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## WHAT IS THE ANNUAL REPORT?

This annual report is required under section 223E of the Local Government Act 1974. It is one of the three reports relating to a given financial year, and the final one to be produced. The other two reports are the draft, and final annual plans.

The draft and final annual plans contain policies, objectives, financial forecasts (including sources of funds) and work programmes proposed to be undertaken during the financial year, together with the performance measures against which Council's performance will be judged.

The annual report is published after the completion of the financial year. It contains the audited accounts for the year and reconciles the performance measures set out in the annual plan with the results actually achieved, as at 30 June. It enables the community to judge Council's performance in achieving the objectives and performance measures/targets set out in its Annual Plan.

Although the new Local Government Act 2002 (referred to as the Act) was enacted by Parliament in December 2002, most of the provisions came into force on 1 July 2003 i.e., it will impact significantly on Council's 2003/04 Annual Plan and beyond. The Act introduces a number of changes in regard to Council's planning, decision-making and reporting procedures. One of the key changes is the requirement for Council to adopt a Long Term Council Community Plan (LTCCP), which will essentially be an amalgam of Council's annual plan and Hamilton's Strategic Plan 2002-2012.

The new Act also signals a strong commitment to sustainable development, with local authorities to promote the social, economic, environmental and cultural well-being of the community. The LTCCP will require extensive community consultation, the identification of community outcomes and priorities, and the establishment of monitoring and review mechanisms.

In line with the new Act, Council will produce an interim LTCCP for 2004/05 and a full LTCCP for 2006/07. An Annual Plan is still required for the years between LTCCPs, and an Annual Report must be prepared every year to report on results achieved.

## MAYOR AND CHIEF EXECUTIVE'S OVERVIEW 2002/03

Early indications showed that the financial year 2002/03 was going to be a busy one. The building boom that has swept Hamilton exceeded all predictions.

City growth is always a key factor in our planning, but has become ever more critical as residential development continues at pace, placing significant pressure on the building industry in which Council plays a key role.

Our information paints an interesting picture. As at the year ending March 03, Hamilton saw a 32 per cent increase in consents issued for new homes with the average value and size (sqm) increasing 16 per cent to \$149,000 and 185.5m<sup>2</sup> respectively.

Over this period Council issued 1841 LIMs compared with 1299 in the previous year. The industry is expanding and indications are that it will continue to grow.

Council has carefully balanced the demands of this rapidly expanding city on a programme costing \$124million, of which 53 per cent came from rates (\$66m). Council reported a net surplus after tax of \$10.2m, which is an increase of \$3.9m on what was budgeted. This increase is mainly due to increased development income and additional assets acquired from subdividers, offset by an increase in non-cash depreciation on Council assets.

This financial year the city invested in improving and extending the roading network, particularly in the north, and making new land available for development.

Thomas Road and Hukanui Road are receiving significant upgrades identified in the Annual Plan. This year \$230,000 was invested in purchasing land and completing design work for Thomas Road. The \$2.8m upgrade (between Horsham Downs Road and Gordonton Road) will be undertaken and completed in the 2003/04 financial year due to advanced funding from Grasshopper Developments Ltd.

Hukanui Road's \$1.7m reconstruction began in March 03 and will be completed early in the 2003/04 financial year.

Construction of Waikato Innovation Park began with a groundbreaking ceremony led by Prime Minister Helen Clark. Council has pledged \$2m to the project. A number of businesses and organisations are already keen to take up residence.

We had a highly successful first year of kerbside recycling. Uptake of this service exceeded expectations and 7001 tonnes of plastic, aluminium and glass was diverted from landfill to recycling.

On the environment theme, the city opened a significant new section of river walkway to connect two existing walkways forming an unbroken stretch more than 12km long. We have also completed stage one of the Lake Rotoroa esplanade walkway project, connecting the car park beside the children's playground, and a Lake Crescent access way opposite Hibiscus Avenue.

This year Council invested \$650,000 sponsoring 35 events. The newest event, the Boathouse 8s Great Race on the Waikato River, was a huge success and Council is pleased to continue its sponsorship in the future.

For the first time, economic impact assessments were carried out on four icon city events. Results show they brought in a combined total of more than \$7m in new money to the Hamilton economy. The four events were: Vodafone X\*Air (\$1.4m), Balloons Over Waikato (\$2.8m), the Summer Festival at Hamilton Gardens (\$750,000) and the National Motorshow (\$2.2m).

This Annual Report will shed even greater light on these projects and many others not mentioned here, and Council's work to balance them against the budget for the city's benefit.



David Braithwaite obe, jp, faca, hon. tcl  
Mayor



Tony Marryatt  
Chief Executive

### **Hamilton City: Key Facts**

#### **Hamilton's History:**

- Hamilton's earliest settlers—Maori from the Tainui waka, called the area 'Kirikiriroa', which means 'long strip of cultivated land'
- Formal European settlement was established on 24 August 1864, when Captain William Steele disembarked from the gunboat Rangiriri and established the first redoubt near today's Memorial Park
- The name Kirikiriroa was changed to Hamilton in honour of Captain John Hamilton, a Crimean and Waikato war veteran and commander of the Esk, who was killed at Gate Pa in 1864
- The Borough of Hamilton was established on 27 October 1877, with a population of 1245
- Sixty-eight years later, on 13 December 1945, Hamilton became a city with 20,000 citizens.

#### **Hamilton Today:**

- Is New Zealand's seventh largest city and fourth largest urban area, and has expanded from its original 752 hectares to 9427 hectares
- Has a population of 122,000 people (June 2002) and is projected to grow to around 150,000 by the year 2021
- Has a youthful population, with a median age of 30.8 years, compared with the national median age of 34.8 years
- Has excellent transport links with other cities in New Zealand
- Has excellent transport links with civic, commercial and cultural centres of the Waikato region
- Has a mild climate, with a moderate annual rainfall in both winter and summer
- Has considerable recreational opportunities—trout fishing, sailing, wind-surfing, rowing, canoeing, rafting, and water-skiing are all available on the region's rivers and lakes—the Waikato River flows through the centre of the city
- Has a new 26,500 capacity stadium (Waikato Stadium), and numerous parks and high quality venues for sports such as athletics, bowls, rugby, soccer, cycling, badminton, cricket, shooting, tennis, ten-pin bowling, and many others.

#### **Hamilton's Economy:**

- Hamilton is the heart of dairy research, production, and export in New Zealand
- The Waikato is New Zealand's highest export region, accounting for around 20 per cent of the country's total exports
- The surrounding dairy industry strengthens Hamilton's economy and its wide business base. There were there were 9150 businesses operating in the city in 2002
- The city's five largest sectors of employment are spread between manufacturing, health and community services, retail trade, property and business services, and education
- The education sector is a key economic driver for the city, with the student populations of the University of Waikato (14,044) and the Waikato Institute of Technology (WINTEC) (16,072) together accounting for 25 per cent of the total population of Hamilton City in 2002
- About 25 per cent of New Zealand's science research is undertaken in a major life sciences research cluster based in or around Hamilton, and particularly at the internationally renowned Ruakura Research Centre complex
- Hamilton is central to a number of key attractions (including events), e.g., The National Agricultural Fieldays, which is the largest exhibition of its type in the southern hemisphere, attracted around 127,000 visitors to the area in 2003. The annual event is worth around \$150 million to the national economy, and brings approximately \$57 million to the Waikato economy.

Hamilton CITY MAP (to be inserted – Curt)

## HAMILTON CITY: A PROFILE

A selection of comparisons (as at 30 June)	2002	2003
POPULATION (usually resident in Hamilton)	122,000 <sup>1</sup> (estimate)	123,380 <sup>2</sup> (estimate)
HOUSING (number of permanent private dwellings)	44,727 (Mar 02 estimate)	45,619 (Mar 03 estimate)
EMPLOYMENT <sup>3</sup>	53,920 (Feb 02)	53,920 (Feb 02)
BUSINESSES <sup>4</sup>	9150 (Feb 02)	9150 (Feb 02)
ENVIRONMENT		
Number/area of parks and gardens	124 (541.2 hectares)	128 (544.4 hectares, estimate)
Number/area of sports areas	59 (425.7 hectares)	59 (428 hectares, estimate)
Number of play areas	75	75
Number of swimming pools	3	3
Walkways in parks and reserves	44km	49km (estimate)
Number of street trees	27,200 (estimate)	29,000 (estimate)
INFRASTRUCTURE		
Traffic Bridges over Waikato River	6	6
Number of Bridges <sup>5</sup>	55	55
Length of Streets (road centreline length)	540km	550km (estimate)
Length of Footpaths	838km	852km (estimate)
Length of Cycleways <sup>6</sup>	25km	25km
Length of Wastewater Pipes	707km	717km (estimate)
Length of Stormwater Pipes	556km	566km (estimate)
Length of Open Stormwater Drains	86km	86km

1 The June 2002 estimate of 122,000 people from Statistics New Zealand was released in November 2002 and was based on results from the 2001 Census of Population and Dwellings, as well as births, deaths and migration data for Hamilton between July 2002 – July 2003.

2 Hamilton City Council estimate.

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

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

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

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

Length of Water Pipes	906km	931km (estimate)
REFUSE DISPOSAL (tonnes deposited at the Horotiu Landfill)		
City	84,934	70,800 (estimate)
Other areas <sup>7</sup>	17,124	13,200 (estimate)
RATING DATA		
Rating system	land value	land value
Rateable properties (all excluding not-rated)	45,991	46,700 (estimate)
Rateable land value (all excluding not-rated)	\$3363m	\$3432 (estimate)
Rateable capital value (all excluding not-rated)	\$9483m	\$9862 (estimate)
Date of city revaluation	1 Sept 2000	1 Sept 2000
NET CITY DEBT (including internal borrowing of \$15m)	\$106.4m	\$124.2m (estimate)
YEARS OF RATE REVENUE TO REPAY NET CITY DEBT	1.66 years	1.77 years (estimate)
RATES REVENUE	\$64.0m	\$70.3m (estimate)

## HIGHLIGHTS OF KEY PROJECTS AND PROGRAMMES

As a growing city Hamilton needs to build and manage its social, economic, environmental and cultural health. The key projects and programmes listed in the strategic areas in this annual report are helping to create the future envisaged in Hamilton's Strategic Plan 2002–2012. Some of the major highlights of activities carried out by Hamilton City Council over the past financial year are outlined below.

Strategic Area A: Sustaining Hamilton's Environment  
(Curt to insert highlights)

Strategic Area B: Growing Hamilton  
(Curt to insert highlights)

Strategic Area C: Promoting Hamilton  
(Curt to insert highlights)

Strategic Area D: Experiencing our Arts, Culture and Heritage  
(Curt to insert highlights)

Strategic Area E: Living in Hamilton  
(Curt to insert highlights)

Strategic Area F: Enjoying our city  
(Curt to insert highlights)

## GOVERNANCE STRUCTURE

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

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

Council's elected members are responsible for:

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

The Mayor and Councillors participate in a number of Council committees. These committees consider and recommend policy to Council and monitor the effective and efficient implementation of policy and operation of services relating to the committee functions.

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

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

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

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



## ELECTED MEMBERS

### DAVID BRAITHWAITE

His Worship the Mayor

Phone: 838 6976

Home: 855 7599

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

Council Committees: His Worship the Mayor is an ex-officio member of all committees, however, he is specifically appointed to committees 8 and 13 as chairman.

## EAST WARD COUNCILLORS

### PETER BOS

Home: 854 0621

Mobile: 021 285 7019

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

Council Committees: 1, 4, 5, 6 (C), 11 (C), 13

### JODY GARRETT

Home: 853 5234

Mobile: 021 318 434

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

Council Committees: 1, 3

### ROGER HENNEBRY

Home: 854 0223

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

Council Committees: 1, 2, 3, 4 (DC), 9 (C)

## SOUTH WARD COUNCILLORS

### PIPPA MAHOOD

Home: 856 3218

Mobile: 021 809 964

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

Council Committees: 1, 3 (C), 5, 11, 13

### JOCELYN MARSHALL

Home: 834 3374

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

Council Committees: 1, 2, 3, 5

### GRANT THOMAS

(Deputy Mayor)

Home: 843 5594

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

Council Committees: 1, 2 (DC), 3, 4, 8, 12 (DC), 13

### BILL WARD

Home: 858 3611

Mobile: 021 318 774

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

Council Committees: 1, 3 (DC), 5

### EWAN WILSON

Home: 839 1551

Mobile: 027 490 4079

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

Council Committees: 1, 2 (C), 4, 5 (DC), 10 (C), 12 (C), 13

## WEST WARD COUNCILLORS

### TED ARMSTRONG

Home: 839 4483

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

Council Committees: 1, 4, 5 (C), 7, 13

### JOHN GOWER

Home: 847 7465

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

Council Committees: 1 (DC), 2, 3, 4, 10, 11

### MAVORA HAMILTON

Home: 846 4377

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

Council Committees: 1, 2, 3, 5

### BRIAN IMPSON

Home: 854 5811

Mobile: 021 894 373

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

Council Committees: 1, 2, 4 (C), 5, 9, 13

### DAVE MACPHERSON

Home: 824 5992

Mobile: 021 477 388

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

Council Committees: 1 (C), 2, 3, 4, 8, 9, 10 (DC), 13

\* Please note: There were some changes of membership of Council Committees during the 2002/03 year, most of which were made during the mid term review of the 21<sup>st</sup> June 2003

## KEY TO COUNCIL COMMITTEES

1. Strategic Planning and Policy Co-ordination Committee
2. Economic Development Committee
3. Social and Community Committee
4. Works and Services Committee
5. Statutory Management Committee
6. Stadiums Management Board
7. Applications Sub-committee
8. Chief Executive's Performance Assessment Panel
9. Contracts Sub-committee
10. Dog Control Appeal Sub-committee
11. Emergency Management Sub-committee
12. Event Sponsorship Sub-committee
13. Property Sub-committee

(C) = Chairperson (DC) = Deputy Chairperson

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

## COUNCIL COMMITTEES

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

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

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

### 2. Economic Development Committee

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

### 3. Social and Community Committee

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

### 4. Works and Services Committee

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

### 5. Statutory Management Committee

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

### 6. Stadiums Management Board

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

## OUTSIDE ORGANISATION REPRESENTATIVES

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

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

## COUNCIL ORGANISATION

Mayor of Hamilton  
David Braithwaite  
Deputy Mayor  
Grant Thomas

## COUNCIL COMMITTEES

Strategic Planning and Policy  
Co-ordination  
Chairperson Cr Dave Macpherson  
Economic Development  
Chairperson Cr Ewan Wilson  
Social and Community  
Chairperson Cr Pippa Mahood  
Works and Services  
Chairperson Cr Brian Impson  
Statutory Management  
Chairperson Cr Ted Armstrong  
Stadiums Management Board  
Chairperson Cr Peter Bos

General Manager  
Communication and Marketing  
Philip Burton

- Communication and Marketing
- Events Sponsorship
- Economic Development Communication

General Manager Community  
Services  
Sue Duignan

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

**General Manager Strategic**  
Mike Theelen

- Strategic /District Plan
- Annual Plan and Report
- Sustainable Environment
- Iwi Liaison

Chief Executive  
Tony Marryatt

General Manager Corporate  
Mike Garrett

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

General Manager Works and  
Services  
Sally Davis

- Design Services
- Roads and Traffic
- Utilities Works
- Water and Wastewater Plants
- Water, Drainage and Refuse

General Manager Environmental  
Services  
Graeme Fleming

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

## ADVISORS

Auditor  
Audit New Zealand, Hamilton  
Solicitors  
Swarbrick Dixon, Barristers and  
Solicitors, Alexandra Street,  
Hamilton  
Bankers  
Bank of New Zealand, Victoria  
Street, Hamilton



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**O V E R V I E W**

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

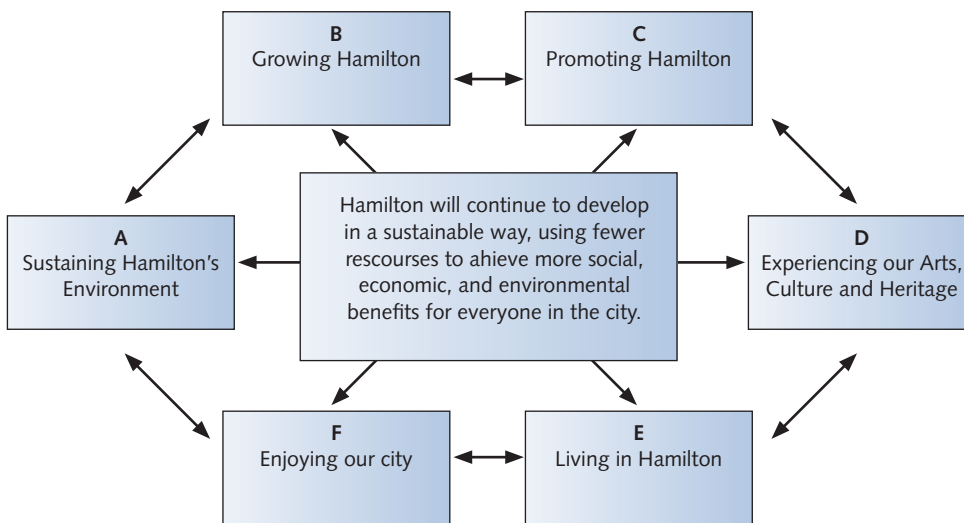
### THE COMMUNITY'S VISION FOR HAMILTON

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

The community's vision for Hamilton is that:

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

Relationship of the Community's Vision to the six Strategic Areas



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

### MONITORING PROGRESS: HAMILTON'S SUSTAINABILITY INDICATORS

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

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

#### Hamilton's Sustainability Indicators: Results

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

Indicators showing progress towards sustainability:

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

Indicators identified as displaying a trend away from sustainability:

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

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

Getting Better	Getting Worse
<ul style="list-style-type: none"> <li>4. Hamilton lakes</li> <li>5. Soil health</li> <li>7. Urban trees</li> <li>9. Solid waste</li> <li>12. Housing affordability</li> <li>14. Income</li> <li>15. Business</li> <li>25. Community and recreational facilities</li> </ul>	<ul style="list-style-type: none"> <li>11. Transport</li> <li>20. Youth well-being</li> <li>22. Crime and safety</li> </ul>
Remaining Stable	Insufficient information to determine a trend
<ul style="list-style-type: none"> <li>1. Air quality</li> <li>2. Waikato River water quality</li> <li>3. Water usage</li> <li>10. Urban development</li> <li>13. Work</li> <li>16. Visitor accommodation</li> <li>18. Education</li> <li>19. Public involvement in decision-making</li> <li>24. Health</li> </ul>	<ul style="list-style-type: none"> <li>6. Noise</li> <li>8. Energy</li> <li>17. Historic structures and sites</li> <li>21. Partnership with Maori</li> <li>23. Cultural well-being</li> </ul>



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

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

### **Mission Statement**

The mission statement adopted by Council in October 1996 is:

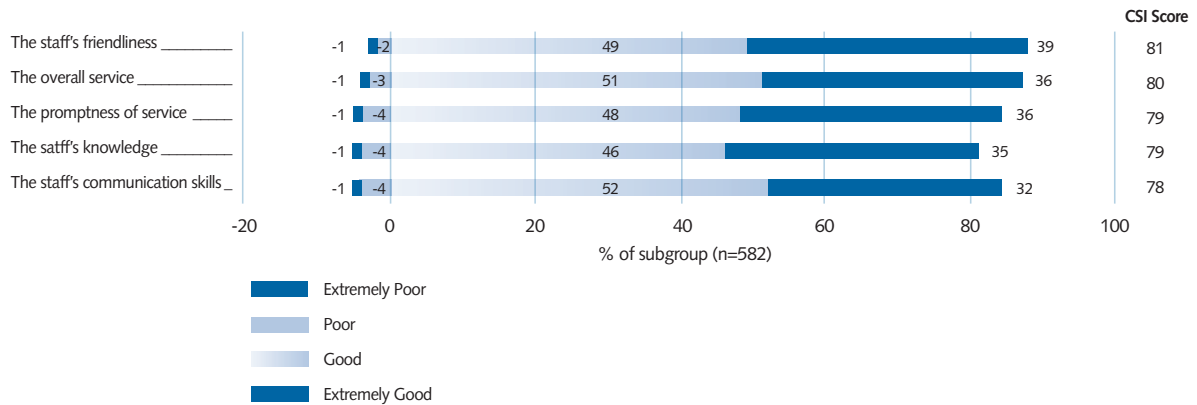
To work in partnership with the people of Hamilton to meet the needs of the community, by providing quality services and sustainably managing the city's natural and physical environment according to the principles of Agenda 21.

### **Council Goals**

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



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



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

Legislation, primarily the Local Government Act 1974 and the new Local Government Act 2002, sets out the planning framework that Council must follow to produce a funding and financial policy, asset management plans, an annual plan and an annual report. This enables public transparency regarding what Council is proposing to do, how much it will cost, and reporting on the actual results achieved.

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

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

### DIAGRAM COMPONENTS

#### Organisation (Management and Staff)

##### Organisational Vision and Values

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

##### Organisational Gap Analysis

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

##### Corporate Plan

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

### Corporate Action Plans (CAPs)

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

### Key Performance Indicators (KPIs)

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

## Community/Legislative

### Hamilton's Strategic Plan

This embodies the community's vision for Hamilton, the strategic goals, overview, outcomes and Council's response, including the long-term financial strategy. The plan is revised every three years and reviewed every six years. It outlines the community's vision for Hamilton, and the areas where Council is planning action over the next 10 years towards achieving the community's vision.

### Asset Management Plans

Asset Management Plans are blueprint documents for the broad based funding requirements for the city's infrastructure, and have strong linkages to the production of Council's financial management policy (2002/03), funding and financial policy (2003/04), long-term council community plan (from 2004/05) and annual plan. These plans focus on asset management, asset service levels, depreciation and replacement of the city's major infrastructural assets. Council's asset management plans were last published in July 2001, and are reviewed every three years, with reviews to coincide with the review of the strategic plan and the funding and financial policy.

The 10 asset management plans are:

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

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

### Strategic Action Plans

These are specific projects and programmes developed by the units within Council as potential ways to address infrastructural requirements, issues in the city, and goals of the community's vision for Hamilton. They form the basis of Council's Financial Management Policy (2002/03) and Council's Funding and Financial Policy (2003/04).

### Financial Management Policy (Change in diagram)

The Financial Management Policy (2002/03) sets out, under the following areas, the guidelines of how Council plans for and acquires funds to finance its operation and the projects and programmes in the annual plan:

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

### Council Triennial Priorities

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

**Annual Plan**

This is developed from the strategic plan, Council triennial priorities, the long-term financial strategy and community consultation. It includes information on Council's policies, actions, and funding that are to be undertaken over the coming financial year.

**Unit Plans**

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

**Outputs**

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

**Annual Report**

This report contains audited accounts for the previous financial year. It compares the objectives and performance measures set out in the annual plan with the results that were achieved.

**Sustainability Indicators Report**

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

## ENABLING OUR STAFF TO MAKE A DIFFERENCE

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

- providing services to ratepayers and residents, and
- providing quality policy advice to the Mayor and Councillors.

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

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

## CORPORATE VISION

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

The corporate vision is 'Making a Difference in our Community'.

To achieve this we will:

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

## CORPORATE GOALS

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

## CORPORATE VALUES

### Working together

- We work and communicate across the organisation and with our community.
- Honesty and openness
- We act with integrity to promote a climate of mutual trust and respect.

### Getting things done

- We make quality decisions based on best information, within agreed timeframes and budget. We are responsible for our actions.

### Challenging our performance

- We review and continuously improve the way we do our business. We learn from our mistakes and move forward.

### Valuing success

- We recognise achievement and celebrate outstanding performance.

## STAFF POLICIES AND PROGRAMMES

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

## EQUAL EMPLOYMENT OPPORTUNITIES (EEO)

Council is committed to the principle of equal opportunity in the recruitment, employment, training and promotion of its employees. The organisation provides a welcoming positive environment and regards the provision of equal opportunities as essential principles in the management of its staff. Council will continue with the ongoing development of, and review of, human resource policies and procedures, to ensure such policies and procedures assist in the development of staff and achieve the principles of being a good employer.

The following actions contribute to the organisation's commitment to EEO:

Council Goal	Objectives	Performance Measures	Results
4	1 To select the best person for the job.	1 Ensure all recruitment and selection procedures are based on EEO principles and are reviewed and audited annually against the EEO policy.	1 All recruitment and selection procedures followed EEO and 'good employer' principles. There were no appeals from applicants on selection decisions. A review of all recruitment policy/procedures is being undertaken to ensure ongoing best practice.
4	2 Profiling our workforce	2 Statistical data is collected and used to profile the organisation. Strategies are developed to address any emerging issues.	2 Statistical data was taken from applications for positions and is able to be accessed for reports.
4	3 Developing staff	3 EEO awareness and bi-cultural training programmes are offered to staff.	3 Bi-cultural training was held in-house and well attended. The annual Te Waka Awhina Hui was attended by nine Maori employees.
4	4 Membership of the EEO Trust	4 Liaison and networking with other EEO Trust members allows ongoing access to ideas and actions, which promote and endorse EEO.	4 EEO membership was maintained and the EEO Trust website accessed for information and research.

## EEO Statistics as at 30 June 2003

Employment Status	Male	Female	Total
Permanent Full-time	447	297	744
Permanent Part-time	24	151	175
Temporary	25	26	51
Casual/On-call	82	71	153
Total	578	545	1123

## QUALITY MANAGEMENT

Recent external audits have commended Hamilton City Council for several improvements to the ISO 9001: 2000 Quality Management System. The quality system uses management reviews, documented procedures, opportunities for improvement, process mapping, internal and external audits, and quality systems training to provide a systematic approach to improvement throughout the organisation.

The process mapping initiative has been deployed in a number of units as a trial, with a prototype developed on Council's intranet with the intention of making it accessible to most staff. This has already resulted in simplified and improved systems with improved document control.

Hamilton Zoo became the first New Zealand Zoo to be ISO 14001 certified in Environmental Management Systems. This has led to improvements in the operation of the Zoo, by providing an excellent framework to identify and manage environmental issues. Council has endorsed this initiative, and it has proven to be a valuable learning experience for the organisation.

## ORGANISATIONAL DEVELOPMENT

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

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

Organisational development is specifically focused on developing best practice through the ongoing improvement of key organisational processes. Key areas of focus over the last year have been leadership development, developing a more consistent approach to survey customer satisfaction, the development of a process mapping tool, "branding" organisational development projects to ensure a clear and consistent message is conveyed throughout the organisation, and the establishment of high-line organisational key performance measures. Many of these projects and activities will continue into 2003/04.

## HEALTH AND SAFETY MANAGEMENT

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

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

### Information Management

In line with Council's programme to modernise its information technology and communication systems, upgrades to Council's land and revenue information systems were successfully completed. This has improved the quality of information available to customer services staff and enhances Council's ability to improve customer service. Upgrades to Council's data and telecommunications networks to further improve services are in progress.



## MEASURING COUNCIL'S PERFORMANCE

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

### ANNUAL RESIDENTS SURVEY

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

The survey has been carried out each year since 1984 by an independent research company, and provides a useful measure of community opinion over time. This year the survey was undertaken by International Research Consultants Ltd and Digipoll Ltd. The survey was conducted by telephone interview.

Between 9 and 26 June 2003, 710 randomly selected Hamilton residents aged 18 years or older were surveyed, with each telephone interview taking around 30 minutes. As with face-to-face interviews, telephone interviewing has a high degree of accuracy, i.e., For a sample of 710 people, the statistical margin of error is 3.7 per cent at the 95 per cent confidence level — that is, one can be 95 per cent confident that a given survey result reflects a precision of 3.7 per cent around any statistics.

Results from the 2003 Annual Residents Survey show that resident's satisfaction with Council's facilities and services has changed little from last year. The survey gives a customer satisfaction index score out of 100, with anything rating 75 or above reflecting excellent customer satisfaction. In 2003, 23 of Council's facilities and services were considered excellent compared with 26 last year.

Overall, of the 55 facilities and services surveyed in the 2003 Annual Residents Survey, 21 increased their satisfaction rating, 32 went down, and two new facilities and services were surveyed (i.e., Kerbside Recycling Collection and Toilets: general design and appearance).

Services that received satisfaction ratings of 80 or above (out of 100) were: Hamilton Gardens [88], Waikato Stadium [84.4], Continuity of water supply [84.2], Central Library [83.2], Hamilton Zoo [82.1], Household Refuse Collection [81.7], Water pressure [81.5], Kerbside Recycling Collection [81.4], Cemetery – overall environment [81.3], Hamilton Organic Centre [80.5] and City Walkways [80].

Council is striving to be a world-class organisation and to provide Hamilton with facilities and services of the same high standard. These results show that Council is continuing to maintain the high standard set last year, with its continual drive toward making a difference in the community, and the dedication of staff to that vision, being major factors in the organisation being so highly regarded.

Council measures its performance against community satisfaction then uses the survey results to plan future services tailored to the community's needs.

### SATISFACTION (CSI Score) WITH FACILITIES AND SERVICES 2001-2003

Facility/Service	2001	2002	2003
Hamilton Gardens	92	92.1	88.0
Waikato Stadium		93.8	84.4
Continuity of Water Supply	81	80.5	84.2
Central Library	88	85.9	83.2
Hamilton Zoo	86	86.9	82.1
Household Refuse Collection	78	79.3	81.7
Water Pressure	77	77.3	81.5
Kerbside Recyclable Collection			81.4
Cemetery—overall environment	79	79.8	81.3

Hamilton Organic Centre	83	83.8	80.5
City Walkways	83	81.5	80.0
Your Branch Library	80	79.8	79.6
Excite Centre	83	87.3	79.1
Hamilton Transport Centre	75	81.3	79.0
Parks and Gardens in the City	82	83.5	78.8
Waikato Museum of Art and History	81	78.0	77.6
ArtsPost	81	78.3	77.2
Founders Memorial Theatre	75	76.5	76.9
Waterworld	80	79.5	76.7
Hamilton Refuse Transfer Station	74	76.0	76.6
Recycling Centre (Transfer Station)	75	74.2	76.5
Street lighting in general	71	70.5	75.1
Gallagher Aquatic Centre	81	79.2	75.0
Westpac Park		85.3	74.6
City Beautification	78	76.5	74.5
Animal Care and Control Service	76	76.0	74.2
Sports Areas	71	76.3	73.9
City News	73	74.0	73.6
Streets where you live	73	73.5	73.1
Children's playgrounds — general	76	74.7	73.1
Overall Appearance of the City	76	74.3	73.1
Footpaths in your area	71	70.2	73.1
The Events Hamilton Website	75	69.5	72.8
Street lighting in your area	68	70.2	72.4
Streets in general	71	72.8	72.3
Footpaths in general	70	69.6	72.2
WestpacTrust Community Theatre	75	73.0	72.0
Neighbourhood Parks	70	71.0	70.3
City's Wastewater System	75	75.9	69.9
Hamilton City Council Website	66	69.0	69.8
Pedestrian Facilities	73	69.6	69.3
Clarity of the Water	75	73.5	69.3
Councillors and Mayor	65	65.7	68.8
Hamilton City Leisure Centre	66	66.2	67.6
Off street car parking		65.7	67.6
Traffic Management	72	66.9	67.2
City's Stormwater System	67	67.5	65.9
Toilets: general design and appearance			65.7
The Meteor Theatre	69	63.4	63.7
Waikato Events Centre	58	57.7	63.7
Cleanliness and working order of toilets	61	64.9	63.5

Central City Car parking in general	57	55.9	63.2
Public Toilet facilities	61	62.6	62.5
Cycling facilities and support	59	60.0	60.3
Taste of the water	65	62.0	57.8

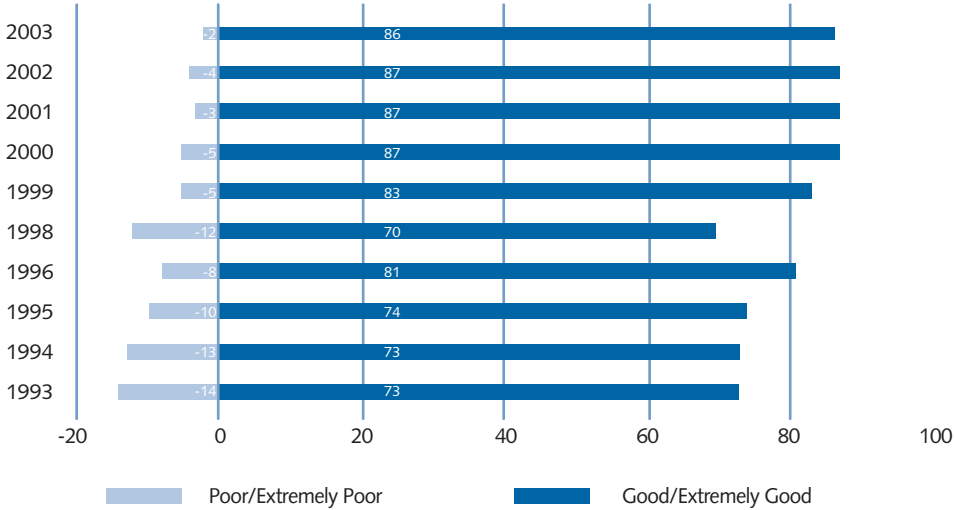
Residents were asked how they rated Council's overall performance over the 2002/03 year (when answering this question residents take into account management and staff, elected representatives, improvements in facilities/services etc.).

There has been little variance over the past ten years in residents' perception of 'overall performance of Council'. However, there was a slight decrease in the CSI score from 59.6 in 2002 to 58.3 in 2003.

**OVERALL STAFF SERVICE**

The following graph compares the overall service ratings for Council staff over the period 1993 to 2003.

Overall service rating for Council staff 1993-2003



N.B. The 'balance' is accounted for by those who rated overall staff service as 'neither good nor poor'.

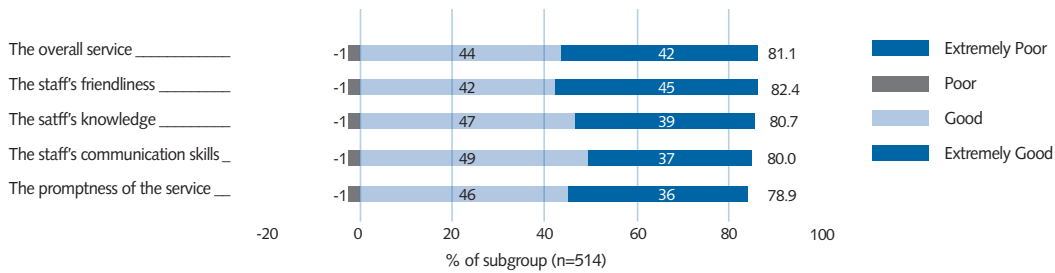
Satisfaction with the staff's overall service has continued to improve. The proportion of those dissatisfied (poor/extremely poor) has decreased from 14 per cent (1993) to 2 per cent (2003).

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

**SATISFACTION WITH COUNCIL STAFF'S CUSTOMER SERVICE**

In Council's 2003 Annual Residents Survey the 72 per cent of respondents who had contact with Council staff in 2002/03 were asked to rate the service provided by staff on a series of factors.

The following graph shows how satisfied respondents were over five different attributes of staff's customer service.



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

#### Sense of Pride in Hamilton City

This year (2003) a new question was introduced into the Annual Residents Survey. Respondents were asked the following question "Can you please say if you agree or disagree with the statement, I feel a sense of pride in the way my city looks and feels".

The majority of respondents (72%) agreed with this statement, and of those, 22 per cent strongly agreed with the statement. This result shows that most respondents feel a sense of pride in the way Hamilton city looks and feels.

#### FINANCIAL OVERVIEW

Council has reported a net surplus after tax of \$10.2m for the 2002/03 financial year (2001/02 \$29.1m). The decrease from 2001/02 to 2002/03 was primarily due to the vesting of the Waikato Stadium and Westpac Park to Council of \$21.2m in the 2001/02 financial year.

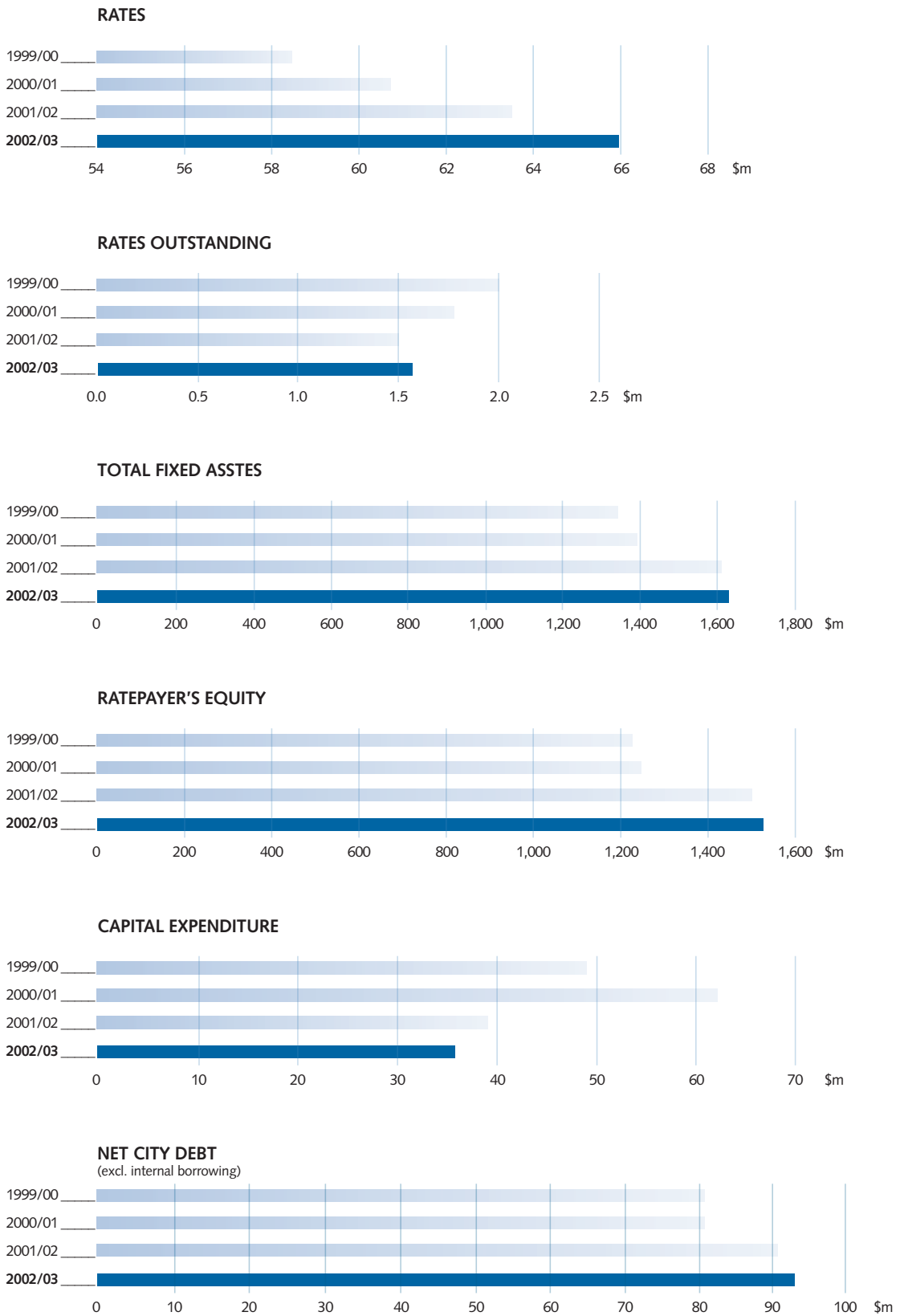
For the 2002/03 financial year rates levied were \$65.9m, an increase of 4.1% over last year (2001/02 \$63.3m). Compared to 2001/02, the net operating cost of providing services excluding the depreciation allowance, increased by \$6.1m to \$47.6m. Significant new items for 2002/03 comprising this increase included, the grant for Innovation Park of \$1.0m, the payment made for the Cobham Drive roundabout \$1.2m (expensed because the asset is vested to Transit NZ), the additional net cost of \$0.65m for the Waikato Stadium due the first full year of operations, and the introduction of kerbside recycling \$0.63m.

Interest cost incurred in servicing city debt (excluding internal borrowing interest) increased to \$6.98m (2001/02 \$6.75m), and the overall net city debt (excluding internal borrowing) increased to \$94.1m (2001/02 \$91.0m).

Capital expenditure for the 2002/03 financial year was \$34.1m, a decrease on the previous year (2001/02 \$39.0m). A number of significant projects were undertaken during the 2002/03 financial year. These include the Waikato Stadium development funding (\$6.4m), the eastern arterial land purchase (\$3.5m), the Hukanui Road/Horsham Downs Road (\$1.1m), Hamilton Lake Domain esplanade walkway (\$0.72m), and St Andrews Walkway (\$0.85m).

## FINANCIAL SUMMARY

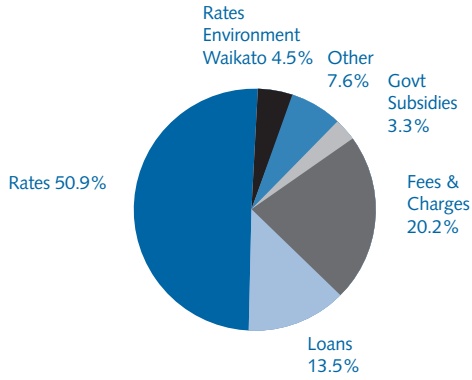
The financial summary of key items from June 2000 to June 2003 is shown as follows:



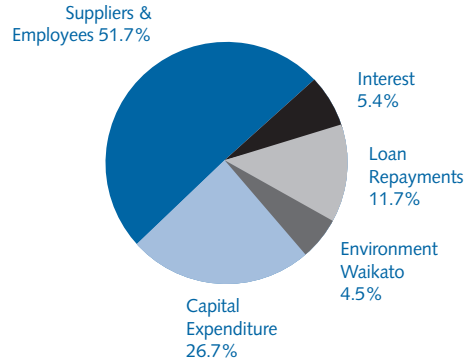
### CASH FLOW

The sources and uses of cash for the year ended 30 June 2003 is summarised as follows:

#### SOURCES OF CASH (\$130.16m)



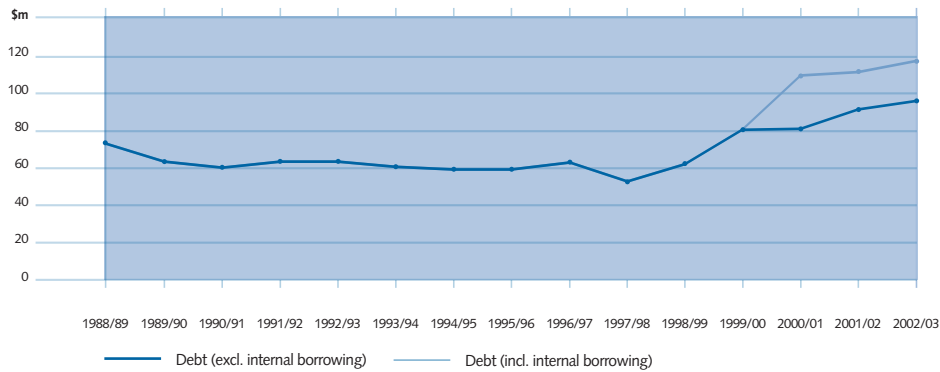
#### USES OF CASH (\$130.02m)



### CITY DEBT

The graph below shows the net city debt levels from June 1989 to June 2003.

Net City Debt Levels



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

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

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

Council's net city debt as at 30 June 2003 is \$94.1m, compared with ratepayers' equity of \$1,527.3m.

- The target has been met at 6.2 per cent.

If internal borrowing of \$19.8m is included, the net debt position for the same period is \$113.9m and the net city debt to total ratepayers' equity ratio is 7.5 per cent.

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

Council's net city debt as at 30 June 2003 is \$94.1m, compared with total revenue of \$117.3m.

- The target has been met at 80.2 per cent.

If internal borrowing of \$19.8m is included, the net city debt position for the same period is \$113.9m and the net city debt to total revenue ratio is 97.1 per cent.

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

Total interest costs for 2002/03 are \$7.7m, compared with total revenue of \$117.3m.

- The target has been met at 6.6 per cent.

If internal borrowing of \$19.8m is excluded, the interest cost for the same period is \$6.98m, and the interest cost to total revenue ratio is 5.9 per cent.

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

Total interest costs for 2002/03 are \$7.7m, compared with rating revenue of \$65.9m.

- The target has been met at 11.7 per cent.

If internal borrowing of \$19.8m is excluded, the interest cost for the same period is \$6.98m, and the interest cost to rating revenue ratio is 10.6 per cent.

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

Council's net debt as at 30 June 2003 is \$94.1m, compared with the population of 123,380

- The target has been met at \$763.

If internal borrowing of \$19.8m is included, the net city debt position for the same period is \$113.9m and the net debt per capita is \$923.

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

Council's term debt and committed loan facilities as at 30 June 2003 is \$150.6m, compared with the 12 month forecast net city debt of \$112.3m.

- The target has been met at 134.1 per cent.

<b>FINANCIAL SUMMARY</b>	<b>1999/00</b>	<b>2000/01</b>	<b>2001/02</b>	<b>2002/03</b>
Rates levied	\$58.9m	\$60.8m	\$63.3m	\$65.9m
Rates outstanding	\$2.0m	\$1.8m	\$1.5m	\$1.6m
Total fixed assets	\$1,320.0m	\$1,364.0m	\$1,615.5m	\$1,620.0m
Ratepayers' equity	\$1,263.5m	\$1,277.6m	\$1,515.4m	\$1,527.3m
Capital Expenditure	\$48.2m	\$63.4m	\$39.0m	\$34.1m
City debt repaid during year	\$4.3m	\$5.0m	\$5.4m	\$7.9m
Net city debt*	\$80.8m	\$104.5m	\$106.4m	\$113.9m
Net city debt (incl. internal borrowing)	\$80.8m	\$104.5m	\$106.4m	\$113.9m

#### **FINANCIAL INDICATORS**

% Rates outstanding to rate levied	3.4%	3.0%	2.4%	2.4%
Net city debt* per rateable property	\$1,859	\$1,813	\$1,979	\$1,931
Net city debt* per capita	\$682	\$697	\$767	\$763
Net city debt* as % of rates levied	137.2%	134.0%	143.8%	142.8%
Interest payment as % of rates levied	9.8%	12.0%	11.9%	11.7%
Interest payment* as % of rates levied	9.8%	11.1%	10.7%	10.6%
Loan principle repayment as % of rating levied	7.3%	8.2%	8.5%	12.0%
Net city debt (incl. internal borrowing) as % of ratepayers equity	6.4%	8.2%	7.0%	7.5%
Liquidity-term debt and committed loan facilities to 12 months forecast debt	N/A	N/A	N/A	134.1%

\*Excluding internal borrowing



IMAGE TO GO HERE

## STATEMENTS OF SERVICE PERFORMANCE

## STRATEGIC AREA A: SUBSTAINING HAMILTON'S ENVIRONMENT

### KEY STRATEGIC PLAN GOALS

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

### KEY SUSTAINABILITY INDICATORS

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

### STRATEGIC OVERVIEW

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

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

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

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

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

## COUNCIL'S RESPONSE

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

### Wastewater

Services include:

- Network Management
- Wastewater Treatment Plant

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

### Stormwater Network Management

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

### Refuse

Services include:

- Household Refuse Collection
- Kerbside Recycling
- Refuse Transfer Station
- Hamilton Organic Centre
- Horotiu Landfill
- Management of Old Landfill Sites

This service provides for household refuse collection and kerbside recycling for over 45,000 residential properties, the Refuse Transfer Station (including the recycling centre), the Hamilton Organic Centre and the Horotiu Landfill.

### Water Supply

Services include:

- Network Management
- Treatment Station and Reservoirs

Drinkable water and water for fire protection is provided through the water treatment station and reticulation network.

### Sustainable Environment

Sustainable Environment actions focus on resolving local environmental issues through collective community actions and by promoting urban sustainability.

### Environmental Health

Environmental Health protects and promotes public health by compliance monitoring of activities, including: food and licensed premises, noise levels and hazardous substances, and responding to complaints relating to adverse effects of these.

## IMPROVING COUNCIL'S AND HAMILTON'S SUSTAINABILITY

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

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

## HIGHLIGHTS

### WASTEWATER

#### Pipe Network Condition Assessment

Work continued on determining the condition of existing pipes and manholes that make up the wastewater network. Core samples were taken from a range of AC (Asbestos Cement) and concrete pipes. Follow-up CCTV (Closed Circuit Television) work was delayed due to contractual difficulties, with the effect that final reporting will now occur in the 2003/04 financial year. The results of these investigations will be used to determine the rate of deterioration and the anticipated lifespan of the pipe network. A programme of remedial works will then be implemented.

#### Rototuna Wastewater Trunk

To ensure that the wastewater network keeps up with residential growth and development, extension of the Rototuna wastewater reticulation trunks continued, with installation of a pipeline along The Link.

#### Wastewater Bridge Maintenance

This project involves the maintenance and repainting of Hamilton's five wastewater bridges, which carry the city's wastewater network over gullies and the Waikato River. Maintenance painting of the handrails on the Pukete wastewater bridge was completed. Expansion joints on the Firth Street pipe bridge were replaced.

### STORMWATER NETWORK MANAGEMENT

#### Stormwater Upgrading

Council continued upgrading Hamilton city's stormwater system to lessen the effects of localised flooding on roads and private property. Performance of some drainage systems in a recent severe weather event led to a revision of work priorities, resulting in stormwater drainage improvements to Steele Road, Thomson Avenue, Dixon Road, Nevada Road and Pembroke Street.

#### Environment Waikato Resource Consents

Applications have been lodged with Environment Waikato to renew stormwater discharge consents and Council is developing a citywide stormwater management plan. The anticipated completion of this project was delayed pending preparation of more information that was requested by Environment Waikato to support the Resource Consent application.

#### Rototuna Stormwater System

Development of the Rototuna stormwater reticulation system continued, to ensure that the stormwater network keeps up with urban growth and development in the area. Environmental impact mitigation measures were incorporated into subdivision development as needed. A review of the Rototuna stormwater structure plan was progressed to a draft, and identified further work being needed during the 2003/04 financial year.

#### Network Upgrades

The programme of upgrading the stormwater drains in association with roading projects continued during the year. Projects included Hukanui Road, Cobham Drive and Von Tempsky Street.

### REFUSE

#### Landfill Development and Control

Council provides essential refuse services including household refuse collection, kerbside recycling, operation of the Refuse Transfer Station, and operation of the Horotiu Landfill. During the year, filling of the final stage of the landfill commenced. Closure of the landfill is scheduled for no later than 31 December 2006.

#### Kerbside Recycling and Refuse Collection

The kerbside recycling service began on 1 July 2002. The recycling scheme includes plastics (1 and 2), aluminium and tin cans, glass bottles and jars, and paper and cardboard. The change to a 'bags only' collection service for household refuse was achieved with transitional problems occurring for only a few weeks.

#### Closed Refuse Disposal Sites

Resource consent applications for the control of discharges from two closed sites are currently being considered by Environment Waikato.

## WATER SUPPLY

### Rototuna Urban Growth

Development of the Rototuna water supply reticulation trunks continued with extension of the pipeline in River Road, northwards from Sylvester Road. The Gordonton Road project commenced with completion due in the 2003/04 financial year.

### Water Supply Upgrades in Elevated Areas

Water supply pressure needs to be upgraded in a number of Hamilton's elevated areas, including Houchens Road, Mahoe Street, and in the vicinity of Hillcrest and Cambridge Roads. A new trunk main was installed in Cambridge Road to improve water pressure in the elevated areas of Hillcrest. Investigative work and plans for improvement works in Mahoe Street were progressed, with construction due to start in 2003/04. Investigations into the Houchens Road problem identified the possibility of supplying the area from the proposed Hamilton South bulkmain; the alignment of the bulkmain needs to be confirmed before this concept can be progressed.

### New Water Reservoir and Bulkmain: Hamilton South

Preliminary design work commenced for a new reservoir located in the vicinity of the intersection of Ohaupo Road and Hall Road. This will improve the security of supply to Hillcrest and south Hamilton in general and will help to maintain minimum industry storage standards. The reservoir will also assist the Water Treatment Station to operate more effectively and efficiently, easing operational demands and improving the security of supply. Plans are well advanced for a bulk watermain between the new reservoir and the Water Treatment Station.

## SUSTAINABLE ENVIRONMENT

### Environmental Education

Following on from the successful launch of the EnviroSchools Programme, Council began to deliver environmental education to the community sector, a key target group identified in the Environmental Education Strategy. Council developed the "Know it?...Live it!" Environmental Education for Sustainable Living Programme, a three year comprehensive adult education programme that addresses key environmental issues in Hamilton and seeks to engage the community in sustainable living practices. The first of these issues, water, was addressed with the production of a free household educational guide, and was supported by a series of educational opportunities, including seminars and tours of Council's Water Treatment Station and Wastewater Treatment Plant.

## ENVIRONMENTAL HEALTH

### Environment Centre

Council, in co-operation with a range of environmental funders and agencies, established an Environment Centre in Hamilton. The Centre, located in Ward Street, is fast becoming a one-stop-shop for environmental information, education and contacts. A building was leased and retro-fitted, a governing Trust set up and a Centre co-ordinator employed. Establishment of the Centre was supported by a grant from the Ministry for the Environment.

The annual risk assessment survey of the city's food businesses has shown no decline in the standards of food hygiene. The 2002 Food Safety Award ceremony was held on Tuesday, 3 September 2002 at the Waikato Polytechnic in Anglesea Street. The Mayor presented the award to the management and staff of 33 Hamilton food businesses. This is the 15<sup>th</sup> year that these awards have been presented.

## WASTEWATER

### Description

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

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

### Strategic Plan Goals

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

### Council Goals

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

Council Goals	Objectives	Performance Measures	Results
1	a To continue to develop the wastewater network to provide for growth of the city.	1 Completed the next stage of wastewater trunk mains to serve the Rototuna growth area. 2 Customers provided with new wastewater connections within 20 working days of application and payment, or by a later date as specified by the customer, in 90% of cases.	1 Completed installation of the trunk wastewater pipeline northwards along "The Link". 2 92% of customer connections were completed within 20 working days.
1, 2	b To accept, convey, treat, and dispose of all wastewater from the city, in accordance with Council's resource consent, efficiently and without nuisance.	3 No more than 60 wastewater blockages per 100km of reticulation network per year. 4 User satisfaction measure for the city's wastewater system maintained at 68 or greater, as measured by Council's 2003 Annual Residents Survey.	3 Blockages averaged 49 per 100km of wastewater pipeline. 4 A user satisfaction measure of 69.9 for the city's wastewater system was achieved.
2	c To maintain the integrity of the wastewater reticulation network and pumping stations.	5 Provided an annual report to Environment Waikato by 30 September 2003, which raised no major concerns regarding compliance with the Wastewater Treatment Plant's resource consents for 2002/03.	5 The annual report to Environment Waikato will be submitted on 30 September 2003. To date there are no compliance issues of major concern that have been identified.

## STORMWATER NETWORK MANAGEMENT

### Description

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

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

### Strategic Plan Goals

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

### Council Goals

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

Council Goals	Objectives	Performance Measures	Results
2, 5	a To minimise flooding and facilitate development within the city by providing stormwater and land drainage to all urban areas to the standards set out in the Hamilton City Development Manual.	<p>1 Completed the next stage of stormwater trunk mains to serve the Rototuna growth area.</p> <p>2 Customers provided with new stormwater connections within 20 working days of application and payment, or by a later date as specified by the customer, in 90% of the cases.</p> <p>3 Ensured that all new stormwater systems in the city comply with the standards set out in the Hamilton City Development Manual.</p> <p>4 Completed the open drain cleaning programme.</p> <p>5 User satisfaction measure for the city's stormwater system maintained at 65 or greater, as measured by Council's 2003 Annual Residents Survey.</p>	<p>1 Infrastructure has been provided as necessary by developers to ensure stormwater discharges comply with resource consent conditions. No Council-funded trunk mains have been required.</p> <p>2 96% of customer connections were completed within 20 working days.</p> <p>3 Auditing of sub-division development and adherence to design standards by Council staff ensured that all new stormwater drains comply with the specifications set out in the Development Manual.</p> <p>4 Open drain cleaning programme completed as scheduled.</p> <p>5 A user satisfaction measure of 65.9 for the city's stormwater system was achieved.</p>
2	b To ensure that Hamilton city's stormwater resource consent conditions are complied with.	6 No major concerns raised by Environment Waikato around stormwater consent compliance.	6 No issues were raised by Environment Waikato around stormwater consent compliance.



## REFUSE

### Description

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

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

### Strategic Plan Goals

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

### Council Goals

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

Council Goals	Objective	Performance Measures	Results
1, 2, 4	a To plan, manage, and administer all refuse operations in an efficient, cost-effective, and environmentally-sensitive way, including refuse collection, transfer and disposal, recycling and hazardous waste disposal.	<ol style="list-style-type: none"> <li>1 Satisfied 90% of requests relating to non-collection of household refuse within 24 hours.</li> <li>2 Satisfied 90% of requests relating to non-collection of kerbside recycling within 24 hours.</li> <li>3 The Hamilton Organic Centre, Refuse Transfer Station, and landfill facilities operated every day, except New Year's Day, Good Friday and Christmas Day.</li> <li>4 User satisfaction measure for the: <ul style="list-style-type: none"> <li>• Refuse Transfer Station maintained at 70 or greater</li> <li>• Hamilton Organic Centre maintained at 80 or greater</li> <li>• household refuse collection maintained at 75 or greater</li> <li>• kerbside recycling maintained at 75 or greater</li> </ul> as measured by Council's 2003 Annual Residents Survey. </li> <li>5 Annual reports provided to Environment Waikato and Waikato District Council by 30 September 2003, which raised no major concerns regarding compliance with the Horotiu Landfill's resource consents for 2002/03.</li> <li>6 Recovered at least 20,000 tonnes of waste for recycling through kerbside recycling, recycling centre operations and greenwaste composting at the Hamilton Organic Centre.</li> </ol>	<ol style="list-style-type: none"> <li>1 Satisfied 92.5% of 'non-collection' type enquiries within 24 hours.</li> <li>2 Satisfied 93% of 'kerbside recycling' type enquiries within 24 hours.</li> <li>3 The refuse facilities operated every day except New Year's Day, Good Friday and Christmas Day.</li> <li>4 A user satisfaction measure of 76.6 for the Refuse Transfer Station was achieved. <ul style="list-style-type: none"> <li>• A user satisfaction measure of 80.5 for the Hamilton Organic Centre was achieved.</li> <li>• A user satisfaction measure of 81.7 for the household refuse collection was achieved.</li> <li>• A user satisfaction measure of 81.4 for kerbside recycling was achieved.</li> </ul> </li> <li>5 The annual reports for Environment Waikato and Waikato District Council will be submitted on 30 September 2003. To date there are no compliance issues of major concern that have been identified.</li> <li>6 A total of 20,500 tonnes of recycling material was recovered from these areas.</li> </ol>

## WATER SUPPLY

### Description

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

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

### Strategic Plan Goals

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

### Council Goal

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

Council Goal	Objective	Performance Measures	Results
2	a To maintain a continuous supply of potable (drinkable) water with adequate supplies for urban fire fighting.	1 Maintained a water supply that meets the New Zealand Drinking Water Standards 2000.	1 The water supply complied with the New Zealand Drinking Water Standards. A short period (less than a day) of transgression occurred during January 2003, when the water treatment station struggled to cope with high concentrations of algae in the Waikato River. An incorrect sampling procedure was corrected half way through the year.
		2 Retained the Ministry of Health's grading of the city's water treatment station operation at 'A', and the city's water pipe network system at 'a', as assessed by the Ministry every three years.	2 Not reviewed by the Ministry of Health this year. Gratings of 'A' and 'a' were retained.
		3 User satisfaction measure for: <ul style="list-style-type: none"> <li>· continuity of supply maintained at 80 or greater</li> <li>· taste of water maintained at 65 or greater as measured by Council's 2003 Annual Residents Survey</li> </ul>	3 A user satisfaction measure of 84.1 for continuity of supply was achieved. A user satisfaction measure of 57.7 for taste of water was achieved. The relatively low satisfaction index probably reflects the occurrence of high algae levels in the Waikato River during summer, which have the effect of causing tastes and odour of an 'earthy' nature.
		4 Provided customers with new water connections within 20 working days of application and payment, or by a later date as specified by the customer, in 90% of cases.	4 Across all types of water service connections, installation was completed within 20 working days 89% of the time. 92% of ordinary domestic connections were completed within 20 working days.
		5 Achieved 99.99% continuity of service. This equates to an overall city average of 6 minutes loss of supply per customer connection for unplanned works.	5 Achieved better than 99.99% availability, with an average of 4.3 minutes loss of service to each customer.
		6 Flows and pressures complied with the standards set out in the Hamilton City Development Manual.	6 All flow and pressure monitoring showed compliance with the specifications set out in the Hamilton City Development Manual.

## SUSTAINABLE ENVIRONMENT

### Description

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

### Strategic Plan Goals

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

### Council Goal

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

Council Goal	Objectives	Performance Measures	Results
1	a To increase knowledge and awareness of environmental issues amongst target groups identified in Council's Environmental Education Strategy.	1 Developed and implemented initial stages of an adult environmental education programme in accordance with Council's Environmental Education Strategy.	1 The "know it...live it!" adult environmental education programme was developed, and was launched with the production of the water guide, the first in a series of household booklets. The booklet is supported by a series of seminars on water issues and a range of opportunities to learn about Hamilton's water resources. Other booklets in the series will cover topics such as waste, energy, transport and climate change.
		2 Established an Environment Centre.	2 The Environment Centre was established and is operating in central city. A Centre Coordinator has been employed for 30 hours per week.
1	b To support sustainable community environments through community programmes and the distribution of grants.	3 Applications to Hamilton City Council's Envirofund increased by 10%.	3 Applications to the Envirofund increased by 30%. Funding sought represented two and a half times the money available.
1	c To introduce youth to environmental issues and encourage them to become actively involved in environmental issues in their local community.	4 Participation at the Environmental Youth Conference increased by 10%.	4 Participation at the Environmental Youth Conference remained stable due to Council setting a maximum number of participants in order to handle transportation requirements.

## ENVIRONMENTAL HEALTH

### Description

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

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

### Strategic Plan Goals

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

### Council Goal

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

Council Goal	Objectives	Performance Measures	Results
1	a To optimise the safety of all food manufactured, prepared, packed, stored, handled by, or sold from, food establishments in Hamilton city.	1 Approximately 1500 inspections of food premises completed in accordance with regulations under the Health Act 1956 and Council's monthly inspection schedules.	1 1529 inspections of food businesses were completed during the year as per the monthly inspection schedules.
		2 The average risk factor for food businesses maintained at no more than 5.5, derived from Council's risk assessment programme.	2 The average risk factor for food businesses was 5.2.
1	b To operate a reasonable system of control over the sale and supply of liquor to the public, with the aim of contributing to a reduction in liquor abuse, so far as that can be achieved by legislative means.	3 Approximately 200 inspections of licensed premises completed in accordance with regulations under the Sale of Liquor Act 1989 and Council's monthly inspection schedules.	3 219 inspections of licensed premises were completed during the year in accordance with Council's monthly inspection schedules and regulations under the Sale of Liquor Act 1989.
1	c To minimise noise emission and take enforcement action where required.	4 All complaints regarding excessive noise investigated within 30 minutes of the time of complaint.	4 7,366 complaints regarding excessive noise were received during the 2002/03 year. 95% of these were investigated within 30 minutes and appropriate enforcement action taken. The 5% that were not investigated within 30 minutes occurred when a number of noise complaints came in at once and had to be prioritised.
1	d To licence and inspect industrial and trade premises where dangerous goods are stored.	5 Approximately 600 inspections of premises storing dangerous goods completed in accordance with regulations under the Hazardous Substances and New Organisms Act 1996 and Council's monthly inspection schedules.	5 711 inspections of premises storing dangerous goods were completed during the year in accordance with Council's monthly inspection schedules and regulations under the Hazardous Substances and New Organisms Act 1996.

## STRATEGIC AREA B: GROWING HAMILTON

Growing Hamilton

### KEY STRATEGIC PLAN GOALS

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

### KEY SUSTAINABILITY INDICATORS

10. Urban development
11. Transport
12. Housing affordability

### STRATEGIC OVERVIEW

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

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

### COUNCIL'S RESPONSE

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

#### Roads and Traffic

Services include:

- Road Network Management
- Carriageways Management
- Traffic Services/Street Lighting
- Footpaths, Cycleways and Verges

This service provides for the planning, ongoing management and maintenance of the city's roading network, including traffic facilities such as street lighting, traffic signals and signs, bus shelters, footpaths and cycleways.

#### Road Safety Programme

This service contributes to the reduction of road crashes through targeted community education and promotion campaigns. The multi-modal centre is an integral part of the city and region's transport network. It accommodates long and short-haul bus services, as well as tour coaches and taxi services.

#### Central Area Off-Street Parking

This service provides three of the central city's off-street parking facilities, catering for shoppers and commuters.

#### Parking Enforcement

This service provides for on-street parking space turnover and availability, and contributes to vehicle and road safety. New parking strategy policies are under development this year.

**Building Control**

This service processes building consents for new and existing buildings, project and land information memoranda, and inspects buildings for compliance and safety.

**Planning Guidance**

This service provides advice, recommendations and consents on subdivisions and land use, and ensuring compliance with the Hamilton City District Plan and the Resource Management Act 1991.

**Animal Care and Control**

This service promotes responsible dog ownership, and is also responsible for enforcing general Council bylaws.

**Property Management/Endowment and Investments**

This service manages investment properties owned by the Domain Endowment Fund and the Municipal Endowment Fund to maximise benefits to the city.

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

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

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

## HIGHLIGHTS

### ROADS AND TRAFFIC

#### Cycling

Council allocated \$205,000 to improve cycling facilities in the city. Work has proceeded on priority projects throughout Hamilton that have been identified in consultation with cycling working parties. Projects completed during 2002/03 included road widening for on-road cycle lanes in Rifle Range Road, a height extension of handrails on the Flagstaff Pedestrian Bridge to improve safety for cyclists, indenting of bus bays on Te Aroha and Clyde Streets, and widening of the riverpath between Fairfield Bridge and Hamilton Parade.

In addition, provision for cycling is an integral part of all new roading projects and programmes. Examples during the year included provision for cyclists as part of the Te Rapa Road Upgrade between Beerescourt Road and Vercoe Street, and provision of on-road cycle lanes in association with road resurfacing in Bridge Street.

#### Street Lighting

Council allocated \$210,000 to improve street lighting throughout the city. The programme aims to improve arterial road lighting as well as local road and amenity lighting.

Staff have reviewed previous lighting upgrades to enable a comparison of actual energy usage in relation to adopted standards. This will enable us to select the most appropriate and efficient standards in the future. However the review delayed the start of the annual upgrade programme.

Street lighting improvements were carried out at various sites throughout the city and the programme will be completed in the new financial year.

#### Minor Traffic Safety Improvements

Council allocated \$280,000 for minor traffic safety improvement work around the city. This project forms part of an ongoing programme to address traffic safety problems. The work included such measures as intersection throat islands and intersection layout improvements, median pedestrian refuges and school crossing points, and bridge handrail modifications. Work was completed at 25 different sites around the city.

#### Traffic Calming

Council allocated \$100,000 to an ongoing programme to slow traffic and improve safety in selected streets. Traffic calming is achieved through the use of devices such as road narrowing and speed humps. Site selection and priorities are determined by applying the Warrant for Traffic Calming Schemes system approved by Council in October 2001. Work began on a traffic calming scheme in and around Livingstone Avenue. Delays as a result of the consultative process were incurred in Weka Street, but designs have now recommenced and the physical work will be completed early in the new financial year.

#### Horsham Downs/Hukanui Road Upgrade

The \$1.7m reconstruction of Hukanui Road from Callum Brae Drive to Thomas Road, and Horsham Downs Road from Thomas Road north for approximately 500 metres began in March 2003 and is expected to be completed early in the 2003/04 financial year. The project incorporates the closure of Rototuna Road at Hukanui Road.

#### Pukete Road Upgrade

A contract has been let for the upgrade of Pukete Road, from just south of Church Road to beyond the gully crossing, adjacent to the Wastewater Treatment Plant. The work will be completed in the first half of the 2003/04 financial year.

#### Thomas Road Upgrade Design

Land purchase and design work for the upgrade of Thomas Road from Horsham Downs Road to Gordonton Road has begun. As a result of an offer from a developer to advance fund the second stage of the construction work, the project is now scheduled for completion in the 2003/04 financial year.

## HAMILTON TRANSPORT CENTRE

### Transport Centre

Environment Waikato used additional funding to extend the city bus service's operational hours. The timetable was extended on both Thursday and Friday evenings by approximately two hours.

## PLANNING GUIDANCE

### Planning Management

The unit has introduced a money back guarantee programme as one more way for Council to meet customer expectations for quality service. The policy is that if non-notified resource consents are not issued within the statutory timeframe the Planning Guidance Unit will refund 50 per cent of the fees to the customer. This year the guarantee will be extended to refund 100 per cent of the fees to the customer.

## ANIMAL CARE AND CONTROL

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

The Animal Care and Control Unit's website featuring dogs currently available for adoption celebrates its second anniversary in August 2003. The website was launched with the assistance and ongoing support of local residents.

For the financial year ending 30 June 2003, 12 dogs were successfully adopted arising solely from customers surfing this website. A fantastic result for the dogs concerned who may otherwise not have had a future, and for new owners.

### A Dog Day Afternoon

As a result of serious dog attacks that featured in media headlines during February 2003, Council initiated a public event, 'A Dog Day Afternoon'. The focus of this event was to acknowledge and celebrate responsible dog ownership within the city and surrounding districts while also raising awareness within this group of people to help reduce dog attacks in the city.

The event provided an opportunity for dog owners to talk to animal behaviour experts, dog obedience trainers, Hamilton City Council and Waipa District Council Animal Care and Control Unit staff, and the Waikato branch of the Society for the Protection of Cruelty to Animals.

Due to the success of this inaugural event, 'A Dog Day Afternoon' is intended to become an annual event for the city.

### Animal Care and Control Centre Weekend Opening

The Animal Care and Control Centre weekend openings, initiated during the 2003/04 financial year as a result of customer demand for services, has been well utilised by customers either claiming impounded dogs or customers looking to adopt a dog.

## PROPERTY MANAGEMENT/ENDOWMENT AND INVESTMENTS

Council's Endowment and Investment Fund properties continue to be almost 100 per cent leased. These funds consist of properties that range from ground leases to fully tenanted commercial offices and industrial buildings. The proceeds of the Municipal Endowment Fund help to offset rates.

### Swimming Pool Fencing Public Education Programme

The Building Control Unit introduced a swimming pool fencing awareness programme this year. The programme was timed to capture the beginning of the swimming season and aimed at informing the general public of their responsibilities around swimming pool safety. The programme included radio advertising, and distribution of wall charts and brochures to pre-school centres, primary schools, and swimming pool retail outlets. The brochure included a simple tick-box checklist to enable swimming pool owners to make a quick assessment of the compliance of their swimming pool fencing. The Unit also set up a free phone service "0800 POOLSAFE" for members of the public to inquire and obtain expert advice.

The programme has been a great success with positive results showing a significant decline in the number of fencing complaints being received. The feedback from the general public is extremely positive with comments from as far away as Southland being received. A number of Waikato and Auckland Territorial Authorities are keen this coming year to be part of the programme, thus targetting a larger number of pool owners over a much greater area. This should definitely result in a safer community for everyone.



## ROAD NETWORK MANAGEMENT

### Description

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

### Strategic Plan Goals

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

### Council Goals

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

Council Goals	Objectives	Performance Measures	Results
1, 2, 5	a To carry out the road network management function in an efficient and effective manner that meets the community's needs.	1 Achieved a 75% satisfaction rating for acknowledgement of, and response to, requests for service, as measured by the Roads and Traffic Unit's monthly feedback surveys.  2 Processed all engineering designs for subdivision applications within 20 working days.	1 Achieved a 77.9% satisfaction rating for acknowledgement of, and response to, requests for service, as measured by the Roads and Traffic Unit's monthly feedback surveys.  2 All engineering designs for subdivision applications were processed within 20 working days.
4	b To carry out all subsidised works in accordance with the National Roothing Plan (NRP) agreement with Transfund.	3 Satisfactorily achieved all the performance measures contained within the National Roothing Plan (NRP) agreement with Transfund.	3 The performance measures contained within the National Land Transport Programme (NLTP) agreement with Transfund were satisfactorily achieved.

## CARRIAGEWAYS MANAGEMENT

### Description

Provides for general maintenance, cleaning, resealing, bridge maintenance, rehabilitation and construction of the carriageway component of roading projects. All of the work is carried out by external contractors. The road network comprises approximately 550km of carriageways, 973km of kerb and channel, and 55 traffic bridges, large culverts, pedestrian bridges and underpasses.

### Strategic Plan Goals

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

### Council Goals

- 1 To promote an environment which encourages the development of a quality of life aimed at meeting community needs and expectations
- 2 To ensure the provision and maintenance of essential services in an efficient and effective manner in response to existing and future requirements
- 5 To develop a positive climate which encourages development opportunities to achieve a sound economic base for the city

Council Goals	Objectives	Performance Measures	Results
1, 2, 5	a To construct, improve and maintain a network of roads adequate for the movement of vehicles and people in a safe and efficient manner.	<ol style="list-style-type: none"> <li>1 Maintenance work completed in accordance with contract specifications, which provide quality control and criteria for cleaning, kerb and channel repairs, and minor road maintenance.</li> <li>2 Capital works programme completed within budget in accordance with contract specifications which provide quality control including: <ul style="list-style-type: none"> <li>· Reconstruction of Hukanui Road from Callum Brae Drive to Thomas Road, and Horsham Downs Road from Thomas Road to approximately 500m north of Thomas Road.</li> <li>· Reconstruction of Pukete Road from Church Road to north of the gully crossing, adjacent to the Wastewater Treatment Plant.</li> <li>· Design and land purchase for Thomas Road between Horsham Downs Road and Gordonton Road.</li> <li>· Upgrading of Claudelands Road to urban standard.</li> </ul> </li> <li>3 User satisfaction measure for: <ul style="list-style-type: none"> <li>· streets throughout the city maintained at 70 or greater</li> <li>· streets around here maintained at 73 or greater as measured by Council's 2003 Annual Residents Survey.</li> </ul> </li> </ol>	<ol style="list-style-type: none"> <li>1 Maintenance work completed in accordance with contract specifications.</li> <li>2 Reconstruction of Hukanui Road from Callum Brae Drive to Thomas Road, and Horsham Downs Road from Thomas Road to approximately 500m north of Thomas Road was commenced and will be completed early in the 2003/04 financial year. <ul style="list-style-type: none"> <li>· A contract for reconstruction of Pukete Road from Church Road to north of the gully crossing, adjacent to the Wastewater Treatment Plant, was let with work to be completed in the first half of the 2003/04 financial year.</li> <li>· Design and land purchase for Thomas Road between Horsham Downs Road and Gordonton Road was commenced.</li> <li>· A contract for the upgrading of Claudelands Road to urban standard was let with work to be completed early in the 2003/04 financial year.</li> </ul> </li> <li>3 User satisfaction measure of 72.3 for streets throughout the city achieved. <ul style="list-style-type: none"> <li>· User satisfaction measure of 73.1 for streets around here achieved.</li> </ul> </li> </ol>
1	b To improve riding quality (smoothness) in conjunction with the carriageway maintenance and renewal reseal programmes.	<ol style="list-style-type: none"> <li>4 The smooth travel exposure* on Hamilton roads maintained at 93% or better. <ul style="list-style-type: none"> <li>· <i>Smooth travel exposure monitors the per cent of total vehicle kilometres travelled on smooth roads. The smoothness is measured in NAASRA counts.</i></li> </ul> </li> <li>5 Completed 1.7km of carriageway refurbishment.</li> </ol>	<ol style="list-style-type: none"> <li>4 A smooth travel exposure of 96% was achieved on the City's rural roads, with 86% achieved on the City's urban roads. This is in line with previous years and suggests that the target for the entire network was not appropriately set.</li> <li>5 Completed 0.5km of carriageway refurbishment at Te Rapa Road. A contract for 1.5 km of carriageway refurbishment at River Road (north of Sylvester Road) was let and was 50% complete at 30 June 2003.</li> </ol>
1, 2	c <b>Long-Term Objective</b> To maintain an 11 year (average) reseal cycle for all carriageways within the city.	<ol style="list-style-type: none"> <li>6 Completed between 32 to 36km of reseals/ resurfacing to maintain an average 11 year reseal cycle.</li> </ol>	<ol style="list-style-type: none"> <li>6 Completed 24km of carriageway resurfacing. The reduced reseal length was due to more hot-mix surfacing being required than was estimated, at a greater cost than chip seal. This meant that less carriageway could be resealed within budget.</li> </ol>

## TRAFFIC SERVICES/STREET LIGHTING

### Description

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

### Strategic Plan Goals

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

### Council Goal

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

Council Goal	Objectives	Performance Measures	Results
2	a To provide, improve and maintain the city's traffic facilities and traffic management systems.	1 User satisfaction measure for: <ul style="list-style-type: none"> <li>· traffic management maintained at 70 or greater</li> <li>· street lighting throughout the city maintained at 70 or greater</li> <li>· street lighting around here maintained at 68 or greater as measured by Council's 2003 Annual Residents Survey.</li> </ul> 2 Maintenance work completed in accordance with contract specifications, which provide quality control and criteria for roadmarking, street signage, traffic facilities and the street light network at current or better condition.	1 <ul style="list-style-type: none"> <li>· User satisfaction measure of 67.1 for traffic management achieved.</li> <li>· User satisfaction measure of 75.2 for street lighting throughout the city achieved.</li> <li>· User satisfaction measure of 72.5 for street lighting around here achieved.</li> </ul> 2 Road marking, street signage, traffic facilities and street light network maintenance work was completed by 30 <sup>th</sup> June 2003 in accordance with contract specifications.
2	b To optimise the safety and efficiency of the road network.	3 Maintenance work completed in accordance with contract specifications, which provide quality control and criteria for roadmarking, street signage, traffic facilities and the street light network at current or better condition.	3 Road marking, street signage, traffic facilities and street light network maintenance work was completed by 30 June 2003 in accordance with contract specifications.

## FOOTPATHS, CYCLEWAYS AND VERGES

### Description

Provides for improvement and maintenance of the city's footpaths, cycleways, and verges. It includes general maintenance, resurfacing, cleaning, litter collection and rehabilitation of footpaths, landscape maintenance, and vegetation control. The assets comprise nine pedestrian/cycle underpasses, 852km of footpaths, and 25km of on-road cycle lanes and off-road cycle paths.

All physical works are carried out by external contractors.

### Strategic Plan Goals

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

### Council Goals

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

Council Goals	Objectives	Performance Measures	Results
1	a To ensure that berm areas are maintained to an acceptable standard.	<ol style="list-style-type: none"> <li>1 Completed a minimum of 6km of footpath refurbishment, 0.6km of new footpath construction and 25km of footpath resurfacing.</li> <li>2 Maintenance work completed in accordance with contract specifications which provide quality control and criteria for ensuring that footpaths, cycleways and verges remain in their current state or better condition.</li> <li>3 User satisfaction measure for: <ul style="list-style-type: none"> <li>· footpaths in general throughout the city maintained at 70 or greater</li> <li>· footpaths around here maintained at 70 or greater</li> <li>· pedestrian facilities maintained at 70 or greater, as measured by Council's 2003 Annual Residents Survey.</li> </ul> </li> </ol>	<ol style="list-style-type: none"> <li>1 Completed 8.3km of footpath refurbishment, 0.6 km of new footpath construction and 22.3 km of footpath resurfacing. A number of sites that were originally programmed for resurfacing needed reconstruction.</li> <li>2 Maintenance work completed in accordance with specifications.</li> <li>3 <ul style="list-style-type: none"> <li>· User satisfaction measure of 72.3 for footpaths in general throughout the city achieved.</li> <li>· User satisfaction measure of 73.1 for footpaths around here achieved.</li> <li>· User satisfaction measure of 69.3 for pedestrian facilities achieved.</li> </ul> </li> </ol>
1, 2	b To construct, improve and maintain a network of footpaths and cycleways to provide for the safe movement of pedestrians and cyclists.	<ol style="list-style-type: none"> <li>4 Maintenance work completed in accordance with contract specifications which provide quality control and criteria for ensuring that footpaths, cycleways and verges remain in their current state or better condition.</li> <li>5 User satisfaction measure for: <ul style="list-style-type: none"> <li>· footpaths in general throughout the city maintained at 70 or greater</li> <li>· footpaths around here maintained at 70 or greater</li> <li>· pedestrian facilities maintained at 70 or greater, as measured by Council's 2003 Annual Residents Survey.</li> </ul> </li> </ol>	<ol style="list-style-type: none"> <li>4 Maintenance work completed in accordance with specifications.</li> <li>5 <ul style="list-style-type: none"> <li>· User satisfaction measure of 72.3 for footpaths in general throughout the city achieved.</li> <li>· User satisfaction measure of 73.1 for footpaths around here achieved.</li> <li>· User satisfaction measure of 69.3 for pedestrian facilities achieved.</li> </ul> </li> </ol>
1, 2	c To continue with development of the cycleway network throughout the city.	<ol style="list-style-type: none"> <li>6 User satisfaction measure for cycle facilities and support for cycling throughout the city maintained at 59 or greater, as measured by Council's 2003 Annual Residents Survey.</li> </ol>	<ol style="list-style-type: none"> <li>6 User satisfaction measure of 60.3 for cycle facilities and support for cycling throughout the city achieved.</li> </ol>

## ROAD SAFETY PROGRAMME

### Description

The Road Safety Programme involves the provision of targeted road safety education and promotion campaigns within the community. These campaigns are partially funded by the Land Transport Safety Authority (LTSA).

### Strategic Plan Goals

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

### Council Goals

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

Council Goals	Objectives	Performance Measures	Results
1, 2	a To contribute towards a reduction in the number of crashes recorded in the city	1 Reduction in the trend for the number of reported crashes in Hamilton as identified in LTSA reports.	1 Hamilton is continuing its overall downward trend in crash rates as identified in LTSA reports.
1, 2	b To identify road safety risk areas and align community-based programmes to effectively address these risk areas.	2 Projects successfully contributed to reducing the road safety risk in areas identified in the Hamilton City Council Road Safety Issues Report (produced by the LTSA).	2 The major project undertaken was the "indicate at roundabouts" campaign, which was completed on time and on budget, and is contributing to Hamilton's overall downward trend in crash rates as identified in LTSA reports.
1, 2	c To ensure road safety educational and promotional campaigns are delivered within the community in line with the LTSA road safety programme.	3 Project evaluations accepted by the LTSA.	3 Project evaluations accepted for: <ul style="list-style-type: none"> <li>· Safe Routes to School programme</li> <li>· Walking School Bus</li> <li>· Adoption of Reuben logo (in conjunction with Environment Waikato).</li> </ul>

## HAMILTON TRANSPORT CENTRE

### Description

The Hamilton Transport Centre was opened in January 2001. It is an integral part of the city and the region's transportation network, and supports the objectives of Hamilton's Integrated Transport Strategy (HITS). The centre accommodates long and short-haul bus services, as well as tour coaches and taxi services and a short-term car parking drop off zone. It includes ticketing facilities, a cafe, toilets, bike lockers and a visitor information centre.

### Strategic Plan Goals

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

### Council Goals

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

Council Goals	Objective	Performance Measures	Results
1, 2	a To provide an efficient transport centre both for residents and visitors to Hamilton.	1 User satisfaction measure for the Hamilton Transport Centre maintained at 75 or greater, as measured by Council's 2003 Annual Residents Survey.  2 Usage measure for the Hamilton Transport Centre maintained at 30% or greater, as measured by Council's 2003 Annual Residents Survey.	1 User satisfaction measure of 79 for the Hamilton Transport Centre achieved.  2 Usage measure of 44.2% for the Hamilton Transport Centre achieved.

## CENTRAL AREA OFF-STREET PARKING

### Description

Involves the provision of three off-street parking facilities in the central city. The Knox Street, River Road, and Kent Street car parks currently provide 1034 off-street parking spaces in the central city.

### Strategic Plan Goal

- A distinctive, vibrant and people-friendly central area

### Council Goal

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

Council Goal	Objective	Performance Measures	Results
1	a To provide for the maintenance and management of the Council's three off-street central city parking facilities to enhance the availability of public parking in a safe and efficient manner, in accordance with Council policies.	1 User satisfaction measure for off-street parking maintained at: <ul style="list-style-type: none"> <li>· 58 or greater for the River Road car park</li> <li>· 64 or greater for the Knox Street car park</li> <li>· 63 or greater for the Kent Street car park as measured by Council's 2003 Annual Residents Survey.</li> </ul>	1 User satisfaction measure of 67.6 for off-street parking at the River Road car park, Knox Street car park, and Kent Street car park achieved.

## PARKING ENFORCEMENT

### Description

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

### Strategic Plan Goals

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

### Council Goals

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

Council Goals	Objectives	Performance Measures	Results
1, 2, 4	a To contain or prevent illegal parking of vehicles on roads, to achieve public safety and availability of parking spaces within the city.	1 Achieved a turnover of parking space in the inner city area that is better than or equal to, the time limits set for these areas, as measured by a standard annual survey of parking turnover.  2 Maintained a paid before prosecution rate for parking regulation offences better than 80%.	1 On weekdays the average time parked at 30-minute meters was 27 minutes 4 seconds, and the average time parked at 60-minute meters was 30 minutes 31 seconds. On Saturdays the figures were 23"7' and 36"29' respectively.  2 The rate for 2002/03 was 80.16%. However the overall trend is downwards, as commonly experienced by other councils.
1	b To ensure all motor vehicles are registered, have a current Warrant of Fitness and have safe tyres.	3 Limited the number of motor vehicles displaying an out-of-date licence and/or Warrant of Fitness two or more months overdue, to less than 4%, as measured by a standard survey conducted annually during normal working hours of the Parking Enforcement Unit.	3 A survey of parked vehicles produced a result of 2.07% less than two or more months overdue overall. There were marked differences between geographical areas. However having generally declined since 1996, there was an upward trend in 2002/03.



## BUILDING CONTROL

### Description

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

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

### Strategic Plan Goals

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

### Council Goals

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

Council Goals	Objectives	Performance Measures	Results
1	a To receive and process all building consents and project information memoranda within statutory timeframes and to achieve compliance with the Building Act 1991.	1 Processed 100% of all building consents and project information memoranda in accordance with the Building Regulations 1992 within the following timeframes after receiving an application: <ul style="list-style-type: none"> <li>· Buildings up to \$500,000–10-working days.</li> <li>· Buildings over \$500,000–20-working days.</li> </ul> 2 Audited 100% of the fire safety records of all buildings identified as high risk on Council's compliance schedule matrix.           3 Inspected all buildings subject to a building consent after notice that the work was ready for inspection within the following timeframes: <ul style="list-style-type: none"> <li>· Commencement of construction–2-working days.</li> <li>· All other construction–1-working day</li> </ul>	1 Processed 99.6% of all building consents and project information memoranda in accordance with the Building Regulations 1992 within the specified timeframes after receiving an application. Failure to make target was due to the unforeseen increase in the volume of new housing.           2 Audited 100% of the fire safety records of all buildings identified as high risk on Council's compliance schedule matrix.           3 Inspected 76.5% of all buildings subject to a building consent after notice that the work was ready for inspection within 1 and 2 working days respectively. Failure to make target was due to the unforeseen increase in the volume of new housing.
2	b To receive and process all land information memoranda in compliance with the Local Government Official Information and Meetings Act 1987.	4 Processed 100% of all land information memoranda within 10 working days of receiving an application.	4 Processed 100% of all land information memoranda within 10 working days of receiving an application.

## PLANNING GUIDANCE

### Description

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

### Strategic Plan Goals

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

### Council Goals

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

Council Goals	Objectives	Performance Measures	Results
1	a To ensure that all new subdivisions and existing land uses in the city meet standards and comply with the Hamilton City District Plan.	<ol style="list-style-type: none"> <li>1 All resource consent applications and certificates processed within the statutory time limits of the Resource Management Act 1991, and in line with the Hamilton City District Plan.</li> <li>2 Inspected and effectively monitored at least 50 resource consents per month.</li> <li>3 Achieve a 50% recovery of total costs through fees and charges.</li> </ol>	<ol style="list-style-type: none"> <li>1 Processed 98.8% of all resource consent applications (notified, non-notified controlled, discretionary, and subdivisions applications) within the statutory time limit of the Resource Management Act 1991. 1.2% were not processed within the time limits because staff had to assess applications under two District Plans, thus more time was involved in giving advice to customers and assessing applications.  Processed 100% of all certificate applications within the statutory time limit of the Resource Management Act 1991.</li> <li>2 Inspected and effectively monitored 752 notified and non-notified resource consent applications during the year, an average of 63 per month.</li> <li>3 Recovered a minimum of 43.5% costs for the Unit through fees and charges. 50% cost recovery was not achieved because overhead allocation and expenditure was slightly higher than anticipated.</li> </ol>
1, 5	b To provide planning and land subdivision interpretation and advice to ensure that resource consent applications are dealt with in an efficient, consistent, fair, and expeditious manner within the statutory framework.	<ol style="list-style-type: none"> <li>4 All resource consent applications and certificates processed within the statutory time limits of the Resource Management Act 1991, and in line with the Hamilton City District Plan.</li> <li>5 Achieved 90% satisfaction by Council's Statutory Management Committee of all notified applications.</li> <li>6 95% of cases taken to the Environment Court and supported by staff were successful.</li> </ol>	<ol style="list-style-type: none"> <li>4 Processed 98.8% of all resource consent applications (notified, non-notified controlled, discretionary, and subdivisions applications) within the statutory time limit of the Resource Management Act 1991. 1.2% were not processed within the time limits because staff had to assess applications under two District Plans, thus more time was involved in giving advice to customers and assessing applications.  Processed 100% of all certificate applications within the statutory time limit of the Resource Management Act 1991.</li> <li>5 Maintained 91% acceptance of resource consent recommendations made by staff to the Council's Statutory Management Committee and to Commissioners.</li> <li>6 100% of cases taken to Environment Court and supported by staff were successful.</li> </ol>

## ANIMAL CARE AND CONTROL

### Description

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

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

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

### Strategic Plan Goals

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

### Council Goal

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

Council Goal	Objectives	Performance Measures	Results
1	a To maximise dog registration, minimise dog attacks, and promote effective and responsible dog ownership.	1 Recovered 60% of costs for animal care and control activity through fees and charges.	1 The target for recovery of costs for animal care and control activity through fees and charges was changed to 51.50%. The unit had increased overhead costs that were outside its control. The actual result achieved was 52.42% cost recovery.
		2 User satisfaction measure for animal care and control services maintained at 76 or greater, as measured by Council's 2003 Annual Residents Survey.	2 User satisfaction measure of 74.2 for animal care and control services achieved.
		3 Completed a minimum of 30 animal care and control presentations within the community in conjunction with the requirements of the Education Plan contained within the Dog Control Policy 1997.	3 Achieved 44 education seminars.
		4 Responded to urgent requests for services involving public safety within one hour of receipt and to all routine requests for service within 48 hours, as measured by Council's complaints system.	4 The Unit is unable to report on performance against target at this time. With the implementation of the Authority system in November 2002, system reports were a 'post go live' priority. The report needed to report on 'performance against target' has a target delivery date of 31 July 2003, and results will then need to be processed prior to dissemination.
1	b To respond to litter offences and take appropriate action to deter further incidents.	5 Responded to urgent requests for services involving public safety within one hour of receipt and to all routine requests for service within 48-hours, as measured by Council's complaints system.	5 The Unit is unable to report on performance against target at this time. With the implementation of the Authority system in November 2002, system reports were a 'post go live' priority. The report needed to report on 'performance against target' has a target delivery date of 31 July 2003, and results will then need to be processed prior to dissemination.
1	c To detect offences against the Council's bylaws (e.g., skateboarding, advertising signs, merchandise displays, buskers, mobile shops in public places), and identify overgrown and overhanging vegetation.	6 Responded to urgent requests for services involving public safety within one hour of receipt and to all routine requests for service within 48-hours, as measured by Council's complaints system.	6 The Unit is unable to report on performance against target at this time. With the implementation of the Authority system in November 2002, system reports were a 'post go live' priority. The report needed to report on 'performance against target' has a target delivery date of 31 July 2003, and results will then need to be processed prior to dissemination.

## PROPERTY MANAGEMENT (ENDOWMENT AND INVESTMENTS)

### Description

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

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

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

### Strategic Plan Goals

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

### Council Goals

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

Council Goals	Objectives	Performance Measures	Results
2, 4	a To manage properties owned and occupied by Council in a manner, which enables essential services to be delivered efficiently and effectively.	1 Developed asset maintenance plans for significant properties and planned maintenance for Council properties.	1 Draft Asset Management Plans have been developed, property condition assessment is underway and maintenance plans are being actioned.
2	b To provide safe and healthy buildings by ensuring that they comply with the Building Act 1991.	2 Ensured statutory compliance with the Building Act 1991 in respect of all Council owned buildings.	2 All Council owned buildings meet the requirements of the Building Act 1991.
3, 5	c To manage the Municipal Endowment Fund properties to provide a return in line with market lease returns.	3 Achieved a gross return on Municipal Endowment Fund properties within 1% of average market returns and maintained the value of the investment portfolio relative to other property investments in Hamilton	3 Achieved as all lease returns are at current market rates as determined by independent Hamilton valuers, at the time of the lease review.
2, 3	d To manage the Domain Endowment Fund effectively to provide funds for property investments for community benefit.	4 Ground leases achieved a return in line with the average market return of similar properties.	4 Achieved as all lease returns are at current market rates as determined by independent Hamilton valuers, at the time of the lease review.

## STRATEGIC AREA C: PROMOTING HAMILTON

### KEY STRATEGIC PLAN GOALS

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

### KEY SUSTAINABILITY INDICATORS

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

### STRATEGIC OVERVIEW

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

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

### COUNCIL'S RESPONSE

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

#### **Economic Development**

Services include:

- Grant to Enterprise Hamilton
- Grant to Tourism Waikato
- Grant to Events Sponsorship Fund
- Grant to Business2Hamilton (B2H)

Economic development is a key component of developing the city. Council supports, funds and partners with approved groups to achieve a sound economic base for Hamilton.

#### **City Promotion**

Promoting Hamilton as a great place to live, work and play through communicating with, and marketing to, audiences within and outside of Hamilton.

#### **Sister Cities Programme**

Hamilton participates in Sister City programmes to enhance cultural and ethnic understanding and to progress economic development opportunities.

## IMPROVING COUNCIL'S AND HAMILTON'S SUSTAINABILITY

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

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

## HIGHLIGHTS

### ECONOMIC DEVELOPMENT

#### Innovation Park

Significant progress was made during the year on the Innovation Park following Council's \$1 million funding in the 2002/03 Annual Plan. A further \$1 million commitment, completing a \$2 million contribution, is part of the 2003/04 Annual Plan.

Construction work began on the Innovation Park core facilities building at the Ruakura site in June 2003 following a groundbreaking ceremony carried out by the Prime Minister the Right Honourable Helen Clark in March 2003. A number of agreements were finalised in the later part of the year that included:

- The lease agreement for the land with Tainui
- The lease agreements with tenants within the core facilities building
- Finalising the agreements with the major funders (other funders include WEL Energy Trust \$2 million and Industry New Zealand \$2 million)
- The appointment of the project managers to oversee construction of the core facilities building

The Innovation Park appointed a Chief Operating Officer during the year. That position was taken up in April.

Innovation Park has developed partnerships with the University of Waikato, Wintec and the Waikato District Health Board who wish to work together, particularly on the incubator facility of the Park. Additionally, one professional service organisation has signed a lease to come onto the Park and two others have made verbal agreements.

The Agritech cluster that will be located at the Park has made progress during the year, meeting regularly, and being instrumental in preparing proposals to attract two significant companies to relocate to Waikato. The cluster was launched on 28 August 2002 with over 60 businesses and key influencers from Government in attendance.

### CITY PROMOTION

#### Promotion Campaign

A campaign to promote Hamilton was launched during the year. The promotion concentrated on the city's strength of excellence in agritech innovation. The campaign, managed by Business2Hamilton, was based around the inaugural Waikato Agritech Innovation Awards that featured a winner and three other finalists. The four companies were featured in a national print advertising campaign aimed at New Zealand's key decision makers. The winning company was Hamilton based DEC International NZ Limited with its CIDR insert (a veterinary controlled drug release product), being the first new animal drug of any type developed and manufactured in New Zealand to gain United States Food and Drug Administration (USFDA) approval.

#### Events Sponsorship

The major events supported by Hamilton City Council through its Event Sponsorship Sub Committee included: Vodafone X-Air, Balloons Over Waikato, The National Motorshow, The Summer Festival at Hamilton Gardens, and The BoatHouse Eights international university rowing race on the Waikato River.

During the year Council invested \$650,000 in 35 events. For the first time, economic impact assessments were carried out on four key events, which showed that they had a combined economic benefit to Hamilton in excess of \$7 million of new money for the Hamilton economy.

The four events surveyed were:

Vodafone X-Air which was assessed as bringing in \$1.4 million, Balloons Over Waikato with \$2.8 million, the Summer Festival at Hamilton Gardens with \$750,000 and the National Motorshow with \$2.2 million of new money for the Hamilton economy.

## ECONOMIC DEVELOPMENT

### Description

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

### Strategic Plan Goals

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

### Council Goal

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

Council Goal	Objectives	Performance Measures	Results
5	a To support, assist and contribute towards the funding of approved organisations, to enable them to assist Council achieve its goal of developing a sound economic base for the city	1 Supported Business2Hamilton to achieve the following milestones in their contract with Industry New Zealand: <ul style="list-style-type: none"> <li>· cluster concept investigated, including appointment of a facilitator, mapping the cluster, interviewing key stakeholders and holding a networking forum and a workshop</li> <li>· clear action items identified from workshop process</li> <li>· produced and distributed the first issue of a cluster newsletter.</li> </ul>	1 Business2Hamilton was supported during the year to further develop the Agritech Cluster. A network forum and workshop were held. A Cluster facilitator role is contained as part of Innovation Park administration. A Cluster newsletter was incorporated as part of Connect2 Hamilton.
5	b To support, assist or contribute towards city events which have an economic benefit, create a strong and vibrant city, and grow over time as icons of the city.	2 Allocated at least 20% of the Event Sponsorship Fund to the growth or development of significant 'icon' events for the city.	2 60% of the Event Sponsorship Fund was allocated to city 'icon' events.
5	c To provide regular information to existing and potential business stakeholders on economic activity in Hamilton.	3 Hamilton economic information published and distributed quarterly and available on the internet at <a href="http://www.hcc.govt.nz">www.hcc.govt.nz</a> and <a href="http://www.b2h.co.nz">www.b2h.co.nz</a> 4 An economic development newsletter Connect2Hamilton published and distributed monthly 11 times per year and available on the internet at <a href="http://www.hcc.govt.nz">www.hcc.govt.nz</a> and <a href="http://www.b2h.co.nz">www.b2h.co.nz</a>	3 Economic development information published and distributed quarterly. 4 Connect2Hamilton produced 5 times during the year. The reduced number was due to a staffing change.



## CITY PROMOTION

### Description

Promoting Hamilton as a great place to live, work and play is a key part of the city's development and contributes to its success. This includes communicating with, and marketing to, audiences within and outside Hamilton through Council's and the Events Hamilton websites, City News and other promotional opportunities.

### Strategic Plan Goals

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

### Council Goals

- 4 To develop an effective and efficient corporation that is responsive, responsible and accountable to the community
- 5 To develop a positive climate which encourages development opportunities to achieve a sound economic base for the city

Council Goals	Objectives	Performance Measures	Results
4, 5	a To keep the Hamilton City Council website constantly updated and to make it more relevant and useful for the residents of the city and those outside of Hamilton.	1 An average of 6000 visitors per month accessed the Hamilton City Council website <b>www.hcc.govt.nz</b>	1 An average of 7768 visitors accessed <b>www.hcc.govt.nz</b> each month.
		2 User satisfaction measure for Hamilton City Council's website <b>www.hcc.govt.nz</b> maintained at 66 or greater, as measured by Council's 2003 Annual Residents Survey.	2 User satisfaction measure of 69.8 for Hamilton City Council's website <b>www.hcc.govt.nz</b> achieved.
4, 5	b To promote Hamilton to the city's residents and keep them informed about Council and city activities.	3 Council's free publication City News distributed to all households 11 times per year.	3 During the year, Council resolved to distribute City News 8 times per year. A total of 10 issues were distributed to all households.
		4 User satisfaction measure for City News maintained at 73 or greater, as measured by Council's 2003 Annual Residents Survey.	4 User satisfaction measure of 73.6 for City News achieved.
5	c To promote Hamilton events.	5 Produced two six-monthly calendars, which promote Hamilton events to tourism, events business and overseas markets.	5 Two six-monthly calendars were produced.
		6 City Happenings listing events in the city produced and widely distributed 11 times a year.	6 City Happenings was distributed 10 times during the year. Council resolution changed the distribution pattern.
		7 More than 800 events within a 12-month horizon registered, at any one time, on the website <b>www.hamiltonevents.co.nz</b>	7 There were 7 months of the year where there were more than 800 events registered. The average monthly total was 749.
		8 User satisfaction measure for Events Hamilton website <b>www.hamiltonevents.co.nz</b> maintained at 75 or greater, as measured by Council's 2003 Annual Residents Survey.	8 User satisfaction measure of 72.8 for Events Hamilton website <b>www.hamiltonevents.co.nz</b> achieved.
5	d To produce updated marketing material promoting Hamilton.	9 Produced a short video, which supports and promotes Hamilton as a great place to live, work and play.	9 Video production started but not completed. Completion due November 2003.

## SISTER CITIES PROGRAMME

### Description

Hamilton participates in a Sister Cities Programme on the basis that international understanding can be enhanced by people-to-people links at a city level.

Hamilton has formal links with three cities, Saitama (Japan), Wuxi (China) and Sacramento (USA).

### Strategic Plan Goals

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

### Council Goal

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

Council Goal	Objectives	Performance Measures	Results
5	a To actively participate in, and further develop the Sister Cities Programme.	1 An official city delegation, headed by the Mayor, visited Wuxi, China.	1 Mayor to visit China and Japan towards the end of 2003.
5	b To promote economic development opportunities for Hamilton through the Sister Cities Programme.	2 Council's website <a href="http://www.hcc.govt.nz">www.hcc.govt.nz</a> linked to official Sister Cities websites.	2 These links were not established. The website links project was put on hold awaiting a review of the Sister City relationship, due to be carried out in December 2003.

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

### KEY STRATEGIC PLAN GOALS

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

### KEY SUSTAINABILITY INDICATOR

- 17. Historic structures and sites

### STRATEGIC OVERVIEW

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

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

### COUNCIL'S RESPONSE

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

#### **Hamilton Theatre Services**

The Founders Memorial Theatre, WestpacTrust Community Theatre, and The Meteor are operated by Council. Council also provides support for community access to the WEL Energy Academy of Performing Arts Centre, by way of an annual operating grant.

#### **Libraries**

Council operates six libraries throughout the city to assist the growth of learning and the development of an informed community well-equipped for the demands of the knowledge economy.

#### **Waikato Museum of Art and History**

The Waikato Museum provides a rich programme of art and history exhibitions and associated activities for the benefit of the city and region.

#### **ArtsPost**

ArtsPost has a community arts focus in partnership with the Waikato Society of Arts and Hamilton Community Arts Council. Its purpose is to encourage, support and promote the arts in Hamilton.

#### **Excite**

Excite provides interactive experiences based around science and technology to challenge people of all ages.

## IMPROVING COUNCIL'S AND HAMILTON'S SUSTAINABILITY

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

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

## HIGHLIGHTS

### HAMILTON THEATRE SERVICES

#### Theatres 2000 Strategy Review

A review of the Theatres 2000 Strategy was undertaken in regard to provision of theatres owned/operated by Council, including a condition assessment of the WestpacTrust Community Theatre and The Meteor. The information will be further considered by Council when Council's Strategic Plan is reviewed.

#### Equipment Renewal Programme

A complete new auditorium sound system was installed at the WestpacTrust Theatre and new stage curtains installed at Founders Memorial Theatre at a cost of \$140,000.

### LIBRARIES

#### New Identity for Hamilton City Libraries

The new vibrant visual identity launched last year at the Central Library has been extended to three of the Community Libraries. This has attracted positive comment and has spurred further increases in library use.

#### Information Communication Technology Plan

A long term Information Communication Technology plan for Hamilton City Libraries has been completed. This plan provides Libraries with a developmental pathway towards the provision of technology based information services, which will ensure customer needs can be met well into the future.

#### New Systems and Processes

The large project to re-classify books using the Dewey system, and to phase out the old graphics system, has now almost been completed. This has been an extensive change and means that borrowers are now able to seek books using practices that are applicable worldwide. A single vendor of Library material has been selected, and processes are currently being implemented that will see more new books on the shelves earlier.

### WAIKATO MUSEUM OF ART AND HISTORY

#### New Semi-Permanent History Exhibition Open

June 2003 saw the opening of the Ngaa Purapura o Tainui exhibition. This is the first of two semi-permanent history exhibitions for the Museum and celebrates the origins of the Tainui Iwi in the Waikato region. The opening of this exhibition was a particular success and was attended by almost 600 people. A substantial number of those were young people attending a youth concert to celebrate Matariki, which was sponsored by Trust Waikato. The guest of honour for the opening was Dame Te Arikini Te Atairangikaahu, whose support for this project was illustrated in the generous loan of 15 taonga from her own private collection.

#### Exhibition Programme

A rich and varied programme of exhibitions in the Museum, Excite and ArtsPost, has again been provided. This has included local and international works within a mix of visual art, history, science and ethnology. A new exhibition policy has been developed to guide future programmes, and will ensure that the Museum provides exhibitions that match the needs and aspirations of the community. The new Museum 'Hosts' have attracted wide positive comment and have worked to ensure a rich range of public programmes have been offered.

## HAMILTON THEATRE SERVICES

### Description

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

### Strategic Plan Goals

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

### Council Goals

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

Council Goals	Objectives	Performance Measures	Results
1, 5	a To provide quality performance facilities and services to meet the needs of live performance and events in Hamilton, through the management of three performance venues served by centralised management and ticketing systems.	1 'As expected or better' rating for overall quality of service delivery by hirer clients maintained for all venues at 92% or greater, as measured by performance reports. 2 Achieved combined percentage occupancy days for all Hamilton Theatre Services venues of 50% or greater. 3 Completed a review of the Theatres 2000 Strategy and a condition assessment of the WestpacTrust Community Theatre and The Meteor. 4 User satisfaction measure for: · Founders Memorial Theatre and WestpacTrust Community Theatre maintained at 75 or greater · The Meteor maintained at 69 or greater as measured by Council's 2003 Annual Residents Survey.	1 A 97% rating was achieved for overall quality of service delivery as measured by performance reports. 2 A 44.11% combined percentage occupancy days for all Theatre Services venues was achieved for 2002/03. The 50% was not achieved due to the cancellation of 2 advanced bookings for season performances at WestpacTrust Theatre. 3 The review was undertaken and reported to Council on the 12 February 2003. Decisions in respect of maintenance levels and long term capital will be made when Council's Strategic Plan is next reviewed. 4 · User satisfaction measure of 77.0 for Founders Memorial Theatre achieved. · User satisfaction measure of 72 for WestpacTrust Community Theatre achieved. · User satisfaction measure of 64.2 for The Meteor achieved.
2	b To protect ratepayers' investment by undertaking annual maintenance and compliance checks of theatre operational equipment, as specified by electrical regulations and mechanical safety codes of practice.	5 Checked 100% of inventory of operational equipment at all Hamilton Theatre Services venues. 6 Completed the \$140,000 equipment renewal programme.	5 100% of Founders and WestpacTrust Community Theatre equipment checked, 95% of The Meteor equipment checked (the balance of equipment has been removed from service until the check is completed). 6 Equipment renewal programme completed.
2, 4	c To increase TICKETEK business levels.	7 Achieved combined total patronage of 140,000 people or greater for Hamilton Theatre Services venues. 8 Booking office income maintained at \$120,000 or greater.	7 Combined total patronage of 137,517 people for all venues. 8 Booking office income was \$123,493.93 for 2002/03.

## LIBRARIES

### Description

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

### Strategic Plan Goals

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

### Council Goals

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

Council Goals	Objectives	Performance Measures	Results
1, 2, 4	a To develop a detailed Information Communication Technology (ICT) Plan that will provide a strong platform for the provision of future electronic information services.	1 Completed the Information Communication Technology Plan.	1 A detailed Information Communication Technology Plan for Hamilton City Libraries has been developed. This plan identifies the strategic direction for technology development along with a 5-year developmental pathway.
1, 2, 4	b To create vibrant and welcoming spaces to attract children and young people to use the Central Library.	2 Enhanced children's and young people's spaces at the Central Library at a cost of no greater than \$20,000.	2 The children's area of the Central Library has been refurbished within budget and now provides younger visitors with an attractive and interesting library environment.
1, 2, 4	c To maintain and develop a libraries environment that delivers excellent resources and services to customers	3 Library material issues maintained at 1.5 million items or greater. 4 Active registered borrowers maintained at 60,000 or greater. 5 Visits to the Central Library maintained at 450,000 or greater. 6 User satisfaction measure for: · the Central Library maintained at 88 or greater · satellite libraries maintained at 80 or greater as measured by Council's 2003 Annual Residents Survey.	3 Library issue rates have risen to 1.6 million, representing an increase of 124,000 over last year. 4 Active registered borrowers have increased to 68,406. 5 460,228 visits were made to the Central Library, 18,000 more than the previous year. 6 · User satisfaction measure of 83.2 for the Central Library achieved. · User satisfaction measure of 79.6 for satellite libraries achieved.  Significant change and increased visitor numbers, coupled with an ambitious development programme, has at times placed Library services and resources under stress.

## WAIKATO MUSEUM OF ART AND HISTORY

### Description

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

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

ArtsPost and the Excite Science Centre are also part of the museum's organisation and operation. The Excite Centre in the Museum exists to promote and popularise science and technology. ArtsPost is a community arts facility adjacent to the Waikato Museum of Art and History. Its purpose is to encourage, support and promote the arts in Hamilton.

### Strategic Plan Goals

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

### Council Goals

- 1 To promote an environment which encourages the development of a quality of life aimed at meeting community needs and expectations
- 4 To develop an effective and efficient corporation that is responsive, responsible and accountable to the community
- 5 To develop a positive climate which encourages development opportunities to achieve a sound economic base for the city

Council Goals	Objectives	Performance Measures	Results
1, 5	a To research and develop a new exhibition on the history of Hamilton and the Waikato.	1 Installed a new history exhibition.	1 A new exciting exhibition celebrating the origins of the Tainui Iwi, Ngaa Purapura o Tainui, opened in June 2003.
1, 4, 5	b To increase the usage of the Waikato Museum of Art and History.	2 Visitor attendance increased to 80,000 people. 3 User satisfaction measure for the Waikato Museum of Art and History maintained at 81 or greater, as measured by Council's 2003 Annual Residents Survey.	2 79,777 people attended the Museum in 2002/03. 3 User satisfaction measure of 77.7 for the Waikato Museum of Art and History achieved. The re-development work taking place in the Museum this year has resulted in some disruption of the regular programme.
1, 4, 5	c To upgrade the museum building to an acceptable standard for exhibitions and storage of the collection.	4 Commenced implementation of a 3 year plan for upgrading the exhibition lighting. 5 Commenced implementation of a 3 year plan for the development of collection and exhibition storage.	4 New lighting equipment has been installed in levels 4 and 5 of the Museum. This represents the first of the 3 year planned upgrade of the exhibition lighting. 5 Planning for upgrading the collection storage areas of the Museum has begun with further work scheduled for 2003/04.
1, 4, 5	d To use technologies that provide electronic access to the museum's collections.	6 Finalised a technology strategy to: · make an online catalogue available to museum visitors and on the website <a href="http://www.waikatomuseum.org.nz">www.waikatomuseum.org.nz</a> · extend the catalogue to document artistic and cultural artefacts relevant to Tainui, and the Waikato, held in other institutions.	6 An initial technology strategy document has been prepared and work is currently underway on the development of a final plan for completion in 2003/04.



## STRATEGIC AREA E: LIVING IN HAMILTON

### KEY STRATEGIC PLAN GOALS

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

### KEY SUSTAINABILITY INDICATORS

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

### STRATEGIC OVERVIEW

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

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

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

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

### COUNCIL'S RESPONSE

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

#### Community Development

This service manages two community centres (Enderley Park Community Centre and Celebrating Age Centre), oversees youth and neighbourhood development workers, and implements social research and policy development. Supports Safer Hamilton, Community Houses and Ethnic Communities.

#### Youth Programme

This service provides the Youth Zone facility, funds five youth workers and contributes to after school activities programmes and school holiday programmes. Supports the Youth Council.

#### Community Assistance

Services include:

- Community Assistance Grants
- Hillary Commission Grants
- Creative New Zealand Grants.

This service provides or distributes funds to the community from Hamilton City Council, Creative New Zealand, and the Hillary Commission.

#### Housing Services

This service provides and maintains 452 housing units at 26 locations at an affordable rent for older persons, with approximately 5 per cent available for persons with disabilities.

### Employment Initiatives

This is a co-operative programme between Council and the Department of Work and Income. Participants gain work experience on projects that benefit the community and the environment, with the goal that they will be placed in stable employment.

### Emergency Management

This service prepares strategies, programmes and plans that will minimise, reduce or eliminate the impact of the consequences of a disaster. Under the new proposed Civil Defence and Emergency Management legislation, Council will be the administering authority for the central Waikato and the lead response agent for any significant regional emergency events.

### Partnership with Maori

This service assists with Maori development in partnership with Te Runanga o Kirikiriroa through the operation of a Joint Committee comprising members of Council and the Runanga. Consults with Nga Mana Toopu o Kirikiriroa with regard to natural and physical resource management issues.

### Cemeteries and Crematorium

Hamilton Park Cemetery and Crematorium provides for burial and cremation, chapel services, and ash memorialisation. This significant service also maintains records for the Hamilton West and Hamilton East cemeteries.

### Representation and Civic Affairs

This service provides for the costs of Council's democratic and decision-making processes, including elected members' remuneration, meetings, public consultation, communication, civic functions and elections.

## IMPROVING COUNCIL'S AND HAMILTON'S SUSTAINABILITY

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

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

## HIGHLIGHTS

### COMMUNITY DEVELOPMENT

#### Child and Family Policy

The Child and Family Policy was launched at a ceremony at Lake Domain on Children's Day in October 2002. The policy, produced in both English and Maori, is aimed to support children and their families and to encourage their participation in city and community life.

### EMERGENCY MANAGEMENT

#### Emergency Management

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

### PARTNERSHIP WITH MAORI

#### Partnership

A significant partnership exists between Council and Maori in the city. Of particular significance in this relationship is the opportunity to increase Maori community participation in Council projects.

Through the Joint Venture Committee and ongoing liaison between Te Runanga and Council, discussions have been initiated to help implement provisions of the Local Government Act 2002 in partnership. Nga Mana Toopu o Kirikiriroa also continues to work with Te Runanga and Council in this process.

A treaty training day was held in November 2002, and was well attended by Councillors. There was active participation on the day, and good feedback from participants and the trainers.

The evolutionary nature of this relationship will ensure that the needs of the Maori community are more effectively addressed through increased participation in policy development and decision-making.

### CEMETERIES AND CREMATORIUM

#### Hamilton Park Cemetery Development

Two areas have been developed at Hamilton Park Cemetery (Newstead), with a feature memorial in the Stillborn area, and a new area for additional ash burial options in a formal garden setting.

### EMPLOYMENT INITIATIVES

As a result of Task Force Green and Work Base Training programmes, 69 participants have moved into full-time employment as at 30 June 2003.

### REPRESENTATION AND CIVIC AFFAIRS

#### Elections

A requirement of the Local Electoral Act was that the electoral voting system to be used for the 2004 triennial elections needed to be determined by Council by 12 September 2002. There were two options for the electoral voting system – to retain the existing 'first past the post' (FFP) voting system, or to adopt the 'single transferable vote' voting system (STV). STV is a new voting system that has been introduced in the Local Electoral Act 2001. Council resolved on 14 August 2002 to retain the status quo electoral voting system of first past the post for the 2004 triennial elections. A subsequent request to hold a poll on the electoral voting system was defeated by Council on 26 February 2003.

Council also resolved on the 21 May 2003 to undertake a representation and boundary review by 31 August 2006 for the 2007 triennial elections. This will consider electoral matters including the number of elected representatives, elections by wards or at large (or a mixture), community boards, and Maori representation/wards.

## COMMUNITY DEVELOPMENT

### Description

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

### Strategic Plan Goals

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

### Council Goal

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

Council Goal	Objective	Performance Measures	Results
1	a To strengthen communities by supporting community groups, neighbourhood development, and the establishment and development of Community Centres.	1 Implemented year three Community Development Team objectives from the six year Community Development Plan.	1 82% of year three community development plan objectives were implemented by 30 June 2003. Two objectives within the plan (Obj 2.9 and Obj 3.5) have not been implemented as a result of re-evaluated needs.
		2 Completed feasibility studies and identified future Community Centre projects to be funded in accordance with the Community Centre Implementation Plan and Policy.	2 A Feasibility Study for a Pacific Island Centre has been completed.
		3 The Hamilton citywide profile giving city demographics updated, published and made available to the public by 31 December 2002.	3 Due to a change in staff the Hamilton citywide profile was deferred and will be completed and published in August 2003.
		4 Partnership agreements established with community houses to accommodate and/or employ Neighbourhood Development Workers.	4 Accommodation agreements have been established for the five Neighbourhood Workers in community houses located in their area of work. The next 12 months will explore the development of partnership agreements.
1	b To increase support to Hamilton's children by advancing access to community services and activities, advocating children's needs and issues, and the distribution of resources.	5 Year one action plan achievements in the Child and Family Policy are reported to Council.	5 The Child and Family action plan is pending evaluation and report to Council by October 2003.
1	c To work in partnership with the Safer Hamilton Community Council to promote, establish and support crime prevention initiatives in the community.	6 Safer Hamilton Community Council provided two, six-monthly performance reports to Council to show its goals are on target.	6 Safer Hamilton has reported to Council showing goals on target, with the final report due in September 2003.

## YOUTH PROGRAMME

### Description

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

### Strategic Plan Goals

- needs of the community and business at all levels
- Local neighbourhoods address the needs of their residents—socially, physically and emotionally
- All people are enabled and encouraged to participate in the development of the city

### Council Goal

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

Council Goal	Objective	Performance Measures	Results
1	a To strengthen the provision of services, activities, resources and programmes to Hamilton's youth/ rangatahi and children/ tamariki.	<ol style="list-style-type: none"> <li>1 Hamilton Youth Council completed two projects.</li> <li>2 Partnership agreements established with community houses to accommodate and/or employ youth workers.</li> <li>3 Reviewed Hamilton's Youth Policy.</li> </ol>	<ol style="list-style-type: none"> <li>1 The Youth Council has implemented the 'Homesafe' project and initiated events for Youth Week.</li> <li>2 Accommodation agreements have been established for the five Youth Workers in community houses located in their area of work.</li> <li>3 The Youth Policy has been evaluated and the review has been deferred until 2003/04 to include information prepared from other youth services.</li> </ol>

## COMMUNITY ASSISTANCE

### Description

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

### Strategic Plan Goal

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

### Council Goal

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

Council Goal	Objective	Performance Measures	Results
1	a To enhance the provision of services in the community through the allocation of funds to community organisations	1 Distributed approximately \$404,000 of small grants in accordance with Council Policy and the programme's criteria.	1 The available funding of \$276,378 was distributed to 174 community groups according to Council policy and programme criteria by June 2003.  Hillary Commission funding of \$130,000 was withdrawn in 2002/03.

## HOUSING SERVICES

### Description

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

### Strategic Plan Goal

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

### Council Goals

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

Council Goals	Objectives	Performance Measures	Results
1, 2	a To provide well-maintained and safe living environments for tenants	<ol style="list-style-type: none"> <li>Responded to 100% of maintenance calls by prioritising and alerting the Property and Risk Management Unit within two days.</li> <li>The number of Neighbourhood Support Groups in Council housing complexes is maintained at 100%.</li> </ol>	<ol style="list-style-type: none"> <li>100% of maintenance calls were prioritised, reported to the Property and Risk Management Unit and actioned within two days.</li> <li>100% of council housing complexes do have a neighbourhood support group operating.</li> </ol>
2, 4	b To provide an affordable housing service that meets the needs of customers, yet is 94% cost-recoverable.	<ol style="list-style-type: none"> <li>Recovered 94% of costs with rents below the market rate for matched accommodation.</li> <li>Provided all tenants with up-to-date information on community services via the visiting programme of two personal visits and one other contact in addition to three newsletters posted.</li> <li>Achieved a measure of 85% or greater customer satisfaction with Council's housing services, as measured by the 2003 Annual Tenants Survey.</li> </ol>	<ol style="list-style-type: none"> <li>Rent recovered in excess of 94% of costs and rent remains below the nationally benchmarked value.</li> <li>93% of all tenants received two personal visits and one other contact. 7% of tenants either cancelled appointments or did not require them. Three newsletters were sent to tenants by 30 June 2003.</li> <li>The Corporate customer satisfaction survey programme has been implemented with a 95.19% overall customer satisfaction rating.</li> </ol>

## EMPLOYMENT INITIATIVES

### Description

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

### Strategic Plan Goals

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

### Council Goals

- 1 To promote an environment which encourages the development of a quality of life aimed at meeting community needs and expectations
- 3 To obtain and administer the financial resources necessary for the cost effective management of the city
- 4 To develop an effective and efficient corporation that is responsive, responsible and accountable to the community
- 5 To develop a positive climate which encourages development opportunities to achieve a sound economic base for the city

Council Goals	Objectives	Performance Measures	Results
1	a To enable Employment Initiatives participants to gain employment through participation in Council's training and work experience programme.	1 Ensured that a minimum of 50 participants in the programme moved into stable employment. 2 Completed 15 Council sponsored Community Work projects.	1 69 participants from Taskforce Green and Work Base Training moved into employment by 30 June 2003. 2 19 Council sponsored community work projects were provided throughout Hamilton City by 30 June 2003.
3, 4	b To structure and deliver employment and training programmes, which attract external funding.	3 Achieved 50% or greater of the funding for the programmes from sources other than Hamilton City Council.	3 51% of programme funding was sourced from Central Government, Work and Income, and the Tertiary Education Centre.
1,5	c To deliver appropriate training to participants that meets New Zealand Qualifications Authority (NZQA) requirements.	4 80% or greater of participants achieved NZQA unit standards qualifications.	4 40% of participants achieved NZQA unit standards qualifications. This is 40% less than anticipated due largely to assessors being unavailable.



## EMERGENCY MANAGEMENT

### Description

The purpose of Emergency Management is to prepare strategies, programmes and plans that will minimise, reduce or eliminate the impact of the consequences of a disaster. Under the new proposed Civil Defence and Emergency Management legislation, Hamilton City Council will become a key member of the new regional Civil Defence Emergency Management Group. This will have a significant impact on Council's emergency response and recovery procedures. The changes will create a framework for the development of a more robust emergency response system throughout the central Waikato.

A cluster of neighbouring local authorities comprising Waikato, Waipa, Otorohanga, Waitomo and Hamilton city form the Waikato Valley Emergency Operating Area (WVEOA) which will be combined under a common hazardscape. Hamilton City Council will be the administering authority for the combined area and the lead response agent for any significant regional emergency events.

### Strategic Plan Goal

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

### Council Goals

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

Council Goals	Objectives	Performance Measures	Results
1, 2	a To ensure response and recovery plans are prepared by Emergency Management and are continuously reviewed.	1 Reviewed standard operating procedures for emergency response and recovery plans and maintained ISO 9002 registration.	1 Standard Operating Procedures have been reviewed and ISO 9002 registration maintained.
1, 2	b To maintain public awareness of the need for emergency preparedness for the city.	2 Attained 88% or greater public awareness of the need to be self-reliant in the event of a disaster, as measured by Council's 2003 Annual Residents Survey.  3 Achieved a measure of 47% or greater of households that have an Emergency Plan in place, as measured by Council's 2003 Annual Residents Survey.	2 A measure of 86% of public awareness of the need to be self-reliant in the event of a disaster achieved.  3 A measure of 54% of households that have an Emergency Plan in place achieved.
1, 2	c To negotiate and develop service level requirements with WVEOA member organisations.	4 Service requirements agreed with WVEOA members by March 2003.	4 The performance measure was not achieved due to the late enactment of the new Civil Defence and Emergency Management Legislation.
1, 2	<b>Long-Term Objectives</b> a To develop a fully integrated, comprehensive, emergency management system for Hamilton city.	5 Emergency Management staff participated in all of the city's emergency planning meetings (Emergency Management Sub-committee, Emergency Services Co-ordination Committee, Hazardous Substances Technical Liaison Committee) with key stakeholders.	5 A total of 28 emergency planning meetings were attended by staff.
	b To develop partnerships with all other emergency response agencies that will support Council's response to and recovery from any declared emergency event.	6 Contacted at least 50 groups, organisations, or schools regarding emergency preparedness.  7 Emergency Management staff participated in all of the city's emergency planning meetings (Emergency Management Sub-committee, Emergency Services Co-ordination Committee, Hazardous Substances Technical Liaison Committee) with key stakeholders.	6 Contact was made with 134 groups and 32 lectures were given regarding emergency preparedness.  7 A total of 28 emergency planning meetings were attended by staff.

## PARTNERSHIP WITH MAORI

### Description

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

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

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

### Strategic Plan Goal

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

### Council Goals

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

Council Goals	Objective	Performance Measures	Results
1, 4	a To promote and strengthen the partnership between Council and tangata whenua.	<ol style="list-style-type: none"> <li>1 The distribution of the Maori projects fund by Te Runanga o Kirikiriroa monitored six-monthly.</li> <li>2 A training programme completed by Te Runanga o Kirikiriroa with Councillors on the Treaty of Waitangi, local history, Te Reo, and marae protocol by 31 May 2003.</li> <li>3 Joint Venture Committee meetings conducted on a regular 6-weekly basis to discuss and promote the partnership.</li> <li>4 Required information supplied by NaMTOK for all notified resource consent applications.</li> </ol>	<ol style="list-style-type: none"> <li>1 Information was received and circulated to Council Joint Venture Committee members.</li> <li>2 Treaty training was held on 22 November 2002 attended by His Worship the Mayor, 11 Councillors and four members of Council's senior management team.</li> <li>3 Scheduling of Joint Venture Committee meetings has been difficult due to schedule clashes. Meetings will be arranged on a six weekly basis from September 2003, and added to the regular Council meeting schedule.</li> <li>4 NaMTOK supplied the required information on 18 notified resource consent applications, where they identified potential concerns, or commented that potential concerns were not relevant to the application. These responses were received within the target of an average of 5 working days.</li> </ol>

## CEMETERIES AND CREMATORIUM

### Description

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

### Strategic Plan Goal

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

### Council Goals

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

Council Goals	Objectives	Performance Measures	Results
2	a To provide a burial and cremation service to the people of Hamilton and the Waikato region.	1 All requests for cremation and burial were accommodated in accordance with legal requirements and Council bylaws.	1 All cremations (1002) and burials (251) were accommodated in accordance with legal requirements and Council bylaws.
1	b To maintain the cemetery facilities and environment to the satisfaction of customers.	2 User satisfaction measure for the overall environment at Newstead Cemetery maintained at 75 or greater, as measured by Council's 2003 Annual Residents Survey. 3 Implemented customer service monitoring programme.	2 User satisfaction measure of 81.3 for the overall environment at Newstead Cemetery achieved. 3 A Corporate customer Survey has been implemented. Customer satisfaction rating from the July 2003 customer survey was 88.1%.
4	c To implement the year-four goals and objectives of the nine year Cemetery Management Plan.	4 Implemented burial lawn and ash interment garden development.	4 An extension of the burial lawns has been completed providing space for burial until approximately 2015. Ash interment garden development has been completed providing ash interment space until 2012.

## REPRESENTATION AND CIVIC AFFAIRS

### Description

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

### Strategic Plan Goal

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

### Council Goal

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

Council Goal	Objectives	Performance Measures	Results
4	a To maintain the democratic process of local government as required by legislation.	<ol style="list-style-type: none"> <li>1 Annual Plan, Annual Report and District Plan produced in compliance with legislative requirements.</li> <li>2 Council determined by 12 September 2002 which electoral voting system (first past the post or single transferable vote) to be used for the 2004 triennial elections.</li> <li>3 At least fifty per cent of the references lodged to the District Plan successfully resolved by negotiation or mediation.</li> </ol>	<ol style="list-style-type: none"> <li>1 Council's 2002/03 Annual Plan, 2001/02 Annual Report and Hamilton City Proposed District Plan November 2001 (References Version) were completed within statutory timeframes and in compliance with all relevant legislation.</li> <li>2 Council resolved on 14 August 2002 to retain the status quo electoral voting system of first past the post for the 2004 triennial elections. A request to hold a poll on the electoral voting system was not adopted by Council on 26 February 2003.  Council resolved on the 21 May 2003 to undertake a representation and boundary review by 31 August 2006 for the 2007 triennial elections.</li> <li>3 Of the 57 references lodged, 30 (53%) have been resolved. Nine (16%) were withdrawn following negotiations and ten (17%) were resolved through negotiated alterations to the Plan. Eleven (19%) were resolved through a decision of the Environment Court. Negotiations continue on the remaining 27 (47%).</li> </ol>
4	b To respond to key issues/ proposals that may impact on the city and/or Council operations.	<ol style="list-style-type: none"> <li>4 Council submissions prepared on key issues/ proposals (through the Council submission process) and forwarded to the relevant organisations by the submission closing date.</li> </ol>	<ol style="list-style-type: none"> <li>4 Council made 23 submissions and 5 staff submissions to a range of organisations. Submissions forwarded after the official closing date were sent with the agreement of the relevant organisation.</li> </ol>
4	c To ensure optimum community consultation and participation on key Council issues.	<ol style="list-style-type: none"> <li>5 User satisfaction measure for contact with Councillors and Mayor maintained at 65 or greater, as measured by Council's 2003 Annual Residents Survey.</li> <li>6 User satisfaction measure for the opportunities Council provides for community involvement in decision-making maintained at 59 or greater, as measured by Council's 2003 Annual Residents Survey.</li> <li>7 Staff training programme for effective community consultation undertaken.</li> </ol>	<ol style="list-style-type: none"> <li>5 User satisfaction measure of 68.8 for contact with Councillors and Mayor achieved.</li> <li>6 User satisfaction measure of 58.6 for the opportunities Council provides for community involvement in decision-making achieved.</li> <li>7 Staff training programme for effective community consultation was undertaken by several staff members across the organisation.</li> </ol>

## STRATEGIC AREA F: ENJOYING OUR CITY

### KEY STRATEGIC PLAN GOAL

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

### KEY SUSTAINABILITY INDICATOR

25. Community and recreational facilities

### STRATEGIC OVERVIEW

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

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

### COUNCIL'S RESPONSE

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

#### Sports Areas (Grounds and Buildings)

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

#### Parks and Gardens

Services include:

- Grounds and Buildings
- Hamilton Domain Board

This service manages the developed and undeveloped passive recreational land for particular environmental objectives.

#### City Beautification

This service improves the city 'look' with plantings, including trees in open spaces, parks, streets and traffic islands.

#### Stadiums

Services include:

- Waikato Stadium
- Westpac Park
- The Waikato Events Centre

These facilities provide flexible event and conference facilities to attract key sports fixtures as well as other major events.

#### Hamilton City Leisure Centre

The Hamilton City Leisure Centre is operated by the YMCA who provide stadium management and a range of health and fitness programmes for individuals and groups in the community.

#### Swimming Facilities

Services include:

- Grants (Other Pools)

The Waterworld complex, Gallagher Aquatic Centre and Municipal Pool (under contract to the Hamilton Amateur Swimming Club) are operated by Council. Council also provides Partner Pool Grants to Campus pool, Hillcrest Normal School and Fairfield College to provide assistance for these facilities to open to the public, enabling club development and opportunities to swim at a local level.

#### Community Halls and Leased Buildings

This service provides four halls for community based activities.

#### Hamilton Zoo

Hamilton Zoo provides the city with a recreation and leisure facility, a conservation base, and an educational experience.

### Hamilton Gardens

Hamilton Gardens, including the Pavilion, provides a high quality visitor and events venue that enhances the quality of life of residents and promotes the image of Hamilton.

### Toilets

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

## IMPROVING COUNCIL'S AND HAMILTON'S SUSTAINABILITY

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

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

## HIGHLIGHTS

### SPORTS AREAS (GROUNDS AND BUILDINGS)

#### **Dey Street North Reserve (Marist Park)**

A section of the East Town Belt north of Old Farm Road has been developed as a city-community sports park with amenities to service the local neighbourhood that is establishing in the adjacent residential area.

### PARKS AND GARDENS

#### **Lake Rotoroa Esplanade Walkway**

Construction of the Hamilton Lake (Lake Rotoroa) walkway has continued to complete the second year of a three-year programme. Funding of \$538,000 has been provided for the second stage of the walkway and the associated landscape restoration, which will be completed over the next two winter seasons. The programme to eradicate the Yellow Flag Iris (*Iris Pseudacorus*) continued.

#### **Hammond Park Bush Restoration**

Hammond Bush is one of Hamilton's most significant areas of remnant flora. The uncommon swamp maire is an important presence. The restoration and extension of this bush is being undertaken by volunteers from the local Hamilton Environmental Improvement in the Riverlea Suburb (HEIRS) group and Golden Key students from The University of Waikato with support from Council. One of the objectives of such planting is to bring native birds back into the city, such as the Kereru and Tui.

#### **Community Tree Planting**

Protecting and enhancing the city's distinctive parks, gardens, and reserves continued this year through Council's community planting programmes. Eighty-three community-based groups took part, planting more than 27,000 trees and shrubs, provided by Council, on public reserves throughout the city.

#### **Claudelands Park**

The planned continued development of Claudelands Park (formerly the Claudelands Showgrounds) as a public park with the removal of redundant buildings and construction of a car park was deferred to 2003/04 pending discussions on a possible indoor stadium. The park will continue to be developed in accordance with the Claudelands Park Management Plan over a period of six years.

#### **Gully Development Programme**

Further development of Hamilton's Gully Reserves was undertaken at Mangaiti Park, involving the completion of the walkway and a start on the establishment of a model revegetation project.

### STADIUMS

#### **Waikato Stadium and Westpac Park**

The Waikato Stadium opened in March 2002 with the first event to be held at the re-developed venue being the Chiefs vs Crusaders Super 12 rugby match. The year that followed included a high number of national and international rugby games with the highlight being the All Blacks vs Wales game in June 2003. Several non rugby events including international soccer, a concert, a public open day, and the Don Clarke Memorial Service have given the Stadium a chance to increase its profile and establish itself into the various events markets.

The Stadium had 233,408 visitors attending events and functions throughout the year. It should be noted that an economic impact assessment of the All Black vs Italy game in June 2002 estimated that this game alone injected \$1.24 million of new money into the local economy. The national and international media recognition of the Stadium has been second to none in the

country for rugby, and it has been this attention that contributes to its status and venue profile in the events industry.

The function and conference business in particular is exceeding expectations, with functions being held almost daily. The facilities and services provided are competitive and unique to our community.

#### **Westpac Park**

Westpac Park had a strong year of cricket, with a Five Day International Test against India in December 2002 as well as a 'sold out' One Day International against India in January 2003.

## **SWIMMING FACILITIES**

#### **Waterworld Plant Replacement**

The city's major swimming facility is replacing its 30-year-old equipment in a staged programme over a number of years to ensure continuity and increased levels of service and customer comfort.

## **HAMILTON ZOO**

#### **Zoo Development**

A chimpanzee exhibit is planned to accommodate the colony of six animals currently housed at Auckland Zoo. Year-one of the programme saw the completion of design working drawings and the beginning of a three-stage construction programme.

Hamilton Zoo this year undertook a number of small infrastructural projects to enhance welfare and service delivery of its collection. These included an extension to the Rhino house, a handling crush for the giraffe, improvements to the raptor (birds of prey) aviary, deletion of a small pond, and purchase of additional veterinary equipment.

## **HAMILTON GARDENS**

#### **Char Bagh Garden**

A contract was let for construction of stage 2 of the Indian Char Bagh Garden, which will add to the notable collection of themed gardens at Hamilton Gardens. Council is working with the Indian Char Bagh Garden Trust, which will continue to raise significant sponsorship for this project, and it is expected the Garden will be completed in 2004/05.



## SPORTS AREAS (GROUNDS AND BUILDINGS)

### Description

Provides for the active recreational needs of the community through the provision of developed open space with participant and public facilities (e.g., changing rooms). Areas are developed and maintained through a mix of internal and external contracts. Regular liaison with users ensures the best possible service is delivered to the community within the resources available.

### Strategic Plan Goal

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

### Council Goal

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

Council Goal	Objectives	Performance Measures	Results
1	a To consult with users and the wider community to determine requirements for active recreation, through regular liaison meetings and contact with users.	1 Assessed user needs by meeting with summer sports codes before September 2002, and with winter sports codes before April 2003. 2 User satisfaction measure for sports areas maintained at 68 or greater, as measured by Council's 2003 Annual Residents Survey.	1 Meetings with summer and winter codes were held as planned. User needs were assessed and codes confirmed their requirements for the pending season. 2 User satisfaction measure of 73.8 for sports areas achieved.
1	b To meet the community's need for active recreational opportunities through the development and maintenance of sports areas.	3 Sports ground development at Marist Park, Dey Street North as part of the continuing programme of sports area development.	3 Earthworks, sward establishment, drainage, fencing and initial landscaping works were undertaken and completed as planned, final works to be completed in association with the building project in 2003/04.
1	c To acquire suitable land for development as sports grounds.	4 Requirements for sports reserves in the north-east sector of the city identified.	4 Requirements identified and work is in hand to acquire the land when appropriate; i.e., negotiations are well advanced in the areas where development is imminent, or broad requirements are understood by landowners where development is planned for the future.
1	d To undertake regular reviews of Council's Recreation and Leisure Plan.	5 The Recreation and Leisure Plan reviewed by 30 September 2003.	5 The Recreation and Leisure Plan was reviewed by the target date and is in the process of implementation.

## PARKS AND GARDENS (including playgrounds)

### Description

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

### Strategic Plan Goal

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

### Council Goal

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

Council Goal	Objectives	Performance Measures	Results
1	a To provide and maintain a natural urban setting for the people of Hamilton and visitors to the city.	1 Completed Stage 2 of the Hamilton Lake (Lake Rotoroa) Esplanade walkway, within budget, by 31 January 2003.	1 The Hamilton Lake (Lake Rotoroa) Esplanade walkway is 90% completed. Stage 1 opened in June 2003. Stage 2 will be completed with Stage 3 (final) by November/ December 2003.
		2 Completed the Mangaiti Park walkway and Stage 1 of the model gully restoration project at Mangaiti Park.	2 Mangaiti Park Walkway completed and Stage 1 of gully restoration completed.
1	b To contribute towards meeting the recreational and well-being needs of the community through the provision and maintenance of parks, reserves and other forms of open space, and the facilities on them.	3 Developed Claudelands Park car park, Brooklyn Road in accordance with the Claudelands Park Management Plan.	3 Not achieved due to uncertainty over the Indoor Stadium proposal.
		4 User satisfaction measure for: · parks and gardens in general maintained at 79 or greater · children's playgrounds in general maintained at 70 or greater as measured by Council's 2003 Annual Residents Survey.	4 · User satisfaction measure of 78.8 for parks and gardens in general achieved. · User satisfaction measure of 73.1 for children's playgrounds in general achieved.

## CITY BEAUTIFICATION

### Description

City beautification enhances the city's image by developing and maintaining beautification areas throughout the city, including trees within open spaces, parks, streets, traffic islands and environmental plantings. Maintenance is carried out by a mix of internal and external contracts.

### Strategic Plan Goal

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

### Council Goal

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

Council Goal	Objectives	Performance Measures	Results
1	a To provide for the maintenance and enhancement of beautification areas and amenity trees within the city.	1 Planted 32,000 new trees and shrubs.  2 User satisfaction measure for city beautification maintained at 80 or greater, as measured by Council's 2003 Annual Residents Survey.	1 Planted 23,000 new shrubs and trees with the balance to be planted in July 2003. The delay was due to a late start to the planting season as a result of dry soil conditions.  2 User satisfaction measure of 74.6 for city beautification achieved.
1	b To ensure that all the city's fountains are refurbished and operating efficiently.	3 Completed the Centennial Fountain refurbishment within budget and operating efficiently.	3 Surrounds refurbishment complete and electrical systems renewal begun, and planned to be completed by October 2003. The refurbishment will be done within budget and will be operating efficiently.
1	c To work with the community in the establishment and ongoing maintenance of urban vegetation on public open space through the Community Planting Programme.	4 Planted trees on public open space with the involvement of not less than 60 representatives from community organisations, adjacent property owners or interested stakeholders.	4 27,598 trees, shrubs and hedges were planted at 49 locations with the help of 83 community groups and individuals.

## STADIUMS

### Description

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

Following major redevelopment of the Waikato Stadium, both Waikato Stadium and Westpac Park are to be transferred to Council for their ongoing operation. An upgrade of Westpac Park with new floodlights and associated facilities was undertaken at the same time as the Stadium's construction.

Although the Waikato Stadium will primarily be used for rugby fixtures and Westpac Park for cricket matches, both facilities will be available for suitable types of events and functions.

Both the Waikato Stadium and Westpac Park are operated by Council management, with policy direction from the Waikato Stadium and Westpac Park Management Committee, which is made up of six community members and rugby and cricket representatives.

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

### Strategic Plan Goal

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

### Council Goals

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

Council Goals	Objectives	Performance Measures	Results
1, 5	a To ensure the optimum use of the Waikato Stadium and Westpac Park.	1 Attracted 3 alternative events at each venue outside of Rugby and Cricket.	1 There were 3 non rugby events held at Waikato Stadium, while no other events other than cricket were held at Westpac Park due to the poor drainage condition of the outfield.
		2 User satisfaction measure for the Waikato Stadium maintained at 70 or greater, as measured by Council's 2003 Annual Residents Survey.	2 User satisfaction measure of 84.4 for the Waikato Stadium achieved.
		3 Ensured that the operational costs associated with each venue are recoverable in the first year of operation.	3 The operational costs were not recovered within the first year of operations due to the following reasons: <ul style="list-style-type: none"> <li>– a lesser number of events were secured</li> <li>– requirements to complete capital project operating costs were greater than the projected budget.</li> </ul>
1	b To implement efficient operational processes for the use and safety of hirers and public spectators.	4 Established a benchmark rating of 70% for customer satisfaction via a usage survey of: <ul style="list-style-type: none"> <li>· hirers</li> <li>· spectators attending events.</li> </ul>	4 The Customer satisfaction survey for the Waikato Stadium has been prepared and will be implemented for the next financial year.
1, 5	c To ensure the optimum use of the Waikato Events Centre.	5 Maintained income turnover at the existing base of \$580,000 per annum.	5 Income turnover was maintained at the existing base of \$580,000 for the year.
		6 Usage measure for the Waikato Events Centre maintained at 61% or greater, as measured by Council's 2003 Annual Residents Survey.	6 Usage measure of 65.3% for the Waikato Events Centre achieved.
1	d To work with event organisers to create events that meet the community and business sector markets.	7 User satisfaction measure for the Waikato Events Centre maintained at 58 or greater, as measured by Council's 2003 Annual Residents Survey.	7 User satisfaction measure of 63.7 for the Waikato Events Centre achieved.

## HAMILTON CITY LEISURE CENTRE

### Description

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

### Strategic Plan Goal

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

### Council Goal

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

Council Goal	Objectives	Performance Measures	Results
1	a To provide, maintain, and promote the facility and equipment, to encourage a range of recreational activities.	<ol style="list-style-type: none"> <li>1 Monitoring and evaluation of the management contract with Metro Y showed contract compliance and satisfactory performance rating of the contractor.</li> <li>2 Achieved a patronage total that is equal to the average of the previous 3 years.</li> </ol>	<ol style="list-style-type: none"> <li>1 No non-compliances to the contract with Metro Y were recorded.</li> <li>2 153,117 patrons were recorded against an average for the last three years of 151,316.</li> </ol>
1	b To ensure provision of a range of quality and affordable health, fitness, sport and leisure programmes and services in response to identified community needs.	<ol style="list-style-type: none"> <li>3 User satisfaction measure for the Hamilton City Leisure Centre maintained at 66 or greater, as measured by Council's 2003 Annual Residents Survey.</li> <li>4 Maintained certification of the independent ISO quality system developed by Metro Y.</li> </ol>	<ol style="list-style-type: none"> <li>3 User satisfaction measure of 67.6 for the Hamilton City Leisure Centre achieved.</li> <li>4 Certification of ISO 9002 was maintained for the Hamilton City Leisure Centre.</li> </ol>

## SWIMMING FACILITIES

### Description

Swimming facilities operates and funds swimming facilities throughout the city, to provide safe exposure to family oriented water-based education for a community that is geographically remote from natural coastal water features. It encourages an appreciation of water safety education through Learn To Swim and Swim Safe programmes, while also addressing intergenerational needs through related health and fitness programmes. The needs of a range of aquatic sports clubs and associations are also met by ensuring the availability of training opportunities.

### Strategic Plan Goal

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

### Council Goal

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

Council Goal	Objectives	Performance Measures	Results
1	a To operate and maintain swimming facilities for the safety and health of users.	<ol style="list-style-type: none"> <li>1 Waterworld and Gallagher Aquatic Centre maintained the necessary documented systems to meet and maintain compliance with the NZS 5826:2000 Pool Water Quality Standards, verified by third party 'poolsafe' audit every second year (the next audit is expected to be in October 2003).</li> <li>2 Waterworld and Gallagher Aquatic Centre met or exceeded standards for the ratio of lifeguards to pools, health and safety, and pool management, to maintain the 'Pool Safe' certification (expected to be assessed in October 2003).</li> </ol>	<ol style="list-style-type: none"> <li>1 All work required to comply with NZS 5826:2000 Pool Water Quality standard was achieved.</li> <li>2 All work required to maintain 'Pool safe' certification at Waterworld and Gallagher Aquatic Centre was achieved.</li> </ol>
1	b To provide and promote educational water safety and recreational programmes to balance recreational, competitive, teaching/coaching and therapeutic uses and to promote ongoing efficiencies and programme development.	<ol style="list-style-type: none"> <li>3 Provided technical direction to at least five Hamilton school pools to assist them in developing pool management strategies to meet national standards for water quality or other health and safety issues.</li> </ol>	<ol style="list-style-type: none"> <li>3 Swimming Facilities assisted three schools in advising on pool management, water quality and health and safety. Swimming Facilities also organized NZQA Water Treatment Training in which 25 participants attended (most of which were schools).</li> </ol>
1	c To ensure optimum use of swimming facilities to meet community needs.	<ol style="list-style-type: none"> <li>4 User satisfaction measure for: <ul style="list-style-type: none"> <li>· Waterworld maintained at 79 or greater</li> <li>· Gallagher Aquatic Centre maintained at 75 or greater as measured by Council's 2003 Annual Residents Survey.</li> </ul> </li> <li>5 Usage measure for: <ul style="list-style-type: none"> <li>· Waterworld maintained at 51% or greater</li> <li>· Gallagher Aquatic Centre maintained at 15% or greater as measured by Council's 2003 Annual Residents Survey.</li> </ul> </li> <li>6 Achieved an increase of 20,000 admissions per annum to a target of 600,000 visits at city-funded pools.</li> </ol>	<ol style="list-style-type: none"> <li>4 <ul style="list-style-type: none"> <li>· User satisfaction measure of 76.8 for Waterworld achieved</li> <li>· User satisfaction measure of 75 for Gallagher Aquatic Centre achieved.</li> </ul> </li> <li>5 <ul style="list-style-type: none"> <li>· Usage measure of 56.4% for Waterworld achieved</li> <li>· Usage measure of 23% for Gallagher Aquatic Centre achieved.</li> </ul> </li> <li>6 There were 714,343 admissions to city-funded pools in Hamilton.</li> </ol>

## COMMUNITY HALLS AND LEASED BUILDINGS

### Description

Provides and maintains halls and Council-owned buildings, which are leased for the cultural and recreational needs of the community. These halls provide venues for a diverse range of community-based activities including clubs, indoor sports, band practises, arts and theatre. Community halls include: Old St. Peters Hall, Fairfield Hall, Tomin Road Hall and Frankton Hall. Leased buildings include: Pukete Farm Park House, 50 Pembroke Street, Riverlea Theatre, Ward Park Arts Centre, Yendell Park and 9 Pembroke Street.

### Strategic Plan Goal

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

### Council Goal

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

Council Goal	Objective	Performance Measure	Result
1	a To provide and service minor halls and leased buildings, in order to enable a wide range of recreation, leisure and community activities in the city.	1 Maintained a 30% occupancy rate for community halls and 100% for leased buildings.	1 Achieved occupancy rates of 24% for community halls and 100% for leased buildings.

## HAMILTON ZOO

### Description

Hamilton Zoo is set on 20.8 hectares and provides the city with a recreation and leisure facility, a conservation base, and an educational experience. It also assists economic development through tourism and visitor attraction.

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

### Strategic Plan Goal

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

### Council Goals

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

Council Goals	Objectives	Performance Measures	Results
1, 5	a To provide a facility and programmes that meet the expectations of user groups and customers.	1 The patronage and demographic performance objectives of the contract with the Ministry of Education were met resulting in acceptance of tendered milestone reports.  2 User satisfaction measure for Hamilton Zoo maintained at 86 or greater, as measured by Council's 2003 Annual Residents Survey.  3 Usage measure for Hamilton Zoo maintained at 43% or greater, as measured by Council's 2003 Annual Residents Survey.	1 All performance objectives were achieved which resulted in Ministry of Education accepting all milestone reports.  2 User satisfaction measure of 82.1 for Hamilton Zoo achieved.  3 Usage measure of 64.2% for Hamilton Zoo achieved.
1	b To maintain a standard of animal husbandry and housing that meets or exceeds contemporary standards.	4 Received no non-compliance reports from audits carried out by the Ministry of Agriculture and Forestry and maintained a licence status as an 'A' grade zoo.	4 No non-compliances were recorded. The zoo maintained its status as a registered 'A' grade zoo.



## HAMILTON GARDENS

### Description

Hamilton Gardens is set on 54 hectares of prime city park land by the Waikato River. It provides a high quality visitor and events venue (including the Pavilion) that promotes the image of Hamilton and enhances the quality of life of residents. Hamilton Gardens is the most popular visitor destination in the city and makes a significant contribution to the local tourism industry. The development programme for Hamilton Gardens is supported by sponsorship, employment initiative programmes, and widespread public involvement.

### Strategic Plan Goal

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

### Council Goals

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

Council Goals	Objectives	Performance Measures	Results
1, 5	a To develop and maintain standards of presentation and service at Hamilton Gardens and the Pavilion which meet the community's expectations.	1 User satisfaction measure for Hamilton Gardens maintained at 90 or greater, as measured by Council's 2003 Annual Residents Survey.	1 User satisfaction measure of 88 for Hamilton Gardens achieved.
1, 5	b To develop Hamilton Gardens within budget to provide a high quality visitor and events venue in accordance with the Hamilton Gardens Management Plan.	2 Continued implementation of the Hamilton Gardens development programme through commencement of the Indian Char Bagh Garden.	2 Char Bagh Garden contract let for stage 2. Construction underway, to be completed by December 2003.

## TOILETS

### Description

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

### Strategic Plan Goal

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

### Council Goals

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

Council Goals	Objectives	Performance Measures	Results
1, 2	a To provide well-serviced facilities in accordance with NZS 4241: Public Toilets that meet the community's needs and expectations.	1 User satisfaction measure for public toilet facilities maintained at 61 or greater, as measured by Council's 2003 Annual Residents Survey.	1 User satisfaction measure of 62.5 for public toilet facilities achieved.
	b To develop new facilities in areas where the public identifies a need.	2 A semi self-cleaning unisex toilet constructed within budget to service Minogue Park operational by March 2003.	2 Exeloo toilet constructed and operational at Minogue Park in June 2003. Construction was delayed due to installation of a pump station and power supply to the toilets being dependent on an external supplier.



IMAGE TO GO HERE

**FINANCIAL STATEMENTS**

## FINANCIAL STATEMENTS CONTENTS FOR THE YEAR ENDED 30 JUNE 2003

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## REPORT OF THE AUDITOR-GENERAL TO THE READERS OF THE FINANCIAL STATEMENTS OF HAMILTON CITY COUNCIL AND GROUP FOR THE YEAR ENDED 30 JUNE 2003

We have audited the financial statements on pages XXX to XXX . The financial statements provide information about the past financial and service performance of Hamilton City Council and group and its financial position as at 30 June 2003. This information is stated in accordance with the accounting policies set out on pages XXX to XXX.

### Responsibilities of the Council

The Local Government Act 1974 requires the Council to prepare financial statements in accordance with generally accepted accounting practice in New Zealand that fairly reflect the financial position of Hamilton City Council and group as at 30 June 2003 and the results of its operations and cash flows and service performance achievements for the year ended on that date.

### Auditor's responsibilities

Section 15 of the Public Audit Act 2001 requires the Auditor-General to audit the financial statements presented by the Council. It is the responsibility of the Auditor-General to express an independent opinion on the financial statements and to report that opinion to you.

The Auditor-General has appointed B H Halford of Audit New Zealand to undertake the audit.

### Basis of opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Council in the preparation of the financial statements; and
- whether the accounting policies are appropriate to Hamilton City Council and group's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with the Auditing Standards published by the Auditor-General, which incorporate the Auditing Standards issued by the Institute of Chartered Accountants of New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditor acting on behalf of the Auditor-General, we have no relationship with or interests in Hamilton City Council or any of its subsidiaries.

Unqualified opinion

We have obtained all the information and explanations we have required.

In our opinion the financial statements of Hamilton City Council and group on pages XXX to XXX:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:

Hamilton City Council and group's financial position as at 30 June 2003;

the results of its operations and cash flows for the year ended on that date; and

the service performance achievements in relation to the performance targets and other measures adopted for the year ended on that date.

Our audit was completed on 10 September 2003 and our unqualified opinion is expressed as at that date.




B H Halford  
 Audit New Zealand  
 On behalf of the Auditor-General  
 Hamilton, New Zealand

## Council &amp; Consolidated

	Note	Actual 2003 \$000	Budget 2003 \$000	Actual 2002 \$000
<b>REVENUE</b>				
Revenue from strategic areas	1	29,725	28,384	27,507
Rates	2	66,294	66,220	63,721
Revenue assigned to asset development	3	20,017	10,478	37,212
Other revenue	4	1,269	1,210	1,609
<b>Total operating revenue</b>		<b>117,305</b>	<b>106,292</b>	<b>130,049</b>
<b>EXPENDITURE</b>				
Expenditure from strategic areas	1	107,880	99,891	100,411
Other expenditure		35	125	362
<b>Total operating expenditure</b>		<b>107,915</b>	<b>100,016</b>	<b>100,773</b>
Operating surplus before taxation	5	9,390	6,276	29,276
Less tax expense	6	0	0	0
<b>Net surplus after tax</b>		<b>9,390</b>	<b>6,276</b>	<b>29,276</b>
Share of associate's retained surplus/(loss)	9	799	0	(227)
<b>Net surplus</b>		<b>10,189</b>	<b>6,276</b>	<b>29,049</b>



Council & Consolidated

	Note	Actual 2003 \$000	Budget 2003 \$000	Actual 2002 \$000
Net surplus for the year		10,189	6,276	29,049
Net increase/(decrease) in revaluation of assets	7	(7,004)	0	187,864
Net increase in revaluation of investment properties	7	2,980		869
Net increase in revaluation of shareholdings	7	5,723		13
<b>Total recognised revenues and expenses for the year</b>		<b>11,888</b>	<b>6,276</b>	<b>217,795</b>
<b>Equity at beginning of year</b>		<b>1,515,411</b>	<b>1,511,008</b>	<b>1,277,647</b>
Adjustment for recognition of Heritage Assets	7	0	0	21,951
Adjustment for recognition of Landfill Aftercare Provision	7	0	0	(1,982)
<b>Adjusted equity at beginning of year</b>		<b>1,515,411</b>	<b>1,511,008</b>	<b>1,297,616</b>
<b>Equity at end of year</b>		<b>1,527,299</b>	<b>1,517,284</b>	<b>1,515,411</b>

The accompanying statement of accounting policies and notes to the financial statements form part of, and should be read in conjunction with these financial statements.

STATEMENT OF FINANCIAL POSITION  
For the year ended 30 June 2003

Council & Consolidated				
		Actual	Budget	Actual
	Note	2003	2003	2002
		\$000	\$000	\$000
<b>EQUITY</b>				
Accumulated funds	7	1,284,597	1,517,284	1,277,613
Revaluation reserves	7	222,210	0	220,062
Restricted reserves	7	3,679	0	3,492
Council created reserves	7	16,813	0	14,244
<b>Total Equity</b>		<b>1,527,299</b>	<b>1,517,284</b>	<b>1,515,411</b>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and bank		212	0	70
Investments	8	1,565	2,063	2,111
Accounts receivable and prepayments	10	10,981	7,000	7,575
Inventories		433	350	424
Mortgages		5	0	11
Properties intended for sale	11	550	0	2,555
<b>Total Current Assets</b>		<b>13,746</b>	<b>9,413</b>	<b>12,746</b>
<b>Non-Current Assets</b>				
Properties intended for sale	11	0	0	1,150
Mortgages		23	0	28
Investment properties	12	34,048	32,000	31,510
Investments	8	19,204	12,858	13,214
Fixed assets	13	1,585,611	1,587,392	1,580,266
<b>Total Non-Current Assets</b>		<b>1,638,886</b>	<b>1,632,250</b>	<b>1,626,168</b>
<b>Total Assets</b>		<b>1,652,632</b>	<b>1,641,663</b>	<b>1,638,914</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Bank overdraft	14	0	300	0
Accounts payable and income in advance	15	13,904	10,000	16,140
Employee entitlements	16	3,339	2,500	3,045
Term debt	17	5,514	1,742	3,656
Finance lease liabilities	18	309	116	90
<b>Total Current Liabilities</b>		<b>23,066</b>	<b>14,658</b>	<b>22,931</b>
<b>Non-Current Liabilities</b>				
Employee entitlements	16	1,578	1,300	1,453
Term debt	17	95,156	107,229	95,585
Finance lease liabilities	18	1,101	1,192	352
Landfill aftercare provision	19	4,432	0	3,182
<b>Total Non-Current Liabilities</b>		<b>102,267</b>	<b>109,721</b>	<b>100,572</b>
<b>Total Liabilities</b>		<b>125,333</b>	<b>124,379</b>	<b>123,503</b>
<b>NET ASSETS</b>		<b>1,527,299</b>	<b>1,517,284</b>	<b>1,515,411</b>

The accompanying statement of accounting policies and notes to the financial statements form part of, and should be read in conjunction with these financial statements.

Council & Consolidated

Note	Actual 2003 \$000	Budget 2003 \$000	Actual 2002 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash was provided from:</b>			
Rates	66,241	66,220	63,949
Rates - Environment Waikato	5,905	5,900	4,650
Petrol tax	917	900	899
Government operating subsidies and grants	2,332	3,006	2,180
Government capital subsidies and grants	1,911	2,116	2,363
Fees rents and charges	26,287	25,233	24,270
Other capital contributions	4,998	2,847	3,496
Interest on investment and special funds	45	4	60
Interest on sinking funds	361	1,190	589
Dividends	0	0	10
	<b>108,997</b>	<b>107,416</b>	<b>102,466</b>
<b>Cash was applied to:</b>			
Rates paid to Environment Waikato	5,905	5,900	4,650
Salaries and wages	29,366	29,013	27,321
Payments for supplies and services	37,852	35,591	34,899
Interest paid	7,048	8,500	7,100
Net GST paid	3	0	817
	<b>80,174</b>	<b>79,004</b>	<b>74,787</b>
<b>Net Cash Inflow / (Outflow) from Operating Activities</b>	<b>28,823</b>	<b>28,412</b>	<b>27,679</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Cash was provided from:</b>			
Sale of fixed assets	219	1,323	451
Sale of properties	2,265	0	284
Mortgage principal and investment withdrawn.	1,089	0	5,713
	<b>3,573</b>	<b>1,323</b>	<b>6,448</b>
<b>Cash was applied to:</b>			
Investments made	0	2,141	0
Purchase of fixed assets	34,695	33,637	37,478
	<b>34,695</b>	<b>35,778</b>	<b>37,478</b>
<b>Net Cash Inflow / (Outflow) from Investing Activities</b>	<b>(31,122)</b>	<b>(34,455)</b>	<b>(31,030)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Cash was provided from:</b>			
Loans uplifted	16,427	12,205	22,447
Finance leases raised	1,163	0	0
	<b>17,590</b>	<b>12,205</b>	<b>22,447</b>
<b>Cash was applied to:</b>			
Loan repayments	14,998	5,713	19,898
Finance lease repayments	151	0	0
	<b>15,149</b>	<b>5,713</b>	<b>19,898</b>
<b>Net Cash Inflow / (Outflow) from Financing Activities</b>	<b>2,441</b>	<b>6,492</b>	<b>2,549</b>
Net increase / (decrease) in cash held	142	449	(802)
Plus opening cash balance 1 July	70	1,314	872
<b>Closing Cash Balance 30 June</b>	<b>212</b>	<b>1,763</b>	<b>70</b>
<b>Made up of:</b>			
Investments at call	0	2,063	0
Cash and bank	212	0	70
Bank overdraft	0	(300)	0
<b>Closing Cash Balance 30 June</b>	<b>212</b>	<b>1,763</b>	<b>70</b>

The accompanying statement of accounting policies and notes to the financial statements form part of, and should be read in conjunction with these financial statements.

## REPORTING ENTITY

Hamilton City Council is a territorial local authority governed by the Local Government Act 1974 (the Act). The financial statements of Hamilton City Council and Group are prepared in accordance with the requirements of Section 223E of the Act, which includes the requirement to comply with generally accepted accounting practice.

The financial statements cover all the activities of Hamilton City Council and its 100 per cent owned Local Authority Trading Enterprise (LATE), Hamilton Properties Ltd. As this LATE is non-trading, we have not disclosed Council and consolidated figures separately in the financial statements.

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

## MEASUREMENT BASE

The financial statements have been prepared on an historical cost basis, modified by the revaluation of certain fixed assets.

## ACCOUNTING POLICIES

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

### 1. Basis of Consolidation

The results of Hamilton Properties Ltd have been consolidated using the purchase method. The company's balance date is 30 June 2002. The company is inactive.

### 2. Associate Companies

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

The results of Waikato Regional Airport Ltd, Hamilton Riverview Hotel Ltd, and Pirongia Mountain Afforestation have been reflected in the financial statements on an equity accounting basis. This method shows the share of surpluses/deficits in the Statement of Financial Performance and the original investment updated for the share of post-acquisition increases/decreases in net assets in the Statement of Financial Position.

### 3. Budget Figures

The budget figures are based on those approved by Council at the beginning of the year after a period of consultation with the public as part of the Annual Plan process and subsequent Council approved adjustments. The budget figures have been prepared in accordance with the accounting policies adopted by the Council for the preparation of the financial statements. A reconciliation of the approved budget to the restated budget is shown in the notes to the financial statements.

### 4. Revenue Recognition

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

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

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

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

## 6. Taxation Expense

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

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

## 7. Fixed Assets

These assets consist of:

### Operational Assets

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

### Restricted Assets

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

### Heritage Assets

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

### Infrastructural Assets

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

### Valuation

~~Unless stated All assets are valued at historic cost, except the following~~ valuations are carried out or reviewed by independent qualified valuers and are carried at least 5 yearly. Valuations will be undertaken more regularly if necessary to ensure no individual item of property, plant and equipment within a class is at a valuation that is materially different from its fair value.

~~All assets are valued at historic cost, except the following~~ Assets have been valued in accordance with FRS-3 as follows:

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

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

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

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

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

**Heritage Assets** ~~have not been valued as they are not readily tradeable or replaceable~~ were revalued effective 1 July 2001 by professionally qualified library staff (library collection) and an independent consultant, Robin Watt & Associates (museum collection).

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

**Infrastructural Land** was revalued by Beca Valuations Ltd at market value effective 1 July 2001. ~~Infrastructural land was revalued by Beca Valuations Limited at net current value effective 1 July 1998. The land under roads has been brought to account by determining the total land area and multiplying this by an average city land value determined from an analysis of recent land sales. Infrastructural buildings were revalued by Beca Valuations Limited at depreciated replacement cost effective 1 July 1998. Approximately half of operational land and buildings were revalued by Quotable Value New Zealand at 1 September 2000. Quotable Value New Zealand has certified that this valuation is appropriate for financial reporting purposes. Most other land and buildings were revalued by Beca Valuations Limited effective 1 July 1998.~~

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

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

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

valuation. The valuation was performed by Curnow Tizard at 30 June 1996. All other plant and equipment is recorded at cost.

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

## 8. Investment Properties and Properties for Resale

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

### Valuation

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

Properties for resale are valued at the lower of cost or net realisable value.

## 9. Depreciation

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

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

· Buildings	40 - 100 years
· Plant and Vehicles	3 - 15 years
· Furniture, Fittings and Equipment	5 - 10 years
· Library Books	14 years
· Zoo Animals	10 years
· Roads and Traffic Network:	
top surface (seal)	6 - 18 years
pavement (basecourse)	25 - 50 years
catchpits	50 years
culverts	60 - 80 years
footpaths	50 - 70 years
kerbs and traffic islands	70 years
signs	12 years
street lights	25 years
bridges	150 years
traffic signals	15 years
barriers	25 - 40 years
bus shelters and parking meters	4 - 10 years
verge, embankment and retaining walls	60 years
· Wastewater Reticulation:	
pipes	60 - 100 years
manholes	75 years
treatment plant	5 - 100 years
bridges	75 - 100 years
pump-stations	15 - 100 years
· Stormwater System:	
pipes	100 years
manholes, cesspits	100 years
service connections and outlets	30 - 100 years
· Water Reticulation:	
pipes	60 - 80 years
butterfly valves	50 - 75 years
treatment plant	10 - 120 years
meters	20 years
hydrants	50 years
reservoirs	30 - 80 years
· Heritage assets are depreciated by a nominal amount to reflect their extremely long life and heritage value.	

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

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

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

## 10. Investments

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

The Pirongia Mountain Afforestation Joint Venture investment was revalued at 30 June 2002, based on a valuation of the forest by forestry consultants PL Tempest and Associates Ltd.

## 11. Employee Entitlements

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

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

## 12. Leases

Leases consist of:

### Finance Leases

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

### Operating Leases

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

## 13. Landfill Post-Closure Costs

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

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

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

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

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

## 14. Equity

Accumulated Funds comprise accumulated surpluses over the years.

Revaluation Reserves comprise accumulated revaluation increments/decrements.

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

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

## 15. Accounts Receivable

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

## 16. Mortgage Assets

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



**17. Inventories**

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

**18. Statement of Cash Flows**

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

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

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

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

**19. Cost of Service Statements**

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

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

- Support services are those activities, which are not considered to be direct services to the public and are allocated across the significant activities on a basis, which reflects usage of the support services. Included in the allocation for support services is an allocation of the business unit surpluses/deficits. These are allocated where possible on a usage basis.
- Interest is allocated to the significant activity on the basis of the book value of land and buildings employed for each item in the Cost of Service Statements except for water, wastewater, stormwater, refuse, transport centre, outdoor stadium, community assistance grants, economic development grants, property improvements and any other specific projects where the interest on the value of loans appropriated for those activities are allocated entirely to the significant activity. Interest is allocated to the significant activity on the basis of buildings and infrastructural assets employed for each item in the Cost of Service Statements except for water, wastewater and refuse where specific loans raised for those activities are allocated entirely to the significant activity.

**21. Foreign Currency**

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

**22. Financial Instruments**

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

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

**CHANGES IN ACCOUNTING POLICIES**

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

**NOTE 1: SUMMARY OF COST OF SERVICES**

**Council & Consolidated**

	<b>Actual 2003 \$000</b>	<b>Budget 2003 \$000</b>	<b>Actual 2002 \$000</b>
<b>Revenue from Strategic Areas</b>			
Sustaining Hamilton's environment	10,514	10,099	10,809
Growing Hamilton	12,946	11,548	11,470
Promoting Hamilton	0	0	0
Experiencing our arts, culture and heritage	1,582	1,591	1,635
Living in Hamilton	2,664	3,001	2,907
Enjoying our city	5,426	5,547	4,146
	<b>33,132</b>	<b>31,786</b>	<b>30,967</b>
Less internal revenue	(3,407)	(3,402)	(3,460)
<b>Total Revenue from Strategic Areas</b>	<b>29,725</b>	<b>28,384</b>	<b>27,507</b>
<b>Expenditure from Strategic Areas</b>			
Sustaining Hamilton's environment	33,624	32,581	31,020
Growing Hamilton	31,047	26,654	29,090
Promoting Hamilton	2,426	2,661	1,115
Experiencing our arts, culture and heritage	11,978	10,882	12,342
Living in Hamilton	11,933	12,273	12,055
Enjoying our city	21,708	19,456	19,344
	<b>112,716</b>	<b>104,507</b>	<b>104,966</b>
Less internal expenditure	(3,407)	(3,402)	(3,460)
Less rates charged to Council properties	(329)	(330)	(324)
Less internal transfers to reserves	(378)	0	0
Less interest on internal borrowing	(722)	(884)	(771)
<b>Total Expenditure from Strategic Areas*</b>	<b>107,880</b>	<b>99,891</b>	<b>100,411</b>

Revenue from strategic areas includes fees, rents and charges, and government operating subsidies and grants.

\*Refer to note 33 for explanation of major variances

**NOTE 2: RATES**

Council & Consolidated			
	Actual 2003 \$000	Budget 2003 \$000	Actual 2002 \$000
Rates	65,916	65,955	63,332
Rates penalties and service charges	711	625	723
Rates remissions	(4)	(30)	(10)
Less rates charged to Council properties	(329)	(330)	(324)
<b>Total Rates</b>	<b>66,294</b>	<b>66,220</b>	<b>63,721</b>

**NOTE 3: REVENUE ASSIGNED TO ASSET DEVELOPMENT**

Council & Consolidated			
	Actual 2003 \$000	Budget 2003 \$000	Actual 2002 \$000
Transfund NZ capital subsidies	1,911	3,566	2,363
Contributions - vested assets	11,108	4,125	31,353
<b>Other capital contributions</b>			
Contributions to subdivision reserves	1,450	900	1,283
Contributions to infrastructural reserves	1,738	713	1,368
Cemetery fees	58	47	52
General contributions	3,752	1,127	793
	<b>6,998</b>	<b>2,787</b>	<b>3,496</b>
<b>Total Revenue Assigned to Asset Development</b>	<b>20,017</b>	<b>10,478</b>	<b>37,212</b>

**NOTE 4: OTHER REVENUE**

Council & Consolidated			
	Actual 2003 \$000	Budget 2003 \$000	Actual 2002 \$000
Petrol tax	917	900	899
Investment income	327	310	586
Sundry revenue	25	0	123
Dividends	0	0	1
<b>Total Other Revenue</b>	<b>1,269</b>	<b>1,210</b>	<b>1,609</b>

## NOTE 5: OPERATING SURPLUS BEFORE TAXATION

The following items are included in the Statement of Financial Performance:

	Council & Consolidated	
	Actual 2003 \$000	Actual 2002 \$000
<b>Audit fees</b>		
Fees paid to principal auditor	93	96
Fees paid to other auditors	0	0
Other services provided by the principal auditor	0	0
<b>Cost of offering credit</b>		
Bad debts written off	11	9
Increase/(decrease) in provision for doubtful debts	(12)	23
<b>Depreciation</b>		
Operational buildings	6,029	7,306
Improvements - parks and gardens	1,801	1,483
Plant and equipment	1,996	1,766
Vehicles	377	334
Library books	1,116	1,053
Zoo animals	97	98
Heritage assets	26	26
Refuse	1,889	1,859
Roads and traffic network	9,075	10,185
Stormwater system	2,077	2,064
Wastewater system	1,587	1,868
Wastewater treatment plant	1,827	729
Water system	2,154	2,163
Water treatment plant	516	479
<b>Total depreciation</b>	<b>30,567</b>	<b>31,413</b>
<b>Governance expenses</b>		
Mayor and councillors' remuneration	610	607
Ceremonies for the Public	103	77
Insignia and Robes of Office	0	0
<b>Other expenditure</b>		
Donations	0	0
Operating leases rental expense	1,219	1,193
Finance charges on leased assets	44	26
Interest expense	6,985	6,750
Loss/(Gain) on disposal of assets	972	68
Insurance premiums	844	557
Ex gratia payments	0	0
Entertainment	5	9
Subscriptions, levies, fees and contributions	4,175	3,222
Unauthorised expenditure	0	0
Final payments to staff exceeding \$50,000	0	0

## NOTE 6: TAXATION

Taxation is payable by Hamilton City Council on any income from its LATEs. Council has only one LATE, Hamilton Properties Ltd, which has been inactive since 1998. Accordingly there is no income or tax liability. The group has no deferred tax balance on timing differences. Tax losses of the group of \$479,709 (2002 \$479,709), tax effect \$158,304 (2002 \$158,304) have not been recognised.

## NOTE 7: EQUITY

			Council & Consolidated		
			Actual 2003 \$000	Actual 2002 \$000	
<b>Accumulated Funds</b>					
	Opening balance		1,277,613	1,219,897	
	Net surplus after tax		10,189	29,049	
	Adjustment for recognition of heritage assets		0	21,951	
	Adjustment for recognition of landfill aftercare provision		0	(1,982)	
	Transfer from revaluation reserve on disposal of assets		(449)	0	
	Transfers from restricted and Council created reserves		27,202	26,785	
	Transfers to restricted and Council created reserves		(29,958)	(18,087)	
	<b>Total Accumulated Funds</b>		<b>1,284,597</b>	<b>1,277,613</b>	
<b>Revaluation Reserves</b>					
<b>General Asset Revaluation Reserves</b>					
	Opening balance		218,339	30,462	
	Increase/(decrease) in revaluation of assets		(7,004)	187,864	
	Transfer to accumulated funds on disposal of assets		449	0	
	Increase in revaluation of shareholdings		5,723	13	
	<b>Closing balance</b>		<b>217,507</b>	<b>218,339</b>	
<b>Investment Property Revaluation Reserves</b>					
	Opening balance		1,723	854	
	Increase in revaluation of investment properties		2,980	869	
	<b>Closing balance</b>		<b>4,703</b>	<b>1,723</b>	
	<b>Total Revaluation Reserves</b>		<b>222,210</b>	<b>220,062</b>	
<b>Restricted Reserves</b>					
	Transfers to	Transfers from			
	Cemetery plot maintenance in perpetuity	129	71	1,256	1,198
	Domain sales endowment reserve	188	289	954	1,055
	Municipal crown endowment reserve	302	74	1,442	1,214
	Waikato art gallery endowment reserve	2	0	27	25
	<b>Total Restricted Reserves</b>	<b>621</b>	<b>434</b>	<b>3,679</b>	<b>3,492</b>
<b>Council Created Reserves</b>					
	Bus shelter (Adshel) reserve	5	3	67	65
	Dame Hilda Ross library memorial	0	0	1	1
	Debt repayment reserve	4,790	4,790	0	0
	Disaster recovery fund	242	0	2,144	1,902
	General interest reserve	165	458	150	443
	Horotiu aftercare reserve	242	0	960	718
	Horotiu landfill reserve	1,360	278	(494)	(1,576)
	Infrastructural subdivision reserve	1,947	1,131	2,397	1,581
	Lake Domain Drive reserve	107	0	107	0
	Loan funds	16,479	16,479	0	0
	Loan repayment reserve	1,029	1,598	6,360	6,929
	Peachgrove lounge site development	0	1	(1)	0
	Project watershed-Environment Waikato	432	269	163	0
	Property maintenance reserve	268	268	0	0
	Public transport and parking reserve	194	116	855	777
	Roman catholic schools library fund	0	0	4	4
	Storm damage reserve	12	0	224	212
	Subdivisional reserve	1,654	1,267	3,575	3,188
	Vehicle and plant reserve	110	110	0	0
	Waitawhiriwhiri plant reserve	30	0	30	0
	Wastewater treatment plant sludge lagoon reserve	271	0	271	0
	<b>Total Council Created Reserves</b>	<b>29,337</b>	<b>26,768</b>	<b>16,813</b>	<b>14,244</b>
	<b>Total Restricted and Council Created Reserves</b>	<b>29,958</b>	<b>27,202</b>	<b>20,492</b>	<b>17,736</b>
	<b>Total Ratepayers' Equity</b>		<b>1,527,299</b>	<b>1,515,411</b>	

**NOTE 8: INVESTMENTS**

	Council & Consolidated	
	Actual 2003 \$000	Actual 2002 \$000
Sinking fund commissioners	1,532	1,569
Other investments	33	542
<b>Current Investments</b>	<b>1,565</b>	<b>2,111</b>
Sinking fund commissioners	4,828	5,360
Shares and investments in other organisations (refer note 9)	14,376	7,854
<b>Non-Current Investments</b>	<b>19,204</b>	<b>13,214</b>
<b>Total Investments</b>	<b>20,769</b>	<b>15,325</b>

The weighted average effective interest rates on investments (current and non-current) and the maturities were:

Weighted average effective interest rate	Council & Consolidated	
	2003	2002
Short-term deposits	5.21%	6.48%
Sinking funds	4.95%	5.74%

Maturities	Less than 6 months	6-12 months	1-2 years	2-5 years	> 5 years	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Short-term deposits	33	0	0	0	0	33
Sinking funds	0	1532	688	3501	639	6360
	<b>33</b>	<b>1532</b>	<b>688</b>	<b>3501</b>	<b>639</b>	<b>6393</b>

**NOTE 9: ASSOCIATE AND OTHER SHAREHOLDINGS**

Shares and investments in other organisations are comprised as follows:

	Number of Shares	% Holding	Balance Date	2003 \$000	2002 \$000
Hamilton Riverview Hotel Ltd (Novotel)	42	42.00	31 Dec	3,309	3,164
Hamilton Properties Ltd	1,000	100.00	30 Jun	0	0
NZ Local Government Insurance Co Ltd	202,729	3.17	31 Dec	361	345
Pirongia Mountain Afforestation	11	25.58	30 Jun	307	301
Waikato Regional Airport Ltd	1,430,000	50.00	30 Jun	10,399	4,044
<b>Total Shares and Investments in Other Organisations</b>				<b>14,376</b>	<b>7,854</b>

Council investments include a \$1000 investment in Hamilton Properties Limited which has been eliminated on consolidation.

The Pirongia Mountain Afforestation forestry interest was revalued as at 30 June 2003 by forestry consultants PLTempest and Associates Ltd. The value of the trees was assessed at \$1,457,505 (2002 \$1,751,219). The value of the land \$245,000 was recognised in the financial statements of Pirongia Mountain Afforestation for the first time during 2002/03, based on the valuation by Quotable Value.

At 30 June 2003, an adjustment for revaluation of assets of \$11.55m was recognised in the financial statements of Waikato Regional Airport. Accordingly 50% of this revaluation has been reflected in the financial statements of Hamilton City Council by increasing investments and shareholding revaluation reserves respectively. The MAF settlement for border control charges has been included as income in Waikato Regional Airport Ltd financial statements for 2002/03.

Council's share of associates surplus/(loss) is as follows:

	Council & Consolidated	
	Actual 2003 \$000	Actual 2002 \$000
Hamilton Riverview Hotel Ltd (Novotel)	145	(361)
NZ Local Government Insurance Co Ltd	16	29
Pirongia Mountain Afforestation	59	(2)
Waikato Regional Airport Ltd	579	107
	<b>799</b>	<b>(227)</b>

**NOTE 10: ACCOUNTS RECEIVABLE AND PREPAYMENTS**

	Council & Consolidated	
	Actual	Actual
	2003	2002
	\$000	\$000
Rates debtors	1,629	1,503
Transfund New Zealand	951	769
Water by meter	1,016	978
Sundry debtors	5,973	2,979
GST refund due	894	977
Prepayments	670	534
	<b>11,133</b>	<b>7,740</b>
Less provision for doubtful debts	(152)	(165)
<b>Total Accounts Receivable and Prepayments</b>	<b>10,981</b>	<b>7,575</b>

**NOTE 11: PROPERTIES INTENDED FOR SALE**

	Council & Consolidated					
	2003			2002		
	Cost/Val	Acc Depn	Book Value	Cost/Val	Acc Depn	Book Value
	\$000	\$000	\$000	\$000	\$000	\$000
At cost- current	550	0	550	2,555	0	2,555
At cost- non-current				1,150	0	1,150
	550		550	3,705		3,705

**NOTE 12: INVESTMENT PROPERTIES**

	Council & Consolidated					
	2003			2002		
	Cost/Val	Acc Depn	Book Value	Cost/Val	Acc Depn	Book Value
	\$000	\$000	\$000	\$000	\$000	\$000
At valuation	34,048		34,048	31,510	0	31,510

Investment properties have been valued by two independent valuers at 30 June 2003: Telfer Young \$25.324m (Municipal Endowment properties) and Quotable Value \$8.724m (other investment properties). This has resulted in an increase in investment property revaluation reserves of \$2.980m.



**NOTE 13: FIXED ASSETS**

Council & Consolidated				
	2003 Cost \$000	Val \$000	Acc Depn \$000	Book Value \$000
<b>Operational Assets</b>				
Land	0	21,726	0	21,726
Buildings	34,508	95,606	(9,539)	120,575
Land - parks and gardens	1,867	97,341	0	99,207
Improvements - parks and gardens	5,507	20,649	(3,156)	23,001
Plant and equipment	6,878	7,197	(3,644)	10,431
Vehicles	3,728	0	(1,832)	1,896
Library books	15,830	0	(4,800)	11,030
Zoo animals	0	971	(194)	777
	<b>68,318</b>	<b>243,490</b>	<b>(23,165)</b>	<b>288,643</b>
<b>Restricted Assets</b>				
Land	1,362	4,103	0	5,465
<b>Heritage Assets</b>				
Museum and library	19	21,951	(53)	21,917
<b>Infrastructural Assets</b>				
Land	0	6,082	0	6,082
Refuse	6,296	10,049	(3,606)	12,739
Roads and traffic network	20,811	841,644	(19,224)	843,230
Stormwater system	2,821	144,302	(4,141)	142,981
Wastewater system	3,512	81,419	(3,455)	81,476
Wastewater treatment plant	23,556	16,107	(2,556)	37,107
Water system	2,662	89,688	(4,310)	88,041
Water treatment station	2,087	21,511	(995)	22,603
	<b>61,745</b>	<b>1,210,800</b>	<b>(38,287)</b>	<b>1,234,259</b>
<b>Work in Progress</b>	35,328	0	0	35,328
<b>Total Fixed Assets</b>	<b>166,771</b>	<b>1,480,344</b>	<b>(61,504)</b>	<b>1,585,611</b>

**Valuation adjustments**

During the year the valuation methodology for operational buildings was reviewed to determine if the use of fair value valuation was appropriate for all buildings. It was determined that due to a lack of a ready market information for some buildings the fair value was not appropriate. As a result RDT Pacific were employed to revalue 16 buildings using a depreciated replacement cost approach. This resulted in an increase of \$3.057m in the asset revaluation reserve.

A subsequent review of the other revaluations undertaken in the previous financial year, has highlighted some anomalies in 2002/03. These have been corrected, resulting in an adjustment (decrease of \$9.612m) to the asset revaluation reserve during 2002/03, on an opening total of fixed assets of \$1,580m.

Council & Consolidated 2002				
	Cost \$000	Val \$000	Acc Depn \$000	Book Value \$000
<b>Operational Assets</b>				
Land	0	26,831	0	26,831
Buildings	37,840	95,621	(7,167)	126,294
Land - parks and gardens	1,191	98,514	0	99,705
Improvements - parks and gardens	1,232	20,993	(1,484)	20,741
Plant and equipment	2,286	7,649	(1,647)	8,288
Vehicles	3,711	0	(1,986)	1,725
Library books	14,805	0	(3,684)	11,121
Zoo animals	0	976	(98)	878
	<b>61,065</b>	<b>250,584</b>	<b>(16,066)</b>	<b>295,583</b>
<b>Restricted Assets</b>				
Land	102	4,103	0	4,205
<b>Heritage Assets</b>				
Museum and library	11	21,951	(26)	21,936
<b>Infrastructural Assets</b>				
Land	0	6,082	0	6,082
Refuse	878	10,049	(1,717)	9,210
Roads and traffic network	9,290	842,044	(10,149)	841,185
Stormwater system	1,456	144,206	(2,064)	143,598
Wastewater system	1,231	81,419	(1,868)	80,782
Wastewater treatment plant	25,561	16,106	(729)	40,938
Water system	3,405	89,789	(2,163)	91,031
Water treatment station	0	21,511	(479)	21,032
	<b>41,821</b>	<b>1,211,206</b>	<b>(19,169)</b>	<b>1,233,858</b>
<b>Work in Progress</b>	24,684	0	0	24,684
<b>Total Fixed Assets</b>	<b>127,683</b>	<b>1,487,844</b>	<b>(35,261)</b>	<b>1,580,266</b>

#### NOTE 14: BANK OVERDRAFT

The bank overdraft on the daily trading account is secured by way of debenture trust deed over general rates. The facility totals \$500,000. At 30 June 2003 the interest rate on the facility was 13.95 per cent per annum. The bank overdraft on the direct fees account is also secured by way of a debenture trust deed over general rates. The facility totals \$10,000. At 30 June 2003 the interest rate on the facility was 13.95 per cent per annum.

#### NOTE 15: ACCOUNTS PAYABLE AND INCOME IN ADVANCE

	Council & Consolidated	
	Actual	Actual
	2003	2002
	\$000	\$000
Trade creditors and accruals	12,477	14,830
Agency funds	282	267
	<b>12,759</b>	<b>15,097</b>
Income in advance	1,145	1,043
<b>Total Accounts Payable and Income in Advance</b>	<b>13,904</b>	<b>16,140</b>

#### NOTE 16: EMPLOYEE ENTITLEMENTS

	Council & Consolidated	
	Actual	Actual
	2003	2002
	\$000	\$000
Accrued pay	732	665
Annual leave and long service leave	2,454	2213
Retirement gratuities	1,731	1620
<b>Total Employee Entitlements</b>	<b>4917</b>	<b>4498</b>
Made up of:		
Current	3,339	3045
Non-current	1,578	1453
<b>Total Employee Entitlements</b>	<b>4917</b>	<b>4498</b>

**NOTE 17: TERM DEBT**

The city's debt has been issued in accordance with the Local Government Act 1974. The loans are secured through the debenture trust deed over all rates with one exception. The \$5.204m loan used to purchase Claudelands Park is secured by way of a mortgage over the Claudelands Park property.

	Council & Consolidated	
	Actual	Actual
	2003	2002
	\$000	\$000
Payable no later than one year	47,189	43,451
Later than one, not later than two years	13,867	17,309
Later than two, not later than five years	10,740	17,607
Later than five years	28,874	20,874
<b>Total Term Liabilities</b>	<b>100,670</b>	<b>99,241</b>

	Council & Consolidated	
	Actual	Actual
	2003	2002
	\$000	\$000
Payable within one year	47,189	43,451
Less renewal loans to be raised*	41,675	39,795
Current	5,514	3,656
Non-current	95,156	95,585
<b>Total Term Liabilities</b>	<b>100,670</b>	<b>99,241</b>

\*Renewal loans to be raised are registered stock and bank funding to be refinanced within the next 12 months, less assets sales and cash payments to bring the debt repayments to 4% of opening net debt balance.

The weighted average effective interest rate on borrowings (current and non-current) was 6.75% including the impact of synthetic instruments (2002 6.50%).

Council uses synthetic instruments (Swaps and FRAs) to manage its interest rate risk profile based on independent professional advice (see note 22).

Term liabilities includes an interest free loan from the Energy Efficiency and Conservation Authority (EECA) \$0.191m (2002 \$0.269m).

Under authority of the Local Government Act 1974 (Local Authorities Loans Act 1956), Sinking Funds to the value of \$6.360m (2002 \$6.929m) are held to provide for the repayment of debt.

Under the Local Government Amendment Act (No.3) 1996, Section 223(e), there have been no significant variations or material departures from Council's Borrowing Management Policy.

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

Internal borrowing from cash held for special funds and working capital as at 30 June 2003 is \$19.810m (2002 \$15.432m). If this is added to Council's net debt of \$94.119m (2002 \$91.022m) the overall net city debt (excluding EECA) at 30 June 2003 is \$113.929m (2002 \$106.454m).

The statement of financial performance, reflects a net off of internal borrowing interest of \$0.722m (2002 \$0.771m) to eliminate the internal interest charged to strategic areas.

**NOTE 18: FINANCE LEASE LIABILITIES**

	Council & Consolidated	
	Actual 2003 \$000	Actual 2002 \$000
Payable no later than one year	378	122
Later than one, not later than two years	378	122
Later than two, not later than five years	880	282
Later than five years	0	0
	1,636	526
Future finance charges	(226)	(84)
<b>Total Finance Lease Liabilities</b>	<b>1,410</b>	<b>442</b>
Made up of:		
Current	309	90
Non-current	1,101	352
<b>Total Finance Lease Liabilities</b>	<b>1,410</b>	<b>442</b>

The interest rates applying to lease liabilities for 2003 ranges from 5.23% to 7.94% for 2003 (2002 ranges from 7.68% to 7.94%).

**NOTE 19: LANDFILL AFTERCARE PROVISION**

Hamilton City Council gained resource consent in October 1985 to operate the Horotiu landfill. Council has the responsibility under the resource consent to provide ongoing maintenance and monitoring of the landfill after the site is closed. There are closure and post-closure responsibilities such as the following

**Closure Responsibilities:**

- final cover application and vegetation
- incremental drainage control features
- completing facilities for leachate collection and monitoring
- completing facilities for water quality monitoring
- completing facilities for monitoring and recovery of gas.

**Post-closure Responsibilities:**

- treatment and monitoring of leachate
- groundwater and surface monitoring
- gas monitoring and recovery
- implementation of remedial measures such as needed for cover, and control systems
- ongoing site maintenance for drainage systems, final cover and control.

**Capacity of the Site**

Under the term of the resource consent Horotiu is required to close no later than 31 December 2006. As at 30 June 2003 the remaining capacity was 365,000 cubic metres. The remaining capacity has been determined using estimated tonnage of 310,000 tonnes multiplied by a compaction rate of 0.85.

The cashflow outflows for landfill post closure are expected to occur between 2007 and 2056. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and is discounted using a discount rate of 7 per cent.

	Council & Consolidated	
	Actual 2003 \$000	Actual 2002 \$000
<b>Statement of Movements in Landfill Aftercare Provision</b>		
Opening Balance	3,182	0
Adjustment for adoption of FRS-15	0	3,182
Increase due to relative volume assumption	1,027	0
Increase in discount amount from passage of time	223	0
<b>Closing Balance</b>	<b>4,432</b>	<b>3,182</b>

**NOTE 20: RECONCILIATION OF NET SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	Council & Consolidated	
	Actual 2003 \$000	Actual 2002 \$000
<b>Net Surplus</b>	<b>10,189</b>	<b>29,049</b>
<b>Add/(Less) Non-Cash Items:</b>		
Debenture premium amortised		0
Loss/(gain) on revaluation of investments	(799)	227
Depreciation plus net loss/(gain) on disposal of assets	31,540	31,481
Contributions - fixed assets vested	(11,108)	(31,353)
	<b>19,633</b>	<b>355</b>
<b>Add/(less) movements in working capital:</b>		
Change in accounts receivable and prepaid expenditure	(3,406)	(1,396)
Change in inventory	(9)	23
Change in accounts payable and income in advance	(2,236)	2,096
Change in employee entitlements (including non-current portion)	419	128
	<b>(5,232)</b>	<b>851</b>
<b>Add/(less) Items classified as investing activities:</b>		
Change in capital expenditure accruals	4,233	(2,576)
	<b>4,233</b>	<b>(2,576)</b>
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	<b>28,823</b>	<b>27,679</b>

**NOTE 21: RELATED PARTIES**

Council's wholly owned subsidiary, Hamilton Properties Ltd which previously managed Council's property portfolio and received most of its income from management fees, ceased trading as at 31 October 1998. As a result, there are no related party transactions included in these accounts.

No councillors or senior management were involved in any transactions with Council apart from payments of rates and use of Council services as part of a normal customer relationship.

**NOTE 22: FINANCIAL INSTRUMENTS****Credit Risk**

In the normal course of business, Council incurs credit risk from trade debtors and financial institutions. Council has placed its cash, interest bearing deposits and funds to be managed with financial institutions of high credit worthiness and limits its amount of credit exposure to any one such institution.

**Interest Rate Risk**

In the normal course of business, most long-term debt is at fixed interest rates. Interest rate risk is managed using synthetic instruments. Short-term debt and investments are subject to normal market fluctuations. Long-term debt is detailed in Note 17.

**Synthetic Contracts Held**

<b>Instrument</b>	<b>Term</b>	<b>Interest Rate %</b>	<b>Amount \$000</b>
Interest rate swaps	15 January 2004	5.62	7,000
	10 August 2004	5.59	2,000
	1 October 2004	6.31	2,000
	12 January 2005	5.75	7,000
	4 January 2006	6.26	7,000
	15 February 2006	6.49	6,000
	24 February 2006	5.62	2,000
	11 December 2006	6.33	2,000
	3 January 2008	6.41	7,000
	23 January 2008	6.06	2,000
	12 February 2008	5.81	6,000
	3 November 2008	6.25	3,000
	15 December 2009	6.71	5,000
	20 August 2010	6.63	5,000
	1 September 2011	6.87	7,500
	12 December 2011	6.69	6,000
14 November 2012	6.59	5,000	
22 January 2013	6.75	5,000	
5 February 2013	7.08	5,500	
25 February 2013	6.09	4,000	
			<b>96,000</b>

**NOTE 22: FINANCIAL INSTRUMENTS cont.**

**Fair Value**

The fair value of financial instruments is shown as follows:

	Council & Consolidated		Council & Consolidated	
	Carrying		Carrying	
	Amount	Fair value	Amount	Fair value
	2003	2003	2002	2002
	\$000	\$000	\$000	\$000
<b>Assets</b>				
Cash and bank	212	212	70	70
Current investments	1,565	1,565	2,111	2,111
Non-current investments*	19,204	19,204	13,214	13,214
<b>Liabilities</b>				
Term debt	100,670	101,634	99,241	99,464
Finance lease liabilities	1,410	1,410	442	442

\* Shares and investments in other organisations are carried at values as stated in Note 9. It is not practical to estimate fair values of Council's shareholdings as there are no quoted market prices for the shares.

The revaluation of interest rate swaps held by Council shows an unrealised mark-to-market revaluation loss of \$4,182,030 as at 30 June 2003 (2002 unrealised gain \$76,969). This has not been recognised in the Statement of Financial Performance. At the time these interest rate swaps were entered into, the interest rates were at low points in the financial markets. In conjunction with Council's treasury advisors it was considered prudent to lock in these rates to provide Council with interest rates in the medium and long term that are below historical averages and to also manage interest rate risk.

At the time these interest rate swaps were revalued, rates were at historically low levels and this created the unrealised mark-to-market revaluation above. However, by the end of July 2003 (only one month later) interest rates rose to a point where these unrealised mark-to-market revaluation losses reduced to \$2,380,675. It is expected that longer-term interest rates will continue to rise and council will benefit from the interest rates locked in by the swap contracts that have been put in place.

### NOTE 23: CURRENCY RISK

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency forward exchange rates are used to manage foreign currency exposure. Council's policy is that foreign currency exposure of amounts greater than \$25,000 are to be covered by way of forward exchange contracts. Council held foreign currency forward exchange contracts of \$18,762 as at 30 June 2003 (2002 nil).

	Council & Consolidated		Council & Consolidated	
	Carrying	Fair value	Carrying	Fair value
	Amount		Amount	
	2003	2003	2002	2002
\$000	\$000	\$000	\$000	
Foreign currency forward exchange contracts	19	19	0	0

### NOTE 24: REMUNERATION OF THE CHIEF EXECUTIVE

The Chief Executive of Hamilton City Council, Mr A. J. Marryatt, was appointed under section 119C(1)(a) of the Local Government Act 1974 and receives a salary of \$226,195 (2002 \$215,166). In terms of his contract, the Chief Executive also receives the following additional benefits: motor vehicle \$15,419 (2002 \$16,709) and superannuation subsidy of \$6,040 (2002 nil). The total remuneration package is \$247,654 (2002 \$231,875).

For the year ended 30 June 2003, the total annual cost to Hamilton City Council of the remuneration package being received by Mr Marryatt was \$242,075 (2002 \$224,945).

	Council & Consolidated	
	Actual	Actual
	2003	2002
	\$	\$
Salary	223,773	209,151
Motor vehicle	14,817	15,794
Superannuation subsidy	3,485	0
<b>Total cost</b>	<b>242,075</b>	<b>224,945</b>

Mr Marryatt is also a Director of Hamilton Riverview Hotel Limited (appointed by Hamilton City Council) and received Directors fees of \$12,600 (2002 \$12,600) for his work in that capacity.

### NOTE 25: STADIUM DEVELOPMENT AND UPGRADES

During the 2001/02 financial year, Hamilton City Council, in association with community funding organisations, (including WEL Energy Trust, Trust Waikato, and Lotteries Commission) funded the development and upgrade of two facilities - WestpacTrust Park and Rugby Park now known as Waikato Stadium.

The WestpacTrust Park upgrade was completed at a cost of \$2.835m.

On the 19 April 2002, the construction of the Waikato Stadium was completed, and the ownership and operation of the facility was transferred to Hamilton City Council. However, further project enhancements continued during 2001/02 and 2002/03 financial years and are planned to be completed in 2003/04.

Due to the complex and large scale nature of the Waikato Stadium construction/upgrade project, the costs of the project have not been finalised at 30 June 2003. An amount of \$37.838m has been capitalised for the Waikato Stadium and this represents all certified construction costs to 30 June 2003.

The amount of \$21.622m, has been vested in Council over the last two financial years to fund the Waikato Stadium (\$37.838m) and WestpacTrust Park (\$2.835m). During the 2003/04 financial year, further project enhancements to the Waikato Stadium valued at approximately \$0.5m will be undertaken and completed. The final costs will be established once final accounts and contractual claim costs for the 2003/04 financial year are agreed and paid. When the final cost and funding of the project is established, the 2003/04 financial statements will show any final adjustments to fixed assets and the funding sources (loans).



**NOTE 26: STATEMENT OF COMMITMENTS**

	Council & Consolidated	
	Actual	Actual
	2003	2002
	\$000	\$000
<b>Capital Expenditure Commitments</b>		
Approved and committed	4,463	2,794
<b>Non Cancellable Operating Lease Commitments</b>		
Not later than one year	1,389	1,072
Later than one year and not later than two years	919	788
Later than two years and not later than five years	543	428
Later than five years	152	160
	<b>3,003</b>	<b>2,448</b>
<b>Total Commitments</b>	<b>7,466</b>	<b>5,242</b>

In addition to the above commitments, Council has authorised the following capital projects:

	Council & Consolidated	
	Actual	Actual
	2003	2002
	\$000	\$000
Water supply	24	500
Wastewater	452	418
Stormwater	239	374
Roading	1,221	1,506
Parks and gardens	273	0
Other activities	1,622	2,036
	<b>3,831</b>	<b>4,834</b>

**NOTE 27: CONTINGENCIES****Guarantees**

Council is at times requested to act as Guarantor to loans raised by community organisations and sports clubs to construct facilities on reserve land. These structures form part of the reserve but are not included in the fixed asset figures. Council's potential liability under the guarantees is as follows:

Lending Institution	Council & Consolidated	
	Actual	Actual
	2003	2002
	\$000	\$000
WestpacTrust	163	191
ASB	787	843
	<b>950</b>	<b>1,034</b>

**Insurance and Liability Claims**

Council was involved as defendant in various public liability and professional indemnity claims at 30 June 2003. Council's potential liability, if at all, would be its insurance excess. Council has also estimated its other liability claims.

	Council & Consolidated	
	Actual	Actual
	2003	2002
	\$000	\$000
Insurance claim excess	260	263
Other liability claims	80	285
	<b>340</b>	<b>548</b>

**WEL Energy Trust**

Council is a 63 per cent capital beneficiary of the WEL Energy Trust. The life of the Trust ends in 2073 unless terminated earlier if its purpose is completed. Given the uncertainties surrounding the life of the Trust, Council is unable to accurately establish the appropriate value of its 63 per cent share.

**Waikato Stadium**

As at 30 June 2003 a total of \$37.838m had been capitalised for the Waikato Stadium construction/upgrade project (2002 \$35.829m).

The final costs of the Waikato Stadium project have not been finalised at the 30 June 2003, as there are further project enhancements valued at approximately \$0.5m to be undertaken and completed in the 2003/04 financial year. The final costs of the project will be established once final accounts and contractual claims for the 2003/04 financial year are agreed and paid.

The 2003/04 Hamilton City Council Annual Plan shows a loan of \$4.038m to be raised to fund the balance of Councils' contribution to the Waikato Stadium project.

**NOTE 28: TRANSIT NEW ZEALAND ACT DISCLOSURES**

This information is presented in accordance with section 31 of the Transit New Zealand Act which requires Council to separately disclose those activities that use their own staff or assets in providing in-house professional services for which funding is received from the Land Transport Disbursement Account.

	Actual 2003 \$000	Actual 2002 \$000
<b>Roads and Traffic Business Unit</b>		
Operating costs	1,814	1,681
Less revenue:		
In-house professional services	(600)	(446)
Other revenue	(1,160)	(1,298)
<b>Net (surplus) / deficit</b>	<b>54</b>	<b>(63)</b>

The (surplus)/deficit on operation of the roads and traffic business unit is allocated to relevant strategic areas.

	Actual 2003 \$000	Actual 2002 \$000
<b>Design Services Business Unit</b>		
Operating costs	2,289	2,051
Less revenue:		
In-house professional services	(369)	(304)
Other revenue	(2,074)	(1,672)
<b>Net (surplus) / deficit</b>	<b>(154)</b>	<b>75</b>

The (surplus)/deficit on operation of the design services business unit is allocated to relevant strategic areas.

**NOTE 29: EXTERNAL CONSULTANTS**

The following payments comprising legal and professional fees were made to external consultants:

	Council & Consolidated	
	Actual	Actual
	2003	2002
	\$000	\$000
Chief executive's office	27	165
Community services	137	273
Corporate	248	251
Environmental services	165	120
Works and services	54	105
	<b>631</b>	<b>914</b>

**NOTE 30: STATEMENTS OF SERVICE PERFORMANCE**

During the period 9 to 26 June 2003 International Research Consultants Ltd carried out a survey on public perceptions and interpretation of Council services and representation. The survey is prepared on a scientific basis with a margin of error of plus or minus 3.7 per cent at the 95 per cent confidence level, having a random sample of 710 residents in the city of Hamilton. The survey results have been reported in the Statements of Service Performance.

Council has controls in place for monitoring and improving the quality of the services it provides. The controls consist of inspections by technical staff and reports to Council. Other controls are by response to public enquires and concerns.

All physical maintenance and capital works are carried out under contract. Planning, programming, management, supervision and auditing the standards of the roading and utilities networks are carried out by Council's in-house engineering business units or independent consultants. All design work is undertaken by registered engineers. These contracts remain in maintenance until the required performance is achieved and only then is the contract fully paid.

**NOTE 31: FINANCIAL INVOLVEMENT IN  
AND PERFORMANCE OF LATEs AND OTHER ENTITIES****Hamilton City Council has control over the following entity:**

Hamilton Properties Ltd (Local Authority Trading Enterprise).

**Hamilton City Council has a significant interest in:**

Hamilton Riverview Hotel Ltd (Novotel) (Shareholding in a Joint Venture)

Pirongia Mountain Afforestation (Local Authority Trading Enterprise)

Waikato Regional Airport Ltd (Local Authority Trading Enterprise)

**Investment details:**

Council's investment details and share of associates retained surplus/(loss) for the year ended 30 June 2003 for the above entities are detailed in Note 9.

The provision of financial assistance by Hamilton City Council to most of these organisations is by share capital, and in the case of Pirongia Mountain Afforestation also through an additional cash contribution in prior years.

**LATE and other entities performance comparison:**

The performance of the LATES and other entities are shown below:

**Hamilton Properties Ltd**

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

**Hamilton Riverview Hotel Ltd**

Hamilton Riverview Hotel Ltd reported a net surplus of \$351,199 for the year ended 31 December 2002 (2000/01 net deficit \$871,325).

No dividend was paid in 2001/02 (2000/01 nil).

**Pirongia Mountain Afforestation**

Pirongia Mountain Afforestation reported a net surplus of \$207,113 for year ended 30 June 2003 (2001/02 net deficit \$8,461).

This compares to a 2002/03 budgeted net deficit of \$44,183. The recognition of the forestry land asset \$245,000 for the first time is the main reason for favourable net surplus for 2002/03.

No dividend was paid in 2002/03 (2001/02 nil).

**NOTE 31: FINANCIAL INVOLVEMENT IN  
AND PERFORMANCE OF LATEs AND OTHER ENTITIES cont.**

**Waikato Regional Airport Ltd**

Waikato Regional Airport Ltd reported a net surplus of \$1,189,848 for the year ended 30 June 2003 (2001/02 \$176,289).

No dividend was paid in 2002/03 (2001/02 nil).

The results for 2002/03 include a MAF settlement, a one-off income adjustment relating to the Privy Council decision to waive border control charges. In addition, an adjustment for revaluation of assets of \$11.55m was recognised in the financial statements of Waikato Regional Airport Ltd as at 30 June 2003.

As the subsequent increase in assets values and MAF settlement are material, the comparison below shows the performance measures before and after, the asset revaluation and MAF settlement.

	<b>Before asset revaluation and MAF settlement Actual</b>	<b>After asset revaluation and MAF settlement Actual</b>	<b>Statement of Corporate Intent Targets</b>
Operating surplus after taxation to shareholders' funds	5.2%	5.7%	5.9%
Operating surplus before taxation and interest to total assets	7.3%	7.0%	8.2%
Operating surplus after taxation to total assets	2.5%	4.0%	3.1%
Operating surplus before taxation and interest to shareholders' funds	15.1%	10.0%	15.9%
Percentage of non-landing charges revenue to total revenue	79.1%	82.2%	80.2%
Net asset backing per share	\$2.97	\$7.27	\$2.99
Interest rate cover	2.1	3.4	2.0
Total liabilities to shareholders' funds	48:52	30:70	48:52

## NOTE 32: RECONCILIATION OF APPROVED TO RESTATED BUDGET

### Statement of Financial Performance

	Approved Budget \$000	Carryover from 01/02 \$000	Other \$000	Restated Budget \$000
<b>Revenue from Strategic Areas</b>				
Sustaining Hamilton's environment	10,099	0	0	10,099
Growing Hamilton	11,483	22	43	11,548
Promoting Hamilton	0	0	0	0
Experiencing our arts, culture and heritage	1,591	0	0	1,591
Living in Hamilton	3,001	0	0	3,001
Enjoying our city	5,527	0	20	5,547
Less internal revenue	0	0	(3,402)	(3,402)
<b>Total Revenue from Strategic Areas</b>	<b>31,701</b>	<b>22</b>	<b>(3,339)</b>	<b>28,384</b>
<b>Rates</b>	<b>66,550</b>	<b>0</b>	<b>0</b>	<b>66,550</b>
Less rates charged to Council properties	0	0	(330)	(330)
<b>Total Rates</b>	<b>66,550</b>	<b>0</b>	<b>(330)</b>	<b>66,220</b>
<b>Revenue Assigned to Asset Development</b>				
Transfund NZ capital subsidies	2,116	1,495	(45)	3,566
Contributions - vested assets	4,125	0	0	4,125
Other capital contributions	2,787	0	0	2,787
<b>Total Revenue Assigned to Asset Development</b>	<b>9,028</b>	<b>1,495</b>	<b>(45)</b>	<b>10,478</b>
<b>Other Revenue</b>	<b>1,210</b>	<b>0</b>	<b>0</b>	<b>1,210</b>
<b>Total operating revenue</b>	<b>108,489</b>	<b>1,517</b>	<b>(3,714)</b>	<b>106,292</b>
<b>Expenditure from Strategic Areas</b>				
Sustaining Hamilton's environment	31,985	441	155	32,581
Growing Hamilton	25,043	271	1,340	26,654
Promoting Hamilton	2,635	26	0	2,661
Experiencing our arts, culture and heritage	10,790	121	(29)	10,882
Living in Hamilton	12,022	230	21	12,273
Enjoying our city	19,066	412	(22)	19,456
Less internal expenditure	0	0	(3,402)	(3,402)
Less rates charged to Council properties	0	0	(330)	(330)
Less interest on internal borrowing	(884)	0	0	(884)
<b>Total Expenditure from Strategic Areas</b>	<b>100,657</b>	<b>1,501</b>	<b>(2,267)</b>	<b>99,891</b>
<b>Other Expenditure</b>	<b>125</b>	<b>0</b>	<b>0</b>	<b>125</b>
<b>Total operating expenditure</b>	<b>100,782</b>	<b>1,501</b>	<b>(2,267)</b>	<b>100,016</b>
<b>Net Surplus</b>	<b>7,707</b>	<b>16</b>	<b>(1,447)</b>	<b>6,276</b>

This is a reconciliation of the annual plan budgets to restated budgets as presented in the Statement of Financial Performance and notes 1 to 4. Restated amounts relate to approved carryover budgets from 2001/02, transfers of budgets, and presentation of internal charges that were not included in the annual plan.

### Statement of Financial Performance

	Approved Budget \$000	Carryover from 01/02 \$000	Other \$000	Restated Budget \$000
<b>Equity</b>	<b>1,501,217</b>	<b>17,517</b>	<b>(1,450)</b>	<b>1,517,284</b>
<b>Fixed Assets</b>	<b>1,571,325</b>	<b>17,517</b>	<b>(1,450)</b>	<b>1,587,392</b>

The annual plan budgets as presented in the Statement of Financial Position have been restated as above. Restated amounts relate to approved carryover budgets from 2001/02, and transfers of budgets. All other budgets not shown are as per the annual plan.

**NOTE 33: MAJOR BUDGET VARIANCES****Statement of Financial Performance**

Council made a net surplus of \$10.19m, an increase of \$3.91m over the budgeted net surplus of \$6.28m.

The major reasons for this favourable variance were: additional level of assets vested to Council \$6.98m, higher contribution from subdividers and other capital contributions \$4.21m, lower level of interest expense \$0.79m, share in associate's surpluses \$0.8m, and operational savings.

Major items offsetting these favourable variances were: lower level of Transfund subsidy \$1.65m due to deferred roading projects, writedown of revaluation reserve on sale of assets \$0.97m, and the increase in depreciation charge \$8.12m over budget.

As a result of the revaluation of assets at 1 July 2001, there were two categories of assets that had significant increases in depreciation compared to budget- operational buildings and roads and traffic network assets. As the timing of the revaluation was after the preparation of the 2002/03 budget, the effect of this revaluation was not reflected in the budget for depreciation.

**Statement of movement in equity**

The level of equity as at 30 June 2003 was \$10.0m higher than budget. This favourable variance was due to the net favourable variance noted above in the statement of financial performance, and the net increase in revaluation reserves \$1.7m.

**Statement in financial position**

The level of net assets as at 30 June 2003 was \$10.0m higher than budget.

Term debt was lower than budget by \$8.30m, primarily due to an increase in internal borrowing \$4.37m, which was used to offset external borrowing requirements during the 2002/03 financial year, and also various loan funded projects deferred to the 2003/04 financial year.

Investments was higher than budget by \$6.3m, mainly due to an equity account adjustment to recognise the increase in asset revaluations for Waikato Regional Airport Ltd of \$5.78m.

**Statement of cash flows**

The overall level of net increase in cash held was \$0.30m less than budget.

Net cash inflows from operating activities was \$0.41m higher than budget. Major favourable variances were other capital contributions, fees rents and charges, and interest paid. These were offset by unfavourable variances for payments to suppliers due to the timing of payments that were accrued into the previous financial year.

Net cash outflows from investing activities was \$3.3m lower than budget, due to several Endowment Properties sold and investments not made.

Net cash inflows from financing activities was \$4.0m lower than budget. Council net borrowings was lower than budgeted mainly due to the increase in internal borrowing which was used to offset external borrowing requirements, and the delay of loan funded projects to the 2003/04 financial year. Gross borrowings were higher than budget due the timing of refinancing requirements, but this was offset by higher than budgeted loan repayments.

**NOTE 34: EVENTS AFTER BALANCE DATE**

Hamilton City Council has expressed its intention to sell its 25.6% share in Pirongia Mountain Afforestation to Waipa District Council. Currently valuations are being undertaken and subject to the shareholders agreeing on a value to sell, the sale process is likely to be finalised by December 2003.

	Actual 2003 \$000	Budget 2003 \$000	Actual 2002 \$000
<b>EXPENDITURE</b>			
<b>Wastewater</b>			
Network management	4,106	4,770	3,746
Wastewater treatment plant	6,647	5,303	5,804
<b>Stormwater network management</b>	<b>4,834</b>	<b>5,183</b>	<b>3,802</b>
<b>Refuse</b>			
Household collection and recycling	2,609	2,428	2,208
Transfer station	2,588	2,436	2,600
Horotiu landfill	4,418	4,613	4,896
Management old landfill sites	160	229	229
Organic recycling centre	83	85	109
<b>Water supply</b>			
Network management	3,672	3,486	3,458
Treatment station and reservoirs	3,102	2,563	2,821
<b>Sustainable environment</b>	<b>506</b>	<b>571</b>	<b>507</b>
<b>Environmental health</b>	<b>899</b>	<b>914</b>	<b>840</b>
<b>TOTAL EXPENDITURE</b>	<b>33,624</b>	<b>32,581</b>	<b>31,020</b>
<b>Less REVENUE</b>			
<b>Trade waste charges</b>	<b>823</b>	<b>698</b>	<b>772</b>
<b>Stormwater recoveries</b>	<b>147</b>	<b>147</b>	<b>6</b>
<b>Refuse</b>			
Transfer station fees	1,809	1,892	1,888
Landfill charges	4,627	4,462	5,074
Organic recycling centre rent	47	42	41
<b>Water by meter charges</b>	<b>2,639</b>	<b>2,473</b>	<b>2,633</b>
<b>Environmental health fees and licences</b>	<b>422</b>	<b>385</b>	<b>395</b>
<b>TOTAL REVENUE</b>	<b>10,514</b>	<b>10,099</b>	<b>10,809</b>
<b>NET COST OF SERVICE</b>	<b>23,110</b>	<b>22,482</b>	<b>20,211</b>
<b>CAPITAL EXPENDITURE</b>	<b>5,250</b>	<b>8,713</b>	<b>9,792</b>



	Actual 2003 \$000	Budget 2003 \$000	Actual 2002 \$000
<b>EXPENDITURE</b>			
<b>Roads and traffic</b>			
Network management	753	714	1,078
Carriageways management	12,474	10,801	11,771
Traffic services	3,843	3,472	3,345
Footpaths, cycleways and verges	3,397	3,313	3,768
Road safety programme	381	245	358
<b>Hamilton Transport Centre</b>	481	579	313
<b>Central area off street parking</b>	285	203	239
<b>Parking enforcement</b>	1,541	1,331	1,374
<b>Building control</b>	3,017	2,527	2,554
<b>Planning guidance</b>	1,394	1,243	1,284
<b>Animal care and control</b>	891	833	850
<b>Property management</b>	2,590	1,393	2,156
<b>TOTAL EXPENDITURE</b>	<b>31,047</b>	<b>26,654</b>	<b>29,090</b>
<b>Less REVENUE</b>			
Transfund subsidy	2,085	2,131	1,856
Contributions - roads and traffic	624	127	371
Hamilton Transport Centre rents	188	157	155
Off street parking charges	337	340	230
Parking enforcement fees and fines	2,031	1,909	1,875
Building control charges	2,477	1,833	2,045
Planning guidance charges	606	575	556
Dog licences, fees and fines	432	393	413
Property rents	4,166	4,083	3,969
<b>TOTAL REVENUE</b>	<b>12,946</b>	<b>11,548</b>	<b>11,470</b>
<b>NET COST OF SERVICE</b>	<b>18,101</b>	<b>15,106</b>	<b>17,620</b>
<b>CAPITAL EXPENDITURE</b>	<b>11,917</b>	<b>16,987</b>	<b>10,342</b>

**PROMOTING HAMILTON**  
Cost of service for the year ended 30 June 2003

	Actual 2003 \$000	Budget 2003 \$000	Actual 2002 \$000
<b>EXPENDITURE</b>			
<b>Economic development and marketing</b>			
Grant to Enterprise Hamilton	218	218	218
Grant to Tourism Waikato	393	407	357
Grants for events sponsorship	532	676	439
Grant to Business to Hamilton (B2H)	200	200	62
Grant to Innovation Park	1,068	1,070	
Riverside Esplanade feasibility study	0	20	
<b>City promotion</b>	7	30	24
<b>Sister cities programme</b>	8	40	15
<b>TOTAL EXPENDITURE</b>	<b>2,426</b>	<b>2,661</b>	<b>1,115</b>
<b>NET COST OF SERVICE</b>	<b>2,426</b>	<b>2,661</b>	<b>1,115</b>
<b>CAPITAL EXPENDITURE</b>	<b>15</b>	<b>15</b>	<b>0</b>

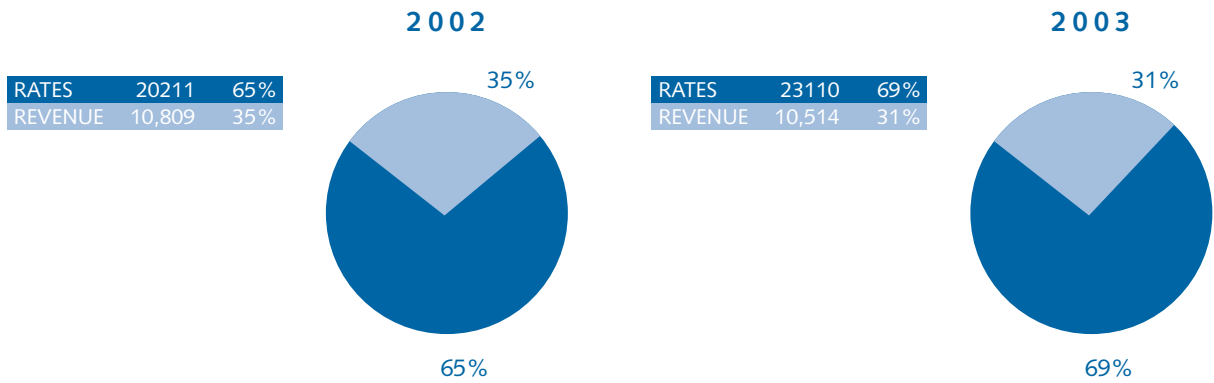
**EXPERIENCING OUR ARTS, CULTURE AND HERITAGE**  
Cost of service for the year ended 30 June 2003

	Actual 2003 \$000	Budget 2003 \$000	Actual 2002 \$000
<b>EXPENDITURE</b>			
Theatre services	1,793	1,560	2,010
Libraries	6,510	5,902	6,322
Waikato Museum of Art and History	2,946	2,671	3,114
ArtsPost	189	178	222
Exscite	540	571	674
<b>TOTAL EXPENDITURE</b>	<b>11,978</b>	<b>10,882</b>	<b>12,342</b>
<b>Less REVENUE</b>			
Theatres charges	617	598	626
Library charges	632	673	653
Waikato Museum of Art and History	147	118	191
ArtsPost charges	14	4	10
Exscite charges	172	198	155
<b>TOTAL REVENUE</b>	<b>1,582</b>	<b>1,591</b>	<b>1,635</b>
<b>NET COST OF SERVICE</b>	<b>10,396</b>	<b>9,291</b>	<b>10,707</b>
<b>CAPITAL EXPENDITURE</b>	<b>1,603</b>	<b>1,751</b>	<b>1,699</b>

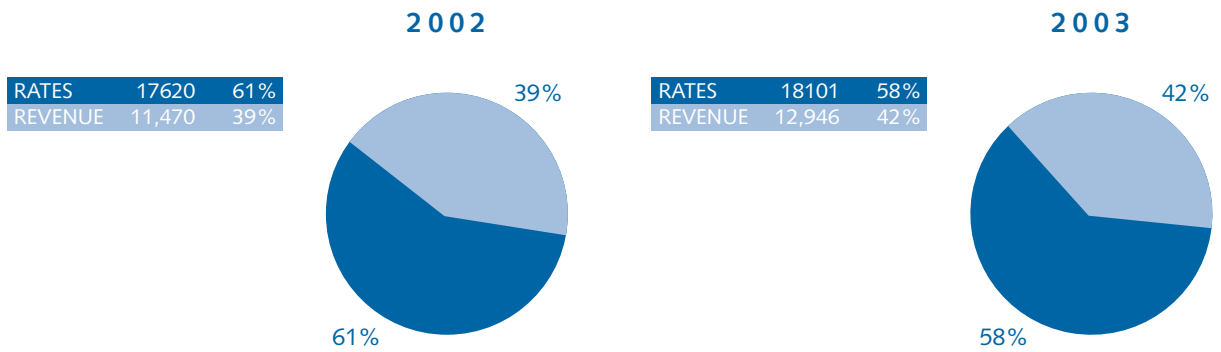
	Actual 2003 \$000	Budget 2003 \$000	Actual 2002 \$000
<b>EXPENDITURE</b>			
<b>Community development</b>	1,956	1,980	1,680
Youth programme	174	217	434
<b>Community assistance</b>			
Community assistance grants	1,161	1,204	890
Hillary Commission grants	0	130	150
Creative NZ grants	74	70	70
<b>Housing services</b>	1,637	1,565	1,601
<b>Employment initiatives</b>	1,144	1,464	1,311
<b>Emergency management</b>	257	245	270
<b>Partnership with Maori</b>	247	247	247
<b>Cemeteries and crematorium</b>	914	1,000	923
<b>Representation and civic affairs</b>			
Elections	0	7	276
Councillor services	2,597	2,363	2,463
Mayoral services	1,772	1,781	1,740
<b>TOTAL EXPENDITURE</b>	<b>11,933</b>	<b>12,273</b>	<b>12,055</b>
<b>Less REVENUE</b>			
<b>Sundry community income</b>	52	49	53
<b>Community assistance</b>			
Hillary Commission	7	130	137
Creative NZ	74	70	70
<b>Housing services rents</b>	1,509	1,490	1,491
<b>Employment initiatives subsidies</b>	348	589	370
<b>Emergency management contributions</b>	6	8	8
<b>Cemeteries and crematorium fees</b>	668	658	627
<b>Elections recovery</b>	0	7	151
<b>TOTAL REVENUE</b>	<b>2,664</b>	<b>3,001</b>	<b>2,907</b>
<b>NET COST OF SERVICE</b>	<b>9,269</b>	<b>9,272</b>	<b>9,148</b>
<b>CAPITAL EXPENDITURE</b>	<b>272</b>	<b>1,130</b>	<b>387</b>

	Actual 2003 \$000	Budget 2003 \$000	Actual 2002 \$000
<b>EXPENDITURE</b>			
<b>Sports areas</b>	2,455	1,779	2,237
<b>Parks and gardens</b>	4,539	3,726	3,991
<b>City beautification</b>	1,671	1,677	1,739
<b>Stadiums</b>			
Waikato Stadium	3,630	3,133	1,290
WestpacTrust Park	556	478	410
Waikato Events Centre	650	952	1,337
Hamilton City Leisure Centre	126	132	187
<b>Swimming facilities</b>			
Swimming pools	3,996	3,577	4,173
Grants - other pools	77	80	52
<b>Community halls &amp; leased buildings</b>	233	234	319
<b>Hamilton Zoo</b>	1,656	1,489	1,582
<b>Hamilton Gardens</b>	1,715	1,751	1,565
<b>Toilets</b>	404	448	462
<b>TOTAL EXPENDITURE</b>	<b>21,708</b>	<b>19,456</b>	<b>19,344</b>
<b>Less REVENUE</b>			
<b>Sports areas rents</b>	105	106	97
<b>Parks rents and contributions</b>	716	715	570
<b>City beautification charges</b>	10	13	27
<b>Waikato Stadium charges</b>	1,546	1,684	410
<b>WestpacTrust Park charges</b>	109	204	181
<b>Waikato Events Centre charges</b>	461	513	524
<b>Pools admission fees</b>	1,721	1,580	1,645
<b>Community halls and leased buildings</b>	33	47	32
<b>Zoo admission fees</b>	526	538	523
<b>Hamilton Gardens charges</b>	199	145	137
<b>Toilets</b>	0	2	
<b>TOTAL REVENUE</b>	<b>5,426</b>	<b>5,547</b>	<b>4,146</b>
<b>NET COST OF SERVICE</b>	<b>16,282</b>	<b>13,909</b>	<b>15,198</b>
<b>CAPITAL EXPENDITURE</b>	<b>11,101</b>	<b>12,014</b>	<b>11,767</b>

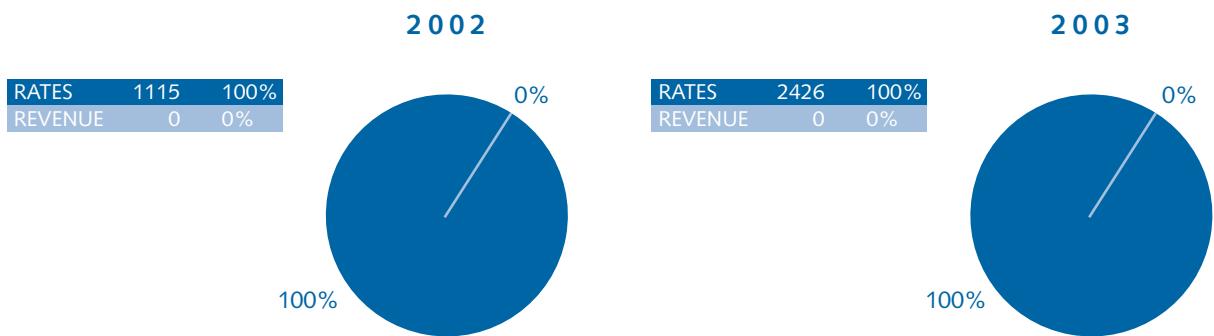
**SUSTAINING HAMILTON'S ENVIRONMENT**  
cost of service funded by:



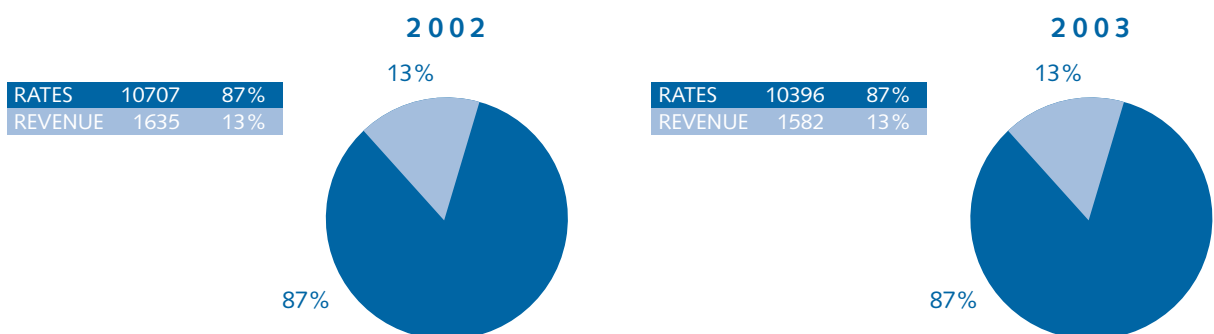
**GROWING HAMILTON**  
cost of service funded by:



**PROMOTING HAMILTON**  
cost of service funded by:



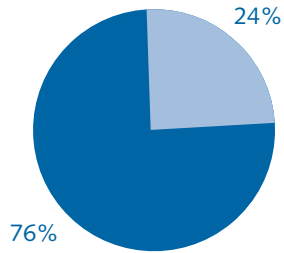
**EXPERIENCING OUR ARTS, CULTURE AND HERITAGE**  
cost of service funded by:



**LIVING IN HAMILTON**  
cost of service funded by:

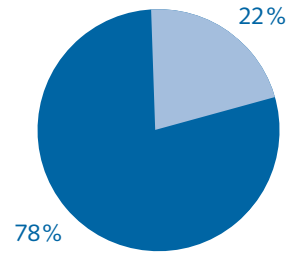
2002

RATES	9148	76%
REVENUE	2907	24%



2003

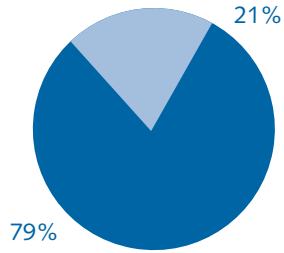
RATES	9269	78%
REVENUE	2664	22%



**ENJOYING OUR CITY**  
cost of service funded by:

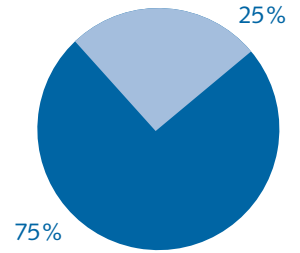
2002

RATES	15198	79%
REVENUE	4146	21%



2003

RATES	16282	75%
REVENUE	5426	25%



## INFORMATION ON LATEs AND OTHER ENTITIES

### HAMILTON PROPERTIES LTD (Local Authority Trading Enterprise)

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

### HAMILTON RIVERVIEW HOTEL LTD (NOVOTEL) (Shareholding in a Joint Venture)

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

Council holds 42 per cent of the shares in the Hamilton Riverview Hotel Ltd. Tainui Development Ltd and AAPC NZ PTY Ltd hold the remaining shares.

Refer to Note 9 and 31 of the financial statements for investment details and performance.

For more information on the activities of Hamilton Riverview Hotel Ltd, contact Mike Garrett, General Manager Corporate, Hamilton City Council, Private Bag 3010, Hamilton.

### PIRONGIA MOUNTAIN AFFORESTATION COMMITTEE (Local Authority Trading Enterprise)

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

The remaining shares are owned by Otorohanga, Waikato, and Waipa district councils.

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

Refer to Note 9 and 31 of the financial statements for investment details and performance.

Hamilton City Council has expressed its intention to sell its 25.6 per cent shareholding in Pirongia Mountain Afforestation to Waipa District Council. Currently valuations are being undertaken and subject to shareholders agreeing on a value to sell, the sale process is likely to be finalised by December 2003.

For more information on the activities of the Pirongia Mountain Afforestation Committee, contact John Mills, Corporate Services Manager, Private Bag 2402, Te Awamutu.

### WAIKATO REGIONAL AIRPORT LTD (Local Authority Trading Enterprise)

Waikato Regional Airport Ltd replaced the Airport Authority in 1989.

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

Council holds 50 per cent of the airport company's shares. The remaining shares are owned by Matamata-Piako, Otorohanga, Waikato and Waipa district councils.

Refer to Note 9 and 31 of the financial statements for investment details and performance.

For more information on the activities of the Waikato Regional Airport Ltd, contact: Hugh McCarroll, Chief Executive, Airport Road, RD2, Hamilton.

## REPORT ON LONG-TERM FINANCIAL STRATEGY AND POLICIES

### Introduction

Each local authority is required to prepare and adopt a Long-Term Financial Strategy, Funding Policy, Investment Policy, and Borrowing Management Policy.

Section 122V of the Local Government Act 1996 specifies that every local authority must provide in its annual report sufficient information about each of the documents listed above to enable an informed assessment of the extent to which the objectives and provisions of the strategy and policies have been met during that year.

The information required should include an explanation of any significant variation between:

- the objectives and policies of the Long-Term Financial Strategy, Funding Policy, Investment Policy and Borrowing Management Policy set out in the Annual Plan for the financial year, and
- the actual achievement of those objectives and policies.

### Overview

During 2002/03 Council made significant progress towards the achievement of objectives and policies for the year as set out in the Annual Plan relating to its Long-Term Financial Strategy, Funding Policy, Investment Policy and Borrowing Management Policy.

Details of achievement against the objectives and policy are set out below.

## 1. LONG-TERM FINANCIAL STRATEGY (LTFS)

### Background

The Long-Term Financial Strategy (LTFS) as outlined in the Annual Plan identifies significant services of Council and provides for the associated estimated future expenses, revenues, cashflows and other movements in the Statement of Financial Position. The general aim of the LTFS is to ensure that Council has adequately considered and accounted for its future operations in accordance with the following six principles:

- prudent management of Council activities in the interest of the city and its inhabitants
- adequate provision for expenditure needs of Council
- adequate consideration and assessment of benefits and costs of different options
- lawful funding mechanisms that on reasonable grounds can be considered as appropriate
- maintaining prudent levels of debt in accordance with the Borrowing Management Policy, and
- operating revenue to cover all projected operating expenses.

### Overall Performance

The net surplus after tax for the year 2002/03 was \$10.2m, which is \$2.5m greater than that outlined in the LTFS of \$7.7m.

The significant variations to the LTFS are explained as follows:

- Fixed assets vested for year at \$11.1m was \$7.0m greater than in the LTFS, reflecting mainly a higher level of sub-divisional assets vested to Council.
- Contributions from subdividers and other capital contributions at \$7.0m was \$4.2m greater than in the LTFS.
- Revenue from significant services was \$1.9m greater, partly due the higher activity in the building industry resulting in an increase in revenue for building consents and LIMs, and additional contributions received for management of state highway signals and lights.
- Share in associate retained surplus was \$0.8m favourable, mainly due the Waikato Regional Airport.
- Depreciation for the year at \$30.6 was \$8.1m greater than the LTFS. This is a result of the revaluation of assets at 1 July 2001 under FRS-3, and changes in useful lives and depreciation charges, particularly for operational buildings and road and traffic network assets. As the timing of the revaluation was after the preparation of LTFS, the effect of the revaluation was not reflected in the LTFS.
- Other major items were the reduction in interest expense due the lower interest rates of \$0.79m.



### Specific Objectives and Targets

Objective	2003 Targets	Performance	Significant Variations, Comments
To maintain the direction specified in the Long-Term Financial Strategy.	Achieve the budgeted figures specified in the Annual Plan.	Achieved net surplus of \$10.2m against budget of \$6.2m.	Refer to notes to financial statements-note 33 on major budget variances.
To manage the level of commitments and contingencies.	Total contractual commitments do not exceed \$2m.	This target was not met. Contractual commitments totalled \$4.463m, with a majority of these relating to roads and traffic. Refer to the Statement of Commitments.	Council has a number of projects that were committed but not completed in the 2002/03 financial year. Funding for these projects in the 2002/03 financial year will be carried forward to 2003/04.
	Total contingencies do not exceed 2% of the general rate levied or the preceding financial year, (noting that for loan guarantees to only include the total annual contingent loan servicing charges of the loans, not the full value of the loan guarantees).	Achieved. Current contingencies are 0.8% of the general rate levied for the 2002/03 financial year. This figure is based on the total annual contingent loan servicing charges on loans Council has guaranteed, plus any insurance claim excess and other liability claims, as disclosed in Note 27 and outlined in Section 2.7.2 of the financial management policy.	No significant variation.

## 2. FUNDING POLICY

### Background

The Funding Policy, as outlined in the Annual Plan, is designed to ensure that the allocation of costs by function is met by the people or groups benefiting from the function.

### Overall Performance

Council has generally achieved the planned mix of funding.

The actual allocation of the costs of Council's functions is not significantly changed from the Annual Plan.

### Specific Objectives and Targets

Objective	2003 Targets	Achievement	Significant Variations, Comments
To maintain a mix of funding mechanisms to meet the total funding requirements of the city.	Fees and charges comprise at least 20% of total revenue.	Achieved. Fees and charges comprised 25% of total revenue.	No significant variation.
	Differentials on property sectors maintained to achieve the rate recovery specified in the Annual Plan.	Achieved.	Rate revenue higher than budgeted by \$74,000.

The above targets are based on the results coming out of the process associated with developing the funding policy.

### 3. INVESTMENT POLICY

#### Background

Council delegates responsibility for management, monitoring and reporting of Council investment and activities to its Strategic Planning and Policy Co-ordination Committee, and its Finance and Administration Unit. A Council Policy document sets out the parameters for the operation of the Finance and Administration Unit, and the volume of investments that Council will be involved with. The mix of investments between current and non-current is determined according to Council's working capital needs.

#### Overall Performance

There are no significant variations or material departures from Council's Investment Policy as reported in the Annual Plan or as revised by Council during the year.

#### Specific Objectives and Targets

Objective	2003 Targets	Performance	Significant Variations, Comments
To manage risks associated with investments.	Any operating cash flow surpluses to be managed on a prudent cash management basis.	Achieved.	No significant variations.
	Synthetic instruments may be used to manage interest rate and exchange rate risk.	No synthetic instruments currently used.	
Use of proceeds of asset sales (excluding vehicles and light plant).	Proceeds to be used for reduction of debt except as specifically authorised by Council or subject to legislative restrictions.	Achieved.	

#### 4. BORROWING MANAGEMENT POLICY

##### Background

The main function of the Borrowing Management Policy is to ensure that Council's debt and its associated risks are maintained at prudent levels. Refer to the Annual Plan for a detailed outline of the policy.

##### Overall Performance

There are no significant variations or material departures from Council's Borrowing Management Policy as reported in the Annual Plan.

##### Specific Objectives and Targets

Objective	2003 Year Targets	Performance	Significant Variations, Comments
To manage interest rate and credit risk exposure.	Minimum (50%) and maximum (95%) levels of fixed borrowing are not exceeded.	Achieved.	No significant variations.
To maintain debt within specified limits and ensure adequate provision for repayments to maintain adequate liquidity.	Net city debt does not exceed 15% of total ratepayers' equity.	Achieved: 6.2% (7.5%, if internal borrowing included). Refer to Financial Overview.	
	Net city debt does not exceed 150% of total income for the year.	Achieved: 80.2% (97.1%, if internal borrowing included). Refer to Financial Overview.	
	City debt interest payments do not exceed 15% of the total income for the year.	Achieved: 6.6%. Refer to Financial Overview.	
	City debt interest payments do not exceed 20% of the rating income for the year.	Achieved: 11.7%. Refer to Financial Overview.	
	Term debt and committed borrowing facilities is not less than 110% of the maximum 12-month forecast net debt, including working capital requirements.	Achieved: 134.8%. Refer to Financial Overview.	
	Net city debt does not exceed \$1,500 per capita.	Achieved: \$763 (\$923, if internal borrowing included). Refer to Financial Overview.	
To maintain security for public debt by way of a charge over rates through the Debenture Trust Deed, or registered mortgage over specific assets.	Security documentation is reviewed to ensure compliance.	Achieved.	
To ensure that transactions involving foreign currency exceeding \$25,000 in value are hedged by way of forward cover contracts.	Compliance with this policy is monitored by reviewing payments in foreign currency.	Achieved. All known foreign currency payments hedged.	

## STATEMENT OF COMPLIANCE AND RESPONSIBILITY

### Compliance

Council and management of Hamilton City Council confirm that all the statutory requirements of parts VIIA and VIIB of the Local Government Act 1974 regarding financial management and borrowing have been complied with.

### Responsibility

Council and management of Hamilton City Council accept responsibility for the preparation of the financial statements in accordance with generally accepted accounting practice in New Zealand.

Council and management of Hamilton City Council considers that the financial statements have been prepared using appropriate accounting policies, which have been consistently applied and adequately disclosed and supported by reasonable judgements and estimates, and that all relevant financial reporting and accounting standards have been followed.

Council and management of Hamilton City Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of Council and management of Hamilton City Council, the financial statements fairly reflect the financial position of Council and the group as at 30 June 2003, and the results of its operations and cash flows and the service performance achievements for year ended on that date.

D J Braithwaite  
Mayor  
10 September 2003

A J Marryatt  
Chief Executive  
10 September 2003

M D Garrett  
General Manager Corporate  
10 September 2003

## GLOSSARY OF TERMS

### Agenda 21

Agenda 21 is the title of a document produced by the 1992 Rio Earth Summit. Agenda 21 is a global plan for sustainable development in the twenty-first century, and recognises that global issues need to be addressed at the local level—hence the expression ‘think globally, act locally’. A second world summit on sustainable development, held in Johannesburg in August/September of 2002, focused on how signatory countries had progressed towards the goal of sustainable development since 1992.

### Annual Plan

The Annual Plan is Council's primary means of communicating to the public its projects and programmes, how they will be funded and measured, for the coming financial year. It also includes Council's key policies, plans and strategies as well as a range of additional related information.

### Annual Residents Survey

This is an annual survey conducted by an independent research company of the city's residents. Around 700 residents are interviewed by telephone. It is Council's key barometer of gauging the community's opinion on their use and satisfaction with Council provided facilities and services, overall attitudes and community needs.

### Asset Management Plans

Asset Management Plans consider the level of service required for key infrastructural activities and services of Council, and the assets required to support those services. The plans include ensuring that maintenance and asset replacement is at a level to allow the agreed provision of services to continue, that depreciation on assets is funded, and that the future growth of the city is catered for.

### Capital Expenditure

Expenditure on assets: purchase, construction or upgrading.

### Carriageways

The part of roads intended for vehicles to travel on.

### Central Area

The main commercial and retail centre of Hamilton.

### Current Assets

Assets that can be readily converted to cash, or will be used up during the year.

### Depreciation

The charge representing consumption or use of an asset assessed by spreading the asset cost over its estimated economic life.

### Direct/Indirect Benefits

Direct benefits are what people get out of a service they pay for. For example, enjoying a visit to the zoo. Indirect benefits are what the community or city gets out of having those services provided.

### District Plan

The Hamilton City District Plan is a legal document prepared under the Resource Management Act 1991 (RMA). The district plan defines the way in which the city's natural and physical resources will be managed to achieve the purpose and principles of the RMA. The plan provides a framework of resource management policy and implementation methods to manage the effects of the use, development or protection of land and associated natural and physical resources in the city.

### Financial Management Policy

Every local authority is required by the Local Government Act 1974 to develop a Financial Management Policy. Council's Financial Management Policy comprises its: Long-Term Financial Strategy, Funding Policy, Investment Policy, Borrowing Management Policy, and Rating Policy.

**Goal**

A long-term organisational target or direction of development. Goals state what the organisation wants to accomplish or become.

**Infrastructural Assets**

These are essential services such as water, stormwater, wastewater and roading. They also include associated assets such as pump stations, treatment plants, street lighting and bridges.

**Joint Venture**

A form of arrangement in which there is a contractual association, other than a partnership, between two or more parties to undertake a specific business project.

**LATE**

LATEs are Local Authority Trading Enterprises, which are companies or other organisations (not including trusts) in which Council has a significant interest.

**Levels of Service**

The standard to which services are provided, e.g., speed of response times to information requests, the standard of the stormwater drainage system to prevent incidents of surface water flooding, etc.

**Local Government Act**

The Act of Parliament that legally defines the powers and responsibilities of all territorial local authorities.

**Long-Term Financial Strategy**

Also known as Council's 10-year plan, it sets out Council's projects and programmes, and the means by which they will be funded over the next 10 years.

**Mission Statement**

Conveys the function and purpose of Hamilton City Council. It includes why the organisation exists and what it seeks to accomplish.

**Objective**

A measurable target that must be met on the way to attaining a goal.

**Operating Surplus**

Operating surplus is an accounting term that means the excess of operating income over operating costs. An operating surplus is inclusive of non-cash items such as income and expenditure owing but not paid (debtors and creditors) and depreciation.

**Outcomes**

Outcomes are desired results that Council wants to achieve for the community as a result of the success of its projects and services. Some of the factors that influence an outcome may be outside Council's control.

**Performance Measure**

Performance measures provide a way to gauge the achievement of the objectives.

**Resource Management Act 1991 (Rma)**

The purpose of this Act is to promote the sustainable management of natural and physical resources.

**Service**

Those areas of Council activity within a significant service where it is helpful to break down the significant service to a lower level.

**Significant Service**

The cost centres of Council that are classified under each Strategic Area.

**Solid Waste**

Waste products of non-liquid or gaseous nature, e.g., building materials, used packaging, etc.

### Strategic Area

Key areas in Hamilton's Strategic Plan 2002–2012 that encapsulate the community's vision for a more sustainable city. The six strategic areas are: Sustaining Hamilton's Environment; Growing Hamilton; Promoting Hamilton; Experiencing Our Arts, Culture and Heritage; Living in Hamilton; and Enjoying Our City. Council's annual plan is also arranged under these six areas.

### Strategic Plan (Hamilton's Strategic Plan 2002–2012)

The strategic plan is the community's vision for a more sustainable city. The plan is based on the theme of sustainable development, which is central to Agenda 21. The plan is in two parts. Part One: outlines the community's vision, goals and outcomes for Hamilton's long-term sustainable development. Part Two: outlines Council's response to the community's vision for the city, and contains Council's Long-Term Financial Strategy, which details current and projected spending on projects and programmes over the next 10-years. The plan also contains a summary of the state of the city's 25 sustainability indicators that were developed through an extensive community participation process.

### Sustainable Development

Sustainable development is the cornerstone of Agenda 21 and can be interpreted as providing the following:

- A viable natural environment capable of supporting life systems, now and in the future
- A sufficient economy that provides sustainable livelihoods for all.
- Nurturing communities that provide opportunities for meeting social, cultural and spiritual needs.

A report from the Office of the Parliamentary Commissioner for the Environment<sup>1</sup> notes that sustainable development can be thought of as 'Getting more, from less, for longer'.

### Territorial Local Authorities (TLA)

There are 74 territorial authorities in New Zealand, which include, city councils, district councils and regional councils.

### Vision

This is the community's aspiration for a more sustainable Hamilton as shown in Hamilton's Strategic Plan 2002–2012. It provides a guiding direction for individuals, organisations, businesses and Council to achieve the strategic plan's goals and outcomes.

### (Footnotes)

- 1 The June 2002 estimate of 122,000 people from Statistics New Zealand was released in November 2002 and was based on results from the 2001 Census of Population and Dwellings, as well as births, deaths and migration data for Hamilton between July 2002 – July 2003.
- 2 Hamilton City Council estimate.
- 3 Full-time equivalents (i.e., the total number of full-time employees and working proprietors plus half of the number of part-time employees and working proprietors. Those working less than 30-hours per week are defined to be part-time). Source: Statistics New Zealand (Annual Business Frame Update Survey).
- 4 Source: Statistics New Zealand (Annual Business Frame Update Survey).
- 5 Bridges includes traffic bridges, large culverts, and pedestrian bridges/underpasses.
- 6 Includes on-road and off-road cycling facilities.
- 7 Includes waste from other districts.

<sup>1</sup> The Cities and Their People – New Zealand's Urban Environment. Office of the Parliamentary Commissioner for the Environment, June 1998.

