properties:

- (i) Wastewater only (metered water and no refuse collection) – charge 18 per cent of mandatory rates (which is 50 per cent of general residential rates). Therefore these properties are paying 9 per cent of the general residential rates, which is estimated to be a rate per dollar of land value of \$0.001601.
- (ii) Wastewater & Refuse (metered water) – charge 31 per cent of mandatory rates (which is 50 per cent of general residential rates). Therefore these properties are paying 15.5 per cent of the general residential rates, which is estimated to be a rate per dollar of land value of \$0.002756.
- (iii) Wastewater, Water & Refuse – charge 58 per cent of mandatory rates (which is 50 per cent of general residential rates). Therefore these properties are paying 29 per cent of the general residential rates, which is estimated to be a rate per dollar of land value of \$0.005157.
- (iv) Wastewater & Water (no refuse collection) – charge 39 per cent of mandatory rates (which is 50 per cent of general residential rates). Therefore these properties are paying 19.5 per cent of the general residential rates, which is estimated to be a rate per dollar of land value of \$0.003468.

Sporting and Cultural Organisations (with income under \$500,000) with more than three separately used or inhabited parts of one rating unit will be rated at the 50 per cent general residential mandatory rates, and receive no further rates relief.

Category 2

No further relief will apply to land in the category of Sporting and Cultural Organisations – 50 per cent non-rateable with a gross annual income of \$500,000 or over in accordance with Part 2 of Schedule 1 of the Local Government (Rating) Act 2002.

Due Dates for Payment of Rates

The due dates for rates covering the financial period 1 July 2005 to 30 June 2006 are as follows:

Installments

Area	1	2	3	4
North East	8 Sep 2005	24 Nov 2005	23 Feb 2006	25 May 2006
South East	15 Sep 2005	1 Dec 2005	2 Mar 2006	1 June 2006
North West	22 Sep 2005	8 Dec 2005	9 Mar 2006	8 June 2006
South West	29 Sep 2005	15 Dec 2005	16 Mar 2006	15 June 2006

Penalties

Pursuant to Section 57 and 58 of the Local Government (Rating) Act 2002:

- (a) A penalty of 10 per cent of the amount of all rates assessed (GST inclusive) in the 2005/2006 financial year (including general and targeted rates) that are unpaid after the due date for each instalment will be added on the day following the due date.
- (b) A penalty of 10 per cent of the amount of all rates assessed (GST inclusive) in any previous financial year (including general and targeted rates) prior to 1 July 2005 that remain unpaid after 1 September 2005 will be added on the day following that date.
- (c) A penalty of 10 per cent of the amount of all rates assessed (GST inclusive) in any previous financial year (including general and targeted rates) to which a penalty was added pursuant to clause b) above and which is unpaid 6 months after that penalty was added, a further penalty will be applied on 1 March 2006.

Notes: The amount of unpaid rates to which any penalty is added includes:

- (i) Any additional charges previously added to the amount of unpaid rates under Section 132 of the Rating Powers Act 1988; and
- (ii) Any penalties previously added to unpaid rates under Section 58 of the Local Government (Rating) Act 2002.

Payment Options

- (a) By pre-arranged automatic payment, direct debit, telephone banking or internet desktop banking – (weekly, fortnightly, monthly or quarterly).
- (b) By post, using the prepaid envelope enclosed with this account.
- (c) At any branch of the Bank of New Zealand within the Waikato.
- (d) In person at our Council Municipal Building, Garden Place, during the hours of 8.00am–4.45pm, Monday to Friday, or Branch Library drop-off boxes. (EFTPOS debit cards accepted, not credit cards).

Funding Rationale

In selecting the rate funding mechanisms outlined in Section 3.3, 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) of Volume II of the Community Plan 2004–14.

DEVELOPMENT AND FINANCIAL CONTRIBUTIONS POLICY

1.0 Objective

- 1.1 To enable financial and development contributions to be taken that ensure that developers make a fair contribution to the development of infrastructure and services to maintain accepted level of service for infrastructure in response to increasing demand generated by ongoing city growth.

2.0 Policy Outline

- 2.1 This policy outlines the circumstances in which Council intends to require development or financial contributions. For statutory requirements affecting this Policy, refer to Section 106 of the Local Government Act 2002 (LGA).

3.0 Requirement

- 3.1 The LGA requires Council to adopt a policy on development contributions or financial contributions. Once adopted, this policy may only be amended as an amendment to Council's Long-Term Council Community Plan (LTCCP), which requires the Special Consultative Procedure.

4.0 Policy

- 4.1 Council already has a financial contributions policy set out in both the Transitional District Plan and the Proposed District Plan (References Version November 2001), pursuant to Section 108 of the Resource Management Act 1991 (RMA). Through these policies, financial contributions are payable in respect of the stormwater system, wastewater collection, water supply reticulation system, the roading network, and for reserves. Council will continue to collect financial contributions through the Transitional and Proposed District Plan insofar as they relate solely to the provision of reserves and the mitigation of environmental effects arising from a development proposal.
- 4.2 From 1st July 2005 the costs associated with new or upgraded infrastructure required to meet city growth will be funded by development contributions collected under the LGA, providing funding for community and network infrastructure. The development contributions policy relates only to the growth related cost component of Council's capital expenditure that would otherwise have had to be funded by ratepayers. Developer contributions will not be taken to address service enhancements, historical capacity shortfalls, or remedial action.
- 4.3 The adoption of this policy will reduce the level of contributions that are taken under the provisions of the RMA.

5.0 Adoption, Implementation and Review

- 5.1 This policy was adopted as part of Council's 2005/06 Annual Plan and Amendment to the 2004–14 Long-Term Council Community Plan on 27 June 2005. It comes into force on 1st July 2005 and will affect applications for resource consents, building consents and service connections that are made on, or after that date.
- 5.2 The policy will be reviewed in 2006 as part of Council's first full LTCCP review. This review will include further examination of a wider range of Council's Capital Expenditure Programme to establish whether there are additional growth related components that should be recovered through a development contribution.
- 5.3 After 2006, the Policy will be the subject of a 3 yearly review cycle, or more frequently if changed circumstances indicate that such a review is required.

6.0 The Benefits of the Policy

- 6.1 Council's approach recognises the clear distinction between the separate purposes of financial contributions under the RMA and development contributions under the LGA and the direct link of the latter to projects that will provide capacity for growth. This clarity will assist the market in pursuing development opportunities.
- 6.2 The collection of development contributions, being triggered by a subdivision, land use or building consent, or by a request for service connection, is highly responsive to development trends and will assist Council in its project planning and financial planning for growth. This will remove the cost burden from existing ratepayers, who have already paid for existing service capacity, and will ensure that Council is able to maintain existing and accepted level of service consistently across the community as the growth of the city continues. As such it provides a more equitable basis for sharing the costs of growth, eases the compliance costs on developers by enabling Council to provide network infrastructure in an efficient manner and provides a reliable income stream to support sustained growth.

- 6.3 In the absence of the policy, infrastructure provision would continue to be constrained by the availability of funding from rates and could become a disincentive to urban growth, or could result in an ad hoc approach to growth, undermining the Council's identified Community Outcomes and lowering service standards.
- 6.4 The costs of providing additional capacity for growth will be met by the development community. Development contributions will, to the extent that they mostly relate to trunk services and arterial roading, replace financial contributions that were previously taken under the Resource Management Act. In areas where financial contributions were required previously, development contributions will be a lower cost on developers. For areas where financial contributions were not previously taken, development contributions will be an additional cost item but, by sharing the costs over the entire development community, these costs are not expected to be a significant burden on developers. Moreover, as the development contributions relate to projects that develop the infrastructure networks in a holistic and co-ordinated way, and improve responsiveness to development pressure, they are able to facilitate development on a wider scale than previously, thereby providing more opportunity for the development industry.
- 6.5 The benefits of the Policy commence immediately from the date of its introduction. They provide predictability and certainty regarding urban growth throughout the LTCCP period and are capable of being reviewed at each 3 yearly review of the LTCCP (or earlier) to ensure that they achieve the community's desired outcomes. For most infrastructure assets, the benefits will extend well beyond the period of the LTCCP. Projects funded over a 25 year period will have their costs shared across all development occurring within this period. New infrastructure can be expected to have an asset life of up to 80 years. Both the costs and the benefits of the policy will therefore be intergenerational.

7.0 The 2005–14 Annual Plan and LTCCP Capital Expenditure Programme

- 7.1 Table 1 summarises the capital expenditure relating to growth and identifies the funding sources prior to the introduction of the development contributions policy. Table 1a shows the effect of the new policy.

Table 1 – Summary of Capital Expenditure

Table 1 (000's)	Current Funding 2005/06 – 2013/14				
	LTCCP Capital Programme 05/06 – 13/14 (inc Financing)	Funded by			
		Loan	Rates	Fin. Contr. (RMA Levies)	Subsidy (& other rev.)
Water	64,470	29,793	29,339	5,338	0
Stormwater	4,100	0	1,830	2,270	0
Wastewater	26,594	10,810	11,564	4,220	0
Transport	58,434	23,783	29,479	1,252	3,920
Community Infrastructure	6,477	0	4,817	1,660	0
	160,074	64,386	77,028	14,740	3,920

Notes:

1. Water, stormwater, wastewater and transport projects are network infrastructure as defined in LGA 2002.
2. 'Community infrastructure' is as defined in LGA 2002.
3. All figures are exclusive of GST.

Table 1a – Funding Sources for Growth Related Capital Expenditure after 1 July 2005

Table 1a (000's)	Proposed Funding 2005/06 – 2013/14					
	LTCCP Capital Programme 05/06 – 13/14 (inc Financing)	Funded by				
		Dev. Contr. ** (LGA 2002)	Fin. Contr. (RMA Levies)	Subsidy	Other Funding (reserve, loans, rates, & other)	Dev. Contr. as a % of the LTCCP Programme
Water	64,470	29,188	0	0	35,282	45.27%
Stormwater	4,100	3,300	0	0	800	80.49%
Wastewater	26,594	18,462	0	0	8,133	69.42%
Transport	58,434	47,546	0	3,920	6,968	81.37%
Community Infrastructure	6,477	3,320	0	0	3,156	51.26%
	160,074	101,816	0	3,920	54,339	
Capital Programme	107,751	49,492	0	3,920	54,339	45.93%
Financing Charges	52,323	52,323	0	0	0	100%
	160,074	101,816	0	3,920	54,339	

* This is the cost of the growth related capital programme from 2005/06 to 2013/14 including the cost of financing this expenditure over the period that the programme provides capacity for growth. The total cost is further split to show the capital project cost and the financing charges applicable to the growth projects.

** These are the development contributions expected to be received relating to * over the period that the programme provides capacity for growth (which extends beyond 2013/14)–Paragraph 12.19 provides further

- 7.2 Council has identified a number of projects that have been implemented in anticipation of development occurring after 1st July 2005 and for which capital expenditure funded by way of loans is still outstanding. Table 2 summarises the costs that will be recovered through development contributions for these growth related projects.

Table 2 – Summary of Costs Incurred on Projects Provided in Anticipation of Development

Table 2 (000's)	Outstanding Costs of Projects Implemented in Anticipation of Development (Project Cost & Interest)
Water	23,579
Stormwater	-745
Wastewater	13,787
Transport	19,055
Community Infrastructure	0
	55,676

8.0 Schedule of Development Contributions Payable

- 8.1 As required by Sections 201 and 202 of the LGA 2002, Table 3 sets out the schedule of development contributions that will be required towards Council's expenditure programme. The contributions relate directly to the projected costs arising from the particular service area within the period of the LTCCP, and also to the level of demand on the service arising from the type of development being undertaken and its share in the benefits of improved infrastructure provision. Council has adopted the principle of using a Unit of Demand (UD) to compare and cost the relative demands that different activities place on infrastructure.

The UD equals the demand of an average household. All other activities are expressed as a rate per 100m² floor space (or site area for stormwater). Cost identification and its attribution is explained in more detail in Section 12 of this policy.

Table 3 – Schedule of Development Contributions Payable

Table 3 (000's)	Residential Rate per Dwelling (\$)	Industrial Rate per 100m² (\$)	Commercial Rate per 100m² (\$)
Water	1,245.81	87.21	149.50
Stormwater	32.32	7.30	7.30
Wastewater	748.14	67.33	134.67
Transport	425.67	766.20	851.34
Community Infrastructure	39.78	8.47	16.51
Total	2,491.71	936.52	1,159.31

Notes:

1. All figures are exclusive of GST. GST will be added at the time of payment.
2. All figures include the recovery of costs incurred on Projects in anticipation of development occurring after 1st July 2005 (as described in Table 2).
3. Community infrastructure does not include the acquisition and initial development of reserves which will continue to be funded by financial contributions taken under the RMA.
4. The stormwater development contribution for industrial and commercial development is the rate per 100m² site area.
5. Development contributions for industrial and commercial development will be calculated on a pro-rata basis for each m² of floorspace/site area.
- 8.2 Development contributions will affect applications for a resource or building consent, or an authorisation for a service connection made on or after 1st July 2005. They will be taken at the first opportunity, usually on a subdivision resource consent. Development Contributions will be estimated and advised to applicants at the time of issuing a resource consent. The underlying zone shown in the Proposed District Plan will be used as an indicator of future use where specific details are not known.
- 8.3 Subdivision resource consents will include an advisory note that a 224(C) certificate will not be issued prior to receipt of payment. At the time of a request being made for a 224(C) certificate, development contributions will be recalculated and invoiced on the basis of the policy and rates applicable at that time.
- 8.4 Land use resource consents will include an advisory note that the development must not commence prior to receipt of payment. Applicants will need to advise Council of their intention to commence development at which time the required development contribution will be calculated and invoiced on the basis of the policy and rates applicable at that time.
- 8.5 Building consents will not be issued until all costs, including development contributions, have been paid in full.
- 8.6 Service connections, other than service connections associated with a subdivision consent application, will not be authorised until all costs, including development contributions, have been paid in full.
- 8.7 Contributions will be calculated and invoiced based on the policy and the contribution rates applying at that time. Where contributions are paid, the units of demand that they provide for will be recorded and will be credited against any subsequent consent applications. Accordingly, whilst subsequent applications will enable a reassessment and recalculation to be made, additional contributions will only be required where there will be an increase in Units of Demand arising from the development.
- 8.8 Often the detailed nature of a proposal will not be known until the development stage when land use resource consents or building consents will be applied for. It is expected that the averaging approach taken to estimating Units of Demand will provide for most forms of development but there may be occasions where a more rigorous assessment of demand will be needed to ensure that proper provision is made for the demand which the new development will generate. Special assessment will be made by Council in the following circumstances:
 - Where a development activity is not adequately covered by the standard categories of residential, industrial or commercial. (This could include for example schools or hospitals.)

- Where Council anticipates the level of demand to be more than twice the levels set out in Tables 4 and 5. (Such activities could include for example service stations, drive through restaurants or abattoir.)
- 8.9 Special assessment will estimate the increased level of demand for services arising from the development as specified in the consent application and allocate an increased number of units of demand to the development accordingly. Following this assessment, the development contribution payable in relation to any service component will be increased in proportion to the estimated increase in units of demand for the development.
- 8.10 Any project by the Council that has been funded in whole or part by development contributions will not itself be liable to pay any development contributions. Crown Agencies are exempt from the provisions of this policy by virtue of Section 8 LGA 2002.
- 8.11 Development contributions are not imposed as a condition of a resource consent and are not subject to the objection or appeal processes set out in the RMA.

9.0 Credits

- 9.1 Development Contributions are payable for increased units of demand. In calculating and invoicing development contributions, Council will recognise and provide a credit in the form of Units of Demand for any pre-existing units of demand arising from:
 - an existing building or activity on the site (whether or not this will be retained in the development), or
 - a resource or building consent for a building on the site, granted prior to 1 July 2005 which has not lapsed.
- 9.2 Calculation of the units of demand to determine a credit will follow the same methodology as set out in section 12. Development contributions will only be payable for increased units of demand. No refund will be given for any decrease in units of demand arising from new development.
- 9.3 Credits for units of demand will attach to the parent lot and are not transferable between sites.
- 9.4 Exemption from development contributions will also be given for any previous financial contributions paid under the RMA 1991 in respect of development of the site. These contributions will have related to trunk services, arterial roading and reserves provision. Accordingly a development contribution will still be payable in respect of community infrastructure. Applicants will be expected to provide evidence of previous financial contributions having been paid.

10.0 Enforcement

- 10.1 Where payment is not received, Council will, as relevant
 - withhold a certificate under Section 224(c) of RMA 1991
 - prevent commencement of a resource consent under RMA 1991
 - withhold a code of compliance certificate under Section 95 Building Act 2004
 - withhold a service connection to the development
 - register the development contribution under the Statutory Land Charges Registration Act 1928, as a charge on the title of the affected land.
- 10.2 Advisory notes to this effect will be attached to any consent and details of any outstanding development contributions will be recorded on Land Information Memoranda.

11.0 Remissions, Reductions, Refunds and Postponement

- 11.1 The development contributions policy provides the funding stream for the growth component of projects that the community has identified as being needed as the city develops. Most relate to the development of the infrastructure network and all new development shares in the benefit of these works by ensuring that a consistent level of service to key services is maintained across the city.
- 11.2 Remissions or reductions in the scheduled charges may be justified in exceptional circumstances, for instance a developer may be able to demonstrate that the requirement for development contribution would threaten the economic viability of a particular project, or that the level of development contribution would be excessive in relation to the scale and nature of the development. Any requests for remissions or reductions will need to be made to Council in writing within 15 working days of a contribution requirement being imposed and before any contributions are paid setting out full details of the reasons why the development contributions should be reduced or not apply.
- 11.3 As soon as reasonably practicable, Council's Statutory Management Committee will decide whether to determine the matter on the basis of the remission request papers or hold a hearing for the purposes of

reviewing the request for contribution. If a hearing is to be held, Council will give at least 10 working days notice to the applicant of the date, time and place of that hearing. In making its decision Council will consider:

- the Funding and Financial Policies
- the extent to which any works proposed by the applicant reduce or obviate the need for works proposed by Council in its LTCCP or significantly reduce the level of demand arising from the development
- contributions previously paid or works undertaken as a result of agreements with Council
- the impact on accepted Levels of Service as adopted in Council's Activity/Asset Management Plans
- any other matters Council considers relevant.

11.4 The Statutory Management Committee may, at its discretion, uphold, reduce or cancel the original amount of development contribution required on the development and a formal decision will be notified to the applicant within 10 working days of the close of the hearing.

11.5 Decisions on individual requests will not alter the basis of the policy itself.

Refunds

11.6 In accordance with Sections 209 and 210 of the LGA, development contributions (including any interest accrued) will be refunded to the consent holder in the following circumstances:

- If subdivision, resource or building consent lapses or is surrendered and development or building does not proceed;
- If Council does not provide the infrastructure for which the contribution was collected within 10 years of that contribution being received.

As the LTCCP is subject to periodic review, specific projects may be subject to alteration or deletion. For the avoidance of doubt a refund will only be made where the Level of Service that a project was intended to provide for is not provided.

Postponement

11.7 This policy does not provide an opportunity for postponements of payment of development contributions.

12.0 Significant Assumptions

12.1 This development contributions policy responds to the anticipated cumulative effects of forecast growth on the city's network and community infrastructure. To meet community expectations the LTCCP identifies a range of projects of which a number make provision for growth. The development contributions policy aims to recover the costs of providing that capacity on a fair, efficient and effective basis.

12.2 Key inputs to the policy are:

- growth projections
- catchment areas and their relationship to Activity/Asset Management Plans
- Units of Demand
- Cost identification and attribution methodology and financial assumptions.

Growth Projections

12.3 The LTCCP identifies the capital expenditure required to provide for growth up to 2014, consistent with the Community Outcomes. The Plan reflects a long-term urban growth strategy established in the early 1990's. This strategy promotes the continuation of development through the successive release of urban growth areas with development of these areas being facilitated through the District Plan and co-ordinated through the preparation of Structure Plans. The rezoning of land for development is staged to coincide with the availability of infrastructure through projects identified in the LTCCP. Through agreement with the neighbouring Waikato District Council additional land areas have been identified to provide a long-term land bank to sustain urban growth. The Urban Growth Strategy was reaffirmed by Council in March 2005.

12.4 The identification of land and the co-ordination of its release through rezoning and the provision of infrastructure provides the basis for the development of growth projections for the longer term. These projections, which also take account of past development rates and fluctuations in the development cycle, indicate that the city's population will continue to grow at a rate of around 2 per cent per annum to 183,000 by 2021, with a population of 157,184 at the end of the 2005–14 Annual Plan and LTCCP period. This equates to a need for an average annual requirement of 1,115 additional dwellings throughout the LTCCP period. 45 per cent of the dwelling growth that will accommodate this population increase is expected to be within the existing built-up area of the city.

12.5 Population growth will bring with it the capacity to support additional commercial and industrial



development both in terms of providing a labour supply and increased market for goods and services. Analysis of past trends suggests a likely annual requirement for 25,567m² commercial floorspace on 19.5 ha of land and 43,241m² industrial floorspace on 28.79 ha of land through the LTCCP period. Through the preparation of Structure Plans, provision is being made for a significant proportion of this development to be accommodated within the Rototuna and Rotokauri growth areas where the co-ordination of the necessary infrastructure can secure its accessibility to all parts of the city.

Catchment Areas and their Relationship to Activity/Asset Management Plans

- 12.6 The Community Outcomes set out in the LTCCP describe the concept of a single city, reflecting the social and physical characteristics of the existing urban area. In particular, Outcome Area 6: Growing Hamilton, describes Hamilton in the following principle outcome statement;

"Hamilton is a compact city with a well distributed mix of residential, employment and service activities, interconnected through a safe, effective and sustainable transport system."

The geographical characteristics of the city reinforce this concept and have a major influence on the shape and nature of the infrastructure that supports city activity. The city is a single urban entity dissected only by the river and gully system. The general absence of physical relief highlights the significance of the river and gully system and has a major bearing on the engineering solutions (and costs) needed to service development.

- 12.7 Each of the city's infrastructure networks of roading, water supply, wastewater and stormwater are planned, managed and delivered as a single integrated network servicing the entire city at a uniform level of service at any time. The roading network provides connectivity and accessibility throughout the city and is available to all users without restriction. The network therefore supports development throughout the city and is designed and developed as a single entity. The city has one supply source and water treatment station with an integrated network of bulk mains, pumping stations and reservoirs ensuring that capacity can be provided to all areas of the city. Similarly the city has one wastewater treatment station and an integrated network of trunk sewers collecting waste from all parts of the city. The city's stormwater network is designed to provide flood protection for all parts of the city, specifically the road and reserve network.

Councils' Activity/ Asset Management Plans explain that each network is characterised by a combination of interdependent components. The Activity/Asset Management Plans provide an adopted Level of Service throughout the city. Whilst a growth related capital works project might be locationally specific it adds to the capacity of the entire network and the benefits of this are available to and shared equally throughout the city.

- 12.8 Community infrastructure projects enhance the capacity and utility of the city's resource network. The network is citywide and provides opportunities for recreation for the city's residential and working community, provides connectivity between residential, commercial and industrial areas and provides a high standard of visual amenity to enhance the environmental quality of the city and help to secure continued investment. As the city grows, these projects are extended into newly developed areas.
- 12.9 The city's network and community infrastructure is a significant asset that is critical to the community's well-being as well as important to the city's urban form. Growth of the network places a considerable and inequitable financial burden on existing ratepayers but could not be achieved through the actions of individual developers without impacting on the form of the city or on the levels of service provided. The development contributions policy provides an appropriate way of facilitating urban growth consistent with Community Outcomes, without imposing an unreasonable financial burden on the development sector.
- 12.10 The growth related capital expenditure for each network infrastructure will therefore be recovered through development contributions from all new development within the city on the basis of a single city-wide catchment.

Units of Demand

- 12.11 Units of Demand (UD) provide the basis for distributing the costs of growth. They illustrate the rates at which different activities utilise capacity and are expressed in relation to a base unit. Council has adopted the single average dwelling unit of 2.7 people as the base unit and describes the demand for capacity from other activities as a multiplier. Determination of demand from different activities is drawn from Council's Activity/Asset Management Plans, Development Manual and Transfund New Zealand Research Reports 209 and 210.
- 12.12 Table 4 describes the demand characteristics of one UD for each infrastructure service. In relation to community infrastructure, these projects are characteristically qualitative rather than quantitative. The demand for community infrastructure is driven by people, therefore calculation of a unit of demand for community infrastructure has been done on the basis of population. As the majority of the demand will be from city residents this is where the majority of costs should lie but the city also has a significant working

population of non residents (16.7 per cent) that also places a demand on community infrastructure. 15.9 per cent of the working population is in the industrial and commercial sector, the remainder being in Crown Agencies or other activities not liable for development contributions. As the city grows as a regional centre it is likely that this trend will continue. Accordingly the costs of the community infrastructure capital works programme have been apportioned 84.1 per cent to residential development, with the remainder split 7.4 per cent to industrial development and 8.5 per cent to commercial development based on their share of the non resident working population.

Table 4 – Units of Demand (1 Dwelling Unit)

Unit of Demand (For 1 dwelling unit)	
Water Supply	702 litres/household/day
Stormwater	70% of 702 litres/household/day
Wastewater	55% run off coefficient of a 600m ² section
Roading	10 vehicle trips/day
Community Infrastructure	\$39.78

Note: The Unit of Demand for community infrastructure is a percentage of the growth related costs determined by resident population increase relative to total population increase arising from all forms of development (84.1 per cent).

12.13 Table 5 describes the UD multipliers for non-residential development. In assessing units of demand arising from a mixed use development such as a retirement village, separate assessment will be made of each component part based on the principle activities of residential dwellings, industrial activities and commercial development. Definitions for all forms of development are provided in Appendix 1.

Table 5 – Units of Demand for Industrial and Commercial Development

	Industrial Development	Commercial Development
Water Supply	0.07/100m ²	0.12/100m ²
Stormwater	0.09/100m ²	0.18/100m ²
Wastewater	0.23/100m ²	0.23/100m ²
Roading	1.8/100m ²	2.0/100m ²
Community Infrastructure	\$8.47/100m ²	\$16.51/100m ²

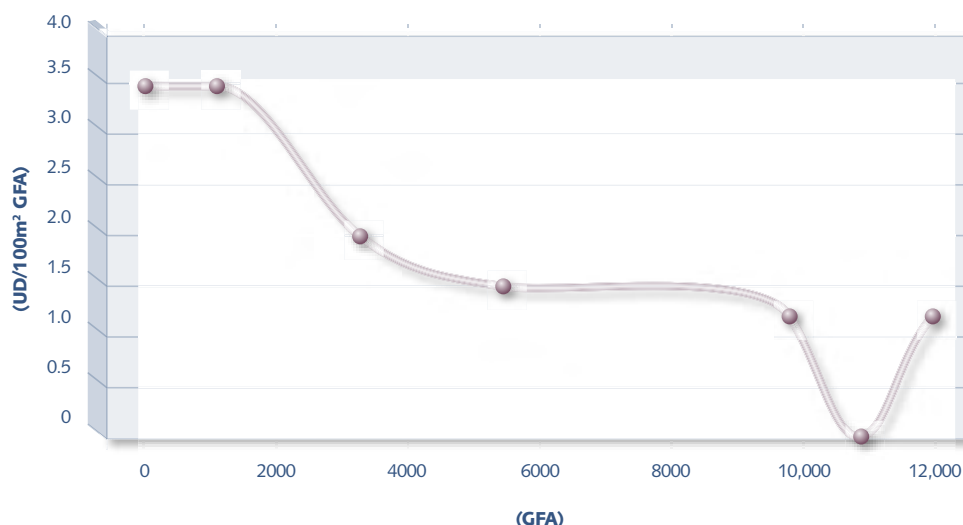
Notes:

- Units of Demand for community infrastructure, are a percentage of the growth related costs determined by the non resident working population in each sector; industrial (7.4 per cent), commercial activity (8.5 per cent).
- At the subdivision stage, assessment will be based on the assumption that industrial development GFA will be 15 per cent of site area and commercial development will be 11.8 per cent of site area.
- Assessment of the stormwater contribution will be based on site area.

12.14 The roading Unit of Demand for commercial development set out in Table 5 averages out the very wide variations arising from different retail formats. For the assessment of Units of Demand at the development stage, i.e., for land use resource consents, building consents and service connections, Table 6 will be used.



Table 6: Transport Units of Demand for Retail Development



Cost Identification and Attribution Methodology and Financial Assumptions

- 12.15 Development contributions relate solely to the growth component of capital expenditure on projects providing additional capacity and infrastructure for growth. Determining the growth component requires identification and assessment of the “drivers” of the expenditure which may include works necessary to maintain levels of service for the existing population, renewals or enhancements. A step by step approach has been taken to identify the costs related to these non-growth drivers. To identify the extent of works required by these drivers, use is made of Council’s Activity Management Plans and network modelling. The resulting growth related cost is then further discounted to remove any external subsidies or other funding sources such as financial contributions received under the RMA. The residual figure is that which is to be recovered through development contributions.
- 12.16 Costs are prepared on the basis of best available knowledge, acknowledging that they will be revisited at the time of each review of the LTCCP (3 yearly), and the preparation of the Annual Plan (yearly). All costs are expressed as 2005 dollar values. The basis for adjusting the contribution for inflationary movements will be considered for inclusion in the 2006 LTCCP.
- 12.17 All costs take account of loan charges at the annual rate used for budgeting in the Annual Plan and LTCCP. This is a key assumption and will be reviewed in the preparation of the 2006–16 LTCCP.
- 12.18 Development Contributions are exclusive of Goods and Services Tax (GST). GST will be added after the calculation of any contributions required under this policy.
- 12.19 The development contribution payments recover the growth related capital expenditure that has already been made or will be made within the period 2005–14. For some projects this will be the entirety of the costs. For projects that are loan funded the 25 year loan period will extend the period for recovery beyond the timeframe of the LTCCP. Development Contributions for these projects will relate solely to the proportion of costs that will fall within this timeframe.
- 12.20 Development Contributions will be required from all development occurring throughout the LTCCP period towards all projects that will be provided within this period, notwithstanding that some projects will occur after development has taken place.
- 12.21 Development Contribution rates are the maximum amounts that will be required and are calculated on the basis of a Unit of Demand (or multiplier thereof). In exceptional circumstances where specific developments are subject to Special Assessment of their likely demand, the methodology will be used to assess a Unit of Demand relating to the particular development and calculate a development contribution based on those circumstances.
- 12.22 Contributions raised for projects implemented in anticipation of development represent the recovery of financing costs, and as such will be applied to the funding of interest and the repayment of debt in the year they are received.
- 12.23 The balance of infrastructure levies collected up to 30th June 2005 will be applied against the water supply, wastewater, stormwater and roading levies assessed from 1 July 2005, over a 25 year term. This adjustment to the levies assessed recognises the contributions already paid to Council that contribute to the provision of growth in the future. Whilst the balance of infrastructure levies is positive for water supply and wastewater,

(and hence a credit adjustment is made to the levy assessed), the levies for stormwater and roading are in a deficit and need to be recovered. All adjustments occur over the 25 year growth period.

12.24 For the purposes of calculating the development contribution levy for each project, the period over which the project provides growth capacity (and hence costs are allocated) is determined as the lesser of when capacity is actually reached or 25 years, reflecting the term over which Council loans are raised. This is a key assumption and will be reviewed in the preparation of the 2006–16 LTCCP.

Appendix 1

DEFINITIONS

Residential Dwellings are buildings or parts of buildings designed to be used by persons living alone, or as a family or as a non-family group, and include apartments, semi-detached and detached houses, units, town houses, units within retirement villages and all self-contained accommodation, but exclude:

- premises where accommodation is provided on a commercial basis at a daily tariff
- homes for the aged or infirm
- residential centres or hostels
- caravans or other mobile forms of accommodation unless used as a sole residence for periods of more than six months in any one calendar year.

These exclusions will be assessed as commercial developments.

Industrial development means the use of premises (land and buildings) for manufacturing, processing, bulk storage, warehousing, servicing and repair activities.

Commercial development means the use of premises (land and buildings) for the display and retail of goods and services, administration or professional activities, leisure and recreation activities for which an entry fee is paid, restaurants, bars and those residential activities excluded from the definition of a residential dwelling.

Gross Floor Area (gfa) – means the sum of the overall increase in the gross floor area of all floors of all buildings on a site measured from the exterior faces of the exterior walls or from the centrelines of walls separating two buildings. Gross floor area shall:

- a) include car parking provided on a commercial basis, elevator shafts, stairwells and lobbies at each floor and mezzanine floors and balconies;
- b) exclude any car-parking provided to meet the operational needs of the principal activity, loading and servicing areas and access thereto and building service rooms containing equipment such as lift machinery, tanks, air conditioning and heating plants.





APPENDIX 1

APPENDIX 1

RECOVERY RATIOS

Annual Plan 2005/06
2005/06

Community Plan 2004-14
2005/06

All figures in \$000s	Community Plan 2004-14 2005/06		Annual Plan 2005/06 2005/06		Recovery Ratio
	Costs	Revenue	Costs	Revenue	
Sustaining Hamilton's Environment					
Wastewater management	11,361	1,231	11,555	1,652	14%
Stormwater management	5,030	2	5,348	5	0%
Recycling/refuse collection	9,624	6,580	10,643	7,247	68%
Water supply	9,290	3,726	10,316	3,800	37%
Sustainable environment	598	0	618	0	0%
Environmental health	1,280	453	1,431	505	35%
Growing Hamilton					
Road network management	19,375	3,240	19,722	3,381	17%
Hamilton Transport Centre	516	190	877	203	23%
Environmental services	7,419	6,657	8,257	7,873	95%
Endowment and investment property portfolio management	1,970	4,556	2,091	4,642	100%
Promoting Hamilton					
Economic development	1,149	0	1,022	0	0%
City promotion	650	0	650	0	0%
Experiencing Arts, Culture and Heritage in Hamilton					
Hamilton theatre services	2,173	622	2,285	663	29%
Hamilton City Libraries	7,044	676	6,949	689	10%
Waikato Museum of Art and History	3,906	313	4,068	313	8%
Living in Hamilton					
Community support	3,775	807	3,514	504	14%
Community facilities	5,581	2,226	5,914	2,242	38%
Emergency management	561	254	647	324	50%
Partnership with Maori	265	0	265	0	0%
Representation and civic affairs	4,589	22	5,236	22	0%
Enjoying our City					
Sports areas	2,566	111	2,615	111	4%
Parks and gardens	8,601	785	9,268	728	8%
Stadiums and events facilities	7,652	2,464	7,654	2,965	39%
Swimming facilities	4,463	1,685	4,623	1,735	38%
Hamilton Zoo	1,944	672	2,170	698	32%

APPENDIX 2

2005/06 RATE ALLOCATION BY PROPERTY SECTOR - DIFFERENTIAL FACTOR

All figures in \$000s	Residential	Inner City	Commercial	Multi Unit	Rural Residential	Rural Large	Rural Small	Total Rates Required
Sustaining Hamilton's Environment								
Wastewater management	5,613.17	14.13	2,398.24	169.17	5.41	0.00	0.00	8,200.12
Stormwater management	3,068.83	7.72	1,379.80	92.64	(0.40)	6.99	(33.01)	4,522.49
Recycling/refuse collection	2,773.99	0.60	559.54	80.44	2.67	78.27	88.15	3,583.67
Water supply	6,414.94	16.24	0.00	179.96	6.16	0.00	0.00	6,617.30
Sustainable environment	385.28	0.97	175.83	11.76	0.37	0.92	11.83	586.95
Environmental health	513.75	1.29	236.61	15.78	0.50	14.88	15.70	798.51
Growing Hamilton								
Road network management	5,410.91	13.42	7,053.26	193.80	2.36	29.41	(76.63)	12,626.53
Hamilton Transport Centre	561.62	1.41	258.66	17.25	0.54	16.26	17.16	872.91
Environmental services	557.54	1.40	256.78	17.13	0.54	16.15	17.04	866.57
Endowment and investment property portfolio management	(2,055.91)	(5.17)	(946.86)	(63.15)	(1.98)	(59.54)	(62.83)	(3,195.42)
Promoting Hamilton								
Economic development	224.23	0.51	1,410.35	15.44	0.23	2.89	0.78	1,654.42
City promotion	25.02	0.06	11.48	0.77	0.02	0.43	0.77	38.55
Experiencing Arts, Culture and Heritage in Hamilton								
Hamilton theatre services	839.04	2.11	382.91	25.60	0.81	2.00	25.76	1,278.23
Hamilton City Libraries	3,859.39	9.71	1,761.32	117.77	3.72	9.21	118.49	5,879.61
Waikato Museum of Art and History	2,166.30	5.45	988.64	66.10	2.09	5.17	66.51	3,300.26
Living in Hamilton								
Community support	1,391.85	3.50	635.20	42.47	1.34	3.32	42.73	2,120.43
Community facilities	2,426.75	6.10	1,107.50	74.05	2.34	5.79	74.51	3,697.05
Emergency management	192.25	0.48	87.74	5.87	0.19	0.46	5.90	292.88
Partnership with Maori	167.63	0.42	76.50	5.12	0.16	0.40	5.15	255.38
Representation and civic affairs	3,211.54	8.07	1,473.24	98.36	3.01	55.81	98.34	4,948.46
Enjoying Hamilton								
Sports areas	1,231.26	3.01	561.91	37.57	1.19	2.94	37.80	1,875.77
Parks and gardens	5,008.40	12.60	2,285.70	152.83	4.83	11.95	153.77	7,630.07
Stadiums and events facilities	1,967.24	4.95	897.79	60.03	1.90	4.70	60.40	2,997.00
Swimming facilities	1,657.58	4.17	756.48	50.58	1.60	3.96	50.89	2,525.25
Hamilton Zoo	891.42	2.24	406.82	27.20	0.86	2.13	27.37	1,358.04
TOTAL	48,504.02	115.49	24,215.44	1,494.54	40.52	214.50	746.50	75,331.00
General Rate Differential Factor	1.00	0.92	2.00	1.50	0.88	0.18	0.41	

APPENDIX 3

APPENDIX 3

2005/06 RATE ALLOCATION BY PROPERTY SECTOR - DIFFERENTIAL YIELD

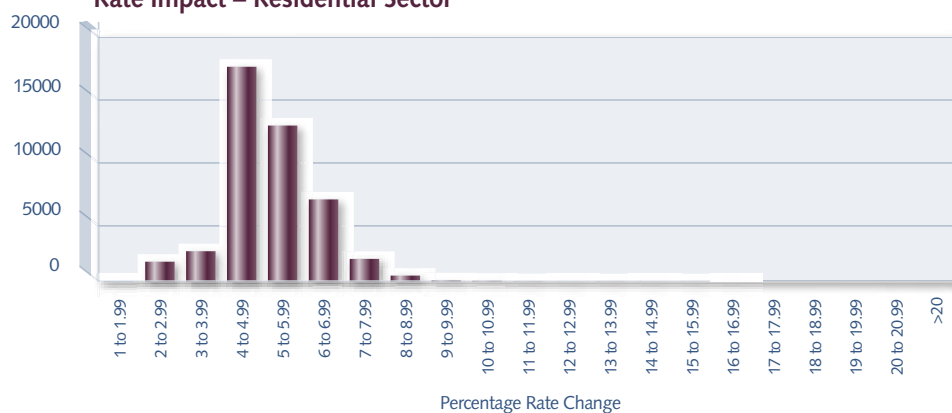
	Residential	Inner City	Commercial	Multi Unit	Rural Residential	Rural Large	Rural Small	Total Rates Required
Sustaining Hamilton's Environment								
Wastewater management	68.4523%	0.1723%	29.2464%	2.0630%	0.0659%	0.0000%	0.0000%	100.0000%
Stormwater management	67.8570%	0.1708%	30.5098%	2.0485%	-0.0089%	0.1545%	-0.7318%	100.0000%
Recycling/refuse collection	77.4064%	0.0168%	15.6136%	2.2447%	0.0744%	2.1842%	2.4598%	100.0000%
Water supply	96.9421%	0.2454%	0.0000%	2.7195%	0.0931%	0.0000%	0.0000%	100.0000%
Sustainable environment	65.6403%	0.1651%	29.9564%	2.0030%	0.0633%	0.1567%	2.0153%	100.0000%
Environmental health	64.3391%	0.1617%	29.6316%	1.9763%	0.0620%	1.8632%	1.9661%	100.0000%
Growing Hamilton								
Road network management	42.8535%	0.1063%	55.8606%	1.5349%	0.0187%	0.2329%	-0.6069%	100.0000%
Hamilton Transport Centre	64.3391%	0.1617%	29.6316%	1.9763%	0.0620%	1.8632%	1.9661%	100.0000%
Environmental services	64.3391%	0.1617%	29.6316%	1.9763%	0.0620%	1.8632%	1.9661%	100.0000%
Endowment and investment property portfolio management	64.3391%	0.1617%	29.6316%	1.9763%	0.0620%	1.8632%	1.9661%	100.0000%
Promoting Hamilton								
Economic development	13.5532%	0.0307%	85.2475%	0.9330%	0.0138%	0.1745%	0.0473%	100.0000%
City promotion	64.8998%	0.1632%	29.7716%	1.9878%	0.0626%	1.1277%	1.9873%	100.0000%
Experiencing Arts, Culture and Heritage in Hamilton								
Hamilton theatre services	65.6403%	0.1651%	29.9564%	2.0030%	0.0633%	0.1567%	2.0153%	100.0000%
Hamilton City Libraries	65.6403%	0.1651%	29.9564%	2.0030%	0.0633%	0.1567%	2.0153%	100.0000%
Waikato Museum of Art and History	65.6403%	0.1651%	29.9564%	2.0030%	0.0633%	0.1567%	2.0153%	100.0000%
Living in Hamilton								
Community support	65.6403%	0.1651%	29.9564%	2.0030%	0.0633%	0.1567%	2.0153%	100.0000%
Community facilities	65.6403%	0.1651%	29.9564%	2.0030%	0.0633%	0.1567%	2.0153%	100.0000%
Emergency management	65.6403%	0.1651%	29.9564%	2.0030%	0.0633%	0.1567%	2.0153%	100.0000%
Partnership with Maori	65.6403%	0.1651%	29.9564%	2.0030%	0.0633%	0.1567%	2.0153%	100.0000%
Representation and civic affairs	64.8998%	0.1632%	29.7716%	1.9878%	0.0626%	1.1277%	1.9873%	100.0000%
Enjoying Hamilton								
Sports areas	65.6403%	0.1651%	29.9564%	2.0030%	0.0633%	0.1567%	2.0153%	100.0000%
Parks and gardens	65.6403%	0.1651%	29.9564%	2.0030%	0.0633%	0.1567%	2.0153%	100.0000%
Stadiums and events facilities	65.6403%	0.1651%	29.9564%	2.0030%	0.0633%	0.1567%	2.0153%	100.0000%
Swimming facilities	65.6403%	0.1651%	29.9564%	2.0030%	0.0633%	0.1567%	2.0153%	100.0000%
Hamilton Zoo	65.6403%	0.1651%	29.9564%	2.0030%	0.0633%	0.1567%	2.0153%	100.0000%
General Rate Differential Yield	64.3879%	0.1533%	32.1454%	1.9840%	0.0538%	0.2847%	0.9910%	100.0000%

APPENDIX 4

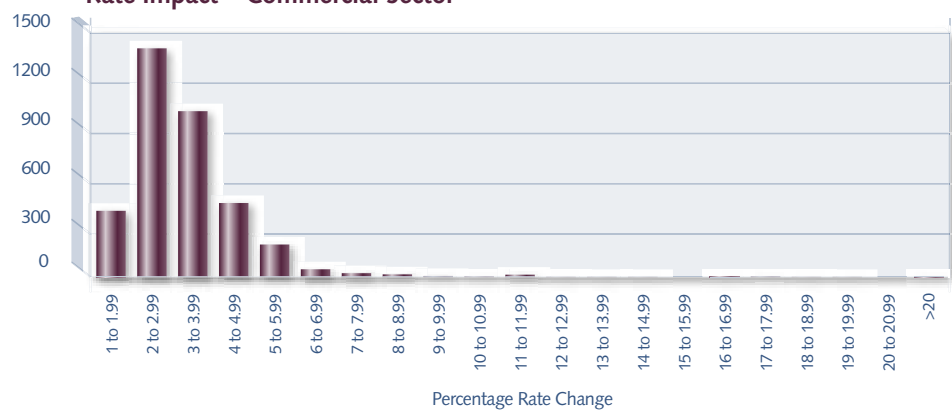
Impact of Rating System to Existing Ratepayers

Property Sector	No. of properties	Average % increase
Residential	43,553	5.06%
Commercial	3611	3.33%
Multi-Unit	494	5.19%
Small Rural	477	6.64%
Large Rural	57	9.07%
Inner City	173	6.90%
Rural Residential	18	34.41%
TOTAL	48,383	4.73%

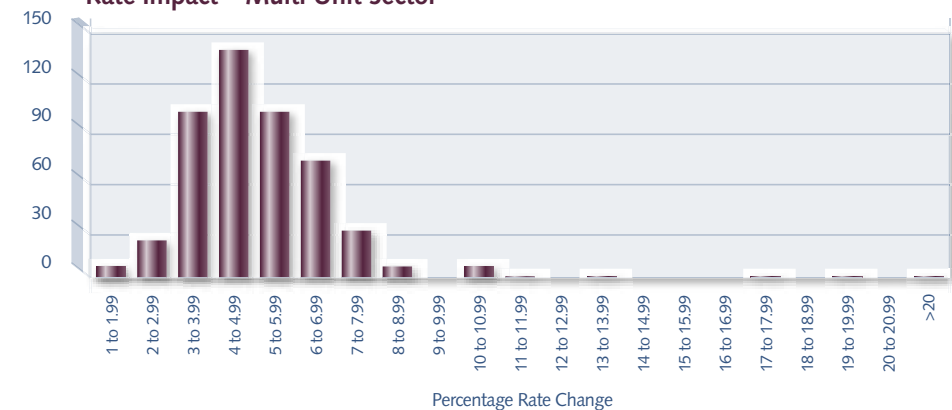
Rate Impact – Residential Sector

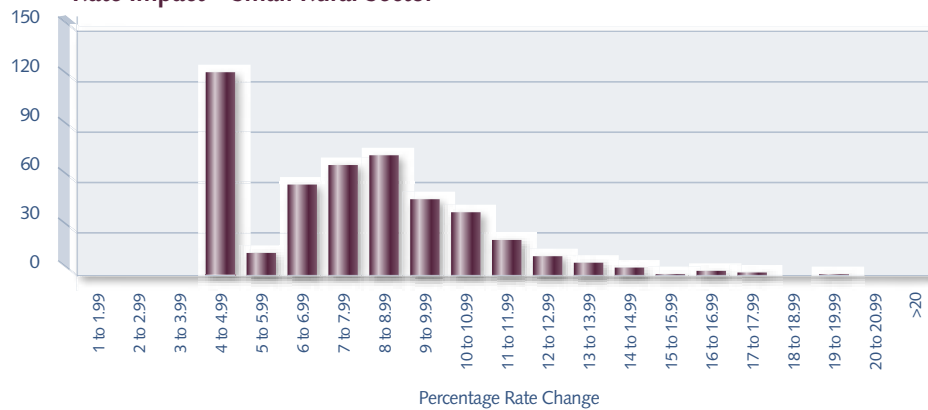
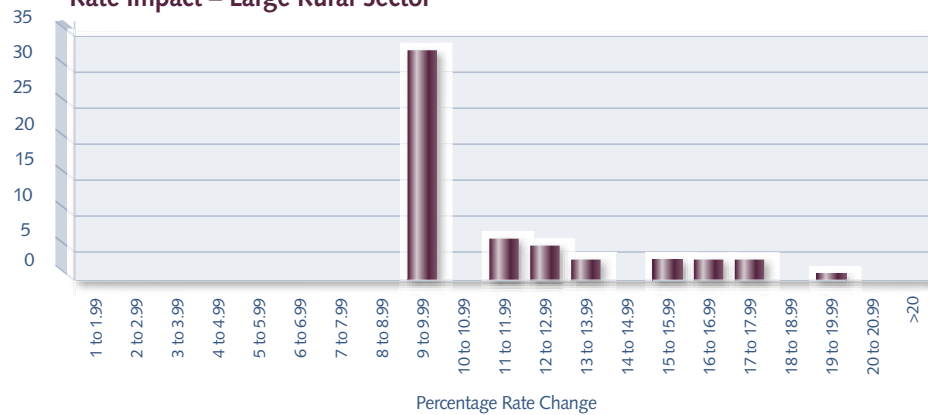
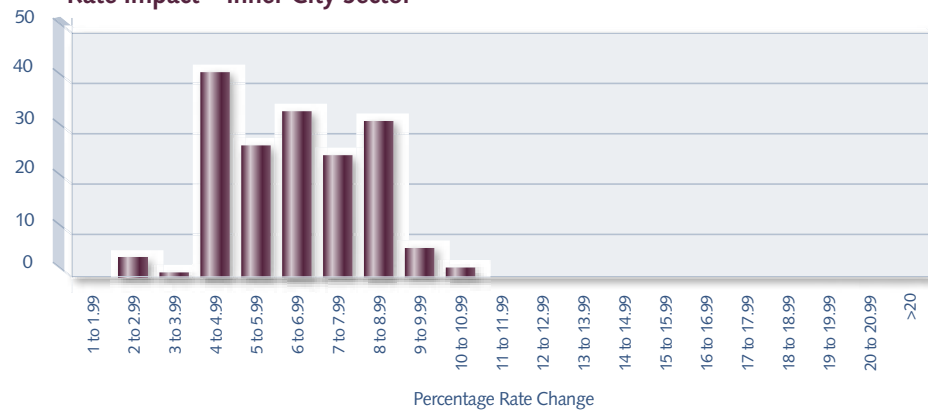
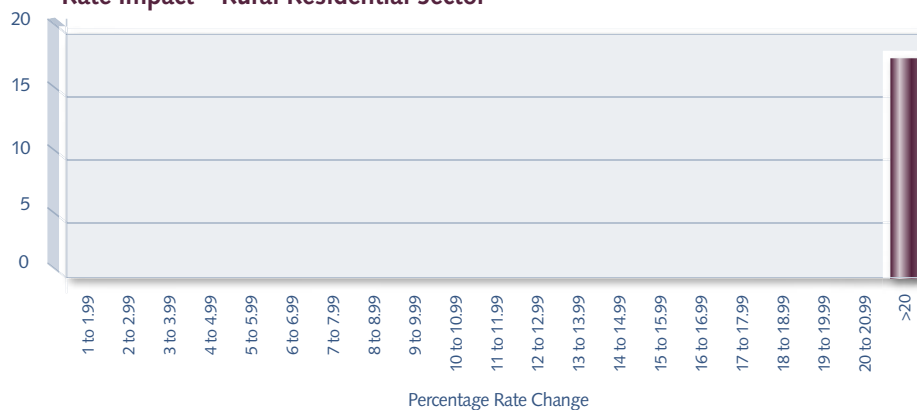


Rate Impact – Commercial Sector



Rate Impact – Multi Unit Sector



Rate Impact – Small Rural Sector**Rate Impact – Large Rural Sector****Rate Impact – Inner City Sector****Rate Impact – Rural Residential Sector**

APPENDIX 5

APPENDIX 5

2005/06 SELECTED SAMPLE OF INDICATIVE RATES (EXCLUDING TARGETED RATE FOR NON DOMESTIC WATER)

Basket of Properties Category	Land Value	Capital Value	Current Rates 2004/05	General Rates Calculated	Targeted Rate Access Hamilton	Targeted Rate Temple View	Total Rates 2005/06	Difference	% Change
RESIDENTIAL									
Arcus St	250,000	540,000	4,400	4,446	135		4,581	181	4.12%
Storey Ave	61,000	228,000	1,074	1,085	57		1,142	68	6.32%
Lake Domain Dr	213,000	570,000	3,749	3,788	143		3,931	182	4.85%
Hamilton Parade	325,000	800,000	5,720	5,780	200		5,980	260	4.55%
Crowden Plce	124,000	440,000	2,182	2,205	110		2,315	133	6.11%
Munro St	390,000	1,325,000	6,864	6,936	332		7,268	404	5.88%
Wellington St	84,000	370,000	1,478	1,494	93		1,587	109	7.34%
Waimaire St	80,000	250,000	1,408	1,423	63		1,485	77	5.49%
Longwood Plce	124,000	355,000	2,182	2,205	89		2,294	112	5.14%
Pascal Plce	92,000	380,000	1,619	1,636	95		1,731	112	6.93%
Fow St	50,000	105,000	880	889	26		916	36	4.03%
River Rd	700,000	1,300,000	12,320	12,449	326		12,774	454	3.69%
Balfour Cres	221,000	460,000	3,890	3,930	115		4,045	156	4.01%
Victoria St	61,000	190,000	1,074	1,085	48		1,132	59	5.48%
Kilmuir Place	79,000	390,000	1,390	1,405	98		1,503	112	8.07%
Anson Ave	144,000	410,000	2,534	2,561	103		2,664	129	5.01%
Ngaio Place	70,000	221,000	1,232	1,245	55		1,300	68	5.54%
Lake Domain Dr	320,000	510,000	5,632	5,691	128		5,819	187	3.31%
Jellicoe Dr	105,000	195,000	1,848	1,867	49		1,916	68	3.69%
Casey Ave	99,000	280,000	1,742	1,761	70		1,831	88	5.07%
Chesterman Rd	88,000	325,000	1,549	1,565	81		1,646	98	6.30%
Temple View Property A	94,000	485,000	2,748	1,672	121	1,071	2,865	116	4.24%
Temple View Property B	33,000	160,000	942	587	40	353	980	39	4.12%
Temple View Property C	61,000	281,000	1,707	1,085	70	621	1,776	69	4.02%

Basket of Properties Category	Land Value	Capital Value	Current Rates 2004/05	General Rates Calculated	Targeted Rate Access Hamilton	Targeted Rate Temple View	Total Rates 2005/06	Difference	% Change
INNER CITY RESIDENTIAL APARTMENTS									
Collingwood Street	50,000	160,000	812	820	40		860	49	5.98%
Garden Place	100,000	350,000	1,624	1,641	88		1,728	105	6.44%
INDUSTRIAL									
Te Rapa Industrial	1,950,000	6,000,000	68,640	69,356	1,502		70,858	2,218	3.23%
Te Rapa Industrial	1,125,000	2,800,000	39,600	40,013	701		40,714	1,114	2.81%
Te Rapa Industrial	1,210,000	3,300,000	42,592	43,036	826		43,862	1,270	2.98%
Te Rapa Industrial	111,000	550,000	3,907	3,948	138		4,086	178	4.57%
Te Rapa Industrial	179,000	1,075,000	6,301	6,367	269		6,636	335	5.31%
Te Rapa Industrial	855,000	2,100,000	30,096	30,410	526		30,936	840	2.79%
Frankton Industrial	580,000	1,500,000	20,416	20,629	376		21,004	588	2.88%
Frankton Industrial	70,000	360,000	2,464	2,490	90		2,580	116	4.70%
COMMERCIAL									
Ward St	882,000	1,620,000	31,046	31,370	406		31,776	729	2.35%
Victoria St	810,000	2,000,000	28,512	28,809	501		29,310	798	2.80%
Garden Place Retail	50,000	165,000	1,760	1,778	41		1,820	60	3.39%
Cr Ellis/Killarney Rd	122,000	150,000	4,294	4,339	38		4,377	82	1.92%
Ellis St	180,000	650,000	6,336	6,402	163		6,565	229	3.61%
Grey St	300,000	930,000	10,560	10,670	233		10,903	343	3.25%
Te Rapa Rd	1,950,000	6,000,000	68,640	69,356	1,502		70,858	2,218	3.23%
Suburban Commercial	4,400,000	60,000,000	154,880	156,495	15,022		171,517	16,637	10.74%
Ward St	1,150,000	5,200,000	40,480	40,902	1,302		42,204	1,724	4.26%
Victoria St	620,000	1,030,000	21,824	22,052	258		22,309	485	2.22%
CBD Car Park	500,000	4,750,000	17,600	17,784	1,189		18,973	1,373	7.80%
CBD Shopping Mall & Carpark	5,850,000	41,300,000	205,920	208,067	10,340		218,407	12,487	6.06%
London St	280,000	900,000	9,856	9,959	225		10,184	328	3.33%
Te Rapa Hotel	980,000	9,600,000	34,496	34,856	2,404		37,259	2,763	8.01%
CBD Medical	1,800,000	7,000,000	63,360	64,021	1,753		65,773	2,413	3.81%
Te Rapa Commercial	580,000	670,000	20,416	20,629	168		20,797	381	1.86%
CBD Retail	2,865,000	12,500,000	100,848	101,900	3,130		105,029	4,181	4.15%
Government CBD Premises	1,800,000	17,050,000	63,360	64,021	4,269		68,289	4,929	7.78%

Basket of Properties Category	Land Value	Capital Value	Current Rates 2004/05	General Rates Calculated	Targeted Rate Access Hamilton	Targeted Rate Temple View	Total Rates 2005/06	Difference	% Change
Ulster Street Motel	500,000	1,450,000	17,600	17,784	363		18,147	547	3.11%
Ulster Street Motel	650,000	2,350,000	22,880	23,119	588		23,707	827	3.61%
Ulster Street Motel	325,000	1,175,000	11,440	11,559	294		11,854	414	3.61%
CBD Retail	575,000	6,100,000	20,240	20,451	1,527		21,978	1,738	8.59%
Te Rapa Commercial	1,075,000	2,550,000	37,840	38,235	638		38,873	1,033	2.73%
MULTI UNITS									
Charlemont St - 4 Units	108,000	370,000	2,851	2,881	93		2,974	122	4.29%
Firth St - 10 Units	102,000	580,000	2,693	2,721	145		2,866	173	6.43%
RURAL RESIDENTIAL									
Baverstock Rd	165,000	470,000	2,033	2,582	118		2,700	667	32.81%
Baverstock Rd	210,000	490,000	2,587	3,286	123		3,409	822	31.76%
RURAL SMALL (> 0.2 AND < 10 HECTARES)									
Rotokauri Rd - 9.120Ha	340,000	350,000	2,437	2,463	88		2,551	114	4.66%
Thomas Rd - 6.705Ha	990,000	1,000,000	7,096	7,172	250		7,422	326	4.59%
Temple View Property D - 4.1353Ha	360,000	830,000	2,581	2,608	208		2,816	235	9.11%
River Rd	1,400,000	1,635,000	10,035	10,142	409		10,551	516	5.14%
RURAL LARGE (> 10 HECTARES)									
Peacocks Rd - 167.89Ha	3,450,000	4,200,000	10,930	11,047	1,052		12,099	1,169	10.69%
Ohaupo Rd - 23.137Ha	700,000	1,300,000	2,218	2,241	326		2,567	349	15.75%
Temple View Property E - 28.274Ha	1,060,000	1,420,000	3,358	3,394	356		3,750	392	11.66%











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