

2023-24 Annual Plan

2023-24 Maahere-aa-Tau



**Hamilton
City Council**

Te kaunihera o Kirikiriroa
2023-24 ANNUAL PLAN



Contents

Introduction | Koorero whakataki

From the Mayor and Chief Executive	4
He kupu naa te Koromatua me te Tumu Whakarae	5
Your Council Ko taa taatou Kaunihera	6
Key projects 2023-24	8
Our city Too taatou taaone	10
What is the Annual Plan? He aha te Mahere aa-Tau?	12
How did we get here? Our journey to the 2023-24 Annual Plan.	14

Delivering on our Priorities | Te whai kia tutukihia aa maatou Kawatau

Our vision for Hamilton Kirikiroa ka hua. Ka puaawai. Ka ora	18
A city that's easy to live in He taaone e ngaawari noa iho ana te noho	19
A city where our people thrive He taaone e tipu matomato ai te tangata	20

A central city where people love to be He pokapuu taaone e ngaakautia ana e te marea	28
A fun city with lots to do He taaone kua kikii ki ngaa tini kaupapa	30
A green city He taaone tiaki taiao	34
Delivering our climate future Te tuku i too taatou Anamata Aahuarangi	38

Financial matters | Ko ngaa take puutea

Key changes to the 2021-31 Long-Term Plan Ngaa panonitanga matua ki te Mahere Ahu Whakamua 2021-31	30
Financial strategy Te Rautaki aa-Tahua	41
Financial statements Ngaa Tauaakii aa-Tahua	43
Notes to the financial statements Nga nooti ki ngaa tauaakii aa-tahua	46
Annual Plan disclosure statement Te tauaakii whakaatu i te Mahere aa-Tau	51
Council funding impact statement and rating information Te tauaakii whakaatu i te Mahere aa-Tau	78
	80



Introduction

Koorero whakataki

From the Mayor and Chief Executive

After robust debate across some difficult decisions, Council has now approved Year 3 of our 2021-2031 Long-Term Plan. We needed to respond to the financial squeeze that all councils, just like other organisations and households, are facing. Our budgets were impacted by rising inflation and interest rates, as well as increased costs of construction, contracts and insurance.

At the same time, we were very mindful of the promises we made to the people of Hamilton Kirikiriroa around taking care of our infrastructure, keeping our existing assets in good shape, and supporting our city to grow in the right way.

Essentially, it came down to getting the right mix of as many cost-cutting and revenue-increasing measures as we could find to avoid increasing rates any more than was necessary and already forecast.

So that's what we've done. The average rates increase in this Annual Plan remains at the 4.9% we've been signalling since 2021, making us one of a very small number of councils that have kept rates increases at the level proposed in their long-term plans.

It wasn't easy. At one stage of our Annual Plan process, we were staring down the barrel of a -\$35 million gap in our 'balancing the books' figure. Government funding, sharpening the pencil on our operating costs, and looking for new revenue opportunities all contributed to bringing this down to the -\$17 million where it now stands. No one's happy it's still this high, but it's much closer to the -\$12 million point we started from.

One of those revenue opportunities that'll be introduced is an increase on the charge for non-Hamiltonians aged 16 and over to enter the

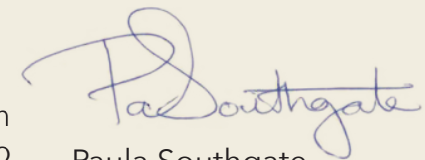
Enclosed Gardens at Hamilton Gardens from \$10 to \$20 from early 2024. Charging non-residents is a common model that councils around the world use to support ratepayer-funded facilities – though it's the first time it will be seen in Hamilton. Ratepayers have footed the bill for this world-class destination since its origin – and the costs to maintain its one-of-a-kind offering are significant and increasing. This won't please everyone, but we'll be doing everything we can to make sure the rollout of the entry fee is as seamless as possible. We are exploring concession tickets to further ease the costs to non-Hamiltonians.

We're grateful to the more than 1800 respondents who fed into the Annual Plan consultation – an increase of more than 700% on previous years. This shows there is a huge amount of interest and passion in local government issues when residents are asked about matters that resonate with

them, and in a way that makes it easy to have their say.

Now we turn our attention to the 2024-34 Long-Term Plan, which will bring even more engagement with our community. Given the challenges we're facing – and the likelihood of some level of local government reform on the horizon – no doubt it will be a telling period in the way our city is run.

To see what we have planned over the next year, check out our Key Projects on page 10.



Paula Southgate
Mayor



Lance Vervoort
Chief Executive

He kupu naa te Koromatua me te Tumu Whakarae

Whai muri i te tautohetohe aukaha moo eetahi whakatau uaua, kua whakaaetia e te Kaunihera te Tau 3 o taa maatou Mahere Pae-Tawhiti 2021-2031. Me maatua urupare atu maatou ki te kukuti aa-ahumoni kei mua i te aroaro o ngaa kaunihera katoa, peeraa anoo i eeraa atu whakahaere, i ngaa kaainga anoo hoki. I paangia aa maatou tahua e te pikiutu tukipuu me ngaa paapaatanga huamoni e piki haere ana, tae atu hoki ki te utu nui ake moo te hanganga, moo ngaa kirimana, moo te inihua anoo hoki.

I taua waa tonu, i aata whakaaro maatou ki aa maatou kii taurangi ki te hunga noo Kirikiriroa moo te tiaki i oo taatou hanganga, moo te pupuru i te pai o oo taatou rawa o naaiane, moo te tautoko kia tika ai te tipuranga o too taatou nei taaone.

I te mutunga iho, ko te take ko te rapu i te huinga tika o ngaa mahi whakaheke utu me te whakapiki moniwhiwhi i taea ai te kite hei aarai i te whakapiki i ngaa reiti atu i te whakapikinga waiwai, kua matapaehia keetia hoki.

Noo reira kua peenei maatou. E noho tonu ana te pikinga reiti toharite ki teenei Mahere aa-Tau i te 4.9% kua tohua e maatou mai i te tau 2021, maa konei maatou e tuu ana hei teetahi o ngaa kaunihera ruarua kua whakauu i ngaa pikinga reiti ki te nui i marohitia i aa raatou mahere pae-tawhiti.

Ehara i te mea ngaawari. I teetahi waahanga i taa maatou tukanga Mahere aa-Tau he matakū taa maatou tiro atu kei noho mai te aaputa o te -\$35 miriona i taa maatou tau moo te 'whakatairite i ngaa pukapuka'.

He mea aawhina te puutea aa-kaawanatanga, te whakakoi i aa maatou utu whakahaere, me te rapu i ngaa ara moniwhiwhi hou kia whakahekea teenei ki te -\$17 miriona o naaiane. Kaaore teetahi i te hari e peenei tonu ana te nui, heoi anoo kua tino tata ake ki te puuwaahi -\$12 miriona i tiimata ai maatou.

Ko teetahi o aua ara moniwhiwhi ka whakaurua mai ko te pikinga ki te utu moo te hunga kaaore i te noho i Kirikiriroa, 16 neke atu raanei te pakeke, kia kuhu atu ki ngaa Enclosed Gardens i Hamilton

Gardens mai i te \$10 ki te \$20 atu i te tiimatanga o te tau 2024. Ko te tuku utu ki te hunga ehara i te kainoho ko teetahi taurira e tino whakamahia ana e ngaa kaunihera huri noa i te ao hei tautoko i ngaa ratonga e utua ana e ngaa kaiutu reiti - heoi anoo, konei tana tuatahitanga mai ki Kirikiriroa. Kua utua e ngaa kaiuru reiti te utu moo teenei waahi kouniga o te ao mai i toona orokohanga mai - aa, he nui, e piki haere ana hoki ngaa utu ki te pupuru i teenei tukunga ahurei. Kaaore te katoa e pai mai ki teenei, engari ka whakapau kaha maatou hei whakarite kia

rere noa te tiimatanga o te utu kuhu. Kei te tuuhuru maatou i ngaa tikiti whakamaamaa hei whakamaamaa anoo i ngaa utu ki te hunga kaaore i te noho i Kirikiriroa.

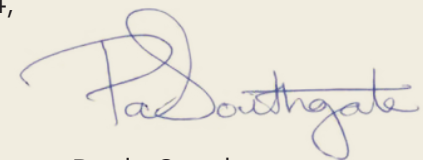
E whakawhetai ana maatou ki te neke atu i te 1800 kainoho naa raatou i whakauru whakaaro ki te akoako Mahere aa-Tau - he pikinga tenei o te neke atu i te 700% i ngaa tau o mua atu. Naa konei e whakaaturia ana he tino rahi te ngaakaunui, te ngaakau whiwhita hoki ki ngaa take o te kaawanatanga aa-rohe ina tonoa ngaa kainoho moo

ngaa take e arohia ana e raatou, aa, maa te ara e maamaa ai maa raatou te whakapuaki i oo raatou whakaaro.

Inaaiane ka huri atu maatou ki te Mahere Pae-Tawhiti 2024-34, e nui ake ai te tuuhononga atu ki too maatou hapori. I runga i ngaa wero kei mua i te aroaro - me te tuupono ka tuu mai teetahi huringa kaawanatanga aa-rohe aa koo ake nei - kaaore e kore he waa tohutohu teeraa moo te aahua o te whakahaere i too taatou taaone.

Kia kite i ngaa aahuatanga kua

whakamaheretia e maatou moo te tau e heke mai ana, tirohia aa maatou Kaupapa Matua ki whaarangi 10.



Paula Southgate
Koromatua



Lance Vervoort
Tumu Whakarae

Your Council

Ko taa taatou Kaunihera

Your Mayor and Councillors



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Keiran Horne
Strategic Risk and
Assurance Committee



Bruce Robertson
Strategic Risk and
Assurance Committee

Key projects in 2023-24

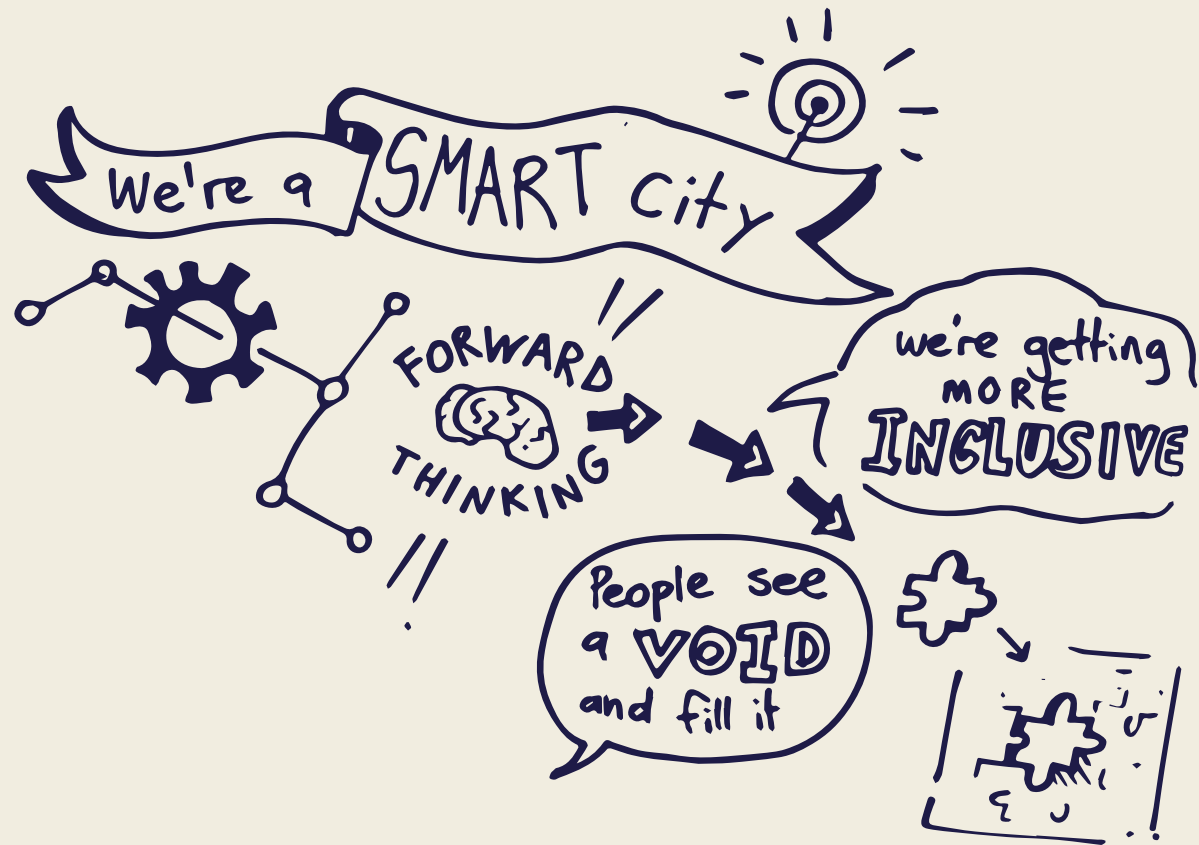
Aa Maatou Kaupapa Matua

All the activities we carry out contribute to the achievements of our community outcomes.

In 2023-24, we will:

- deliver the country's first fully inclusive playground at Claudelands Park in partnership with Magical Bridge Trust NZ
- launch Te Kaaroro Precinct brand and promote the conservation destination which covers Hamilton Zoo, Waiwhakareke Natural Heritage Park, Hamilton Observatory, and the Everyday Eatery
- host five group matches of the FIFA Women's World Cup 2023
- construct the Boardwalk at Donny Park/Kukutaaruhe Gully, to help improve the ecological health and hydrology of the adjoining wetland
- continue with the Enclosed Gardens development at Hamilton Gardens with the manufacture of specialist concrete items for the Medieval Garden
- increase the resilience of the Pukete Wastewater Treatment Plant by increasing the extent of backup power supply
- progress detailed design work on the new Transport Centre
- redesign Embassy Park and Sapper Moore-Jones Park in conjunction with the new Waikato Regional Theatre
- deliver a Hamilton Metro Prospectus, outlining Hamilton's value proposition and the need for partnerships
- extend our City Safe River Safety Trial for a further 12 months
- install CCTV cameras in the Hamilton East shopping precinct, Five Crossroads, Davies Corner, Ferrybank, and shopping centres in Bader, Nawton, and Enderley
- review our compliance and enforcement activities with a focus on illegal dumping
- upgrade an existing path through Claudelands Park for pedestrians and people on bikes to share
- progress the Housing Action Plan, with a focus on resourcing to support the Fairfield-Enderley Partnership
- undertake several plan changes to Council's Operative District Plan, including Plan Change 12 (intensification) and Plan Change 9 (Heritage and Natural Environment Protection)
- install 21 Automated Number Plate Recognition cameras across the city
- complete the Waikato River Bridge, connecting Peacocke to the rest of the city.

More information about these activities and projects can be found in the section Delivering on our Priorities.



Our City

Too Taatou Taaone

Hamilton | Kirikiriroa

The gateway to the central North Island, Hamilton, originally named Kirikiriroa by Maaori, is New Zealand's largest inland city. The mighty Waikato River flows for 16 km through the city with the eastern and western suburbs on either side.

Between the 1400s and up until the invasion of the 1860s, **Hamilton's earliest settlers included Maaori from the Tainui waka, who called the area Kirikiriroa** meaning long strip of gravel.



Opening of Hamilton Town Hall, 1905

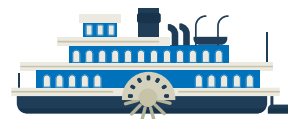
The invasion of Waikato occurred during 1863 and 1864, starting near Mercer, with the final battle occurring near Te Awamutu.

In 1995, following a long period of negotiation over recompense for land losses in 1800s, Waikato-Tainui signed a deed of settlement with the Crown. This made its iwi one of the most significant economic players in the region.



Hamilton's Formal European settlement began on 24 August 1864, when Captain William Steele

disembarked from the gunboat Rangiriri and established the first redoubt near what is now Memorial Park.



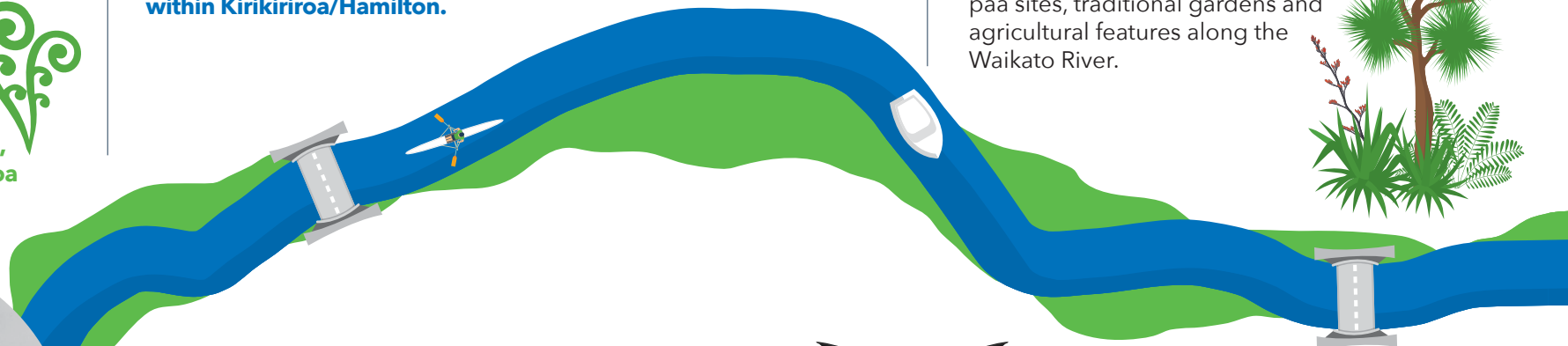
The Borough of Hamilton was established on 27 October 1877 with a population of 1245 and an area of 752 hectares, through the combining of the East and West settlements. On 13 December 1945, **Hamilton became a city with 20,000 citizens.**

In the 1860s, the New Zealand Wars and the NZ Settlement Act enabled land to be taken from Maaori by the Crown; **a total of 1.2 million hectares** was confiscated in the Waikato region and provided the basis for subsequent European settlement in Hamilton.

The area has a history of 700-800 years of Maaori occupation and settlement, highlighted by paa sites, traditional gardens and agricultural features along the Waikato River.



There are five Tainui hapuu (sub-tribes) that continue to hold mana whenua (traditional) connections to the land and waterways within Kirikiriroa/Hamilton.



Our environment is:

Sustainable

Hamiltonians recycled **15,604 tonnes** of material last year. That's more than **1,625 full garbage trucks** diverted from landfill.



Home to bats

Hamilton's one of the only cities in New Zealand with an urban population of endangered **long-tailed bats.**



Restoring nature

We have a goal to increase native vegetation cover **from less than 2% to 10% by 2050.**



Our community is:



Growing

Our population is expected to increase to **more than 200,000 by 2028*** – and we're currently growing by 81 new residents each week. *Stats NZ, June 2020.

Youthful

Our **median age is 32**, the lowest of all cities in New Zealand.



Future bridge over Waikato River



Clever

Hamilton's ranked **21st in the world's** top smart cities.



Diverse

Our residents represent hundreds of different **ethnic groups**.



Playful

The city has more than **1000 hectares of open space with 145 parks and gardens, 85 playgrounds and 63 sports areas**.



Proud

88% of residents think Hamilton's a **great place to live**.

Our economy is:

Humming

Hamilton's GDP is **\$13.4 billion.***

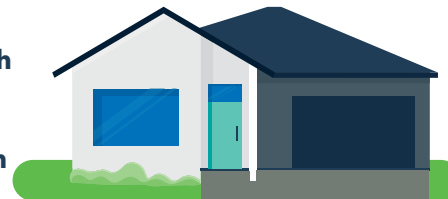
*Infometrics, provisional GDP for the year to March 2023.

Building

1446 new houses were completed in 2022. **A record 128,000m2 of industrial development was consented.** That's the equivalent of about 13 rugby fields.

Booming

Property in Hamilton is **worth \$71.4 billion, that's \$27.4 billion more than it was in 2018.**



Working

Hamilton's economy supports **16,968 businesses** (up from 15,924 in 2021) and **104,357 employees (up 3.7%)**.



In the action

Hamilton's in the heart of the **Golden Triangle with Auckland and Tauranga**, a powerful region containing half the country's population, generating half the country's GDP and accounting for two thirds of the freight.

What is the Annual Plan?

He aha te Mahere aa-Tau?

What is the Annual Plan?

It all starts with an extensive community engagement process to understand the aspirations that Hamiltonians have for their city. These are captured in our five priorities for the city, which provide the focus for what Council will work on for the next decade.

Then Council prepares a Long-Term Plan. This sets out the work programmes, budgets

and rates needed to deliver to the vision and priorities. Each Long-Term Plan covers the next decade, with a focus on the first three years.

Our current plan is the 2021-31 Long-Term Plan.

In years in which we aren't producing a Long-Term Plan, we instead produce this document, the Annual Plan. The Annual Plan gives Council the chance to review the work programme

set in the Long-Term Plan and consider where any changes are necessary. These changes could be new projects to respond to emerging issues, budget revisions, or new priorities that arise.

This Annual Plan, which is for Year Three of the 2021-31 Long-Term Plan, identifies any differences between what we said we would do in the Long-Term Plan, and what we are doing.

Did we mention the Annual Report? We produce this to review our performance and tell you, the community, how well we did on delivering to the Long-Term Plan and the most recent Annual Plan. You'll see this document available from November every year.

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

Piecing it all together:

1 July 2021:
Council's 2021-31
Long-Term Plan is set

1 July 2022:
Council's 2022-23
Annual Plan

By 31 October 2022*:
Council's Annual Report (reporting on
the 2021-22 financial year) is adopted

1 July 2023:
Council's 2023-24 Annual
Plan (we are here)

By 31 October 2023:
Council's Annual Report (reporting on
the 2022-23 financial year) is adopted

1 July 2024:
Council's 2024-34
Long-Term Plan is set

By 31 October 2024:
Council's Annual Report (reporting on
the 2023-24 financial year) is adopted



* Councils were given a two-month extension from 31 October 2022 to adopt the 2021-22 Annual Report, due to the ongoing impacts of COVID-19 at that time.

How did we get here? Our journey to the 2023-24 Annual Plan.

I peehea te taenga mai ki konei? Too maatou haerenga ki te Mahere aa-Tau 2023-2024.

Our starting point:

When the 2021-31 Long-Term Plan was set, financial year 2023-24 was forecast to have a balancing the books surplus of \$5 million. That meant we were due to be receiving more in revenue than we were spending in everyday costs, enabling us to pay off debt.

However, through the 2022-23 Annual Plan process, the 2023-24 Annual Plan balancing the books forecast was revised to a \$13 million deficit. This was largely due to the increased costs due to the substantial rise in inflation, the long economic recovery from COVID-19, the Russian invasion of Ukraine, supply chain constraints, and

challenges in attracting and retaining personnel. In addition, some proposed projects were added or brought forward.

2022 was an eventful year as New Zealand came crashing off the highs of 2021 and into the reality of combating high inflation. Business and

consumer confidence hit some of the lowest levels New Zealand has seen, and the R word “recession” became the leading headline. The outlook was challenging. Given upward pressures on our budget, the initial projection was a \$35 million balancing the books deficit for the draft 2023-24 Annual Plan.

The 2023-24 Annual Plan process:

Faced with a projected balancing the books deficit significantly worse than signalled, a number of operating projects that could be stopped or delayed, and options for increasing revenue, were identified for consideration by Elected Members.

After discussion and debate, the Elected Members agreed on a draft budget that included some of the proposed expenditure reductions and revenue increases, along with

keeping the proposed 4.9% rates increase and continuing with a balancing the books deficit.

We then went out to consult with the community on whether we had got the balance right.

We asked the community three specific questions:

- Do you support Council's proposal to keep rates at the 4.9% average increase that was forecast in the Long-Term Plan, reduce spending, and increase revenue where possible, and borrow money to fund the gap?

- Do you support Council's proposal to increase the average entry fee for non-Hamiltonians aged 16 and over to enter the enclosed areas at Hamilton Gardens to \$20 from early 2024?
- Do you support delaying work on a cover for the Lido Pool at Waterworld by a year?

An extraordinary 1841 submissions were received during the consultation period (more than five times the amount we received the previous year). With 1778 responses to the question around the entry fee for the

Enclosed Gardens at Hamilton Gardens, this was clearly a topic of interest for our community.

Where we landed:

Council mulled over its 2023-24 draft Annual Plan, with Elected Members landing on a \$20 fee to enter the Enclosed Gardens for visitors from outside of Hamilton.

Councillors opted to keep rates at the 4.9% average increase as signalled in the 2021-31 Long-Term Plan and to manage the budget by continuing with a balancing the books deficit of \$17 million in 2023-24.



Delivering on our priorities

Te whai kia tutukihia
aa maatou Kawatau

Our vision for Hamilton

Kirikiroa ka hua. Ka puaawai. Ka ora

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

Our priorities

Our priorities* describe what we aim to achieve for our community and what you can expect us to work towards. These outcomes were used to shape the development of the 2021-31 Long-Term Plan and this 2023-24 Annual Plan. All our activities contribute to the overall achievement of our priorities and reflect our purpose and mission – to improve the wellbeing of Hamiltonians and to help build a more vibrant, attractive and more prosperous city.

During the development of the 2021-31 Long-Term Plan, we used your feedback to create five long-term priorities for Hamilton Kirikiroa over the next decade. These priorities reflect what you said is important to you, your family and your neighbourhood.

The five priorities for our city are:

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

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

* These priorities are our Community Outcomes as defined under the Local Government Act 2002

A city that's easy to live in

He taaone e ngaawari noa iho ana te noho



We asked what kind of Hamilton Kirikiriroa you wanted to live in. You told us that you want a city that's easy to live in, explore and connect. To deliver this, we'll continue to invest in our libraries, aquatic facilities, community development, and our transport network and parking management.

How are we working towards our plan?

We want to have a safe, reliable and sustainable transport system that is accessible to everyone and caters to a variety of transport choices

Council staff continue to work with the community and stakeholders to raise awareness of different travel options and influence travel behaviour, for both mode choice and safety. This year we will be focusing in particular on working with large organisations and schools on work and school travel plans.

These plans encourage our community to think about how

they get to work and school, weaving some exercise into their journey and avoiding traffic congestion, particularly around school areas, to help our community build safe, sustainable, and healthy journeys to and from work and school.

Encouraging efficient utilisation of parking resources and managing demand through compliance and enforcement activities

We will focus on the implementation of our Access Hamilton Strategy and Hamilton Parking Policy, and continue to

focus on the implementation of the Metro Spatial Plan Programme business case that identifies planning for future strategic transport projects and emission reductions.

The Hamilton Parking Policy provides a framework and guiding principles for decisions on parking in Hamilton Kirikiriroa, encouraging efficient utilisation of parking resources and managing demand through compliance and enforcement activities. The rollout of our All Day Paid Parking within the central city and city periphery will continue, and prioritising parking compliance routines to support

the parking principles.

Parking technology upgrade projects continue, to ensure parking compliance to support the delivery of the wider transportation network improvements. This includes the replacement of the obsolete on-street parking meters with system-integrated kiosks, and increasing the capacity of Licence Plate Recognition operations.

Investing in roads and cycleways, and improving public transport so people can enjoy and explore Hamilton Kirikiriroa easily

We have secured additional

funding for the delivery of transport network improvements, to a total value of \$37 million across 28 projects, under central government's Climate Emergency Response Fund – Transport Choices initiative. These projects directly support improvements to encourage more walking, cycling, and use of public transport.

We're also looking after what we have and will continue to invest in ongoing maintenance and renewals of our roads, traffic islands, street lights and footpaths.

We continue to deliver projects focusing on the Access Hamilton Strategy work programme. Some of our key projects this year include:

Biking and micro-mobility

Work will commence on assessments and concept designs for seven key strategic biking and micromobility routes identified in our Biking Network Plan.

Eastern Pathways School Link

Eastern Pathways School Link is progressing with design work well underway. The programme includes significant investment into walking, cycling, and public transport infrastructure. Enabling works (e.g., power undergrounding) will commence in 2023-24. The bulk of the construction programme is being put forward for funding in the 2024-27 National Land Transport Plan.

Eastern Pathways Central City to University Link

Eastern Pathways Central City to University Link will include significant investment into walking, cycling, and public transport infrastructure. The business case for funding will be completed in 2023-24 and will include investigations to determine potential river crossing locations for the central city walking and cycling bridge. It is anticipated the business case will be completed in mid-2024. The programme will be put forward for funding in the 2024-27 National Land Transport Plan.

Low Cost Low Risk - Transport Improvement Programme

The 'Low Cost Low Risk' improvement programme has been developed to reflect the Access Hamilton Strategy and Council's commitment to road safety and reducing harm on the transport network and ensuring inclusivity. This programme includes investment into Road to Zero, walking and cycling, public transport and local road improvement works categories. Investigation, design, and construction on a number of projects within this programme are well underway. Good progress has been made in terms of implementation of the programme and bringing the key stakeholders such as Waka Kotahi and Waikato Regional Council on the journey to road user safety.

Supporting our community to be increasingly more connected and resilient and to develop and express themselves in ways that help build their identity is fundamental to a city that's easy to live in.

Hamilton Libraries will be delivering engagement initiatives and literacy programmes to the community. These include story times delivered in a variety of languages and STEAM (Science, Technology, Engineering, Art and Mathematics) programmes through our Auaha Makerspace. Auaha is a space for our community to come in and learn how to use creative technologies through self-directed learning. It's a collaborate work space for making, learning, exploring and sharing.

Fostering the social and cultural wellbeing of Hamiltonians through spaces, places, services and support that are inclusive and accessible to all

We're working with Sport Waikato on a needs analysis

to guide our understanding of demand, and options for the provision of aquatic facilities into the future, to meet the needs of a growing city like Hamilton Kirikiriroa. To help keep our swimmers safe, we're delivering water safety programmes to Hamilton Kirikiriroa schools and key community organisations to support an improvement in outcomes relating to natural bodies of water, like our Waikato River. Our popular outdoor Lido pool will have plant and pipework replaced to improve

water quality and service continuity.

Enabling and promoting community-led development to meet the needs of local communities

We will showcase and celebrate community-led projects, while also working with partners to promote community-led development. This involves supporting projects, training, and development across our Council in the areas of cultural capacity building, Welcoming Communities, disability

awareness, and diversity and inclusion.

In 2023-24, we'll update our Community Assistance Policy to ensure that Council's funding support for the community is fit for purpose, best practice, and aligned with community need.

Having a community grants programme is an explicit acknowledgement that Council cannot improve wellbeing outcomes alone. There are many independent organisations that

share our objectives, and in many cases are better placed to deliver on them. These community organisations are experts in their respective fields, and able to mobilise a range of relationships and resources to achieve their goals.

We will continue to administer transparent funding support to key community organisations, through supporting capacity building, events, and creative projects through our Community Assistance Funding portfolio.

Capital Projects - Ngaa Kaupapa Rawa

COMMUNITY SERVICES

Aquatic Facilities

CE10001 - Aquatic facilities building renewals

CE21005 - Aquatic facilities renewals

CE21046 - Aquatic facilities development

Aquatic Facilities total

Libraries

CE10005 - Libraries collection purchases

CE10006 - Library operational renewals

CE10007 - Library building renewals

CE19017 - Rototuna community facilities

CE21044 - Libraries development

Libraries total

Community services total

Type	R - Renewals	LOS - Levels of service	G - Growth
	2022/23 Annual Plan	2023/24 Long-Term Plan	2023/24 Annual Plan
	\$000	\$000	\$000
R	1,285	393	1,680
R	230	244	2,108
LOS	15,148	4,407	-
	16,663	5,044	3,788
R	1,049	1,070	1,111
R	123	142	398
R	660	804	1,844
G	12,905	-	4,558
LOS	-	34	-
	14,737	2,050	7,910
	31,399	7,094	11,699

Capital Projects - Ngaa Kaupapa Rawa

TRANSPORT

Parking Management

CE10070 - Parking enforcement renewals

Parking Management total

Transport network

CE10072 - Footpath and street furniture renewals

CE10074 - Drainage (kerb and channel) renewals

CE10075 - Road base renewals

CE10076 - Road resurfacing

CE10077 - Bridge and structures renewals

CE10078 - Retaining wall and structures renewals

CE10080 - Street lighting renewals

CE10081 - Traffic equipment renewals

CE15087 - Transportation upgrades to allow for development

CE15088 - Peacocke transport upgrades and development stage 1

CE15089 - Peacocke transport upgrades and development stage 2

CE15090 - Rotokauri transport upgrades and development

CE15092 - Rototuna transport upgrades and development

CE15093 - Ruakura transport upgrades and development

CE15096 - Cross city connector

CE19036 - Ring Road

CE19037 - Hamilton transport model

CE19052 - Intersection upgrades

CE19055 - Upgrade city directional signage

CE19057 - Biking plan implementation

CE19058 - Public Transport Mode Shift

CE19062 - Bridge resilience programme

CE19064 - Transport Centre rejuvenation

CE21012 - Transport building renewals

CE21052 - Peacocke transportation land

CE21053 - Central city transportation improvements

CE21055 - Te Rapa transportation upgrades and development

CE21057 - Ferrybank walking and cycling bridge

CE21058 - Transportation safety improvements

CE21059 - Transportation smart improvements

CE21060 - Public transport improvement

CE23001 - Climate emergency Response Fund

CE23005 - Infrastructure Acceleration Fund

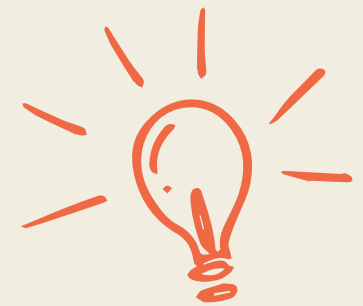
Transport network total

Transport total

Type	R - Renewals	LOS - Levels of service	G - Growth
	2022/23 Annual Plan	2023/24 Long-Term Plan	2023/24 Annual Plan
	\$000	\$000	\$000
R	333	59	559
	333	59	559
R	4,608	3,171	5,506
R	2,804	2,780	2,884
R	5,620	3,852	3,997
R	5,790	4,986	5,696
R	150	74	127
R	267	265	275
R	435	433	449
R	1,004	999	1,037
G	334	232	242
G	2,000	1,949	2,888
G	37,598	21,225	33,737
G	2,553	2,216	718
G	17,853	7,810	16,815
G	2,585	53	1,550
G	406	637	312
G	2,206	-	-
G	831	1,763	963
R	5,124	2,122	-
R	-	530	550
G	9,482	27,053	13,481
G	181	-	1,430
LOS	259	3,821	397
LOS	917	-	773
R	21	21	-
G	7,180	1,085	7,145
LOS	431	-	980
G	595	-	949
LOS	150	12,731	-
LOS	9,248	9,230	17,939
LOS	200	212	300
LOS	2,808	743	4,601
LOS	-	-	31,550
G	-	-	313
	123,639	109,994	157,603
	123,973	110,053	158,163

A city where our people thrive

He taaone e tipu matomato ai te tangata



We asked what kind of Hamilton Kirikiriroa you wanted to live in. You told us you want a city where there are opportunities to thrive in your jobs, careers and lives.

To deliver this, we'll actively create those opportunities so you can leverage the wonderful lifestyle our city has to offer.

How are we working towards our plan?

Supporting growth through both infill and new suburbs while ensuring Hamilton's unique environment is protected

Our Housing Strategy provides a vision and framework for Council to address housing need in Hamilton Kirikiriroa. It tackles a broad range of housing issues and is supported by short, medium, and long-term actions to make it happen.

Our vision is that every person in Hamilton Kirikiriroa is well-housed, living in sustainable, flourishing and connected communities. It is about making sure all Hamiltonians can live in good quality homes that they can afford.

To achieve our vision and goals for housing, we have developed a Housing Action Plan that identifies the key strategic moves we are taking to advance

us towards each of the goals. This year includes a focus on resourcing to support the Fairfield-Enderley Partnership and MasterPlan project.

To support the development of the 2024-34 Long-Term Plan, our Growth, Funding and Analytics team will be busy over the year to ensure we have strong foundations for the decisions required ahead. We will re-run the growth model and review our Development Contributions

Policy. This involves significant data processing and statistical modelling.

Work has continued to deliver the growth programmes for Peacocke, Rotokauri-Northwest, Ruakura, Central City, and Fairfield-Enderley, alongside understanding longer term growth opportunities outside the city boundaries. The focus for these programmes is ensuring the delivery of great communities in the future by weaving together our partners

and key stakeholders, including iwi, developers, and the community.

Key strategic infrastructure in Peacocke will be completed this year including the new Waikato River bridge, surrounding transport network and wastewater transfer station. Ongoing work in the area will deliver the final stages of Whatukooruru Drive and the north-south wastewater pipeline with two gully crossings as part of the 'bikes on pipes' shared pathway. The Peacocke programme is our biggest-ever neighbourhood investment in the environment, protecting existing natural areas and restoring parts of the Mangakootukutuku gully and stream network. Peacocke

is being built with the support from the Government's Housing Infrastructure Fund, made up of a \$180.3 million 10-year interest-free loan and \$110.1 million of Waka Kotahi NZ Transport Agency subsidies. Once complete, Peacocke will be home for up to 20,000 people.

We have several plan changes to Council's Operative District Plan underway that will continue throughout 2023-24, including Plan Change 12 (Intensification), Plan Change 9 (Heritage and Natural Environment Protection), Plan Change 10 (Te Rapa North Industrial Land Supply), and Plan Change 14 (Flood Hazards).

Building on our growing reputation as a centre of excellent and a place for businesses to come, stay and grow

We will deliver a Hamilton Metro Prospectus to give effect to Council's Key Stakeholder Engagement Plan. This prospectus is to provide Council with an aligned story, outlining Hamilton's value proposition and the need for partnerships (including co-investment) to deliver on outcomes.

In 2023-24, critical research will be undertaken on regional migration flow and its relationship to dwelling demand. It aims to provide a clearer picture on inter-district

migration flow within the Waikato region, and to provide valuable insights for medium and long-term planning of land use, infrastructure investment, community facilities, and housing drivers.

Our public places are safe for the people that use them and want to use them

Safety is about ensuring Hamilton is a place where people feel safe and are protected from risks to their health and wellbeing. We want to make sure our public places are safe for the people that want to use them.

We've secured funding from the central government's Better Off fund, which has allowed the expansion of our City

Safe programme for 2023-24, including extending the River Safety Trial for a further 12 months. The trial involves City Safe staff patrolling a popular stretch of the Waikato River to test the impact of City Safe engaging in intervention work to reduce behaviours around the river that potentially place users at risk. Our Visitor Destinations will also benefit, with a one-year trial of additional City Safe officers at Waterworld, Hamilton Gardens

and Hamilton Zoo. In addition, the funding has allowed for five additional staff to boost the presence, visibility, and engagement of City Safe Officers in the central city, effectively doubling the number of staff on patrol at any time.

Opportunities for real-time monitoring will be provided for with the further expansion of the CCTV network. Cameras will be installed in the Hamilton

East shopping precinct, Five Crossroads, Davies Corner, Ferrybank, and shopping centres in Bader, Nawton and Enderley.

21 Automated Number Plate Recognition cameras will be installed across the city, providing real notifications to police when a stolen vehicle or vehicle of interest is sighted. This affords the police a significant intervention

opportunity to prevent vehicle-assisted crime.

In addition, central government funding has allowed for a one-year trial to develop a digital crime prevention package to support at-risk city businesses, deliver the crime prevention package, undertake crime prevention audits for businesses, and to recommend remedial actions required to reduce risk.

Capital Projects - Ngaa Kaupapa Rawa

SAFETY

Animal education and control

CE21013 - Animal control building renewals

Animal education and control total

Public safety

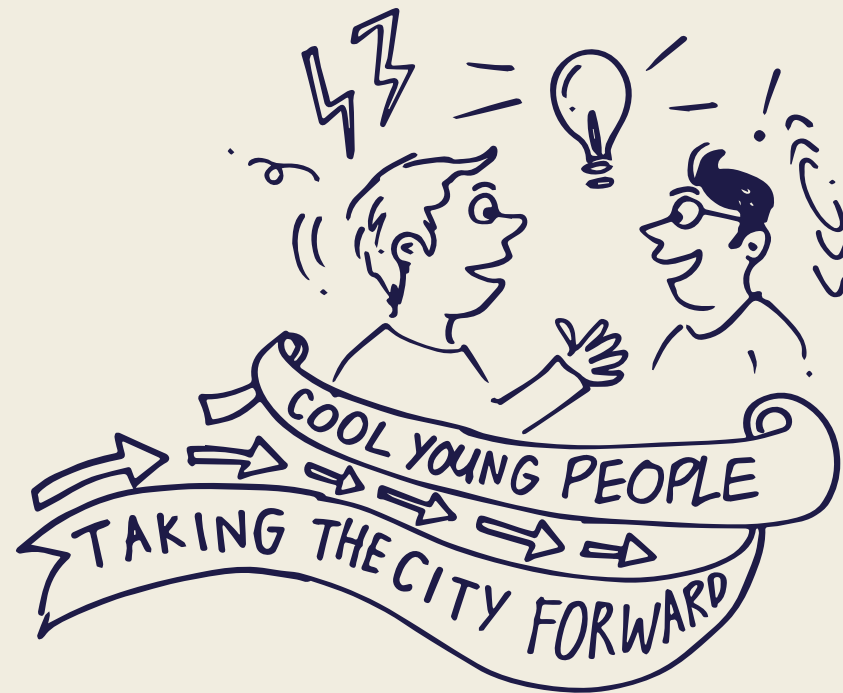
CE21015 - City safe renewals

CE21016 - City safe upgrades

Public safety Total

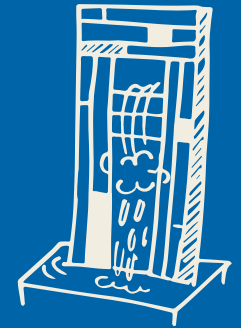
Safety Total

Type	R - Renewals	LOS - Levels of service	G - Growth
	2022/23 Annual Plan	2023/24 Long-Term Plan	2023/24 Annual Plan
	\$000	\$000	\$000
R	12	-	-
	12	-	-
R	111	113	118
LOS	-	104	108
	111	217	226
	123	217	226



A central city where people love to be

He pokapuu taaone e ngaakautia ana e te marea



We asked what kind of Hamilton Kirikiriroa you wanted to live in. You told us you want a central city that is the beating heart of Hamilton, which always has something going on for our diverse communities to come together and enjoy

How are we working towards our plan?

Opening up the city to the Waikato River, encouraging people to love and work in the central city, and making it easy to access and move around in

The Infrastructure Acceleration Fund (IAF) grant of \$150.6 million awarded in November 2022, supports Council

to deliver the strategic infrastructure needed to facilitate intensification in the central city area. The funds will be used to deliver infrastructure that unlocks around 4,000 homes for 10,000 people, and comes with an expectation that developers, landowners and Council all

contribute to taking advantage of all the opportunities this growth brings. This includes a new water reservoir and pump station, pedestrian and cycling bridge over the river and investigations into other strategic three waters and transport infrastructure.

As part of our transport strategy, Access Hamilton - Ara Kootuitui Kirikiriroa, we want to support quality growth and urban development by shaping an enjoyable, liveable central city with thriving businesses. Some of the projects to achieve this are set out on the next page.

Central City Walking and Cycling Bridge design and consenting

This bridge will provide an alternative walking and cycling (and scooting and skating) opportunity across the Waikato River, between the central city and eastern side of the river. This year we'll progress design and consenting, ready for construction over 2024-27.

Heaphy Terrace (Boundary Road to Brooklyn Road)

To deliver an 'off-road,' separated biking facility and footpath improvements adjacent to Claudelands Park linking to the recent intersection upgrade at Claudelands East.

Brooklyn Road (Heaphy Terrace/Grey Street to Five Crossroads)

On road separated bike lanes the entire length of Brooklyn Road and new priority

pedestrian/biking crossing facilities. The bike lanes will link into the recent intersection upgrade at Claudelands East.

Claudelands Park

Upgrade an existing path through Claudelands Park for pedestrians and people on bikes to share. It will connect the previously mentioned projects at Heaphy Terrace and Brooklyn Road, and complements the recently completed walking and biking infrastructure improvements at Claudelands East.

Thackery Street (between Anglesea Street and Tristram Steet)

The project will deliver improved bus stop infrastructure and a raised pedestrian crossing.

Tristram Street/Anzac Parade

An improved walking and

biking link between Palmerston Street and Clarence Street, via Anzac Parade and Tristram Street, including a new raised signalised pedestrian/biking crossing on Tristram Street connecting to Clarence Street.

Western Rail Trail to Frankton Station

A new shared path from the Western Rail Trail to the Frankton Rail Station and a double stack covered bike parking facility on the station platform. Also included will be upgraded street lighting, CCTV, and pedestrian wayfinding signage.

Transport Centre Rejuvenation

Detailed design work on the new-look Transport Centre is well underway. Construction is scheduled to commence in mid-2024 but is dependent on Waka Kotahi NZ Transport Agency co-investment approval. Staff will work with

Waikato Regional Council regarding temporary bus stop arrangements while the work on the Transport Centre is undertaken.

Supporting and providing funding for central city activations

In conjunction with the new Waikato Regional Theatre, we're redesigning Embassy Park, Sapper Moore-Jones Park, and the eastern side of Victoria Street for completion late 2024. We want our central city to be the beating heart of Hamilton Kirikiriroa, with beautifully designed spaces that are safe and connect to the awa (river). This precinct is part of a wider plan to make it happen. A series of engagement workshops with key stakeholders, including The Riff Raff Trust, local residents and business owners will ensure that community views are incorporated into the final design.

A fun city with lots to do

He taaone kua kikii ki ngaa tini kaupapa



We asked what kind of Hamilton Kirikiriroa you wanted to live in. You told us that you want the city to be an even better place for everyone to play, with things to do or see around every corner.

How are we working towards our plan?

Ensuring our city provides opportunities for everyone to play and have fun - whether it be through organised sport, local playgrounds, events, or our visitor destinations

H3 venues (Claudelands, FMG Stadium Waikato and Seddon Park) will continue to attract and deliver a range of national and international standard events that support local business opportunities, stimulate Hamilton's economy and promote our city. We'll

attract more than 500,000 people to our venues this year. On top of delivering the event programme, a range of improvements to maintain the valuable assets will continue.

This year we'll host the FIFA Women's World Cup 2023™ as one of only four host cities in New Zealand. This is a once-in-a-lifetime opportunity to see the world's best football players compete. FMG Stadium Waikato will be

host to five group matches in July and August 2023, with a corresponding fan festival site at Claudelands Event Centre where fans can watch live footage of the games.

Council will also continue to provide funding opportunities for event organisers to hold events in Hamilton via our contestable major event sponsorship fund, with \$430,000 allocated to support 10 events including Balloons over Waikato, Hamilton Arts

Festival, Round the Bridges, New Zealand Marching Championships and Matariki ki Waikato.

Council will also provide annual funding to the Regional Tourism Organisation, Hamilton and Waikato Tourism Limited to support the development of strategic tourism initiatives to strengthen the attraction of both Hamilton and the surrounding Waikato region to the visitor market.

A city where we love to play

Council partnered with Magical Bridge Trust NZ to deliver the country's first fully inclusive playground at Claudelands Park. Construction of Stage 1 commenced last year (renewal of the existing playground), and the Stage 2 expansion will be delivered this year. The Magical Bridge Trust is continuing to fundraise for Stage 3, which includes a fully accessible 'changing places' toilet.

Unique visitor and education experiences at Te Kaaroro Nature Precinct that connects people with nature and wildlife and showcases conservation in action

This year we will launch Te Kaaroro Precinct brand and promote the conservation destination which covers Hamilton Zoo, Waiwhakareke Natural Heritage Park, Hamilton Observatory, and the Everyday Eatery.

Te Kaaroro reflects conservation and kaitiakitanga (guardianship) values that join these

destinations together, and the complementary visitor activities that connect people with nature.

We'll be undertaking improvements at the Hamilton Zoo, including building a multispecies interactive farmyard enclosure completing the exhibit for ferrets, possums and rats, and showcasing species that threaten our native wildlife. To protect our native wildlife, the project to deliver a predator exclusion fence at Waiwhakareke Natural Heritage Park will be initiated.

Nature in the City

Work is underway to restore Hamilton's gullies, which cover 8% of our city. Once rich with native flora and fauna, over time many of our gullies have been cleared and often used to dump weeds and waste.

We're restoring nature in Donny Park/Kukutaaruhe Gully, to create a natural area where wildlife and people thrive. Work this year involves construction of the Boardwalk, site preparation, planting, and

maintenance. The Boardwalk will improve the ecological health and hydrology of the adjoining wetland, which is a significant natural area. Planting will contribute to our goal to achieve 10% native vegetation cover in Hamilton Kirikiriroa by 2050.

Hamilton Gardens is an internationally acclaimed attraction

The Hamilton Gardens Visitor Precinct project includes a new Visitor Centre, improvements to the Café and Pavilion, and amenity, safety and security enhancements to these facilities and the surrounds. It will deliver a single secure entry point for non-paying and paying visitors to the themed gardens, and provide numerous benefits such as enhanced visitor capacity, experience, functionality, and public safety and security.

We'll continue with working on our next Enclosed Garden, with the manufacture and supply of specialist concrete items such as cloister arches, the bell tower

and pavers for the Medieval Garden.

Care for, preserve and share stories about the objects and taonga of the Waikato region and beyond, through a variety of exhibitions, events, and education activities at Waikato Museum

As well as our permanent offerings such as Te Winika, our carved waka taua (Maaori war canoe) and Excite, our interactive centre for discovery, we'll be hosting several exhibitions at Waikato Museum this year. The National Contemporary Art Award brings the best in Aotearoa contemporary art to the Waikato, from late July 2023 until mid-November 2023. The finalists on display are selected via a blind-judging process by the annually appointed judge. Te Papa touring exhibition Rita Angus: New Zealand Modernist brings together 20 works by one of New Zealand's most iconic 20th century artists, Rita Angus, running from mid-July until mid-September.

Capital Projects - Ngaa Kaupapa Rawa

VISITOR DESTINATIONS

Hamilton Gardens

CE10026 - Hamilton Gardens renewals
CE10028 - Hamilton Gardens building renewals
CE19023 - Hamilton Gardens development

Hamilton Gardens Total

Hamilton Zoo and Waiwhakareke Natural Heritage Park

CE10017 - Hamilton Zoo building renewals
CE21002 - Hamilton Zoo operational renewals
CE21043 - Hamilton Zoo and Waiwhakareke development

Hamilton Zoo and Waiwhakareke Natural Heritage Park Total

Waikato Museum

CE10008 - Museum operational renewals
CE10011 - Museum building renewals
CE19028 - Collection acquisition fund
CE21045 - Museum development

Waikato Museum Total

Visitor Destinations Total

VENUES TOURISM AND MAJOR EVENTS

Venues Tourism and Major Events

CE21011 - VTME building renewals
CE21041 - VTME security and health and safety programmes
CE21042 - VTME operational renewals

Venues Tourism and Major Events Total

Venues Tourism and Major Events Total

Type	R - Renewals	LOS - Levels of service	G - Growth
	2022/23 Annual Plan	2023/24 Long-Term Plan	2023/24 Annual Plan
	\$000	\$000	\$000
R	15	22	23
R	-	46	44
LOS	3,745	331	6,195
	3,760	399	6,262
R	614	581	1,844
R	1,269	1,540	1,467
LOS	4,867	217	456
	6,750	2,338	3,767
R	388	95	99
R	124	4,662	2,358
LOS	6	48	82
LOS	637	3,818	699
	1,155	8,623	3,239
	11,665	11,360	13,267
R	4,269	236	739
LOS	949	596	835
R	2,678	2,293	3,629
	7,896	3,125	5,203
	7,896	3,125	5,203

	Type	R - Renewals	LOS - Levels of service	G - Growth
		2022/23 Annual Plan	2023/24 Long-Term Plan	2023/24 Annual Plan
		\$000	\$000	\$000
PARKS AND RECREATION				
Cemeteries and crematorium				
CE10021 - Cemetery and crematorium building renewals	R	5	5	6
CE21004 - Cemeteries and crematorium renewals	R	219	72	75
CE21007 - Cemeteries and crematorium development	G	117	320	332
Cemeteries and crematorium Total		341	397	413
Community facilities				
CE19070 - Community facilities building renewals	R	1,722	3,642	1,655
Community facilities Total		1,722	3,642	1,655
Indoor recreation				
CE21008 - Indoor recreation development	LOS	1,297	-	1,000
Indoor recreation Total		1,297	-	1,000
Parks and sport parks				
CE10030 - Parks and recreation building renewals	R	2,435	1,496	2,402
CE17004 - River plan	LOS	2,204	-	5,161
CE19007 - Peacocke parks development	G	2,125	17,953	19,941
CE19009 - Rototuna parks development	G	-	237	-
CE21001 - Nursery renewals	R	358	498	169
CE21003 - Parks and recreation renewals	R	4,095	4,622	8,178
CE21006 - Nature in the city gully restoration and development	LOS	910	1,483	1,744
CE21010 - Parks and recreation development	LOS	20,433	4,187	5,359
Parks and sport parks Total		32,560	30,476	42,954
Parks and Recreation Total		35,921	34,516	46,022

A green city

He taaone tiaki taiao



We asked what kind of Hamilton Kirikiriroa you wanted to live in. We want to do it right together, so our city will get better by the day and we can leave a legacy we can all be proud of.

To protect Hamilton Kirikiriroa for future generations and to become a sustainable city, we'll continue to challenge how we live within our city and how it grows.

How are we working towards our plan?

Embracing the sustainable use of natural resources

We want to continue to maintain

stormwater services that improve, promote, and protect public health. This includes protecting and enhancing the Waikato River, and minimising the effects of stormwater on the environment.

Honouring, enhancing, and protecting taonga (treasures) like the Waikato River, and our city's extensive and unique gully system

To address the risk of erosion associated with our open waterways within Hamilton Kirikiriroa, erosion control construction in the Mangaonua and Kirikiriroa catchments commences this year. We're also continuing the restoration and erosion control of the Mangaiti Gully.

Once rich with native flora and fauna, over time our gullies were cleared and often used to

dump weeds and waste. Today, the gullies are seen as important natural areas in a largely urban environment, providing habitat for native species, natural corridors for wildlife and green space for recreation, and are vital parts of the city's walkways and cycleways.

Planning to ensure we continue to have a green, clean city that we are proud of

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

Planning for the future

Te Ture Whaimana o Te Awa o Waikato (Vision and Strategy of the Waikato River) sets the direction for the Waikato River, and how this should happen. The vision is for a future where a healthy Waikato River sustains abundant life and prosperous communities.

To deliver on Te Ture Whaimana o te Awa o Waikato and to support sub-regional growth, we're continuing to develop a three waters infrastructure strategy to optimise the required future investment in strategic infrastructure.

Looking after what we have

The programme to replace and upgrade wastewater network and treatment plant assets continues, aiming to reduce the risk of asset failure

by proactively renewing assets and improving compliance. Notable projects include improving the resilience of the Pukete Wastewater Treatment Plant by increasing the extent of backup power supply, and the construction of emergency wastewater pump station storage at the Fairfield Pump station.

The Pukete Wastewater Treatment Plant will be receiving several upgrades, including the design and construction of new wastewater treatment plant inlet structures, and the retrofitting of an existing wastewater bioreactor to enhance treatment capacity.

We have an ongoing programme to install storage capacity within the city's wastewater network. This includes the designation of strategic bulk wastewater storage sites to enable future construction, the extension of the far eastern interceptor to service the Peacocke growth area, the upgrade of the Fitzroy

pump station and to divert flow from the constrained Western Wastewater Interceptor, and the continued construction of the Eastern Wastewater Interceptor.

Commitment to protecting our environment for future generations

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

Looking after what we have

A programme of works will be undertaken to reconfigure the water network to improve resilience and enable growth. This includes an upgrade of the Newcastle pump station to increase capacity, the construction of a strategic water line as part of the Hamilton South demand zone to service

the Peacocke growth cell, and upgrading the Pukete Reservoir Pump station to provide for current and future water demand.

We will also increase the treatment capacity of the Water Treatment Plant by approximately 30%, with upgrades set to commence during the 2023-24 year.

Minimising our impact on the land by leading the country in waste minimisation practices

We're responsible for the kerbside collection and safe management of domestic rubbish, recycling and litter. It's about protecting the health of Hamiltonians and the environment, and we will continue to optimise the city's rubbish and recycling service in line with the growth of Hamilton Kirikiriroa.

Planning for the future

Our 2021-24 Waste Management and Minimisation Plan will be reviewed this year, and a new action plan will

be adopted that will include waste minimisation and education, new partnerships and opportunities, including accessing grants. The focus areas for this plan will be on construction and demolition, and event waste streams.

A review of our compliance and enforcement activities will see more focus on illegal dumping, and proposed central government-led changes to the standardisation of kerbside recycling and food scraps will be implemented from early 2024.

While our rubbish is transported elsewhere, we continue to monitor and manage compliance with several historic landfill sites that are now closed. This includes investigations to understand leachate level risks and resource consent compliance requirements.

Capital Projects - Ngaa Kaupapa Rawa

WASTEWATER

CE10100 - Wastewater pump station asset renewals

CE10101 - Wastewater asset renewals
CE15103 - Wastewater network improvements
CE15104 - Wastewater pipe upgrades
CE15105 - Rototuna wastewater infrastructure
CE15106 - Wastewater network upgrades to allow development
CE15107 - Rotokauri wastewater infrastructure
CE15109 - Peacocke wastewater infrastructure stage 1
CE15111 - Increase capacity of wastewater network
CE15121 - Wastewater customer connections to network
CE15160 - Wastewater model
CE15161 - Wastewater master plan
CE19040 - Peacocke wastewater infrastructure stage 2
CE19041 - Increase capacity wastewater far east network
CE19042 - Peacocke wastewater south network
CE19043 - Increase capacity wastewater west network
CE19044 - Increase capacity wastewater east network
CE23004 - Infrastructure Acceleration Fund
Wastewater collection Total

Wastewater treatment and storage

CE10115 - Wastewater treatment plant asset renewals

CE15117 - Upgrade wastewater treatment plant
CE15120 - Wastewater treatment plant compliance
CE21073 - Subregional wastewater treatment plant
Wastewater treatment and storage Total

Wastewater Total

Wastewater total

STORMWATER

CE10058 - Stormwater asset renewals
CE15059 - Rototuna stormwater infrastructure
CE15060 - Rotokauri stormwater infrastructure stage 1
CE15062 - Peacocke stormwater infrastructure stage 1
CE15063 - Peacocke stormwater infrastructure stage 2
CE15067 - Comprehensive stormwater consent implementation
CE15068 - Stormwater customer connections
CE15162 - Integrated Catchment Management Plan
CE19026 - Erosion control works
CE21031 - Flood management
CE21032 - Stormwater infrastructure upgrades
CE21062 - Stormwater asset upgrades
CE21066 - Ruakura stormwater infrastructure
CE23003 - Infrastructure Acceleration Fund

Stormwater Total

Type	R - Renewals	LOS - Levels of service	G - Growth
	2022/23 Annual Plan	2023/24 Long-Term Plan	2023/24 Annual Plan
	\$000	\$000	\$000
R	517	809	840
R	3,807	4,979	5,166
LOS	2,280	1,548	806
G	-	1,194	-
G	1,021	204	1,106
G	-	318	318
G	-	1,146	239
G	-	179	179
G	2,211	-	1,962
G	1,077	80	2,080
R	524	60	-
G	-	318	121
G	6,108	10,177	10,762
G	4,000	-	2,264
G	13,763	10,215	6,715
G	6,720	8,684	5,719
G	1,188	-	332
G	-	-	125
	43,216	39,911	38,734
R	3,033	3,392	2,516
G	5,946	12,275	10,038
LOS	4,465	522	3,205
G	763	1,591	1,157
	14,207	17,780	16,916
	57,423	57,691	55,650
	57,423	57,691	55,650
R	753	945	1,006
G	1,379	688	552
G	1,543	4,668	3,406
G	157	-	657
G	2,951	3,996	5,544
LOS	366	321	334
G	26	27	527
G	1,178	954	794
LOS	953	2,149	1,841
LOS	12	797	355
G	265	2,188	97
LOS	166	102	106
G	1,961	-	700
G	-	-	125
	11,710	16,835	16,042

Capital Projects - Ngaa Kaupapa Rawa

WATER SUPPLY

Water distribution

CE10123 - Watermain renewals
CE10124 - Watermain valves and hydrants renewals
CE10145 - Tools of trade renewals
CE15126 - Rototuna upgrade or new watermain
CE15127 - Water pipe upgrades
CE15128 - Rotokauri upgrade and new watermain stage 1
CE15130 - Peacocke watermain stage 1
CE15132 - Water network upgrades to allow new development
CE15133 - Water network improvements
CE15134 - Water demand management - Pukete reservoir zone
CE15135 - Peacocke water distribution mains stage 1
CE15137 - Water demand management - Newcastle reservoir zone
CE15141 - Water demand management - Hillcrest reservoir zone
CE15146 - Water customer connections
CE15148 - Ruakura upgrade and new watermain
CE15158 - Water model
CE15159 - Water master plan
CE19045 - Ruakura reservoir and associate bulk mains
CE19046 - Peacocke watermain stage 2
CE21036 - Rotokauri upgrade and new watermain stage 2
CE23002 - Infrastructure Acceleration Fund

Water distribution Total

Water treatment and storage

CE10138 - Treatment plant and reservoir renewals
CE15139 - Water treatment plant compliance - minor upgrades
CE15144 - Upgrade water treatment plant

Water treatment and storage Total

Water Supply Total

OVERHEAD AND SUPPORT UNIT CAPITAL PROJECTS

Corporate buildings

CE10158 - Fleet vehicles renewals
CE21014 - Corporate building renewals

Corporate buildings Total

Information Services

CE21025 - Information Services renewals
CE21026 - Information Services upgrades

Information Services Total

Strategic property

CE10151 - Strategic property renewals

Strategic property Total

Overhead and support unit capital projects Total

RUBBISH AND RECYCLING

CE10054 - Closed landfill assets renewals
CE10056 - Refuse Transfer Station and Hamilton Organics Centre asset renewals
CE15055 - Closed landfill management

Rubbish and Recycling Total

Type	2022/23 Annual Plan	2023/24 Long-Term Plan	2023/24 Annual Plan
	\$000	\$000	\$000
R	3,639	5,503	6,955
R	692	726	253
R	43	43	45
G	796	2,264	1,968
G	700	1,989	700
G	84	532	-
G	-	103	103
G	3,605	4,031	2,541
LOS	227	876	509
G	500	-	300
G	-	-	-
G	7,548	-	3,495
G	18	-	-
G	634	53	2,053
G	-	212	-
R	373	52	219
G	5	-	183
G	1,500	-	77
G	667	1,004	1,528
G	-	-	-
G	-	-	188
	21,031	17,388	21,117
R	1,512	1,095	1,200
LOS	966	3,105	1,872
G	8,462	4,880	12,405
	10,940	9,080	15,477
	31,971	26,468	36,593
R	1,258	1,073	1,602
R	2,336	2,922	3,264
	3,594	3,994	4,865
R	3,625	2,304	88
LOS	5,527	3,766	3,540
	9,152	6,070	3,628
R	117	185	172
	117	185	172
	12,863	10,249	8,665
R	453	222	230
R	112	65	127
LOS	26	74	77
	591	361	434

Delivering our climate future

Te tuku i too taatou Anamata Aahuarangi

Council adopted our first climate change strategy, Our Climate Future: Te Pae Tawhiti o Kirikiriroa, in August 2022. Our Climate Future sets out three outcomes:

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

The strategy also set city-wide emissions reduction targets of a 'turning point' for emissions to peak in 2025 at the very latest; 30% reduction by 2030; and 82% reduction by 2050. For Council's operational emissions, targets of a 50% reduction by 2030 and net zero by 2050 were agreed.

To achieve these outcomes and targets, we need to support and work with businesses and the community to reduce emissions, along with making Hamilton a centre of excellence for innovative climate change businesses. Council has identified two initial programmes of work that will immediately impact Council's own emissions and support business and community to make changes in their emissions and build resilience to changes in climate.

We have secured funding of \$750,000 through the Government's

Better Off fund to deliver these projects. This funding includes a staff resource for each project, plus funding for initiatives, developing materials, and a community and business climate change grant. The programmes of work will deliver the following:

Corporate Sustainability

- Develop and implement a corporate sustainability programme for Council to learn by doing, share our experience and reduce our emissions.
- Support projects across Council to incorporate climate change actions that haven't currently been budgeted for.
- Incorporate both emissions reduction and adaptation actions into the programme.

Community and Business Education

- Develop and implement a community and business education programme that engages and educates the community on climate change, what it means for Hamilton, and how they can take action to reduce emissions and build resilience.
- Pilot grants schemes (\$200,000) that will support businesses and community organisations to act.

For more information, go to hamilton.govt.nz/climatechange



Financial matters

Ko ngaa take puutea

Key changes to the 2021-31 Long-Term Plan

Ngaa panonitanga matua ki te Mahere Ahu Whakamua 2021-31

In response to the financial challenges we've mentioned, we've adjusted our 2023-24 Annual Plan budget.

When the 2021-31 Long-Term Plan was set, a balancing the books surplus of \$5 million was forecast for 2023-2024. In last year's Annual Plan (2022-23) this became a \$12 million deficit, mainly driven by the increase in inflation, depreciation and cost changes.

The further impact of inflation, rising interest costs, increased

depreciation due to increases in asset costs and other cost increases resulted in the draft 2023-24 Annual Plan budget forecast a balancing the books deficit for 2023-24 to move out to \$35 million.

There were three levers Council could pull to address the financial situation: reduce expenditure, increase revenue (including increasing rates above the planned increase set out in the Long-Term Plan), or fund the additional expenditure from debt.

We've reviewed the budgets and workplans of the draft 2023-24 Annual Plan budget against the economic settings and considered where changes were necessary, including reviewing the significant assumptions underpinning the Financial Strategy.

Expenditure has been reduced where possible across the business, including reduced spending on contractors and consultants, information services, and staff salaries and wages, without significantly

impacting levels of service. Some planned projects have also been delayed for one year, including work to explore a roof over the Lido Pool at Waterworld.

Funding of \$14.65 million has been received through central government's Better Off fund, which increases operating revenue for 2023-24. The majority of this funding is for existing programmes – reducing the burden on Hamilton ratepayers.

Increased revenue will also be achieved through charging out-of-town visitors aged over 16 access to the Enclosed Gardens at Hamilton Gardens. The increased revenue will contribute to the costs of maintaining the renowned facility. All areas of the Gardens will continue to be free to access for Hamiltonians, and all those under 16.

We have introduced some projects and operational activities to the Year Three budget through the Annual Plan process, including the allocation of funding for Boon Street Art through the Creative Partnerships Fund, and \$500,000 to continue to investigate and progress emerging growth areas on the outskirts of the city with a focus on primarily increasing industrial land supply.

The 2021-31 Long-Term Plan Year Three capital programme of \$278 million has been revised to \$352 million.

We've also reviewed our assumptions about inflation. An inflation rate of 6% has been used for operating costs (an increase of 3.5% above the assumption that was used in the 2021-31 Long-Term Plan). The financial impact of the change in inflation assumptions for operating costs is \$8.9 million.

An inflation rate of 7% has been used for capital projects assessed as having a cost escalation risk due to inflation (an increase of 4% above the Long-Term Plan assumption). The inflation rate of 3% was retained for the capital projects not deemed to be at risk of cost escalation from inflation. The financial impact of a forecast increase in the capital programme is \$10.6 million.

The depreciation expense forecast in the 2021-31 Long-Term Plan for Year Three has been updated to incorporate the impact of the 2022 and 2023 revaluation of transport infrastructure assets. This has resulted in an increase in the

depreciation expense of \$10.5 million.

The combined impact of the adjustments is that we are now forecasting an operating surplus in 2023-24 of \$115.7 million, \$0.3 million more than the \$115.4 million forecast in Year Three of the 2021-31 Long-Term Plan.

The operating surplus is calculated after subtracting expenses from total revenue. Our financial strategy aims to generate operating surpluses, so we pay down debt faster than we have been and place the city in a more sustainable financial position.

The measure we use to show whether we are 'balancing the books' (paying for everyday costs from everyday revenue) takes the operating surplus and subtracts revenue from developers and other capital project funders. That revenue is set aside for specific capital projects. We also excluded expenses that aren't everyday

costs. We are now forecasting a 'balancing the books' deficit for 2023-24 of \$17 million, compared to the \$5 million surplus forecast in Year Three of the 2021-31 Long-Term Plan.

The increases to our budgets are covered by debt, which enables us to retain the average rates increase for 2023-24 of 4.9% as signalled for Year Three of the Long-Term Plan.

Financial strategy

Te Rautaki aa-Tahua

Our financial strategy outlines our overall approach to managing Council's finances and provides guidance when we make spending decisions. During the process of developing the 2021-31 Long-Term Plan, we revised the strategy and we will review it again when we prepare the 2024-34 Long-Term Plan.

The current strategy aims to enable us to respond sustainably to growth in a way that is cost-effective for existing ratepayers. The guiding principles are:

- Everyday expenses are funded from everyday revenues.
- Service levels and assets are maintained.
- Surpluses are generated to repay debt.
- Investment in community, infrastructure and growth initiatives is supported.
- Investments are funded from debt.

The financial strategy can be read in full in the 2021-31 Long-Term Plan or on our website. It sets limits on the amount of debt we can take on compared to revenue (the Debt to Revenue ratio) and forecasts Net Debt (the money we owe lenders, less cash) and

when we will balance the books. We track those three measures to make sure we are operating within the financial strategy.

The 2023-24 Annual Plan incorporates the forecast ongoing impact of COVID-19 on our revenue and expenditure, resulting in the Balancing the Books measure being forecast to move to a surplus four years later than planned in the Long-Term Plan. The Debt to Revenue measure and Net Debt measure remain within the financial strategy parameters set for 2023-24 in the Long-Term Plan.

Rates

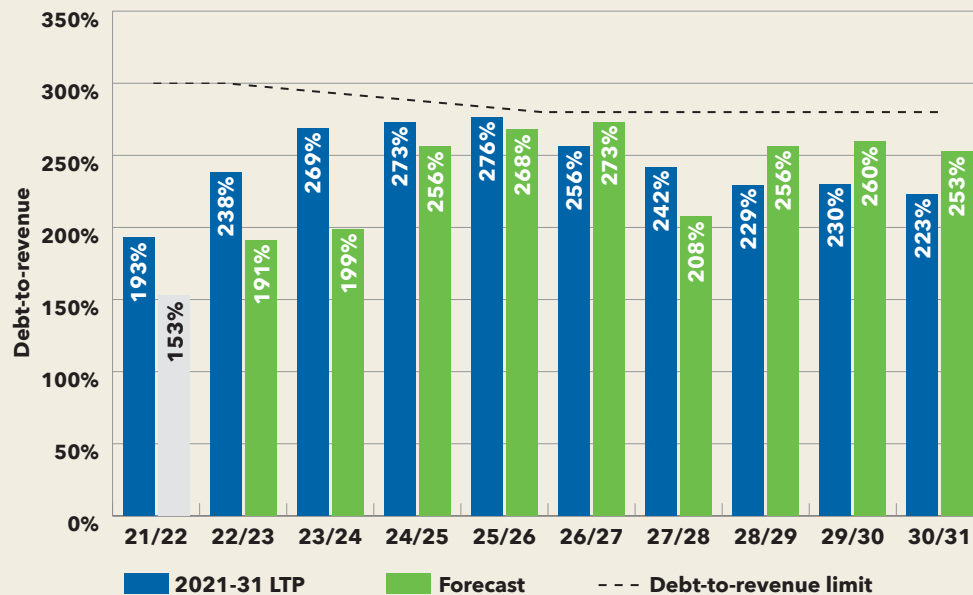
Council has set the average rate increase for 2023-24 at 4.9%. This is in line with what was proposed in the 2021-31 Long-Term Plan.

Debt

Debt to Revenue

To keep debt to manageable levels, the financial strategy caps Debt to Revenue at 300% for the year ending June 2022, decreasing by 5% for each of the next four years, to 280% for the year ending June 2026 and beyond. Our lenders will let us borrow up to these maximum Debt to Revenue ratios. Remaining under these limits, over the 10 years, supports Council's strong credit rating (AA-). In 2023-24 Debt to Revenue is forecast at 199%, compared to 269% in the 2021-31 Long-Term Plan. Debt capacity headroom (the gap between the limit and forecast) looks to tighten in later years of the 2021-31 Long-Term Plan.

Debt-to-Revenue limit

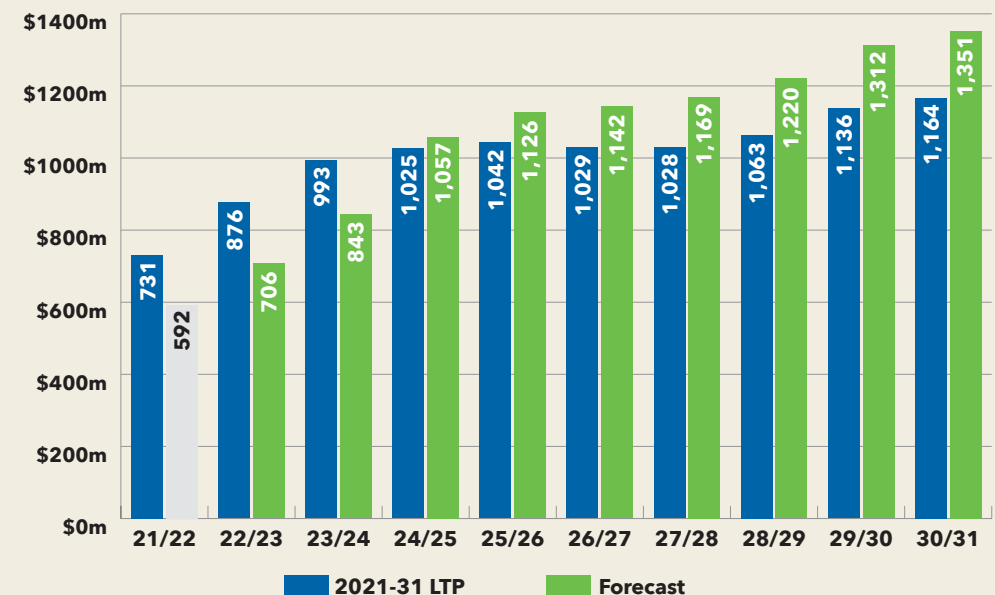


Net Debt

In the 2021-31 Long-Term Plan, Net Debt in 2023-24 was expected to be \$993 million. We are now forecasting it at \$843 million. The Net Debt graph shows we are forecasting a decrease in Net Debt against the 2021-31 Long-Term Plan.

The Debt to Revenue, Net Debt and Balancing the Books graphs reflect Council's adjusted position (the green bars) to what was originally forecast through the 2021-31 Long-Term Plan (the blue bars). The grey bar represents the actual position for Year 1 of the 2021-31 Long-Term Plan. The adjusted forecast position for the 2023-24 Annual Plan is a result of fluctuations in inflation, interest rates, operating and capital movements as highlighted throughout this report.

Net Debt



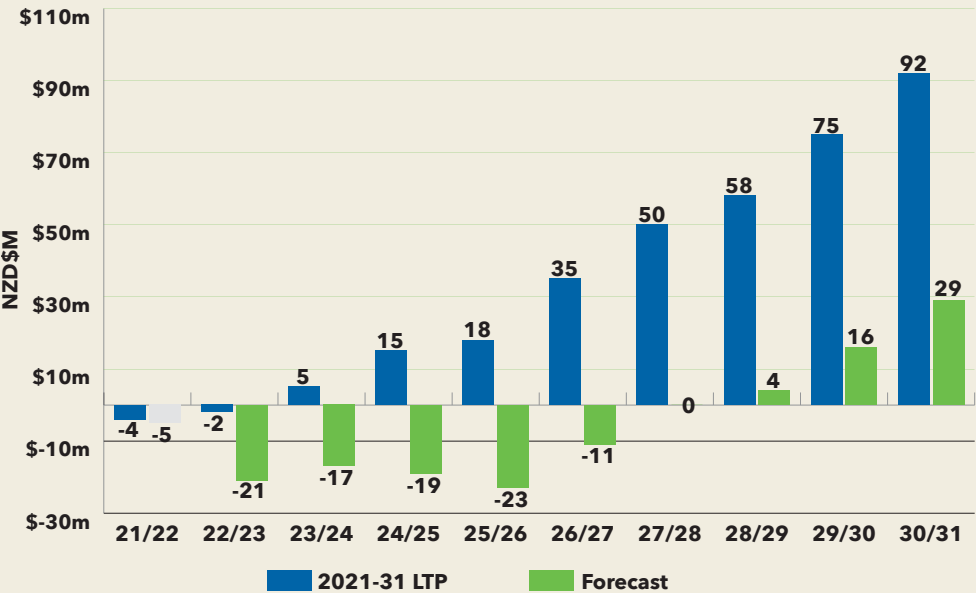
Balancing the Books

Everyday costs of running the city should be paid for from everyday revenue (rates, fees and user charges). We describe this as Balancing the Books. The 2021-31 Long-Term Plan budgeted Balancing the Books deficits in 2021-22 and 2022-23 then surpluses from 2023-24 onwards. Instead, we expect a larger than forecast Balancing the Books deficit in 2023-24 of \$17 million, compared to the \$5 million surplus in the 2021-31 Long-Term Plan. The books are now projected to be balanced from 2027-28 onwards. The main reasons for the shift are:

- Increase in operating and capital inflation costs
- Increase in finance costs as interest rates rise
- Increase in depreciation as assets are revalued.

	What's in our Long Term Plan for 2023-24	What's in our Annual Plan for 2023-24
Net Debt	\$993M	\$843M
Debt to Revenue Ratio	269%	199%
Balancing the Books	\$5M	(\$17M)

Balancing the Books



Financial statements Ngaa Tauaakii aa-Tahua

Prospective statement of comprehensive revenue and expenses

Forecast for the year ending 30 June 2024

		2022/23 Annual Plan	2023/24 Long-Term Plan	2023/24 Annual Plan
	Notes	\$000	\$000	\$000
Revenue				
Rates	2	239,860	253,677	255,752
Fees and user charges	3	43,238	49,115	50,346
Subsidies and grants	4	8,865	8,842	21,788
Interest revenue	5	1,866	318	6,124
Other revenue	6	17,805	11,865	13,011
Development contributions	7	33,822	36,605	36,605
Capital revenue	8	70,820	49,839	81,155
Vested assets	9	39,199	41,750	39,353
Total revenue (excluding gains)		455,474	452,010	504,134
Expenditure				
Personnel costs		109,125	103,686	120,650
Depreciation and amortisation expense	10	86,520	83,941	94,405
Finance costs	11	21,454	23,056	33,496
Operating and maintenance costs		76,838	80,007	87,013
Professional costs		16,695	13,976	15,609
Administration costs		17,638	18,802	22,320
Property costs		13,754	13,174	14,931
Total expenses (excluding losses)		342,024	336,641	388,424
Operating surplus/(deficit)*		113,450	115,369	115,710
Gains		1,011	795	1,050
Losses		(61,103)	-	-
Total surplus/(deficit)		53,359	116,164	116,760
Other comprehensive revenue and expense				
Items that will not be reclassified to surplus/(deficit)				
Gain on property, plant and equipment revaluations		52,063	145,580	44,376
Total other comprehensive revenue and expense		52,063	145,580	44,376
Total comprehensive revenue and expense		105,422	261,744	161,136

The accompanying notes form part of these financial statements

Prospective statement of changes in equity

Forecast for the year ending 30 June 2024

	2022/23 Annual Plan	2023/24 Long-Term Plan	2023/24 Annual Plan
Notes	\$000	\$000	\$000
Equity balance at 1 July	4,829,519	4,598,044	5,141,868
Total comprehensive revenue and expense for the period	105,422	261,744	161,136
Equity balance at 30 June	4,934,941	4,859,789	5,303,005
Accumulated comprehensive revenue and expense			
Balance at beginning of year	2,149,456	2,146,511	2,259,847
Operating surplus/(deficit)	53,359	116,164	116,760
Transfers (to)/from restricted and council created reserves	(94)	53	(55)
Balance at end of year	2,202,721	2,262,727	2,376,552
Revaluation reserves			
Balance at beginning of year	2,637,302	2,409,667	2,839,244
Revaluation gains	52,063	145,580	44,376
Balance at end of year	2,689,365	2,555,247	2,883,620
Restricted and council created reserves			
Balance at beginning of year	42,761	41,867	42,778
Transfers (to)/from reserves	94	(53)	55
Balance at end of year	42,855	41,814	42,833
Equity balance at 30 June	4,934,941	4,859,789	5,303,005

The accompanying notes form part of these financial statements.

Prospective balancing the books measure

Forecast for the year ending 30 June 2024

	2022/23 Annual Plan	2023/24 Long-Term Plan	2023/24 Annual Plan
Notes	\$000	\$000	\$000
Surplus/(deficit)	53,359	116,164	116,760
Remove capital revenue			
Vested assets	(39,199)	(41,750)	(39,353)
Part of development and financial contributions ^A	(21,984)	(23,793)	(23,793)
Capital subsidy (excluding subsidy on transport renewals) ^B	(53,729)	(36,690)	(29,442)
Other capital contributions	(9,377)	(5,415)	(43,792)
Other items not considered everyday operating revenue ^C	(10,887)	(4,815)	(5,668)
Remove (gains)/losses			
All (gains)/losses	60,092	(795)	(1,050)
Remove other expenses			
Other items not considered everyday operating expenses ^D	7,280	2,421	9,788
Balancing the books surplus/ (deficit)	(14,444)	5,328	(16,551)

The accompanying notes form part of these financial statements.

A Development contributions contain an element of funding for interest costs that are part of every day expenses. An adjustment is made to match the revenue with the expense. The budget has assumed interest costs funded from development contributions represent 35% of development contributions revenue.

B Subsidy on transport renewals is adjusted to recognise that this is funding a portion of the depreciation on these renewals.

C Adjustment for fair value calculation on the Housing Infrastructure Fund loans.

D Adjustment for grants to other parties to invest in significant assets for the benefit of the city and fair value discount unwinding on the Housing Infrastructure Fund loans.

Prospective statement of financial position

Forecast for the year ending 30 June 2024

		2022/23 Annual Plan	2023/24 Long-Term Plan	2023/24 Annual Plan
	Notes	\$000	\$000	\$000
Assets				
Current assets				
Cash & cash equivalents		102,174	50,000	125,481
Receivables		31,550	32,148	38,902
Prepayments		2,460	1,755	4,540
Inventory		189	160	176
Other financial assets	12	12,275	1,335	7,221
Total current assets		148,649	85,398	176,320
Non-current assets				
Property, plant and equipment		5,654,610	5,813,393	6,042,894
Intangible assets		23,664	40,506	40,213
Investment property		46,585	32,585	43,058
Other financial assets	12			
- Investment in CCOs and other similar entities		12,238	11,230	13,168
- Other investments		14,981	15,396	14,845
Total other financial assets	12	27,219	26,626	28,013
Investment in associates	13	7,430	7,430	7,430
Derivative financial instruments		629	1,191	3,713
Total non-current assets		5,760,138	5,921,731	6,165,321
Total assets		5,908,786	6,007,129	6,341,642
Liabilities				
Current liabilities				
Payables and deferred revenue		48,261	38,446	64,528
Employee entitlements		9,682	9,620	11,304
Provisions		3,504	1,883	3,343
Borrowings	14	112,862	71,900	83,241
Derivative financial instruments		524	322	-
Total current liabilities		174,833	122,171	162,416
Non-current liabilities				
Employee entitlements		985	1,100	872
Provisions		13,353	11,483	10,699
Borrowings	14	748,096	945,857	864,650
Derivative financial instruments		36,578	66,728	-
Total non-current liabilities		799,011	1,025,169	876,221
Total liabilities		973,845	1,147,340	1,038,637
Net assets		4,934,941	4,859,789	5,303,005
Equity				
Accumulated funds		2,202,721	2,262,727	2,376,552
Other reserves		2,689,365	2,555,247	2,883,620
Restricted reserves	15	41,911	41,492	42,138
Council created reserves	15	944	322	695
Total equity		4,934,941	4,859,789	5,303,005

The accompanying notes form part of these financial statements.

Prospective statement of cash flows

Forecast for the year ending 30 June 2024

	2022/23 Annual Plan	2023/24 Long-Term Plan	2023/24 Annual Plan
Cash flows from operating activities			
Cash will be provided from:			
Rates revenue	239,860	253,677	255,752
Fees and user charges	43,238	49,115	50,346
Government operating subsidies and grants	8,865	8,842	21,788
Government capital subsidies and grants	61,443	44,424	37,363
Other capital contributions	43,198	42,020	80,397
Interest received	1,866	318	6,124
Dividends received	104	104	104
Sundry revenue	6,698	9,615	9,908
Total	405,273	408,114	461,781
Cash will be applied to:			
Payments to employees	109,125	103,686	120,650
Payments for suppliers	125,655	126,990	140,892
Interest paid	19,843	20,519	31,761
Net GST paid	-	-	-
Total	254,624	251,196	293,303
Net cash flow from operating activities	150,649	156,918	168,478
Cash flows from investing activities			
Cash will be provided from:			
Proceeds from reduction in other financial assets	440	448	448
Proceeds from maturity of NZLGFA borrower notes	880	1,040	1,790
Proceeds from sale of assets held for sale	-	-	-
Proceeds from sale of property, plant and equipment	-	-	-
Total	1,320	1,488	2,238
Cash will be applied to:			
NZLGFA borrower notes	3,111	2,519	2,845
Purchase of property, plant and equipment and intangible assets	325,535	277,969	309,964
Total	328,646	280,488	312,808
Net cash flow from investing activities	(327,326)	(279,000)	(310,570)
Cash flows from financing activities			
Cash will be provided from:			
Finance leases raised	173	300	73
Loans raised	238,812	189,806	237,092
Total	238,985	190,106	237,166
Cash will be applied to:			
Loan repayments	64,100	69,100	95,000
Finance lease repayments	173	300	73
Total	64,273	69,400	95,073
Net cash flow from financing activities	174,712	120,706	142,092
Cash Balance			
Net increase/(decrease) in cash held	-	-	-
Opening cash and cash equivalents balance	102,174	50,000	125,481
Closing cash and cash equivalents balance	102,174	50,000	125,481

The accompanying notes form part of these financial statements.

Notes to the financial statements

Nga nooti ki ngaa tauaakii aa-tahua

Note 1: Statement of accounting policies

Reporting entity

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

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

These prospective financial statements are for Hamilton City Council as a separate legal entity. Consolidated prospective financial statements covering both us and our subsidiaries and associates have not been prepared as the income and

expenditure is not material to our long-term planning.

Basis of preparation

We authorised the prospective financial statements on 30 June 2024. We believe the assumptions underlying these prospective financial statements are appropriate. We accept responsibility for the preparation of the prospective financial statements, including the appropriateness of the assumptions underlying these statements and all other required disclosures. No actual results have been included within the prospective financial statements. We do not intend to update the prospective financial statements after they are presented.

Statement of compliance

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

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

The reporting period for these prospective financial statements is for the year ending 30 June 2024. The prospective financial statements are presented in New Zealand dollars, rounded

to the nearest thousand (\$000), unless otherwise stated.

The accounting policies set out below have been applied consistently to all periods presented in these prospective financial statements.

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

Measurement base

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

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

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

long-term cost of borrowing.

Judgements and estimations

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

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

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

Judgements that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are

discussed in the relevant notes. Significant judgements and estimations include landfill post-closure costs, asset revaluations, impairments, certain fair value calculations and provisions.

Significant accounting policies

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

Revenue

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

Revenue may be derived from either exchange or non-exchange transactions.

Exchange transactions

Exchange transactions are transactions where the Council receives assets (primarily cash)

or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services, or use of assets) to another entity in exchange.

Non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the Council either receives value from or gives value to another entity without directly giving or receiving approximately equal value in exchange.

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

At times we satisfy a present obligation recognised as a liability in respect of an inflow of

resources from a non-exchange transaction recognised as an asset. Doing so reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Gains

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

Goods and services tax (GST)

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

Taxation

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

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

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the assets and liabilities, and the unused tax losses using tax rates enacted or substantively enacted at the end of the reporting period. Deferred income tax assets are recognised to the

extent that it is probable that future taxable profit will be available against which they can be utilised.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments. The carrying value of cash at bank and short-term deposits with original maturities of less than three months approximates their fair value.

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

Receivables

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

A receivable is considered to be uncollectable when there is evidence the amount due will not be fully collected. The

amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

Inventory

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

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

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus/ deficit in the period of the write-down.

Property, plant and equipment

Property, plant and equipment consist of:

Operational assets

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

Zoo animals

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

Infrastructure assets

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

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

Additions

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

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

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no

cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

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

Subsequent costs

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

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

Revaluation

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

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

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

The net revaluation results are credited or debited to other comprehensive income and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve,

this balance is not recognised in other comprehensive income but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then in other comprehensive income.

Depreciation

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

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

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

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

Asset Class	Years	Depreciation rate
Buildings - structure/fit out/services	5-200	0.5%-20%
Plant and vehicles	3-15	6.7%-33.3%
Furniture, fittings and equipment	5-50	2%-20%
Library books	3-14	7.1-33.3%
Zoo animal (acquisition costs)	10	10%
Improvements - Parks and Gardens	5 - 150	0.7% - 20%
Roads and traffic network:		
Top surface (seal)	5 - 20	5% - 20%
Pavement (basecourse)	50 - 140	0.7% - 2%
Concrete	60	1.7%
Drainage	60-70	1.4-1.7%
Carparks	6 - 110	0.9% - 6.7%
Footpaths and cycleways	5 - 75	1.3% - 20%
Kerbs and traffic islands	20 - 60	1.7% - 5%
Signs	15	6.7%
Street lights	5 - 50	2% - 20%
Bridges and culverts	40 - 150	0.7% - 2.5%
Underpasses	80	1.3%
Traffic signals	15	6.7%
Guarding and railing	20 - 25	4% - 5%
Bus shelters and fences	20	5%
Verge, embankment and retaining walls	50 - 100	1% - 2%

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

Asset Class	Years	Depreciation rate
Wastewater reticulation		
Pipes	30 - 100	1% - 3.3%
Manholes	100	1%
Treatment plant	5 - 100	1% - 20%
Valves	40 - 75	1.3% - 2.5%
Pump stations	15 - 100	1% - 6.7%
Stormwater system:		
Pipes	30 - 100	1% - 3.3%
Manholes, inlets and outlets	100	1%
Soakage trench	50	2%
Fish Pass	50	2%
Channels	70-90	1.1%-1.4%
Erosion Control	50-100	1%-2%
Water reticulation:		
Bulk main chambers	100	1%
Backflow devices	40	2.5%
Pipes	40 - 100	1% - 2.5%
Valves	40 - 75	1.3% - 2.5%
Treatment plant	5 - 100	1% - 20%
Meters	15	6.7%
Hydrants	50 - 75	1.3% - 2%
Cathodic Protection Device	15 - 100	1% - 6.7%
Reservoirs	15 - 100	1% - 6.7%
Refuse - Rubbish and Recycling	5 - 100	1% - 20%

Impairment of property, plant and equipment

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

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

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

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

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

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

Non-cash-generating assets are those assets not held with the primary objective of generating a commercial return. For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a

service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Cash-generating assets are those assets held with the primary objective of generating a commercial return. The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

Investment properties

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

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

Investment property is measured initially at its cost, including

transaction costs.

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

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

Non-current assets held for sale

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

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

Any increases in fair value (less

costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

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

Intangible assets

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

Intangible assets include:

Software acquisition and development

- Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.
- Costs directly associated with the development

of software that Council control is recognised as an intangible asset. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads.

- Staff training costs are recognised in the surplus or deficit when incurred. Costs associated with maintaining computer software are recognised in the surplus or deficit when incurred. Costs associated with development and maintenance of Council’s website are recognised as an expense when incurred.

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

Consents and designations

- Consents and designations not attributed to a specific asset are capitalised at

historic cost. These are amortised on a straight-line basis over their estimated useful lives.

Amortisation

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

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

Computer software	3-10 years
Consents & designations	10-35 years
Licenses	3-10 years
Models	7-30 years

Creditors and other payables

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

Employee entitlements

Short-term employee entitlements

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

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

The provision for retirement gratuities has been calculated on an actuarial basis bringing

to account what is likely to be payable in the future in respect of service that employees have accumulated up until twelve months after balance date.

Long-term employee entitlements

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

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

Presentation of employee entitlements

Sick leave, annual leave, and retirement gratuities expected to be settled within 12 months of balance date, are classified

as a current liability. All other employee entitlements are classified as a non-current liability.

Defined contribution schemes

Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus or deficit when incurred.

Derivative financial instruments

Derivative financial instruments are used to manage exposure to interest rate risks arising from our financing activities. Derivative financial instruments are recognised initially at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date. We have chosen not to hedge account for these derivative financial instruments.

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

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

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Provisions

We recognise a provision for future expenditure of uncertain amount or timing when:

- There is a present obligation (either legal or constructive) as a result of a past event.

- It is probable that expenditures will be required to settle the obligation.
- A reliable estimate can be made of the amount of the obligation.

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

Contingencies

Financial guarantee contracts

At times we are requested to act as a guarantor to loans raised by community organisations and sports clubs to construct facilities on Council reserve land. These structures form part of the reserve but are not included in the fixed asset

figures. No provision has been made because we do not consider it likely that these loans will require settlement.

Equity

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- accumulated funds
- other reserves – revaluation reserves and fair value through other comprehensive revenue and expense reserve
- restricted reserves
- council-created reserves.

Accumulated funds include accumulated surpluses over the years.

Prospective statement of cash flows

Cash and cash equivalents for the purposes of the cashflow statement comprises bank balances, cash on hand and

short-term deposits with a maturity of three months or less.

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

Public benefit entity financial reporting standard 42 prospective financial statements

The Council has complied with PBE FRS 42 in the preparation of these draft prospective financial statements. In accordance with PBE FRS 42, the following information is provided:

- (i) Description of the nature of the entity's current operation and its principal activities
Council is a territorial local authority, as defined in the

Local Government Act 2002. Council's principal activities are outlined within this Annual Plan.

- (ii) Purpose for which the prospective financial statements are prepared
It is a requirement of the Local Government Act 2002 to present prospective financial statements that span one year and include them within the Annual Plan. This provides an opportunity for ratepayers and residents to review the projected financial results and position of Council. Prospective financial statements are revised annually to reflect updated assumptions and costs.

- (iii) Bases for assumptions, risks and uncertainties
The financial information has been prepared based on best estimate assumptions as to the future events which we expect to take place. We have considered

factors that may lead to a material difference between information in the prospective financial statements and actual results. These factors, and the assumptions made in relation to the sources of uncertainty and potential effect, are outlined on pages 72 to 81 of the 10-Year Plan and remain current. As highlighted in the Long-Term Plan, we have assumed that transport operating and capital expenditure programmes that have in the past received Waka Kotahi NZ Transport Agency (NZTA) subsidies and/or satisfy the criteria that NZTA requires in order to provide a subsidy will continue to receive subsidy funding. There is currently some uncertainty as to whether all the capital projects we have planned for 2023-24 will be funded by NZTA under its National Land Transport Programme. We have prepared these prospective financial statements on the

assumption that projects will continue to be funded as planned. Should NZTA funding not eventuate, we will assess the impact on our planned programme of works and may defer projects to a later period or resolve to continue the project and fund the shortfall through debt. There is a low risk of impact on our overall financial strategy.

- (iv) Cautionary note

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

- (iv) Other disclosures

These prospective financial statements were adopted as part of the 2023-2024 Annual Plan for Hamilton City Council. Council is responsible for the prospective financial statements presented, including the assumptions

underlying prospective financial statements and all other disclosures. This Annual Plan is prospective and as such contains no actual operating results.

Note 2: Rates

Accounting policy

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

Rates penalties

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

Rates remissions

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

Metered water rates

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

	2022/23 Annual Plan	2023/24 Long-Term Plan	2023/24 Annual Plan
General rates	\$000	\$000	\$000
General rates	228,555	244,299	243,657
Rates charges to Council properties	(613)	(570)	(642)
Targeted rates			
Government compliance rate	10,336	11,102	11,024
Metered water supply	8,868	9,090	9,370
Metered water charges to Council properties	(474)	(486)	(486)
Business improvement district rate	319	327	338
Service category rates (water, refuse and sewerage)	1,545	1,561	1,628
Central city rates	145	145	145
Penalties and remissions			
Rates penalties	1,128	1,174	1,183
Rates remissions			
- Hardship	(335)	(351)	(351)
- HCC utilities	(8,223)	(11,066)	(8,626)
- HCC other	(1,093)	(1,268)	(1,151)
- Community retail	(70)	(65)	(72)
- Wastewater, water and refuse	(226)	(215)	(264)
Total rates	239,860	253,677	255,752

Note 3: Fees and charges

Accounting policy

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

Sale of goods

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

Building and resource consent fees

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

Entrance fees

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

	2022/23 Annual Plan	2023/24 Long-Term Plan	2023/24 Annual Plan
	\$000	\$000	\$000
Animal control charges	1,075	1,102	1,102
Building and resource consent charges	11,389	11,952	11,264
Cemetery and crematorium charges	1,676	1,718	1,718
Event facilities charges	4,282	7,026	7,964
Hamilton Gardens charges	177	1,931	1,331
Parking fees	1,955	2,531	2,531
Swimming pools charges	3,034	3,245	3,296
Trade waste charges	3,179	3,252	3,592
Zoo charges	1,878	1,980	2,226
Other fees and charges	3,593	3,456	3,548
Commission received	1,059	1,095	1,034
Sale of goods	3,371	3,472	691
Operating contributions	6,569	6,355	10,047
Total fees and charges	43,238	49,115	50,346

Note 4: Grants, subsidies and reimbursements

Accounting policy

Waka Kotahi NZ Transport Agency subsidies

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

Other grants (including government grants and subsidies)

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

	2022/23 Annual Plan	2023/24 Long-Term Plan	2023/24 Annual Plan
	\$000	\$000	\$000
Waka Kotahi NZ Transport Agency roading subsidy - operating	7,648	7,630	7,608
Waste minimisation levy	650	659	659
Other grants	567	553	13,520
Total grants, subsidies and reimbursements	8,865	8,842	21,788

Note 5: Interest revenue

Accounting policy

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

	2022/23 Annual Plan	2023/24 Long-Term Plan	2023/24 Annual Plan
	\$000	\$000	\$000
Term deposits	1,866	318	6,124
Total interest revenue	1,866	318	6,124

Note 6: Other revenue

Accounting policy

Infringement fees and fines

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

Dividends

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

Investment property rental revenue

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

Bequests and other donations

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

Fair value gains

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

	2022/23 Annual Plan	2023/24 Long-Term Plan	2023/24 Annual Plan
	\$000	\$000	\$000
Infringements and fines	1,656	1,656	1,856
Rental income	3,879	3,979	4,071
Dividend revenue	104	104	104
Petrol tax income	1,235	1,266	1,266
Sponsorship income	22	22	27
Donations received	23	24	20
Housing Infrastructure Fund - fair value benefit	10,887	4,815	5,668
Total other revenue	17,805	11,865	13,011

Note 7: Development contributions

Accounting policy

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

	2022/23 Annual Plan	2023/24 Long-Term Plan	2023/24 Annual Plan
	\$000	\$000	\$000
Community Services	-	-	-
Reserves	1,168	1,651	1,651
Stormwater	6,197	6,211	6,211
Transport	11,521	12,608	12,608
Wastewater	9,796	10,782	10,782
Water Supply	5,140	5,353	5,353
Total development contributions	33,822	36,605	36,605

Note 8: Capital revenue

Accounting policy

Waka Kotahi NZ Transport Agency roading subsidies - capital

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

Capital contributions - general

Capital contributions are recognised as revenue upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

	2022/23 Annual Plan	2023/24 Long-Term Plan	2023/24 Annual Plan
	\$000	\$000	\$000
Capital contributions - general	9,377	5,415	43,792
New Zealand Transport Authority roading subsidy - capital	61,443	44,424	37,363
Total capital revenue	70,820	49,839	81,155

Note 9: Vested assets

Accounting policy

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

		2022/23 Annual Plan	2023/24 Long-Term Plan	2023/24 Annual Plan
Vested assets	- Stormwater	\$000	\$000	\$000
	- Transport	5,455	5,811	5,477
	- Wastewater	27,946	29,765	28,056
	- Water supply	3,764	4,008	3,778
		2,034	2,166	2,042
Total vested assets		39,199	41,750	39,353

Note 10: Depreciation and amortisation expense by group of activity

Accounting policy

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

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

	2022/23 Annual Plan	2023/24 Long-Term Plan	2023/24 Annual Plan
	\$000	\$000	\$000
Growth	-	-	-
Safety	111	92	102
Community Services	5,108	4,429	5,797
Governance	-	-	-
Overheads/Support Units	7,102	5,604	6,993
Parks and Recreation	5,818	6,435	6,360
Rubbish and Recycling	549	590	595
Stormwater	11,161	10,511	11,506
Transport	21,916	23,723	27,853
Venues, Tourism and Major Events	8,132	6,239	7,924
Visitor Destinations	3,277	3,242	2,932
Wastewater	13,911	14,240	14,256
Water Supply	9,434	8,836	10,088
Total depreciation expense	83,941	86,520	94,405

Note 11: Finance costs

Accounting policy

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

Fair value discount unwinding

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

	2022/23 Annual Plan	2023/24 Long-Term Plan	2023/24 Annual Plan
	\$000	\$000	\$000
Interest on borrowings	19,823	20,499	31,761
Interest on finance leases	20	20	-
Discount unwind on provisions	330	115	447
Fair value discount unwinding	1,280	2,421	1,288
Total finance costs	21,454	23,056	33,496

Note 12: Other financial assets

Accounting policy

Financial assets (other than shares in subsidiaries) are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Term deposits and community loans (loans and receivables)

For loans to community organisations, the difference between the loan amount and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as an interest expense.

After initial recognition, term deposits and loans to community organisations are measured at amortised cost using the effective interest method. Where applicable, interest accrued is added to the investment balance.

At year-end, the assets are assessed for indicators of impairment. Impairment is established when there is evidence that we will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation and default in payments are indicators that the asset is impaired. If assets are impaired, the amount not expected to be collected is recognised in the surplus or deficit.

Shares in subsidiaries

The investment in subsidiaries is carried at cost.

Unlisted shares

Shares (other than shares in subsidiaries) and listed bonds (other than those designated as held to maturity) are designated at fair value through other comprehensive revenue and expense.

After initial recognition, the shares are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to the surplus or deficit.

For shares, a significant or prolonged decline in the fair value of the shares below its cost is considered to be objective evidence of impairment.

Impairment

Impairment in term deposits, local authority stock, government stock bonds, general and community loans are recognised directly against the instruments' carrying amount.

If impairment evidence exists, the cumulative loss recognised in other comprehensive revenue and expense is transferred to the surplus or deficit.

Impairment losses on shares recognised in the surplus or deficit are not reversed through the surplus or deficit.

Note 12: Other financial assets

	2022/23 Annual Plan	2023/24 Long-Term Plan	2023/24 Annual Plan
Current portion	\$000	\$000	\$000
Loan to Melody Dairies Partnership Limited	448	455	455
Term deposits with maturities greater than 3 months but less than 1 year	11,826	880	6,766
Total current portion	12,275	1,335	7,221
Non-current portion			
Investment in CCOs and similar entities			
NZ Local Government Funding Agency Limited	7,885	6,939	8,678
Shares in subsidiaries			
- Waikato Innovation Growth Limited	4,000	4,000	4,000
Waikato Local Authority Shared Services Limited	353	291	490
	12,238	11,230	13,168
Other investments			
Civic Financial Services Limited	195	188	202
Loan to Melody Dairies Partnership Limited	1,869	1,414	1,414
Term deposits with maturities greater than 1 year	12,917	13,794	13,230
	14,981	15,396	14,845
Total non-current portion	27,219	26,626	28,013
Total other financial assets	39,493	27,961	35,235

Note 13: Investment in associates

Accounting policy

If the share of deficits of an associate equals or exceeds its interest in the associate, the group discontinues recognising its share of further deficits. After the group's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, the group will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

The investment in the associate is carried at cost in Council's financial statements.

	2022/23 Annual Plan	2023/24 Long-Term Plan	2023/24 Annual Plan
Investment in associates	\$000	\$000	\$000
Waikato Regional Airport Limited	7,430	7,430	7,430
Total investment in associates	7,430	7,430	7,430
Total investment in CCOs (as per Note 12) and other entities	19,668	18,660	20,598

Note 14: Borrowings

Accounting policy

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance.

Borrowings are classified as current liabilities unless we have an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Housing Infrastructure Fund Loan

The Housing Infrastructure Fund Loan (HIF) is interest free for ten years from the date of each drawdown.

The fair value of the loan recognises the interest-free benefit and is recognised as other revenue. Ten years after each drawdown the loan will be recognised at its nominal value with the unwinding of the fair value gains being recognised annually as a finance cost.

Finance leases

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item and the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty as to whether we will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Note 14: Borrowings

	2022/23 Annual Plan	2023/24 Long-Term Plan	2023/24 Annual Plan
	\$000	\$000	\$000
External debt			
Current portion			
Secured loans - Housing Infrastructure Fund	4,100	4,100	-
Secured loans - general	108,589	67,500	83,168
Finance leases	173	300	73
Current portion	112,862	71,900	83,241
Non-current portion			
Secured loans - general	659,694	810,274	774,091
Secured loans - Housing Infrastructure Fund	88,067	134,748	90,472
Finance Leases	335	835	86
Non-current portion	748,096	945,857	864,650
Total external debt	860,957	1,017,757	947,890
Adjustments required to determine overall debt:			
External debt	860,957	1,017,757	947,890
Less cash held and cash investments	(126,917)	(64,674)	(145,477)
Add cash backed reserves	40,165	39,748	40,394
Net debt	774,206	992,831	842,807

	2022/23 Annual Plan	2023/24 Long-Term Plan	2023/24 Annual Plan
Debt servicing performance indicators financial ratios			
Liquidity ratio (target >110%)	>110%	>110%	>110%
Net debt/Total revenue (target <295%)	208%	269%	199%
Net interest on external debt/Total revenue (target <20%)	4%	6%	6%

Liquidity is defined as external term debt plus committed bank facilities plus liquid investments divided by current external debt.

Net debt is defined as total external debt less cash and cash equivalents.

Net interest on external debt is defined as the amount equal to all interest and financing costs (on external debt) less interest income for the relevant period.

Cash flow is defined as net surplus (or deficit) plus depreciation, less vested assets, and capital subsidies.

Total revenue is defined as total revenue less vested assets, development contributions, and fair value benefit of Housing Infrastructure Fund loans.

Note 15: Reserves

Accounting policy

Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into accumulated funds, restricted and Council created reserves, revaluation reserves and fair value through other comprehensive revenue and expense reserve.

Restricted and Council-created reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned.

Restricted reserves include those subject to specific conditions we accept as binding and which may not be revised without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves we restrict by resolution. We may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at our discretion.

Council-created reserves are restricted in their application by our resolution.

Revaluation reserves

This reserve relates to the revaluation of property, plant and equipment to fair value.

Fair value through other comprehensive revenue and expense reserve

This reserve comprises the cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expense.

	2022/23 Annual Plan	2023/24 Long-Term Plan	2023/24 Annual Plan
Restricted reserves	\$000	\$000	\$000
Cemetery plot maintenance in perpetuity	1,735	1,733	1,733
Municipal endowment fund	31,917	31,415	32,081
Domain endowment fund	8,249	8,333	8,314
Waikato Art Gallery endowment reserve	11	11	11
Total restricted reserves	41,911	41,492	42,138
Council-created reserves			
Project watershed operating reserve			
Waste minimisation reserve	210	308	210
Total Council-created reserves	734	14	485
Total Council-created reserves	944	322	695
Total restricted and Council-created reserves	42,855	41,814	42,833

Note 15: Reserves

	Activities to which the reserve relates	Opening balance July	Transfers into reserve	Transfers out of reserve	Closing balance June
Restricted reserves		\$000	\$000	\$000	\$000
Cemetery plot maintenance in perpetuity - to maintain and provide for improvements to the cemeteries.	Cemeteries and Crematorium	1,733	9	(9)	1,733
Municipal endowment fund - to provide a capital fund for crown endowment land vested in the Council for investment	Strategic Property Investment	31,924	157	-	32,081
Domain endowment fund - to provide a capital endowment fund for domain land for investment in property. Rental income and interest earned from domain endowment land is used to fund parks and reserves operating costs.	Parks and Recreation Stormwater	8,273	41	-	8,314
Waikato Art Gallery endowment reserve - to provide funds for the acquisition of works of art for the Waikato Museum of Art and History	Visitor Attractions	11	-	-	11
Total restricted reserves		41,940	207	(9)	42,138
Council-created reserves					
Bus shelter (adshel) reserve - to manage the income generated from advertising in bus shelters to provide, maintain and enhance passenger infrastructure	Transport	-	102	(102)	-
Project watershed operating reserve - to fund works relating to river flood protection and erosion control (project watershed). Waikato Regional Council is the funding agency and Hamilton City Council carries out agreed works within the city boundary.	Parks and Recreation Stormwater	210	2	(2)	210
Waste minimisation reserve - to encourage a reduction in the amount of waste generated and disposed of in New Zealand, and to lessen the environmental harm of waste. The reserve was created in 2009 as a result of the Waste Minimisation Act 2008. Funding is distributed to local authorities by the Ministry of Environment and expenditure includes grants to others, waste minimisation initiative operating expenses and recycling contract.	Rubbish and Recycling	627	660	(803)	485
Total Council-created reserves		838	763	(906)	695
Total restricted and council created reserves		42,778	970	(915)	42,833

Note 16: Reconciliation between Prospective Statement of Comprehensive Revenue and Expense and Prospective Funding Impact Statement

	2022/23 Annual Plan	2023/24 Long-Term Plan	2023/24 Annual Plan
Operating surplus/(deficit) per prospective statement of comprehensive revenue and expense	\$000	\$000	\$000
	53,359	116,164	116,760
Items recognised as revenue in the statement of comprehensive revenue and expense and as capital expenditure funding sources in funding impact statements:			
Capital subsidies	(61,443)	(44,424)	(37,363)
Development, financial and capital contributions	(43,198)	(42,020)	(80,397)
Non-cash items recognised in prospective statement of comprehensive revenue and expense and not included in funding impact statements:			
Depreciation	86,520	83,941	94,405
Recognition of revenue from vested assets	(39,199)	(41,750)	(39,353)
Gain on fair value of investment properties	(1,011)	(795)	(1,050)
Housing Infrastructure Fund - fair value benefit	(10,887)	(4,815)	(5,668)
Housing Infrastructure Fund - fair value discount unwinding	1,280	2,421	1,288
Transfer of assets constructed but not owned	61,103	-	-
Operating funding surplus/(deficit) per prospective funding impact statement	46,523	68,724	48,622
Balance as per Council FIS operating surplus/(deficit) of operating funding	46,523	68,724	48,622

Annual Plan

Disclosure Statement

Te tauaakii whakaatu i te Mahere aa-Tau

For year ended 30 June 2024

What is the purpose of this statement?

The purpose of this statement is to disclose Council's planned financial performance in relation to various benchmarks to enable the assessment of whether Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings. Council is required to include this statement in its Annual Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Benchmark		Planned	Met
Rates affordability benchmark			
Income	Rates will not exceed 0.627% of Hamilton's rateable capital value	0.44%	Yes
Increases	Average rate increases to existing ratepayers will not exceed 4.9%.	4.90%	Yes
Debt affordability benchmark			
The debt to revenue ratio will remain below 295%		199%	Yes
Balanced budget benchmark			
100%		111%	Yes
Essential services benchmark			
100%		387%	Yes
Debt servicing benchmark			
15%		7%	Yes

Notes

1 Rates affordability benchmark

- 1 For this benchmark,–
 - (a) Council's planned rates income for the year is compared with a quantified limit on rates contained in the financial strategy included in Council's Long-Term Plan; and
 - (b) Council's planned rates increases for the year is compared with a quantified limit on rates contained in the financial strategy included in Council's Long-Term Plan.
- 2 Council meets the rates affordability benchmark if–
 - (a) its planned rates income for the year equals or is less than each quantified limit on rates; and
 - (b) its planned rates increases for the year equal or are less than each quantified limit on rates increases.

2 Debt affordability benchmark

- 1 For this benchmark, Council's planned borrowing is compared with a quantified limit on borrowing contained in the financial strategy included in Council's Long-Term Plan.
- 2 Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

3 Balanced budget benchmark

- 1 For this benchmark, Council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial

instruments, and revaluations of property, plant, or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

- 2 Council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

4 Essential services benchmark

- 1 For this benchmark, Council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.
- 2 Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

5 Debt servicing benchmark

- 1 For this benchmark, Council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment).
- 2 Because Statistics New Zealand projects that Council's population will grow faster than the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 15% of its planned revenue.

Council Funding Impact Statement

Te tauaakii whakaatu i te Mahere aa-Tau

The Funding Impact Statement is made up of three parts:

- Rating Information for 2023-24
- Rates Samples for 2023-24
- The Whole of Council Funding Impact Statement.

The Funding Impact Statement should be read in conjunction with our Revenue and Financing Policy and Rating Policy. These can be found on our website.

Figures in this statement include GST unless otherwise stated.

Rating information for 2023-24

We set and assess these rates under the Local Government (Rating) Act 2002:

- General rate
- Uniform Annual General Charge (UAGC)
- Targeted rates include:
 - Business Improvement District (BID)
 - Central city
 - Government compliance
 - Service use water
 - Service use wastewater
 - Service use refuse
 - Metered water
 - Commercial and Other category non-metered water

Details of the rates revenue to be collected and the rating categories that will pay these rates are in this funding impact statement.

General rate

A general rate is set and assessed on the capital value of all rateable land in the city.

General rates are set on a differential basis on the categories of land identified below. The differential bases are the use to which the land is put, the provision or availability to the land of a service provided, the activities

permitted, controlled, or discretionary for the area in which the land is situated and the rules to which the land is subject under the operative district plan, and in the case of the BID Commercial differential, the location of the land.

The objective of including differentials in the general rate is to achieve an appropriate distribution of the general rate, considering all factors we believe are relevant. This rate covers all of the services we provide.

The total revenue sought is \$233,985,005.

Land described in Part 2 Schedule 1 of the Local Government (Rating) Act 2002 (broadly speaking, land owned or used by societies

for arts or sports) will be assessed at 50% of the residential rate (general rate, UAGC, and Government compliance rate) that applies to the land. This general rate revenue is included within the Residential category, and within the targeted rates revenue where applicable.

Uniform Annual General Charge

A Uniform Annual General Charge (UAGC) is set and assessed on all rateable land. The UAGC is set at \$643 per Separately Used or Inhabited Part of a rating unit (SUIP).

The total revenue sought from the UAGC is \$46,220,448.

The general rate is set and assessed on a differential basis as follows:

Source	Differential categories	Differential factor	Percentage of total general rates	Rate in the dollar of capital value (GST incl)	Rates revenue (GST incl)
General rate	Commercial	2.9765	34.25%	0.00746607	\$80,136,600
	BID Commercial	2.8277	6.77%	0.00709277	\$15,839,481
	Other	0.7400	1.78%	0.00185619	\$4,165,589
	Residential	1.0000	57.20%	0.00250836	\$133,843,335

General rate category	Description
Commercial	<p>All rating units:</p> <ul style="list-style-type: none"> i. used solely or principally for commercial or industrial purposes; or ii. used solely or principally for commercial residential purposes, including, but not limited to, hotels, boarding houses, rest homes, motels, residential clubs, hospital care facilities, hostels. Commercial residential purposes are where a property is being provided for residential accommodation at a fee with the average occupancy period of the property not exceeding three months; or iii. used as a chartered club, for any area used for restaurant, bar, or gaming machines; or iv. used as a mixed-use development, for any area used commercially; or v. where land is developed or under development for a commercial use; or vi. where a commercial development is marketed for sale or lease, but where works have not yet commenced, whether or not wastewater services are currently available; or vii. where vacant land is within any District Plan zone that is predominantly used for commercial or industrial purposes; or viii. used as show homes; or ix. where resource consents require the rating units can only be used for a commercial purpose; or x. used as utility networks. <p>Rating Units that meet the definition above but are located in the Business Improvement District will be categorised as BID Commercial.</p>
BID Commercial	<p>All rating units that meet the definition of Commercial above and are located within the Business Improvement District as shown on the 'Business Improvement District (BID) and Central City areas map' in Schedule one of the Rating Policy.</p>
Other	<p>All rating units that do not meet the definition of Commercial or BID Commercial rating categories and where:</p> <ul style="list-style-type: none"> i. connection to our wastewater network is not available; and ii. water supply is through a metered connection or connection to Council's water network is not available.
Residential	<p>All rating units that do not meet the definition of Commercial, BID Commercial, or Other rating categories; or:</p> <ul style="list-style-type: none"> i. land under development intended for a residential use; or ii. land where a proposed residential development is marketed for sale, whether or not water and wastewater services are currently available.

Separately Used or Inhabited Part of a Rating Unit (SUIP)

A SUIP is every rating unit and, without limitation, every additional dwelling, commercial or community activity. This includes:

- a. any part or parts of a rating unit used or occupied by the ratepayer for more than one single use
- b. any parts, whether or not actually occupied at any particular time, which are used for rental (or other form of occupation) on an occasional or long-term basis
- c. vacant land and vacant premises offered or intended for use or habitation and usually used as such are defined as 'used'.

For the purposes of clarity, every rating unit has a minimum of one SUIP.

As part of this definition, the list below sets out our intent in the application of SUIPs to rating units used for residential purposes:

- the second and each additional SUIP must have a separate bathroom, bedroom or living area and separate sink
- any part of a rating unit as described in

a - c above that is inhabited by virtue of a tenancy, lease, license or other agreement on an occasional or long-term basis

- single dwelling with flat attached
- two or more houses, flats or apartments on one rating unit
- ancillary flat or detached dwellings (as defined in the District Plan)
- individually surveyed lots of vacant land on one Certificate of Title offered for sale separately or in groups; and
- residential accommodation rented individually per room. For a residential property to be classified as having additional SUIPs, each part must have a separate bathroom, bedroom or living area and separate sink.

As part of this definition, the list below sets out our intent in the application of SUIPs to rating units used for commercial activities:

- a commercial activity is any activity involving the exchange of goods or services for reward (whether for profit or not)
- any part of a rating unit as described in a - c above that is inhabited through a tenancy, lease, license or other agreement on an occasional or long-term basis
- commercial building where there are

clearly defined vacant parts, advertised for lease or tenancy

- business premise with separate permitted residential activity
- home-based business (as defined in the District Plan)
- each use within a single rating unit involving a different activity conducted by a person, company, or organisation different to the ratepayer (i.e. a large store which has a café operating within it, where the café is a separate business entity)
- commercial building leased, or sub-leased, to multiple tenants
- a separate dwelling used for short-term accommodation
- commercial accommodation provided on a single rating unit for short-term stays (where average occupancy is limited as prescribed within the District Plan) will be one SUIP.

In addition to the primary use, the list below defines our intent in the application of SUIPs to rating units used as community activities:

- a community activity is any activity operated by an organisation (including clubs and societies)
- any activity meeting the definition of Schedule 1 of the Local Government Rating Act 2002.

Targeted rates

We are not seeking or inviting lump sum contributions for targeted rates.

Metered water rate

This rate is set and assessed for metered and restricted flow water supply to all rating units that are metered (as defined by Hamilton City Council's Water Supply Bylaw 2013).

This rate is:

- a fixed amount per connected meter, based on the nature of the connection, as follows:
 - i. \$468 for all metered rating units (except rating units receiving a restricted flow supply); and
 - ii. \$417.60 for rating units receiving a restricted flow supply.
- a charge per unit of water consumed or supplied on every metered connection in accordance with the following scale:
 - i. all metered rating units (except rating units receiving a restricted supply) - \$1.95 per kilolitre of water supplied after the first 60 kilolitres of consumption or supply per quarter; and

- ii. rating units receiving a restricted flow supply - \$1.74 per kilolitre of water supplied after the first 60 kilolitres of consumption or supply per quarter.

This rate contributes to the funding of the Water Distribution and Water Treatment and Storage activities. The total revenue sought is \$10,499,763.

Commercial and Other category non-metered water rate

This rate is set and assessed on Commercial and Other category (as defined for the general rate) properties connected to the water network, but not provided with a metered connection. The rate is \$468 per rating unit.

This rate contributes to the funding of the Water Distribution and Water Treatment and Storage activities. The total revenue sought is \$275,652.

Properties in Waikato District Council and Waipa District Council areas supplied with water under contractual arrangements will be charged according to these contracts.

Business Improvement District (BID) rate

This rate is set and assessed on all rating units defined within the BID Commercial General rate category and comprises both a fixed amount per SUIP and a rate in the dollar based on the Capital Value.

The Business Improvement District (BID) and Central City rating areas map is shown in Schedule 1 of the Rating Policy. The components of this rate are:

- a. BID Fixed rate: a fixed amount of \$240 per SUIP of a commercial rating unit within the defined area; and
- b. BID CV rate: a rate per dollar of capital value required to meet the total revenue, after allowing for the total revenue raised by the BID Fixed rate. The rate is \$0.00003279 per dollar of capital value.

This rate provides funding to the City Planning activity. The total revenue sought is \$388,879.

Central city rate

This rate is set on all rating units defined within the BID Commercial General rate category and is set as a fixed amount per SUIP.

The Business Improvement District (BID) and Central City rating areas map is shown on Schedule 1 of the Rating Policy.

This rate is a fixed amount of \$126 per SUIP.

This rate provides funding to the Transportation Network activity. The total revenue sought is \$166,750.

Government compliance rate

This rate is set and assessed on the capital value of all rateable land in the city.

This rate is set on a differential basis on the categories of land identified below. The differential bases are the use to which the land is put, the provision or availability to the land of a service provided, the activities permitted, controlled, or discretionary for

the area in which the land is situated and the rules to which the land is subject under the operative district plan, and in the case of the BID Commercial differential, the location of the land.

This rate provides funding to the Wastewater Treatment and Disposal, Wastewater Collection, Water Treatment and Storage, Water Distribution, Stormwater Network, and City Planning

This rate is set and assessed on a differential basis as follows:

Source	Differential categories	Differential factor	Percentage of total Government compliance rates	Rate in the dollar of capital value (GST incl)	Rates revenue (GST incl)
Government compliance rate	Commercial	2.9765	34.25%	0.00040451	\$4,341,783
	BID Commercial	2.8277	6.77%	0.00038428	\$858,169
	Other	0.7400	1.78%	0.00010057	\$225,695
	Residential	1.0000	57.20%	0.00013590	\$7,251,475

activities. The total revenue sought is \$12,677,122.

Land described in Part 2 Schedule 1 of the Local Government (Rating) Act 2002 (broadly speaking, land owned or used by societies for arts or sports) will be assessed at 50% of the residential rate that applies to the land. This Government compliance rate revenue is included within the Residential category.

Government compliance rate categories

Government compliance rate category	Description
Commercial	<p>All rating units:</p> <ul style="list-style-type: none"> i. used solely or principally for commercial or industrial purposes; or ii. used solely or principally for commercial residential purposes, including, but not limited to, hotels, boarding houses, rest homes, motels, residential clubs, hospital care facilities, hostels. Commercial residential purposes are where a property is being provided for residential accommodation at a fee with the average occupancy period of the property not exceeding three months; or iii. used as a chartered club, for any area used for restaurant, bar, or gaming machines; or iv. used as a mixed-use development, for any area used commercially; or v. where land is developed or under development for a commercial use; or vi. where a commercial development is marketed for sale or lease, but where works have not yet commenced, whether-or-not wastewater services are currently available; or vii. where vacant land is within any District Plan zone that is predominantly used for commercial or industrial purposes; or viii. used as show homes; or ix. where resource consents require the rating units can only be used for a commercial purpose; or x. used as utility networks. <p>Rating Units that meet the definition above but are located in the Business Improvement District will be categorised as BID Commercial.</p>
BID Commercial	<p>All rating units that meet the definition of Commercial above and are located within the Business Improvement District as shown on the 'Business Improvement District (BID) and Central City areas map' in Schedule one of the Rating Policy.</p>
Other	<p>All rating units that do not meet the definition of Commercial or BID Commercial rating categories and where:</p> <ul style="list-style-type: none"> i. connection to our wastewater network is not available; and ii. water supply is through a metered connection or connection to the council's water network is not available.
Residential	<p>All rating units that do not meet the definition of Commercial, BID Commercial, or Other rating categories; or:</p> <ul style="list-style-type: none"> i. land under development intended for a residential use; or ii. land where a proposed residential development is marketed for sale, whether-or-not water and wastewater services are currently available.

Service Use Category

Service Use Category means rating units that are defined by the use of the land, for the purpose of charging water, wastewater and refuse collection, set and assessed as targeted rates.

Service Use Category rating units are provided with one or more of these services and are used:

- i. as a reserve under the Reserves Act 1977
- ii. for conservation, wildlife management or preservation purposes and not for private pecuniary profit and accessible to the public
- iii. by us for:
 - public garden, reserve, or playground
 - games and sports
 - public hall, athenaeum, museum, gallery or similar institution
 - public baths, swimming baths and sanitary convenience.
 - cemeteries or crematorium
- iv. by the Queen Elizabeth the Second National Trust
- v. by the Royal Foundation of the Blind, except as an endowment

- vi. by or for an education establishment, special school or other institution under s159(1) of the Education Act 1989
- vii. by a district health board for health and health-related services
- viii. solely and principally as a place of religious worship, Sunday or Sabbath school or other form of religious worship and not for private pecuniary profit
- ix. as Maaori meeting house that is Maaori freehold land not exceeding 2ha
- x. as railway or for the loading and unloading of goods or passengers from trains
- xi. for the free maintenance or relief of persons in need, not exceeding 1.5ha.

Where there is a community, sporting or cultural activity on Council reserve land, and the activity is subject to a lease agreement as defined within our Community Occupancy Policy, these targeted rates will apply.

Upon application, we extend the rating treatment of the Service Use Category to rating units which are operated by not-for-profit organisations, whom provide benefits to the wider community and where there is no private pecuniary gain. Refer to the Rates Remissions and Postponements Policy for criteria.

Service use water rate

The rate is set and assessed on properties defined as Service Use Category and which are connected to our water network but are not provided with a metered connection.

The rate is a fixed amount of \$468 per SUIP.

The rate provides funding towards the Water Distribution and Water Treatment and Storage activities. The total revenue sought is \$67,392.

Service use refuse rate

The rate is set and assessed on properties defined as Service Use Category and which are provided with refuse collection service. The rate is a fixed amount of \$196 per SUIP.

The rate provides funding towards the Refuse Collection activity. The total revenue sought is \$31,948.

Service use wastewater rate

The rate is set and assessed on properties defined as Service Use Category and which are connected to the wastewater network. This rate comprises two components. These are:

- a rate per dollar of land value set at \$0.00070573; and

- a rate per dollar of capital value set at \$0.00029674.

The rate provides funding towards the Wastewater Collection and Wastewater Treatment and Disposal activities.

The total revenue sought is \$1,772,551.

Inspection of Rating Information Database

In accordance with the Local Government (Rating) Act 2002, the District Valuation Roll and Rates Records are available for public inspection at Council Offices, 260 Anglesea Street, Hamilton, between the hours of 7.45am and 5pm on all business days of the week.

Rating base

Total land value for 2023-24 is \$40,182,571,000.

Total capital value for 2023-24 is \$72,217,591,000.

The projected number of rating units for 2023-24 is 64,200.

2023-24 Rates - sample properties

Including GST

General rate differential category	Separate parts (SUIPs)	2021 capital value	2022-23 RATES					2023-24 RATES					Total rates change (\$)	Total rates change (%)
			Uniform Annual General Charge	General rates	Other rates	Government compliance rate	Total rates	Uniform Annual General Charge	General rates	Other rates	Government compliance rate	Total rates		
Residential	1	600,000	613	1,435	0	78	2,125	643	1,505	0	82	2,230	104	4.9%
Residential	1	690,000	613	1,650	0	89	2,352	643	1,731	0	94	2,468	115	4.9%
Residential	1	820,000	613	1,961	0	106	2,680	643	2,057	0	111	2,811	131	4.9%
Residential	1	1,020,000	613	2,439	0	132	3,184	643	2,559	0	139	3,340	156	4.9%
Residential	1	1,250,000	613	2,989	0	162	3,764	643	3,135	0	170	3,948	184	4.9%
Residential	4	1,610,000	2,452	3,850	0	209	6,510	2,572	4,038	0	219	6,829	319	4.9%
Residential	12	3,140,000	7,356	7,508	0	407	15,271	7,716	7,876	0	427	16,019	748	4.9%
Other	1	690,000	613	1,221	0	66	1,900	643	1,281	0	69	1,993	93	4.9%
Other	1	2,800,000	613	4,955	0	268	5,836	643	5,197	0	282	6,122	286	4.9%
Other	1	10,080,000	613	17,836	0	966	19,416	643	18,710	0	1,014	20,367	951	4.9%
Commercial	1	295,000	613	2,100	0	114	2,826	643	2,202	0	119	2,965	138	4.9%
Commercial	1	585,000	613	4,164	0	226	5,002	643	4,368	0	237	5,247	245	4.9%
Commercial	1	955,000	613	6,797	0	368	7,778	643	7,130	0	386	8,159	381	4.9%
Commercial	1	2,260,000	613	16,085	0	871	17,570	643	16,873	0	914	18,431	861	4.9%
Commercial	1	4,900,000	613	34,875	0	1,889	37,377	643	36,584	0	1,982	39,209	1,831	4.9%
Commercial	4	2,900,000	2,452	20,640	0	1,118	24,211	2,572	21,652	0	1,173	25,397	1,186	4.9%
Commercial	10	25,000,000	6,130	177,933	0	9,640	193,703	6,430	186,652	0	10,113	203,195	9,491	4.9%
BID Commercial	1	242,000	613	1,636	374	89	2,712	643	1,716	374	93	2,826	114	4.2%
BID Commercial	1	360,000	613	2,434	377	132	3,556	643	2,553	378	138	3,713	157	4.4%
BID Commercial	1	1,015,000	613	6,863	393	372	8,241	643	7,199	399	390	8,631	391	4.7%
BID Commercial	1	1,685,000	613	11,393	410	617	13,033	643	11,951	421	648	13,663	630	4.8%
BID Commercial	1	4,900,000	613	33,131	490	1,795	36,029	643	34,755	527	1,883	37,807	1,778	4.9%
BID Commercial	4	3,900,000	2,452	26,370	1,569	1,429	31,819	2,572	27,662	1,592	1,499	33,324	1,505	4.7%
BID Commercial	10	26,000,000	6,130	175,798	4,325	9,525	195,778	6,430	184,412	4,513	9,991	205,346	9,568	4.9%

Prospective Whole of Council Funding Impact Statement


Forecast for the year ending 30 June 2024	2022/23 Annual Plan	2023/24 Long-Term Plan	2023/24 Annual Plan
	\$000	\$000	\$000
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	215,967	231,453	233,227
Targeted Rates	21,173	22,225	22,525
Subsidies and grants for operating purposes	8,867	8,842	21,788
Fees and charges	44,335	49,695	50,927
Interest and dividends from investments	415	422	6,228
Local authorities fuel tax, fines, infringement fees, and other receipts	6,222	6,365	6,658
Total Operating Funding (A)	296,979	319,002	341,352
Applications of Operating Funding			
Payments to staff and suppliers	221,202	229,644	260,523
Finance Costs	20,256	20,634	32,208
Other operating funding applications	-	-	-
Total Applications of Operating Funding (B)	241,457	250,278	292,731
Surplus/(Deficit) of Operating Funding (A - B)	55,522	68,724	48,622
Sources of Capital Funding			
Subsidies and grants for capital expenditure	71,661	49,839	81,155
Development and financial contributions	33,822	36,605	36,605
Increase (decrease) in debt	156,683	120,706	142,092
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total Sources of Capital Funding (C)	262,166	207,149	259,852
Application of Capital Funding			
Capital Expenditure:			
- to meet additional demand	176,152	156,502	144,432
- to improve the level of service	72,073	57,345	90,823
- to replace existing assets	68,086	64,122	74,709
Increase (decrease) in reserves	(292)	(3,575)	(2,544)
Increase (decrease) of investments	1,669	1,479	1,055
Total Applications of Capital Funding (D)	317,688	275,873	308,474
Surplus/(Deficit) of Capital Funding (C - D)	(55,522)	(68,724)	(48,622)
Funding Balance ((A - B) + (C - D))	-	-	-



Hamilton City Council
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