

MAKING A DIFFERENCE

## Whakatauki

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

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

*Na Potatau Te Wherowhero, 1858*

## He Mihi

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

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



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## VISION

Vibrant Hamilton

Pride of the Waikato, Achieving for New Zealand

Investing in our People, Creating Prosperity, Protecting our Future.

## MISSION

The Mission of the organisation, in driving towards the Vision, is:

Making a Difference in our community by:

- Focusing on our customers
- Developing a strong motivated workforce
- Incorporating our values in the way we work.

## WHAT IS THE ANNUAL REPORT?

This annual report is required under section 223E of the Local Government Act (LGA) 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 proposed and final community plan or annual plan. This year's annual report will be the last to be produced under the old LGA 1974.

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 impacted significantly on Council's 2003/04 Annual Plan.

The new Act introduced a number of changes in regard to Council's planning, decision-making and reporting procedures. One of the key changes was the requirement for Council to adopt a Long-term Council Community Plan (LTCCP, known as Hamilton's Community Plan 2004–14). In line with the Act, Council produced an 'interim' community plan for 2004–14, which is essentially an amalgam of Council's annual plan and Hamilton's Strategic Plan 2002–2012 and will produce a 'full' community plan for 2006–16. An annual plan is still required for the years between community plans and an annual report must be prepared every year to report on results achieved.

The annual report is published after the completion of the June financial year. It contains the audited accounts for the year and reconciles the performance measures set out in the community and 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 Community/Annual Plan.

In order to avoid duplication of information, this annual report should be read in conjunction with Council's Community Plan 2004–14 and mycouncil 2003 (Council's governance statement). These documents contain information on Council's governance structure and more detailed contextual information and are available from the main municipal building or any branch of Hamilton City libraries. They can also be viewed and/or downloaded from Council's website [www.hcc.govt.nz](http://www.hcc.govt.nz).

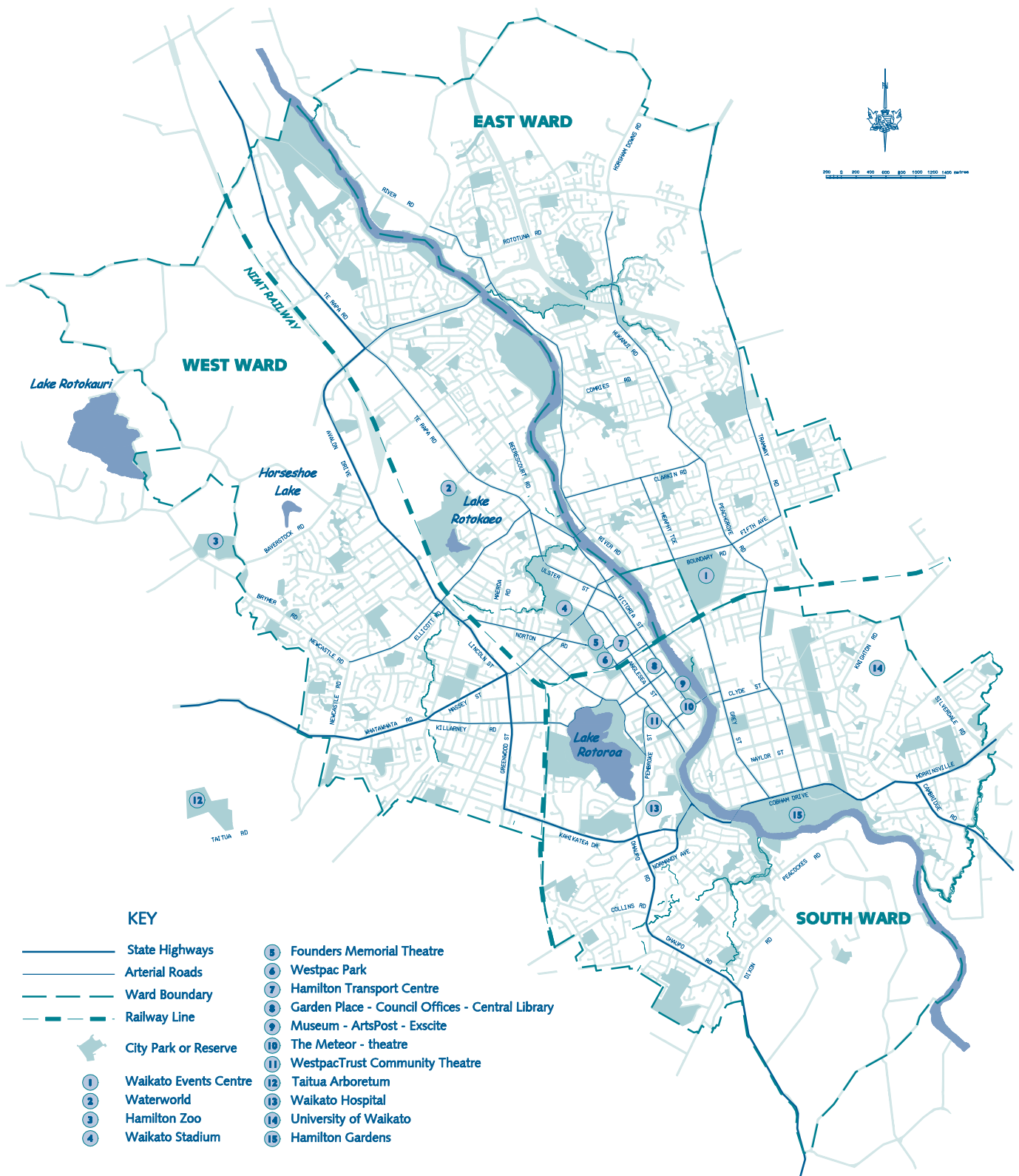
## COMMITMENT TO THE TREATY OF WAITANGI–TE TIRITI O WAITANGI

Hamilton City Council supports the principles of justice and partnership offered and agreed to in the Treaty of Waitangi (Te Tiriti), which can be encapsulated from Articles II and III as recognising Māori as tangata whenua with kaitiakitanga (guardianship) and ownership rights regarding land and assuring Māori of the same rights as other citizens.

To this end, Council enjoys partnerships of long-standing with Nga Mana Toopu O Kirikiriroa representing the views of mana whenua (Māori with historic ties to the area) and Te Runanga O Kirikiriroa providing the views of maataa waka (other canoes: Māori from other areas). The city enjoys the benefits of the historic knowledge, experience and views of Māori, and the inclusive role that Māori play in our community.

The Local Government Act 2002 reinforces and reminds all of us of the importance of continuing to foster these relationships, the necessity of good communication and the value of our Māori heritage in our progress as a distinctive nation. Local government has an important role in supporting our community and continually working to improve the opportunity for Māori along with other citizens to contribute to decision-making, and to play an active role in the city's development.

## HAMILTON CITY MAP



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## MAYOR AND CHIEF EXECUTIVE'S OVERVIEW 2003/04

Creating a sustainable city is a mission Council is tasked with working towards under the new Local Government Act 2002. The currency of a sustainable city is collective actions by the city's residents, so the 2003/04 financial year has been characterised by Council's drive to make Hamilton a city powered by its people.

City growth continues, placing greater importance on the development and management of Hamilton's social, economic, environmental and cultural health and infrastructure.

Building is booming in Hamilton. A Waikato Building Consent Manager was introduced to develop joint building procedures and standards with other councils in the region. Council marked a first in New Zealand in applying for registration as an inspection body in terms of ISO 17020 and is working towards achieving signatory status under IANZ (the internationally recognised expert body for approving inspection processes).

Significant wastewater pipeline work and stormwater management was undertaken, particularly around Thomas Road, 'The Link' and the St James Park subdivision. Major road upgrades got underway for both Thomas Road (\$2.8m) and Te Kowhai Road (\$415,000).

We went to the dogs for one weekend as the highly successful Dog Day Afternoon returned in 2003 to celebrate responsible dog ownership.

Waikato Stadium had another busy year with over 35 events using the number one field. Perhaps most notable is that, while these events were primarily rugby, the field was also used for several other types of events including a preseason Warriors vs. St George Illawarra Rugby League game, the National Marching Championships, Weber Brothers Circus and two Kingz National Soccer League games. Over 27,000 patrons have utilized the various Stadium function rooms available in 2003/04.

The Wastewater Treatment Plant cogeneration facility achieved significant annual operational cost savings for the plant of over \$150,000 for this year and projected savings of \$200,000 are anticipated for 2004/05.

Stage 1 of the Hamilton South Reservoir was completed. The stage involved installation of a bulk main pipeline from the water treatment station, underneath Hamilton Gardens. Upgrade of the Water Treatment Station was further advanced by investigations and selection of preferred options for the upgrade.

Kerbside recycling continued with resounding success with 8158 tonnes of paper, glass, aluminium and tin cans and plastic being diverted from landfill to recycling. Community support has been strong with increased participation.

The myhamilton campaign was launched in November 2003 to encourage residents to adopt sustainable practices by providing information and outlining simple, everyday actions people can do to make Hamilton more sustainable.

Inner city safety has improved through the introduction of the 'City Nighters'. Six security officers patrol the central city on Thursday, Friday and Saturday nights. Their link to the crime prevention camera monitoring actively reduces central city crime and they are a reassuring presence to the community.

Council partnered with WEL Green Energy to begin installation of a gas engine at the Horotiu Landfill. The engine will run on landfill gas and drive a generator that will provide power—equivalent to 1000 homes—to Council facilities for 15 to 20 years savings of tens of thousands of dollars per year.

Council offices lighting retrofits have continued this year contributing additional cost savings to Council in the order of \$40,000 per year arising from reduced energy, maintenance and disposal costs.

Annual cost savings from Council's Energy Management programme for 2003/04 were \$375,000. The programme has gathered momentum over the last two years and extensive savings are being realised.

For the second time, Council achieved tertiary level health and safety accreditation, being rewarded in the knowledge that its health and safety practices are at best practice level.

Held within the Annual Report are greater insights into these and the many other projects that were part of the 2003/04 financial year, demonstrating Council's commitment to delivering value and enriching Hamilton for its residents.



David Braithwaite OBE, JP, FACA, Hon. TCL  
Mayor



Tony Marryatt  
Chief Executive



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

Ma te kaunihera e whakaaro me ahu pewhea te kauneke tauwhiro o Kirikiriroa, no te mea kei roto i te kaawanatanga-aa-rohe 2002 aua koorero raka, enagari ma te iwi ano e tautoko e kawea wheenei aahuatanga kauneke tauwhiro.

Kei te piki haere nei te taaone nui o Kirikiriroa, haangai ki wheenei kaupapa nui rawa atu, paapori, ohanga, taiao, hauora-aa-iwi, kaupapa kei roto.

Ko ngaa whare kei roo Kirikiriroa kei te rahi haere. I aro mai nei teetehi tangata hei aarahi nei te kaupapa mo ngaa whare, nana i whiriwhiri ngaa koorero ki ngeetehi atu kaunihera huri noa e pa ana ki te rahi haere ngaa whare. Ko te kaunihera e kaha nei te whai atu ki ngaa rehita IANZ raaua ko te ISO 17020, ko maatou te tuatahi mo wheenei kaupapa.

Ko te huarahi o Thomas (\$2.8m) raaua ko te hurahi Te Kowhai (\$415,000) kei te pakari tonu, engari ko ngaa raina me ngaa paipa ki 'te link' ki St James paaka kei te mahi tonu.

E tae atu maatou ki ngaa whakaaturanga mo ngaa kuri 2003. Kua tuutuki wheera kaupapa.

Te Taiwhanga o Waikato, he maha tonu ngaa huihui haakinakina ki reira, 35 ki te papa tuatahi. Atu i te whutuporo he maha ngaa kaupapa i whaiatia nei e Te Taiwhanga o Waikato, ko ngeetehi ko te riiki Warriors vs St George Illawara kemu, ko te roopuu kootiro whiikoi, ko te Weber tuungane Circus, ko te poiwhana Kingz kemu, 27,000 ngaa hunga maatakitaki tae mai nei ki teeneki waahi. Kua tuuwhera nei ngaa momo ruma mo ngaa huihui 2003/04.

Ko te wheketere paru wai kei te tiaki waa raatou moni \$150,000 mo teeneki tau, \$200,000 e tuumanakotia nei te tau e tu mai nei.

Kua oti pai te waahanga tuatahi o te kurawai nui ki te tonga. Takoto nei na he paipa matua ki raro te maara o Kirikiriroa, ko te take e pai ai te ia o te wai ki te waahi whakatika wai.

Tino pai ngaa mahi whakahoutia e ngaa pepa, karaehe, konumohe, kene ipu, paratiki, no te mea e kore teeneki tuu aahuatanga e whakararu ana a Papatuanuku, tautoko nuitia e te haapori whaanui.

Ko 'Kirikiriroa nooku ake' timata mai te marama Whiringa-aa-rangi, te tau 2003. Kei te pai tonu te kaupapa nei, ma te iwi aano e kaha nei te tautoko hapai ranei o te kaupapa.

Ngaa po o te Taite tae atu ki te Raahoroi haere ake nei ngaa 'Taone Kaitiaki' taa raatou mahi hei whakaruru mo taatou katoa, e haere ana ki te taone, toko ono ngaa Kaitiaki.

Kei te mahi tonu ngaa pouaka whakaata hoki.

Tuhono maatou ki a'WEL kaakariki hiringa'kia timata te miihini kapuni ahi ki Horotiu whenua hou. Ko te mahi o te miihini kapuni nei kia kaangia e te miihini hiko, e rite ana ki te hiko mo ngaa whare 1000, mena ka wheera te roanga ake mo ngaa tau 15, 20 kei te tiaki moni maatou ia tau.

Ko ngaa rama kei roto i to maatou whare, kei te tiaki \$40,000 ia tau, te inoga o te mea raa e tiaki rama ko te 'retrofits'.

Ngaa moni tiaki putea mo te kapuni waataka 2003/04 \$375,000. Kei te piki teeneki kaupapa mo ngaa tau e rua.

E rua ngaa waa e whiwhi maatou ana te tohu matauranga tuatoru mo ngaa kaupapa hauora, whakaruru he tohu teitei rawa atu wheenei.

Kei roto teenki riipoata te nuinga o ngaa hua i puta mai i a maatou ngaa tau e rua 2003/04, no reira, pumau tonu maatou ki te kaupapa whakarangatira i a koutou hei painga mo te iwi e noho ana ki te kainga.

David Braithwaite OBE, JP, FACA, Hon. TCL  
Mayor

Tony Marryatt  
Chief Executive

## HIGHLIGHTS OF PROJECTS AND PROGRAMMES ACHIEVED IN 2003/04

As a growing city Hamilton needs to develop and manage its social, economic, environmental and cultural health. Some of the highlights of the activities carried out by Hamilton City Council over the past financial year are outlined below.

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

#### WASTEWATER MANAGEMENT

##### Rototuna Wastewater Trunk Pipelines

Wastewater pipelines were installed in Thomas Road to serve the new urban residential developments. Pipelines have also been extended through 'The Link' (between Discovery Drive and Sylvester Road) to cater for future subdivision to the west of Sylvester Road.

##### Far Eastern Wastewater Interceptor Pipeline

The far eastern wastewater pipeline was extended from near the St James Park subdivision through to the future alignment of Wairere Drive. This allows the areas between Gordonton Road and Huntington Drive to be developed as well as providing for future development in the Ruakura area.

#### STORMWATER MANAGEMENT

##### The Boulevard Stormwater Extension

The stormwater trunkmain pipeline was extended to allow the Boulevard development, a 12-hectare industrial development off Te Kowhai Road, to be completed.

##### Rototuna Stormwater Trunk Pipelines

Stormwater pipelines were installed in Thomas Road as part of the roading upgrade to provide for new urban residential developments. Developers have also provided stormwater infrastructure that complies with their resource consent conditions.

#### RECYCLING/REFUSE COLLECTION

##### Kerbside Recycling

Introduced in July 2002, the kerbside recycling programme continues to be a resounding success in terms of waste diverted from the landfill. In 2003/04, 4920 tonnes of paper, 2563 tonnes of glass, 196 tonnes of aluminium and tin cans, and 479 tonnes of plastic were recycled. While various recycling initiatives were in place prior to July 2002, the kerbside service has been very effective in encouraging much wider community participation.

##### Horotiu Landfill Leachate Management

Leachate storage capacity and pumping was increased at Horotiu Landfill. This new system allows for leachate to be more effectively managed. The leachate is pumped to the wastewater treatment plant where it is treated to a high standard.

##### Horotiu Landfill Stage 4 Capping and Gas to Energy Project

A clay cap over part of Stage 4 at the Horotiu Landfill was completed and gas extraction and electricity conversion equipment installed. The gas to energy system will generate 920kW of electricity and will be commissioned in 2004/05.

#### WATER SUPPLY

##### Rototuna Water Supply Trunk Pipelines

Development of the Rototuna water supply pipelines to serve new urban residential developments continued in 2003/04. The pipeline in Gordonton Road was extended to Thomas Road, linking the pipelines between Horsham Downs Road and Gordonton Road.

##### Watermains Flushing

A comprehensive flushing programme was implemented this year to reduce the number of 'brown water' incidents that result from the flow disturbance of accumulated fine material in water pipelines. Hamilton's water supply is rated 'Aa' quality and remains safe to drink throughout any 'brown water incidents.' A study of the water network identified areas most likely to be affected and a rigorous flushing programme in these areas has been implemented.



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

A contract for a design-build project for the Hamilton South Reservoir was let, with construction due to commence in 2004/05. This reservoir will provide increased storage capacity and better security of supply for the whole city, including our growth areas.

Installation of the bulk main pipeline from the water treatment station, underneath Hamilton Gardens, was completed. This work is Stage I of the pipeline programme, which will provide water for future development of the city.

### **Water Treatment Station Upgrade**

Investigations were carried out and preferred options selected for upgrading the city's water treatment station in terms of providing for:

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

## **SUSTAINABLE ENVIRONMENT**

### **Waste Management Plan Review**

In September 2003, Council introduced a review of its existing Waste Management Plan (WMP) in response to central government's 2002 New Zealand Waste Strategy and the new requirements for a WMP under the Local Government Act 2002. A Waste Industry Working Group was established to assist with the review process. The working group's work focused on five key targets. The Waste Working Group, in conjunction with staff, prepared a proposed WMP, outlining the ways in which the National Strategy targets could be met. This proposed plan recognises Council's existing long-term partnership agreement and contracts for recycling and refuse services with Waste Management New Zealand, the commercial lease of the Hamilton Organic Centre and the planned closure of the Horotiu landfill.

## **ENVIRONMENTAL HEALTH**

### **Central City On-Site Safety Officers**

Council now has a contract in place with a local security company to provide six officers to patrol the central city on Thursday, Friday and Saturday nights. They are known as the 'City Nighters', whose role is to act as ambassadors for the city and to observe and report. Their link to the crime prevention camera monitoring actively reduces central city crime. They have guided and assisted the public and police in a variety of ways, and the central city community has warmly welcomed their reassuring presence.

## **STRATEGIC AREA B: GROWING HAMILTON**

### **ROAD NETWORK MANAGEMENT**

#### **Thomas Road Upgrade**

The \$2.8m upgrade of Thomas Road between Horsham Downs Road and Gordonton Road commenced in November 2003 and was 90 per cent complete by 30 June 2004, despite poor weather conditions during the first four months of the contract. These weather conditions culminated in rainfall during February that exceeded the 1 in 100 year levels. The project is expected to be completed by the end of August 2004.

#### **Te Kowhai Road Upgrade**

Council allocated \$415,000 to upgrade Te Kowhai Road (from Te Rapa Road to Tasman Road) to urban standards and to raise the Tasman Road/Te Kowhai Road intersection to improve the poor sight distances over the railway line. This work was completed as part of the Transit New Zealand contract to construct a roundabout at the State Highway One Te Rapa Road/Te Kowhai Road/Church Road intersection. The work was substantially completed in January 2004 ahead of time and below budget.

#### **Undergrounding of Overhead Power lines**

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

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

## BUILDING CONTROL

### Best Practice Guidelines Service

This year has seen the introduction of our Waikato Building Consent Manager, who is currently developing joint building procedures and standards with other councils in the Waikato Region. The key initiative this year is Hamilton City Council's application for registration as an inspection body in terms of ISO 17020. This is a first in New Zealand and Council is working closely with central government to set the benchmark for other local authorities. Council is working towards achieving signatory status under IANZ (IANZ is the internationally recognised expert body for approving inspection processes). This will give staff in the Building Control Unit the ability to sign off documents under the IANZ logo.

## ANIMAL CARE AND CONTROL

### Dog Day Afternoon

Following a successful debut in February 2003 the promotional event Dog Day Afternoon was run again in 2004 and was another huge success. The event was much larger this year, with an increase in attendance by Hamilton locals as well as from the greater Waikato Region, making it apparent that the annual event is well received. The day celebrated responsible dog ownership and demonstrated that dogs under control can interact safely with people.

## STRATEGIC AREA C: PROMOTING HAMILTON

### ECONOMIC DEVELOPMENT

#### Waikato Innovation Park

Waikato Innovation Park is an important part of the city's economic development strategy. Situated at Ruakura, close to AgResearch and the University of Waikato, the park provides a cluster environment for science and technology companies involved in research and development. Council, WEL Energy Trust and Industry New Zealand have financially supported the park.

The Innovation Park was officially opened in February 2004 and was fully tenanted within weeks of the opening. Towards the end of 2003/04 work began on the second stage, which had a high level of commitment from future tenants before construction. During the year the Welsh biotech company Nupharm agreed to establish on the park.

### CITY PROMOTION

#### City News

One of the key ways in which city residents are communicated with is through the Council publication 'City News'. This is distributed to every household in the city eight times a year. During the year, City News underwent a major revamp. As well as now being more attractive to read, it offers a greater opportunity to promote the city and its attractions.

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

### HAMILTON THEATRE SERVICES

Theatre Services presented a programme of nine productions that enabled 14 performances throughout the year at each of the three Council venues and the WEL Energy Trust Academy of Performing Arts Concert Chamber at the university. This programme attracted over 3000 patrons and ranged from the sold out Comedy Convoy at WestpacTrust Theatre and a virtuoso pianist Sonja Radjokovic at the Academy of Performing Arts, to theatrical dramas at The Meteor and WestpacTrust theatres and the touring Shanghai Circus at the Founders Memorial Theatre.

The city's new Steinway Grand Piano arrived at Founders Memorial Theatre in January 2004 from the factory in Hamburg, Germany. To celebrate its arrival, a series of four concerts and five lunchtime recitals were held in March 2004 that featured the piano, with artists both from within the city and abroad. A number of local music students were given the opportunity to play the piano during this series. There were also concerts by renowned New Zealand pianists Stephen de Pledge, Katherine Austin and Dan Poynton.

### HAMILTON CITY LIBRARIES

#### Eftpos facilities at library branches

Over the last 12 months Hamilton City Libraries have developed a relationship with a single vendor for the supply of books. As a direct result, Library customers have been provided with more new material on shelves more quickly than was possible in the past. Similarly, the introduction of the 'floating' collection model has resulted in a far wider variety of material becoming available on Community Library shelves. Detailed lending collection profiles have been completed for each of the libraries. The profiles define the 'mix' of material necessary to meet the unique needs of the customers who use each library. These profiles will drive the development of each of the collections and will ensure that they continue to meet the needs of library customers in the future.

Eftpos has been installed at all libraries and has proven exceptionally popular with many customers. A group of electronic databases has been added thus extending the breadth of electronic resources available to customers. Behind the scenes, the libraries have been working on the development of new electronic services for introduction later in 2004. These include an exciting new website. Much of the new website's functionality will also be available on the terminals in the libraries. Coupled with this, new electronic resources have been procured and will be introduced at the same time.

## **WAIKATO MUSEUM OF ART AND HISTORY**

### **Treasures of the Tainui Iwi**

Inspired by the outstanding Taonga exhibited in the Tainui exhibition, the museum drew on its collection of magnificent korowai woven by Diggeress Te Kanawa for an exhibition celebrating the work of this iconic New Zealand weaver. This exhibition was warmly received by the public and was featured on national television.

### **Exscite Centre**

This year the Exscite Centre was successfully integrated into the Waikato Museum of Art and History to cater for the science component of the broad museum offer of science, art, history and tangata whenua. The first science exhibition developed under the museum umbrella, Sci-Quest, reflected a high level of quality in design and content, reinforcing the many benefits of working together.

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

### **COMMUNITY DEVELOPMENT**

#### **Community Centres and Development Workers**

A 'Relationship Protocol' has been developed between Council and the Community houses. The employment of the six Neighbourhood Development Workers and five Youth Development Workers remains with Council and these staff are accommodated within the community environment.

#### **Social Policies**

The Child and Family Policy (launched 2002/03) aims to support children and their families and encourage their participation in city and community life.

The Child and Family Year 2 Action Plan has been implemented and was reported to Council in October 2003.

#### **Community Centres**

Council is committed to building strong communities by encouraging people to participate in and contribute to local neighbourhoods. This year Council allocated feasibility funding to the Multicultural Services Trust and bridging finance to the Western Community Association building fund. Construction of the Western Community Centre commenced in March 2004. The \$20,000 funding to complete a feasibility study for Northern Suburbs has yet to be completed in June 2005.

### **COMMUNITY FACILITIES**

#### **Celebrating Age Centre Management Plan 2003–2007**

The Celebrating Age Centre has developed its first five-year management plan. The centre's vision is to be a vibrant and thriving focal point for Hamilton's older community that provides, encourages and promotes a range of activities and services for older persons. Year one actions of the Celebrating Age Centre Management Plan have been implemented.

### **EMPLOYMENT INITIATIVES**

#### **Community Work Projects**

Employment Initiatives has completed 24 community projects through its work-based training programmes. The programmes have provided 78 per cent of participants with NZQA qualifications.

### **EMERGENCY MANAGEMENT**

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

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

## STRATEGIC AREA F: ENJOYING OUR CITY

### SPORTS AREAS

The relocation of Marist Football Club from Claudelands Park to Marist Park (formally Dey Street (North) Park) has proceeded and the changing rooms and car park were completed for use during the 2004 winter sports season along with the associated sports fields. The changing room project involved working with the Marist Rugby Football Club, who are building their clubrooms in connection with the changing rooms, to allow for their relocation from Claudelands Park.

### PARKS AND GARDENS

#### Lake Rotoroa Esplanade Walkway

The completed walkway was officially opened to the public in February 2004. Site planting and minor works will be completed during the winter planting seasons of 2004 and 2005. Public feedback indicates that the walkway has been well received by the community.

The third of five annual applications of herbicide to eradicate Flag Iris was applied in April 2004. The results have been very effective and will allow areas of the lake margin to be replanted ahead of the planned programme.

### WAIKATO STADIUM

#### Events

Waikato Stadium had a very busy year with over 35 events using the number one field. While these events were primarily rugby (including Super 12, NPC and the annual New Zealand test against Argentina) the field was also used for several other types of events, including a preseason Warriors versus St George Illawarra Rugby League game, the National Marching Championships, Impact World Tour, Weber Brothers Circus and two Kingz soccer National Soccer League games against Parramatta Power and Sydney Olympic.

Functions at the Stadium have been particularly strong, with over 27,000 patrons utilising the various function rooms available in 2003/04.

Westpac Park held two international cricket tests this past season, with New Zealand playing Pakistan and South Africa. As part of the park's continuing development programme and the need for it to continue to be competitive in the international cricket arena, the soil outfield was replaced with new drainage and sand carpet. The cricket block was also replaced.

The Waikato Events Centre has continued to attract top-level exhibitions and events, with a popular international Needle and Craft show, an X-Air extreme sports event and the regular events of the Home Show, AMP and Winter shows.

### SWIMMING FACILITIES

#### Increased numbers using Swimming Facilities

An increased number of people are using the swimming pool facilities within Hamilton. A combined total of 787,571 people were admitted to Council swimming facilities and partner pools in 2003/04. This is a 10 per cent increase on the previous year's figure, i.e., an extra 73,228 people utilising the pools.

### HAMILTON ZOO

#### Construction of Chimpanzee Exhibit

The chimpanzee exhibit, which is in the second year of construction, is a three-year project. Contouring and landscaping of the enclosure is taking place at the moment and will be completed and ready for the six Auckland Zoo chimpanzees to arrive in October.

### HAMILTON GARDENS

#### Char Bagh Garden

Stage II of the Indian Char Bagh Garden was completed in February 2004. The project was funded through the joint efforts of Council and the Indian Char Bagh Garden Trust. The final stage of construction will be completed in 2004/05.





This section outlines the governance structure of Hamilton City Council and Council's vision and its goals. It includes details of policies and programmes that enable Council staff to make a difference in our community. This section also outlines Council's approach to sustainable development and how that is put into practice, both within the organisation and in the community.

## COUNCIL'S 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'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 integral parts of Council's operations.

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 VISION AND GOALS

### VISION

Council's Vision for the City (revised in October 2003) is:

Vibrant Hamilton

Pride of the Waikato, Achieving for New Zealand

Investing in our People, Creating Prosperity, Protecting our Future.

### 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.



## ELECTED MEMEBERS



### DAVID BRAITHWAITE

His Worship the Mayor

Phone: 838 6976

Home: 855 7599

Email: mayor@hcc.govt.nz

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



## EAST WARD COUNCILLORS



### PETER BOS

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**Council Committees:**

1, 4 (C), 5, 6, 11 (C), 13



### JODY GARRETT

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**Council Committees:**

1, 3



### ROGER HENNEBRY

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**Council Committees:**

1, 2, 3, 6 (DC), 9 (C)



## SOUTH WARD COUNCILLORS



### PIPPA MAHOOD

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1, 3 (C), 5, 11, 13



### JOCELYN MARSHALL

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**Council Committees:**

1, 2, 3, 5



### GRANT THOMAS

(Deputy Mayor)

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**Council Committees:**

1, 2 (DC), 3, 6, 8, 12 (DC), 13



### BILL WARD

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1, 3 (DC), 5



### EWAN WILSON

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## WEST WARD COUNCILLORS



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1, 5 (C), 6, 7, 13



### JOHN GOWER

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**Council Committees:**

1 (DC), 2, 3, 6, 10, 11



### MAVORA HAMILTON

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**Council Committees:**

1, 2, 3, 5



### BRIAN IMPSON

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**Council Committees:**

1, 2, 5, 6 (C), 9, 13



### DAVE MACPHERSON

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**Council Committees:**

1 (C), 2, 3, 6, 8, 9, 10 (DC), 13

#### KEY TO COUNCIL COMMITTEES

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

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

This diagram outlines the significant services Council provides for the city. It links these services to the relevant goals from Hamilton's Strategic Plan, Council's goals, and the Sustainability Indicators used to measure progress.

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

## STAFF POLICIES AND PROGRAMMES

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

### STAFF POLICIES

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 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 good EEO and 'good employer' principles. There were no appeals from applicants on selection decisions. A review of recruitment policy and procedures is under-way 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 is collected from applicants on a voluntary basis. To supplement this information workforce profiling was introduced in the staff Climate Survey and this has provided useful data when developing staff initiatives.               |
| 4            | 3 Developing staff.                      | 3 EEO awareness and bi-cultural training programmes are offered to staff.   | 3 Bi-cultural training was held in-house, with support and input from Te Runanga O Kirikiriroa, and was well-attended. The annual Te Waka Awhina Hui was attended by ten Māori staff in November 2003.   |
| 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 2004

| Employment Status   | Male       | Female     | Total       |
|---------------------|------------|------------|-------------|
| Permanent Full-time | 374        | 237        | 611         |
| Permanent Part-time | 30         | 163        | 193         |
| Temporary           | 24         | 34         | 58          |
| Casual/On-call      | 103        | 78         | 181         |
| <b>Total</b>        | <b>531</b> | <b>512</b> | <b>1043</b> |

## QUALITY MANAGEMENT

Hamilton City Council uses ISO 9001: 2000 as its Quality Management system. Hamilton Zoo is the first New Zealand zoo to be ISO 14001 certified in Environmental Management Systems and provides an excellent framework for the management of environmental issues. 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.

## ORGANISATIONAL DEVELOPMENT

Council is continuing to implement a programme of organisational development, which aims to assist the organisation to achieve its vision and mission. The principles of business excellence and best practice are incorporated throughout all levels of the organisation on an ongoing basis. Continued involvement with the New Zealand Business Excellence Foundation 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 under the umbrella of Business Excellence through the ongoing improvement of key organisational processes. Key areas of focus over the last year have been leadership development, implementing a more consistent approach of surveying customer satisfaction, ensuring staff are informed of organisational strategy and direction. Many of these projects and activities will continue into 2004/05.

## 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.

## COUNCIL'S SUSTAINABLE DEVELOPMENT APPROACH

The Local Government Act 2002 outlines how local government should operate and requires councils to adopt a 'sustainable development' approach. This means that when making decisions Council must take into account social, economic, environmental and cultural well-being to ensure that the foreseeable needs of future generations are met. Councils have in the past been concerned with the general health of their communities, however little routine high level monitoring has been done.

While Council is taking a community leadership role in this respect, the real key to the long-term sustainability of Hamilton is the effect of the collective actions of the city's residents. Recognising the importance of individual action for sustainable development, Council launched the myhamilton campaign ([www.myhamilton.org.nz](http://www.myhamilton.org.nz)) in November 2003. Myhamilton aims to encourage residents to adopt sustainable practices by providing information on the 'health' of the city and outlining simple everyday actions people can do to make Hamilton a more sustainable place. Sustainable development is an important community issue that requires action at both the Council, organisational and individual scale.

There are many ways in which Council has sought to put the philosophy of sustainable development into practice, both within the organisation and in the projects and programmes it undertakes in the community. The following section provides some 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.

## **HIGHLIGHTS OF COUNCIL'S SUSTAINABILITY PROJECTS AND PROGRAMMES**

### **Council's Energy Management Programme**

Hamilton City Council is one of only three local authorities in New Zealand that employ a full-time energy manager. Council's energy management programme is primarily focused on corporate activities. It commenced in 1999 and the success of the programme has been recognised nationally (the programme has received three awards from New Zealand's Energy Efficiency and Conservation Authority).

#### **Wastewater Treatment Plant Cogeneration Facility**

Commissioned in October 2000, the cogeneration facility blends bio-gas (produced by the wastewater treatment plant digestors) and natural gas to run two gas engines at Council's Wastewater Treatment Plant (WWTP). These engines drive generators producing electricity, which is used at the site. In addition, heat is recovered off the engines and used in the wastewater treatment processes. This project has a wide range of benefits:

1. Bio-gas is utilised that would otherwise be flared
2. The overall conversion efficiency to supply heat and electricity to the site has dramatically increased and therefore overall emissions are less
3. The facility was 'second-hand' plant that has been given a new lease of life
4. The facility has resulted in significant ongoing energy savings for the plant. Over \$150,000 was achieved in 2003/04 and around \$200,000 savings is forecast in 2004/05
5. Environmental compliance is enhanced as the WWTP can maintain operation if there is an electricity failure on the network.

#### **Horotiu Landfill Gas to Energy Facility**

In 2004, Council in conjunction with its partner WEL Green Energy, is installing a gas engine at the Horotiu Landfill. The engine will run on landfill gas and drive a generator sufficient to provide power for the equivalent of 1000 homes for up to 20 years. Landfill gas is recovered by installing a network of wells and collectors into the landfill sealed with an impervious clay cap. The gas recovery system and clay cap will reduce odours and stop water entering the landfill and becoming leachate. The gas to energy facility utilises the gas that would be otherwise flared and is classed as a renewable energy supply. Power generated at this site will be used in Council facilities and is expected to result in cost savings of tens of thousands of dollars per year.

#### **Council Offices Lighting Retrofits**

Over the last four years, Council's office lighting across its facilities has been progressively replaced with energy efficient 'T5' fluorescent light fittings and tubes. Lighting energy usage has reduced by up to two thirds and at the same time lighting levels have improved. The number of lamps required has dropped by one third and average lamp replacement times have been extended. The 'T5' lamps use very little mercury compared to conventional lamps, which is of benefit to the environment when disposing. The lamps also emit less heat, reducing the loading on air conditioning systems in summer. Cost savings to Council in the order of \$75,000 per year arise from reduced energy costs, reduced maintenance costs, and reduced disposal costs.

#### **Overall Gains of Council's Energy Management Programme**

Since the commencement of Council's corporate energy management programme, Council has reduced energy costs by \$750,000, saved 4,500,000 kWh, and cut CO<sub>2</sub> emissions by 3400 tonnes. Actual cost savings for 2003/04 were \$375,000 and forecast savings for 2004/05 are \$574,000 (which is equivalent to 15 per cent of Council's 2004/05 energy costs). The programme has gathered momentum and extensive savings are being realised.

### **Waste Minimisation**

In July 2004, Management Executive adopted an Internal Waste Management Policy to address a target in the Hamilton City Council Waste Management Plan 2004–2010.

The purpose of the policy is, in line with the New Zealand Waste Strategy, to ensure that Council achieves a reduction in waste generation of 20 per cent by September 2005 and a further 10 per cent by September 2006 (based on 2004 levels). This target will be realised through the development of an internal waste action plan.

A week-long waste audit undertaken in April 2004 involved the daily collection, sorting and weighing of all the waste generated in the municipal building. On average 78kgs of waste was produced every day. This would amount to the generation of approximately 20.5 tonnes of waste a year. Of this, 41 per cent of the waste thrown away was recyclable paper.

As a result of this waste audit, an action plan is currently being developed and will identify services, facilities and initiatives that will enable Council to address the key points of the policy; procurement, staff education, the development of simple recycling systems, diverting paper and cardboard from the waste, promoting electronic or paperless systems and the establishment of a cross-organisational forum.

#### **Procurement Policy**

In 2000 Council's Procurement Policy was extended to include environmental standards. In accordance with Council's Environmental Policy, goods and services supplied must meet high environmental standards in their production and operational performance. The overall environmental performance of the company concerned shall also be taken into consideration.

In recognition of this, Council has embarked on a cartridge toner recycling scheme. A week-long solid waste audit of the municipal building identified that at least one toner cartridge was thrown out every day. Through its office and computer consumable supplier, Council's involvement in a recycling scheme was established. A recycling box can now be found on every floor and at all Council facilities. Council has also introduced re-manufactured toner cartridges. If staff order an original toner cartridge, the internet ordering system overrides it and elects the re-manufactured product instead.

When a toner cartridge is recycled it is disassembled, any worn parts are replaced, and new toner inserted. In doing so, Council is supporting a process that uses far less resources and a final product that costs less than new cartridges. Sending used cartridges for recycling reduces the toxicity of the waste stream and can also provide savings in disposal costs.

Other green procurement initiatives currently in the development process are:

- A request for proposal (RFP) for cleaning services, sanitation service and janitorial consumables that consider sustainability issues such as energy efficiency, waste minimisation, and biodegradable and non-toxic products.
- A review of Council's Print suppliers.

#### **ACC Workplace Safety Management Practices Audit**

The ACC Workplace Safety Management Practices Audit provides feedback and a process for improving health and safety processes and systems within Council. As Council has achieved tertiary level accreditation for the second time it is rewarded in the knowledge that its health and safety practices are at a best practice level. Council also receives a 20 per cent reduction in ACC levies. This is the maximum discount level on the audit framework and amounts to \$36,500 annual savings for Council. The audit is conducted every two years and a self-assessment audit is conducted in the intervening year.

#### **Council's Vehicle Fleet Initiatives**

Council has changed its fuel provider to one that will allow for greater efficiencies through enabling:

- greater city coverage
- better management systems
- online transaction identification.

Vehicles and plant supply contracts have been aligned with service contracts. These have been let and will ensure that:

- warranties are utilised to their full potential
- appropriate vehicle expertise is obtained
- and lead to increased vehicle and plant availability.

Consultation is made with staff prior to vehicle and plant purchases, ensuring that the most 'fit for purpose' procurements are made. Using more suitable vehicles and plant also improves staff morale and heightens productivity.

As part of the vehicle fit for purpose pre-purchase assessment, vehicle engine capacity is assessed along with other criteria. Fleet Management has implemented an initiative where the vehicle purpose is identified. If there is little or no significant impact on the operation of the vehicle or to the duties of the vehicle operator, Fleet Management opt to purchase the smallest engine vehicle practical to complete the task required of it. This is easily seen by the recent replacement of the Parking Services fleet where three 1300cc vehicles were replaced with two 800cc cars and one 1494cc vehicle. In most instances general purpose inspection vehicles purchased for the Council fleet will have an engine capacity less than 1500cc.

Operator training workshops are undertaken to identify 'best practice' operation and daily maintenance procedures. This assists in reducing repair and maintenance costs. Data acquisition and knowledge based systems are also being developed. This will enable a real term reduction in fleet size through increased utilisation, and is already allowing a greater level of invoice scrutiny.



## EXAMPLES OF COUNCIL'S SUSTAINABILITY PROJECTS AND PROGRAMMES

| Internal projects/programmes   | External projects/programmes  |
|--|---|
| <b>Strategic Area A: Sustaining Hamilton's Environment</b>   |   |
| <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, implementation and review of asset management plans (in particular the plans for Wastewater Management, Stormwater Management, Recycling/Refuse Collection, and Water Supply)</li> <li>• The Corporate Environmental Policy</li> <li>• Membership of and participation in EECA's (Energy Efficiency and Conservation Authority) Energy Wise Council's Forum</li> <li>• Membership of ICLEI (International Council for Local Environmental Initiatives)</li> </ul> | <ul style="list-style-type: none"> <li>• Participation in Project Watershed (a major project aimed at providing better, more co-ordinated management of river-based works and services in the greater Waikato catchment)</li> <li>• Implementation and review of Hamilton's Waste Management Plan (1998)</li> <li>• 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>• Support of Hamilton's Environment Centre</li> <li>• Administration of Council's Envirofund</li> <li>• Monitoring, reporting and promotion of Hamilton's Sustainability Indicators (<a href="http://www.myhamilton.org.nz">www.myhamilton.org.nz</a>)</li> <li>• Monitoring, reporting and promotion of the Quality of Life in New Zealand's Eight Largest Cities project (<a href="http://www.bigcities.govt.nz">www.bigcities.govt.nz</a>)</li> <li>• Contaminated Sites Management Strategy</li> <li>• Food Safety Awards programme</li> <li>• Community Environmental Programme and newsletter</li> </ul> |
| <b>Strategic Area B: Growing Hamilton</b>  |   |
| <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> <li>• Organisation and facilitation of 'A Dog Day Afternoon'</li> <li>• Monitoring, reporting and promotion of Hamilton's Sustainability Indicators (<a href="http://www.myhamilton.org.nz">www.myhamilton.org.nz</a>)</li> <li>• Monitoring, reporting and promotion of the Quality of Life in New Zealand's Eight Largest Cities project (<a href="http://www.bigcities.govt.nz">www.bigcities.govt.nz</a>)</li> </ul>            |

### Strategic Area C: Promoting Hamilton

|   |   |
|---|---|
| <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><a href="http://www.hamiltonevents.co.nz">www.hamiltonevents.co.nz</a></b></li> <li>• Partnerships with economic development agencies (e.g., Waikato Economic Development)</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, Hamilton Economic Update</li> <li>• Connect2Hamilton economic development newsletter</li> <li>• City News</li> <li>• Development of Council's website <b><a href="http://www.hcc.govt.nz">www.hcc.govt.nz</a></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> <li>• Monitoring, reporting and promotion of Hamilton's Sustainability Indicators (<b><a href="http://www.myhamilton.org.nz">www.myhamilton.org.nz</a></b>)</li> <li>• Monitoring, reporting and promotion of the Quality of Life in New Zealand's Eight Largest Cities project (<b><a href="http://www.bigcities.govt.nz">www.bigcities.govt.nz</a></b>)</li> </ul> |
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### Strategic Area D: Experiencing Our Arts, Culture and Heritage

|  |  |
|--|--|
| <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> <li>• Development, implementation and review of asset management plans (in particular the plans for Hamilton Theatre Services, Hamilton City Libraries and the Waikato Museum of Art and History)</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 (References Version, November 2001)</li> <li>• Maintenance of Beale Cottage</li> <li>• Monitoring, reporting and promotion of Hamilton's Sustainability Indicators (<b><a href="http://www.myhamilton.org.nz">www.myhamilton.org.nz</a></b>)</li> <li>• Monitoring, reporting and promotion of the Quality of Life in New Zealand's Eight Largest Cities project (<b><a href="http://www.bigcities.govt.nz">www.bigcities.govt.nz</a></b>)</li> </ul> |
|--|--|

### Strategic Area E: Living in Hamilton

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• Equal Employment Opportunities Policy</li> <li>• Health and Safety Management Policy (e.g., backstrain prevention programme)</li> <li>• Quality Management System (all Council's operations are currently certified to the ISO 9001/2000 international quality standard)</li> <li>• The Corporate Plan's vision, goals and values</li> <li>• The Organisational Development Programme—Make a Difference (to ensure Council becomes a world-class organisation)</li> <li>• Training programmes for more effective community consultation.</li> <li>• Bi-cultural awareness training</li> <li>• Leadership development programme</li> <li>• Improved customer service measurement programme</li> <li>• Process mapping (electronically mapping the organisation's key processes to increase staff awareness and access)</li> <li>• Participation in the Benchmarking Club—administered by the Centre for Organisational Excellence and Research, Massey University (sharing best practice processes and procedures with 23 other organisations)</li> <li>• Upgrade of Council's intranet to improve its functionality and usability</li> <li>• Development, implementation and review of asset management plans (in particular the plans for Community Support, Community Facilities, Emergency Management, Partnership with Māori and Representation and Civic Affairs)</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 inner city crime prevention and central city wardens</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>• 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> <li>• Monitoring, reporting and promotion of Hamilton's Sustainability Indicators (<a href="http://www.myhamilton.org.nz">www.myhamilton.org.nz</a>)</li> <li>• Monitoring, reporting and promotion of the Quality of Life in New Zealand's Eight Largest Cities project (<a href="http://www.bigcities.govt.nz">www.bigcities.govt.nz</a>)</li> </ul> |
|--|---|

### Strategic Area F: Enjoying Our City

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• Environmental Management Systems/ISO 14001</li> <li>• Training of staff for Environmental System Auditing</li> <li>• Development of on-site recycling</li> <li>• Construction and use of worm bins for food wastes</li> <li>• Development and review of asset management plans (in particular the plans for sports areas, parks and gardens and city beautification)</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> <li>• Monitoring, reporting and promotion of Hamilton's Sustainability Indicators (<a href="http://www.myhamilton.org.nz">www.myhamilton.org.nz</a>)</li> <li>• Monitoring, reporting and promotion of the Quality of Life in New Zealand's Eight Largest Cities project (<a href="http://www.bigcities.govt.nz">www.bigcities.govt.nz</a>)</li> </ul> |
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This section of the report outlines the community's vision for Hamilton, and Council's response to that vision. It provides results from Council's annual residents survey and Hamilton's sustainability indicators as key community measures of Council's overall performance towards meeting the community's vision.

THE COMMUNITY’S VISION FOR HAMILTON

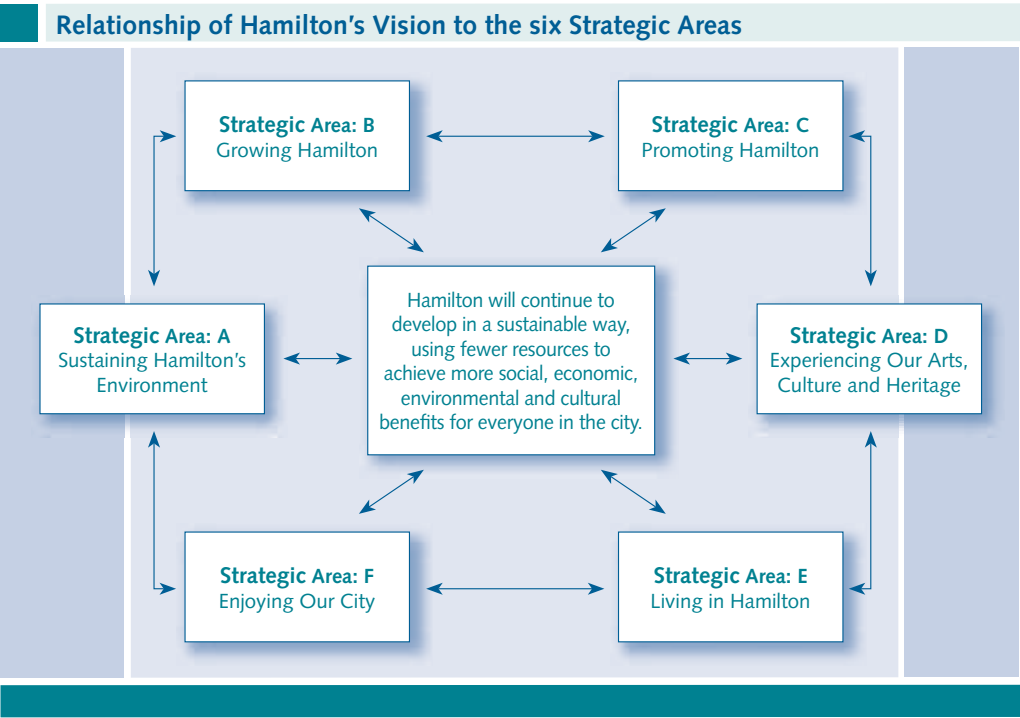
Hamilton is a dynamic and growing city. Population growth has averaged around 1.6 per cent per annum over the last 10 years (approximately 1500 people every year) and the population composition (such as age groups, household formation and ethnicity) is also undergoing significant change. Recognition 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.

The community’s vision for Hamilton states that the city is committed to the principles of sustainability as promoted in Agenda 21 and emphasised in the LGA 2002.

Since 1997, Council has expanded upon and articulated the community vision through grouping its significant services into the strategic areas outlined throughout this plan. Council’s significant services contribute to these six areas through various projects and programmes. Hamilton’s sustainability indicators have been broadly aligned with the six strategic areas in order to show how the city is progressing towards the community vision. The following diagram shows the relationship of the community’s overall vision for Hamilton to Council’s six strategic areas.



MONITORING PROGRESS TOWARDS ACHIEVING THE COMMUNITY VISION

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. The key methods that are used to monitor and report on the city’s progress are:

- Hamilton’s Sustainability Indicators
- The Quality of Life in New Zealand’s Eight Largest Cities project
- Council’s Annual Residents Survey 2004.

The latest results from these monitoring programmes are outlined below.

## HAMILTON'S SUSTAINABILITY INDICATORS

Sustainability indicators provide ways of measuring directly or indirectly, changes to Hamilton's environmental, social, economic and cultural well-being. They are a key means of guiding future planning.

September 2002, Hamilton's Sustainability Indicators report was published. This document used 25 indicator themes to provide a snapshot of sustainability in Hamilton. To effectively determine if development is sustainable these issues need to be consistently monitored over the long-term. Since the 2002 report, data for each of the indicators has been regularly updated and evaluated as showing either an improving or deteriorating sustainability trend. The indicators themselves have also been modified in response to community feedback (please note that some of the numbers and titles of indicators will have changed accordingly since the 2002 report). Information from the sustainability indicator monitoring feeds into the decision-making processes of Council. A summary of recent trends for Council's sustainability indicators is included below.

| Key to Indicator Trends  |                                      |
|--|--------------------------------------|
| ☺  | Improving trend                      |
| ☹  | Deteriorating trend                  |
| ☺  | No change in trend                   |
| ✦  | Insufficient data to determine trend |
| ★  | Proposed new indicator               |
| Note: The indicator trends shown were derived from datasets at April 2004. |                                      |

| Strategic Area A: Sustaining Hamilton's Environment |   |  |
|---|---|--|
| 1. Air Quality                                      | ☹ | ☹ Particulate Matter (PM10) levels<br>✦ Benzene levels<br>☹ Maximum Carbon Monoxide levels<br>☹ Maximum Nitrogen Dioxide levels<br>☹ Resident's perception of air pollution  |
| 2. Water Quality                                    | ☺ | <i>Waikato River</i><br>☹ Enterococci levels<br>☹ Dissolved oxygen levels<br>☹ Total ammonia levels<br><i>Hamilton's Drinking water</i><br>☹ Drinking water standard<br>☹ Residents satisfaction with taste of drinking water<br><i>Hamilton Lake</i><br>☹ Trophic index of Lake Rotorua |
| 3. Water Usage                                      | ☹ | ☹ Total water usage in Hamilton City<br>☹ Average daily water usage per person<br>☹ Total commercial and industrial water usage per annum  |
| 4. Soil Health                                      | ☺ | ☺ Percent of confirmed contaminated sites remediated   |
| 5. Noise  | ☺ | ☺ Number of excessive noise complaints to Council<br>☹ Resident's perception of neighbourhood noise  |
| 6. Urban Trees                                      | ☺ | ☺ Number of trees planted and protected in Hamilton<br>☹ Area of significant stands of native trees within Hamilton<br>✦ Participation in native tree restoration projects in Hamilton<br>★ Bird counts—(sampling for this indicator will begin in the winter of 2004)                   |
| 7. Energy   | ☺ | ☺ Annual household expenditure on energy   |
| 8. Solid Waste                                      | ☹ | ☹ Residential and industrial/commercial waste to Horotiu landfill<br>☹ Waste per person from household kerbside collection<br>★ Recyclables per person from household kerbside collection<br>☺ Materials collected for reuse/recycling at Hamilton Refuse Transfer Station               |



| Strategic Area B: Growing Hamilton                            |   |  |
|---|---|--|
| 9. Urban Development  | ☹ | ☺ Building consents for new dwellings<br>☹ Average size of new dwellings<br>☺ Population densities in residential areas<br>☹ Average number of people per house<br>☹ Ratio of greenfield to infill development   |
| 10. Transport   | ☹ | ☹ Means of travel to work<br>☹ Car ownership per household<br>☺ Total passenger numbers using public transport<br>☹ Resident's satisfaction with Council provided cycling facilities and support<br>☹ Distance travelled by all transport modes<br>☹ Cycle use in the central city |
| 11. Housing Affordability                                     | ☹ | ☹ Proportion of dwellings owned and rented by the occupants<br>☹ House sale price index<br>☹ CPI adjusted median rent for houses and flats in Hamilton   |
| Strategic Area C: Promoting Hamilton                          |   |  |
| 12. Work  | ☺ | ☺ Unemployment rate<br>☺ Labour force participation rate<br>☺ Number of job vacancy advertisements<br>☹ Ratio of those in the working age group to those in the non-working age groups   |
| 13. Income  | ☺ | ☺ Average hourly income<br>☺ Annual number of food parcels supplied to Hamilton residents  |
| 14. Business  | ☺ | ☺ Number of businesses and full time equivalent employment<br>☺ Number of businesses of different sizes<br>☺ Business gains and losses, and survival rates   |
| 15. Visitor accommodation                                     | ☺ | ☺ Visitor guest nights and hotel/motel occupancy rates in Hamilton<br>☺ Origin of guests   |
| Strategic Area D: Experiencing Our Arts, Culture and Heritage |   |  |
| 16. Historic structures/sites                                 | ☹ | ☹ Number of built heritage and sites of archaeological, historic and cultural significance in current District Plan  |
| 17. Arts and Culture  | ☺ | ☺ Resident's use and satisfaction with Council's community facilities (arts and culture)   |
| Strategic Area E: Living in Hamilton                          |   |  |
| 18. Education   | ☺ | ☺ Enrolments at the University of Waikato and Wintec<br>☹ Participation in school based community education courses<br>★ Hamilton school leavers without a formal qualification  |
| 19. Public Involvement in Decision-making                     | ☹ | ☹ Voter turnout at general and local authority elections<br>☹ Number of candidates standing in local authority elections<br>☹ Community satisfaction with Council's provision of opportunities for community involvement in decision-making  |
| 20. Youth Well-being  | ☺ | ☺ Number of offences in Hamilton committed by juveniles<br>☺ Hospitalisations of Hamilton children for injuries  |
| 21. Partnership with Māori                                    | ☹ | ★ Māori involvement in public decision-making  |
| 22. Crime and Safety  | ☹ | ☺ Rate of reported burglaries<br>☹ Rate of reported sexual offences<br>☹ Rate of violent offences<br>☹ Number of Care and Protection notifications to CYFS<br>☺ Perceptions of safety in the CBD and in neighbourhoods   |
| 23. Community Diversity and Cohesion                          | ☹ | ★ Resident perception of ethnic diversity in Hamilton<br>★ Number of discrimination complaints to the Human Rights Commission<br>☹ Resident perception that the community works together and people support each other<br>★ Residents involved in volunteer work                   |

|            |   |   |   |
|------------|---|---|---|
| 24. Health | ☺ | ☺ | Life expectancy in Waikato region                           |
|            |   | ☺ | Hospitalisations due to motor vehicle crashes and poisoning |
|            |   | ★ | Resident's perception of own health status                  |

#### Strategic Area F: Enjoying Our City

|                             |   |   |  |
|-----------------------------|---|---|--|
| 25. Sport and Participation | ☺ | ☺ | Resident's use of Council community facilities (sport and participation) |
|                             |   | ☺ | Greenspace in the city   |
|                             |   | ★ | Participation in sporting activities                                     |

## THE QUALITY OF LIFE IN NEW ZEALAND'S EIGHT LARGEST CITIES PROJECT

The first report on quality of life in large cities of New Zealand was published in March 2001. The second report on quality of life in large cities of New Zealand (entitled The Quality of Life '03 in New Zealand's Eight Largest Cities) was developed by the councils of North Shore, Waitakere, Auckland, Manukau, Hamilton, Wellington, Christchurch and Dunedin. The agenda in preparing the report was to advocate for quality of life and sustainable development in the largest metropolitan centres of New Zealand.

The report includes 56 key quality of life indicators and their associated measures. Many data sources were used, including government departments, council records and census data.

To gain qualitative data for the report a joint Quality of Life Survey was carried out in September and October 2002 by the eight participating cities. This was a telephone survey of 4000 residents (aged 18 years and over) from randomly selected households across the eight cities, with 500 interviews conducted per city.

Data for the 56 indicators can be accessed at [www.bigcities.govt.nz](http://www.bigcities.govt.nz).

## COUNCIL'S ANNUAL RESIDENTS SURVEY

Council's Annual Residents Survey (ARS) 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 ARS provides a number of performance measures for Council's annual plan, as well as providing background information for a number of Council studies/decisions. Information 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.

Overall, of the 58 facilities and services surveyed in the 2004 Annual Residents Survey, 33 increased their satisfaction rating between 2003 and 2004, 19 went down, one service was not surveyed (i.e., Exscite Centre) and five new facilities and services were surveyed (i.e., Hamilton's Environment Centre, myhamilton website, Hamilton Lake, Porritt Stadium, and the Visitor Information Centre).

Council is striving to be a world-class organisation and to provide Hamilton with facilities and services of a 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 COUNCIL'S FACILITIES AND SERVICES 2002–04

| Facility/Service   | 2002 | 2003 | 2004 |
|--|------|------|------|
| <b>Strategic Area A: Sustaining Hamilton's Environment</b> |      |      |      |
| Continuity of Water Supply                                 | 81.5 | 84.1 | 80.5 |
| Household Refuse Collection                                | 79.3 | 81.7 | 80.5 |
| Kerbside Recyclable Collection                             |      | 81.4 | 79.4 |
| Water Pressure   | 77.2 | 81.5 | 79.3 |
| Hamilton Organic Centre                                    | 83.8 | 80.5 | 79.3 |
| Recycling Centre (Transfer Station)                        | 74.2 | 76.5 | 78.4 |
| Hamilton Refuse Transfer Station                           | 76.0 | 76.6 | 76.9 |


| Facility/Service  | 2002 | 2003 | 2004 |
|---|------|------|------|
| Hamilton Environment Centre   |      |      | 74.7 |
| City's wastewater system  | 76.0 | 69.9 | 72.2 |
| Clarity of the water  | 73.5 | 69.2 | 70.5 |
| City's stormwater system  | 67.5 | 65.9 | 68.4 |
| Taste of the water  | 62.0 | 57.7 | 60.6 |
| <b>Strategic Area B: Growing Hamilton</b>                                     |      |      |      |
| Hamilton Transport Centre   | 80.8 | 79.0 | 73.3 |
| Animal care and control service   | 76.0 | 74.2 | 72.3 |
| Street lighting in general  | 70.3 | 75.2 | 71.9 |
| Footpaths in your area  | 70.3 | 73.1 | 71.4 |
| Footpaths in general  | 69.4 | 72.3 | 71.2 |
| Streets where you live  | 73.5 | 73.1 | 70.7 |
| Street lighting in your area  | 70.2 | 72.5 | 69.9 |
| Traffic management  | 66.9 | 67.1 | 69.5 |
| Streets in general  | 72.5 | 72.3 | 68.5 |
| Pedestrian facilities   | 69.8 | 69.3 | 68.4 |
| Cycling facilities and support  | 59.9 | 60.3 | 65.2 |
| Off-street car parking  | 65.7 | 67.6 | 59.7 |
| Central city car parking in general   | 56.3 | 63.2 | 57.0 |
| <b>Strategic Area C: Promoting Hamilton</b>                                   |      |      |      |
| City News   | 74.1 | 73.6 | 75.7 |
| The Events Hamilton website   | 69.8 | 72.8 | 74.5 |
| myhamilton website  |      |      | 73.8 |
| Hamilton City Council Website   | 68.6 | 69.8 | 70.2 |
| <b>Strategic Area D: Experiencing Our Arts, Culture and Heritage</b>          |      |      |      |
| Central library   | 85.5 | 83.2 | 82.7 |
| Your branch library   | 80.1 | 79.6 | 80.9 |
| ArtsPost  | 78.4 | 77.3 | 80.0 |
| Waikato Museum of Art and History   | 78.3 | 77.7 | 79.5 |
| Founders Memorial Theatre   | 77.0 | 77.0 | 77.2 |
| WestpacTrust Community Theatre  | 72.7 | 72.0 | 72.9 |
| The Meteor theatre  | 63.5 | 64.2 | 70.4 |
| Exscite Centre  | 87.4 | 79.1 |      |
| <b>Strategic Area E: Living in Hamilton</b>                                   |      |      |      |
| Cemetery—overall environment  | 79.5 | 81.3 | 83.5 |
| Opportunities Council provides for community participation in decision-making | 58.5 | 58.6 | 60.5 |
| Councillors and Mayor   | 65.7 | 68.8 | 57.2 |
| <b>Strategic Area F: Enjoying Our City</b>                                    |      |      |      |
| Hamilton Gardens  | 92.4 | 88.0 | 89.9 |
| Waikato Stadium   | 93.6 | 84.4 | 85.2 |
| Parks and gardens in the city   | 83.7 | 78.8 | 84.4 |
| Hamilton Lake   |      |      | 84.3 |
| Hamilton Zoo  | 87.4 | 82.1 | 83.5 |
| City walkways   | 81.5 | 80.0 | 82.0 |
| Westpac Park  | 85.3 | 74.6 | 78.7 |
| Sports areas  | 76.0 | 73.8 | 78.4 |

| Facility/Service               | 2002 | 2003 | 2004 |
|--------------------------------|------|------|------|
| Children's playgrounds-general | 74.7 | 73.1 | 78.0 |
| Neighbourhood park             | 70.8 | 70.4 | 77.8 |
| Gallagher Aquatic Centre       | 79.5 | 75.0 | 77.4 |
| City beautification            | 76.5 | 74.6 | 77.3 |
| Porritt Stadium                |      |      | 77.1 |
| Overall appearance of the city | 74.2 | 73.1 | 76.5 |
| Waterworld                     | 79.5 | 76.8 | 75.9 |
| Hamilton City Leisure Centre   | 66.2 | 67.6 | 69.7 |
| Waikato Events Centre          | 57.8 | 63.7 | 68.7 |
| Public toilet facilities       | 63.2 | 62.5 | 65.0 |

#### Overall performance of Council

Residents were asked how they rated Council's overall performance over the 2003/04 year (when answering this question residents take into account management and staff, elected representatives, improvements in facilities/services, etc.). This year the CSI score was the highest achieved yet, with an increase from 58.3 in 2003 to 68.5 in 2004.





Council's 34 significant services work together to help make Hamilton the city that the community has envisioned. This section of the report outlines Council's performance in relation to set performance measures for each of these significant services.





## COUNCIL'S RESPONSE

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

### Wastewater Management

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

Services include:

- Network Management
- Wastewater Treatment Plant

### Stormwater Management

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

### Recycling/Refuse Collection

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

Services include:

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

### Water Supply

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

Services include:

- Network Management
- Water Treatment Station and Reservoirs

### Sustainable Environment

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

### Environmental Health

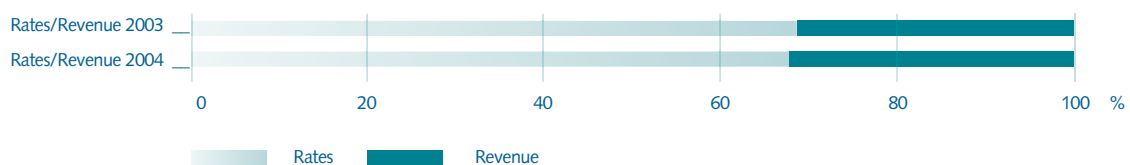
Protects and promotes public health by undertaking monitoring, inspection and enforcement of standards in regard to all food premises, licensed premises, hairdressers, and recreational water quality (including public pools).

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

|   | Actual<br>2004<br>\$000 | Budget<br>2004<br>\$000 | Actual<br>2003<br>\$000 |
|---|-------------------------|-------------------------|-------------------------|
| <b>EXPENDITURE</b>                            |                         |                         |                         |
| <b>Wastewater management</b>                  |                         |                         |                         |
| Wastewater reticulation                       | 4,176                   | 4,345                   | 4,106                   |
| Wastewater treatment plant                    | 6,939                   | 6,097                   | 6,647                   |
| <b>Stormwater management</b>                  | 4,884                   | 5,144                   | 4,834                   |
| <b>Refuse management</b>                      |                         |                         |                         |
| Collection and recycling services             | 2,750                   | 2,542                   | 2,609                   |
| Transfer station                              | 2,687                   | 2,594                   | 2,588                   |
| Horotiu landfill                              | 4,930                   | 3,956                   | 4,418                   |
| Management closed landfill sites              | 238                     | 281                     | 160                     |
| Hamilton Organic Centre                       | 72                      | 98                      | 83                      |
| <b>Water supply</b>                           |                         |                         |                         |
| Water reticulation                            | 3,631                   | 3,720                   | 3,672                   |
| Water treatment plant and reservoirs          | 3,154                   | 3,190                   | 3,102                   |
| <b>Sustainable environment</b>                | 529                     | 645                     | 506                     |
| <b>Environmental health</b>                   | 1,194                   | 1,259                   | 899                     |
| <b>TOTAL EXPENDITURE</b>                      | <b>35,184</b>           | <b>33,871</b>           | <b>33,624</b>           |
| <b>Less REVENUE</b>                           |                         |                         |                         |
| <b>Trade waste charges</b>                    | 1,075                   | 924                     | 823                     |
| <b>Stormwater management recoveries</b>       | 7                       | 2                       | 147                     |
| <b>Refuse management</b>                      |                         |                         |                         |
| Transfer station fees                         | 2,008                   | 1,929                   | 1,809                   |
| Landfill charges                              | 4,998                   | 4,277                   | 4,627                   |
| Hamilton Organic Centre rent                  | 50                      | 50                      | 47                      |
| <b>Water by meter charges</b>                 | 2,619                   | 2,601                   | 2,639                   |
| <b>Sustainable environment</b>                | 3                       | 0                       | 0                       |
| <b>Environmental health fees and licences</b> | 448                     | 440                     | 422                     |
| <b>TOTAL REVENUE</b>                          | <b>11,208</b>           | <b>10,223</b>           | <b>10,514</b>           |
| <b>NET COST OF SERVICE</b>                    | <b>23,976</b>           | <b>23,648</b>           | <b>23,110</b>           |
| <b>CAPITAL EXPENDITURE</b>                    | <b>10,727</b>           | <b>13,523</b>           | <b>5,250</b>            |

### SUSTAINING HAMILTON'S ENVIRONMENT

cost of service funded by:



## WASTEWATER MANAGEMENT

| Council Goals | Objectives   | Performance Measures  | Results  |
|---------------|--|---|--|
| 1             | a To continue to develop the wastewater reticulation system to provide for growth of the city.   | 1 Completed the next stage of wastewater trunk mains to serve ongoing growth in the Rototuna area.<br><br>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 Installation of trunkmains in Thomas Road to serve the surrounding residential subdivision developments and future development in Sexton Road has been completed.<br><br>2 88% of customer connections were completed within 20 working days. The measure was not met because of greater demand resulting from increased urban growth. |
| 1, 2          | b To accept, convey, treat, and dispose of all wastewater from the city efficiently and without nuisance, in accordance with Council's resource consent. | 3 No more than 60 wastewater blockages per 100km of reticulation system per year.<br><br>4 Achieved a CSI score for the city's wastewater system of 75, as measured by Council's 2004 Annual Residents Survey.<br><br>5 Achieved a high level of compliance for the Wastewater Treatment Plant's resource consents as identified in an interim report by the Water and Wastewater Treatment Plant Unit (Environment Waikato to be provided with a final report by 30 September 2004). | 3 Blockages averaged 41 per 100km of wastewater pipeline.<br><br>4 A user satisfaction measure of 72.2 for the city's wastewater network was achieved.<br><br>5 Environment Waikato has graded the wastewater treatment plant as achieving a high level of compliance for 2003/04.   |
| 2             | c To maintain the integrity of the wastewater reticulation and pumping stations.   | 6 No wastewater overflows from pumping stations occurred through mechanical or electrical equipment failure.  | 6 25 overflows were recorded from wastewater pumping stations as a result of mechanical or electrical problems. There is an ongoing programme to provide additional storage at key sites.  |

## STORMWATER MANAGEMENT

| 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. | 1 Completed the next stage of stormwater trunk mains to serve ongoing growth in the Rototuna area.  | 1 Infrastructure has been provided as necessary by developers to ensure stormwater discharges comply with resource consent conditions. Trunkmains have been installed in Thomas Road as part of the roading upgrade to provide drainage to some adjoining properties. |
|               |   | 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. | 2 93% of customer connections were completed within 20 working days.  |
|               |   | 3 Ensured that all new stormwater systems in the city comply with the standards set out in the Hamilton City Development Manual.  | 3 Auditing of subdivision 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.   |
|               |   | 4 Completed the annual programme of open drain cleaning.  | 4 The open drain cleaning programme has been completed.   |
|               |   | 5 Achieved a CSI score for the city's stormwater system of 66, as measured by Council's 2004 Annual Residents Survey.   | 5 A user satisfaction measure of 68.4 for the city's stormwater network was achieved.   |
| 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.  |

## RECYCLING/REFUSE COLLECTION

| Council Goals | Objectives  | 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. | <p>1 Satisfied 90% of requests relating to non-collection of household refuse within 24 hours.</p> <p>2 Satisfied 90% of requests relating to non-collection of household recyclables within 24 hours.</p> <p>3 The Hamilton Organic Centre, Refuse Transfer Station, and landfill facilities operated every day, except New Year's Day, Good Friday and Christmas Day.</p> <p>4 Achieved a CSI score for the:</p> <ul style="list-style-type: none"> <li>• Refuse Transfer Station of 73</li> <li>• Hamilton Organic Centre of 83</li> <li>• household kerbside recycling and refuse collection of 78, as measured by Council's 2004 Annual Residents Survey.</li> </ul> <p>5 Achieved a high level of compliance for the Horotiu Landfill's resource consents as identified in an interim report by the Water, Drainage and Refuse Unit (Environment Waikato and Waikato District Council provided with a final report by 30 September 2004).</p> <p>6 Closed landfills comply with resource consent conditions.</p> <p>7 Diverted 20,000 tonnes of waste for recycling through kerbside recycling, recycling centre operations and greenwaste composting at the Hamilton Organic Centre.</p> | <p>1 Satisfied 85% of 'non-collection' type enquiries within 24 hours.</p> <p>2 Satisfied 88% of 'kerbside recycling' type enquiries within 24 hours.</p> <p>3 The refuse facilities operated every day except New Year's Day, Good Friday and Christmas Day.</p> <p>4 A user satisfaction measure of</p> <ul style="list-style-type: none"> <li>• 76.9 for the Refuse Transfer Station</li> <li>• 79.3 for the Hamilton Organic Centre</li> <li>• 79.4 for household kerbside recycling was achieved.</li> </ul> <p>5 There were some non-compliances regarding high leachate levels, leachate spills on site, and odour issues, which were addressed with Environment Waikato. The annual reports for Environment Waikato and Waikato District Council will be submitted by 30 September 2004.</p> <p>6 The consent conditions for the Cobham Drive closed landfill are currently being reviewed. Resource consent applications have been made to Environment Waikato for Rototuna and Willoughby closed landfills.</p> <p>7 A total of 22,802 tonnes of recycling material was recovered from these areas.</p> |



## WATER SUPPLY

| Council Goals | Objectives   | Performance Measures  | Results   |
|---------------|--|---|---|
| 2             | a To maintain a continuous supply of potable (drinkable) water with adequate supplies for urban fire fighting. | <p>1 Maintained a water supply that meets the New Zealand Drinking Water Standards 2000.</p> <p>2 Retained the Ministry of Health's grading of the city's water treatment station operation at 'A', and the city's water pipe network system at 'a', as assessed by the Ministry of Health.</p> <p>3 Achieved a CSI score for the:</p> <ul style="list-style-type: none"> <li>• continuity of supply of 81</li> <li>• taste of water of 63, as measured by Council's 2004 Annual Residents Survey.</li> </ul> <p>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.</p> <p>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.</p> <p>6 Flows and pressures complied with the standards set out in the Hamilton City Development Manual.</p> <p>7 Prepared a report that investigates and evaluates options to meet:</p> <ul style="list-style-type: none"> <li>• increasing water demand</li> <li>• rising customer expectations</li> <li>• higher water quality standards, by November 2003.</li> </ul> | <p>1 The water supply was fully compliant with the New Zealand Drinking-Water Standards 2000.</p> <p>2 Not graded by the Ministry of Health this year. Grading of 'A' and 'a' was retained.</p> <p>3 A user satisfaction measure of</p> <ul style="list-style-type: none"> <li>• 80.5 for continuity of supply</li> <li>• 60.6 for taste of water was achieved.</li> </ul> <p>4 Across all types of water service connections, installation was completed within 20 workings days 86% of the time. 91% of ordinary domestic connections were completed within 20 working days.</p> <p>5 Achieved better than 99.99% availability, with an average of 4.3 minutes loss of service to each customer.</p> <p>6 All flow and pressure monitoring showed compliance with the specifications set out in the Hamilton City Development Manual.</p> <p>7 Report was prepared and adopted by Council. As a result, an upgrade of the water treatment station is underway to meet increasing demand for water, rising customer expectations and higher water quality standards.</p> |

## SUSTAINABLE ENVIRONMENT

| Council Goals | Objectives  | Performance Measures  | Results   |
|---------------|---|---|---|
| 1             | a To increase knowledge and awareness of environmental issues amongst target groups identified in the Environmental Education Strategy. | <p>1 Developed and implemented year 2 of a 3-year community-based environmental education programme in accordance with the Environmental Education Strategy.</p> <p>2 Established a membership of 20 or more groups to the Hamilton Environment Centre.</p> <p>3 Co-ordinated 35 or more Festival of the Environment event registrations in Hamilton.</p> | <p>1 The "Know it? Live it!" community education programme was furthered with the production of the waste guide, the second in a series of household booklets. The booklet was supported by a series of home composting workshops and a range of site tours to learn about Hamilton's waste issues. Other booklets in the series will cover the issues of energy, transport and climate change.</p> <p>2 The on-going operation of the Hamilton Environment Centre and the employment of a co-ordinator has seen the membership increase to 42 community environmental groups.</p> <p>3 Coordinated a total of 26 Festival of the Environment event registrations for Hamilton. Registration numbers were reduced by the organising committee to accommodate an intensive region-wide launch event.</p> |
| 1             | b To support sustainable community-based environmental initiatives through the distribution of grants.                                  | 4 Applications to Council's Envirofund increased by 10% on the previous year.   | 4 The Envirofund experienced a decrease in applications of 30% from an outstandingly strong previous year. This decline is consistent with the reduced numbers applying to the WEL Energy Trust, and Council's CAPS funding. Despite the reduction in the number of applications, the total amount of funding applied for increased almost 80%.   |
| 1             | c To promote urban sustainability by designing and creating a pedestrian walkway and an inner city green corridor.                      | 5 Established the landscape plan. Developed walkway infrastructure and commenced planting. Local community involvement secured.   | 5 In conjunction with Keep Hamilton Beautiful, a landscape plan has been developed and over 1000 native species have been planted. Neighbours and members of the wider community, including student and community groups, have been involved in 15 planting and maintenance days throughout the year.   |

## ENVIRONMENTAL HEALTH

| Council Goals | 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.   | <p>1 Inspected approximately 1500 food premises in accordance with Health Act 1956 regulations and Council's monthly inspection schedules.</p> <p>2 Maintained the average risk factor for food businesses at no more than 5.5 (acceptable risk level), derived from the ongoing food business risk assessment programme.</p> | <p>1 1170 inspections of food businesses were completed during the year as per the monthly inspection schedules. The performance measure was not met due to a staff shortage for a 6-month period.</p> <p>2 The average risk factor for food businesses was 5.2.</p>  |
| 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 Inspected approximately 200 licensed premises in accordance with the Sale of Liquor Act 1989 regulations and Council's monthly inspection licensed premises schedules.  | 3 277 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 provide a timely response to complaints of excessive noise.  | 4 Responded to 95% of excessive noise complaints within 30 minutes of the time of complaint.  | 4 7,126 complaints regarding excessive noise were received during the 2003/04 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 Inspected approximately 600 premises storing dangerous goods in accordance with the Hazardous Substances and New Organisms Act 1996 regulations and Council's monthly dangerous goods inspection schedules.   | 5 534 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. The performance measure was not met due to legislative changes significantly lessening Council's involvement in hazardous substances. |
| 1             | e To identify contaminated sites that pose a high risk to the environment as determined by the Contaminated Sites Management Strategy.  | 6 Identified all high-risk sites listed on the database (as at July 2003).  | 6 This has not been completed as the release of new guidelines to facilitate this process from the Ministry for the Environment was significantly delayed.  |

| Council Goals | Objectives   | Performance Measures  | Results  |
|---------------|--|---|--|
| 1             | f To reduce the incidence of crime in the CBD and to promote a climate of safety and security. | <p>7 Crime prevention camera monitoring contract in place by 30 November 2003.</p> <p>8 Youth at risk contract in place by 30 November 2003.</p> <p>9 Central city on-site safety officers contract in place by 30 November 2003.</p> | <p>7 Contract in place.</p> <p>8 Interagency initiative in development stage—completion scheduled for November 2004.</p> <p>9 Contract in place.</p> |

## COUNCIL'S RESPONSE

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

### Road Network Management

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

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

### Traffic Services

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

It also provides for:

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

### Footpaths, Cycleways and Verges

Provides for improvement and maintenance of the city's footpaths, cycleways, and verges. It includes general maintenance, resurfacing, cleaning, litter collection and rehabilitation of footpaths, landscape maintenance, and vegetation control.

### Parking Enforcement

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

### Building Control

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

### Planning Guidance

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

### Animal Care and Control

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

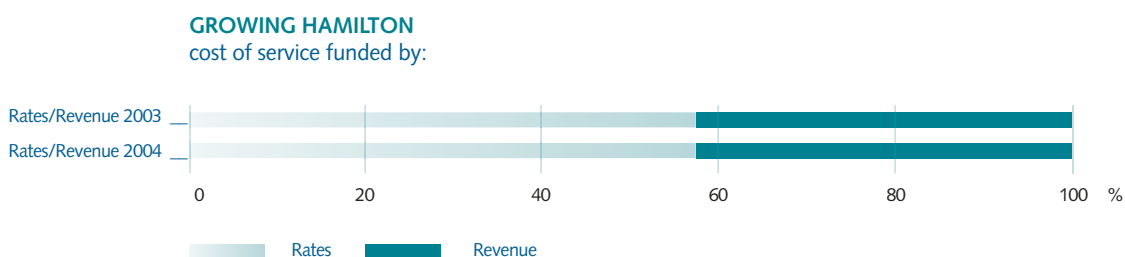
A range of education and enforcement techniques are used to address compliance with public place and litter control bylaws.

### Property Management (Endowment and Investments)

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



|   | Actual<br>2004<br>\$000 | Budget<br>2004<br>\$000 | Actual<br>2003<br>\$000 |
|---|-------------------------|-------------------------|-------------------------|
| <b>EXPENDITURE</b>                        |                         |                         |                         |
| <b>Road network management</b>            |                         |                         |                         |
| Carriageways management                   | 13,661                  | 11,310                  | 12,474                  |
| Traffic services                          | 3,980                   | 3,635                   | 3,843                   |
| Network management                        | 604                     | 527                     | 753                     |
| Road safety programme                     | 254                     | 395                     | 381                     |
| Central area off street parking           | 326                     | 259                     | 285                     |
| Footpaths, cycleways and verges           | 4,356                   | 3,874                   | 3,397                   |
| <b>Parking enforcement</b>                | 1,606                   | 1,596                   | 1,541                   |
| <b>Building control</b>                   | 3,595                   | 3,061                   | 3,017                   |
| <b>Planning guidance</b>                  | 1,432                   | 1,327                   | 1,394                   |
| <b>Animal care and control</b>            | 1,055                   | 928                     | 891                     |
| <b>Property management</b>                | 2,322                   | 2,255                   | 2,590                   |
| <b>Hamilton Transport Centre</b>          | 549                     | 548                     | 481                     |
| <b>TOTAL EXPENDITURE</b>                  | <b>33,740</b>           | <b>29,715</b>           | <b>31,047</b>           |
| <b>Less REVENUE</b>                       |                         |                         |                         |
| <b>Road network management</b>            |                         |                         |                         |
| Transfund NZ subsidy                      | 2,328                   | 2,318                   | 2,085                   |
| Contributions - roads and traffic         | 466                     | 434                     | 624                     |
| Central area off street parking charges   | 384                     | 415                     | 337                     |
| <b>Parking enforcement fees and fines</b> | 2,552                   | 2,381                   | 2,031                   |
| <b>Building control charges</b>           | 2,986                   | 2,280                   | 2,477                   |
| <b>Planning guidance charges</b>          | 631                     | 638                     | 606                     |
| <b>Dog licences, fees and fines</b>       | 478                     | 421                     | 432                     |
| <b>Property rents</b>                     | 4,178                   | 4,482                   | 4,166                   |
| <b>Hamilton Transport Centre rents</b>    | 176                     | 188                     | 188                     |
| <b>TOTAL REVENUE</b>                      | <b>14,179</b>           | <b>13,557</b>           | <b>12,946</b>           |
| <b>NET COST OF SERVICE</b>                | <b>19,561</b>           | <b>16,158</b>           | <b>18,101</b>           |
| <b>CAPITAL EXPENDITURE</b>                | <b>12,435</b>           | <b>18,167</b>           | <b>11,917</b>           |



## ROAD NETWORK MANAGEMENT

| 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. | <p>1 Achieved a CSI score of 75 for acknowledgement of, and response to, requests for service, as measured by the Roads and Traffic Unit's monthly feedback surveys.</p> <p>2 Processed all engineering designs for subdivision applications within 20 working days.</p> | <p>1 Achieved an average CSI score of 77.5 for acknowledgement of, and response to, requests for service, as measured by the Roads and Traffic Unit's monthly feedback surveys.</p> <p>2 All engineering plans were processed within 20 working days.</p>   |
| 4             | b To carry out all subsidised works in accordance with the National Roding Plan (NRP) agreement with Transfund.            | 3 Satisfactorily achieved all the performance measures contained within the National Roding Plan (NRP) agreement with Transfund.   | 3 Most of the performance measures contained in the NRP Agreement with Transfund were achieved. However work in the Pavement Smoothing and Area Wide Pavement Treatment Categories was not completed as at June 30. A carryover of funding will be requested to complete this work. Approval was obtained from Transfund to adjust chip seal surfacing and thin asphalt surfacing target lengths. |

## TRAFFIC SERVICES

| Council Goals | Objectives  | Performance Measures  | Results   |
|---------------|---|---|---|
| 2             | a To provide, improve and maintain the city's traffic facilities and traffic management systems to optimise the safety and efficiency of the road network.  | 1 Achieved a CSI score for: <ul style="list-style-type: none"> <li>• traffic management of 69</li> <li>• street lighting throughout the city of 71</li> <li>• street lighting around here of 68, as measured by Council's 2004 Annual Residents Survey.</li> </ul> 2 Maintenance work completed in accordance with contract specifications in line with industry best practice. | 1 A user satisfaction measure of <ul style="list-style-type: none"> <li>• 69.5 for traffic management</li> <li>• 71.9 for street lighting throughout the city</li> <li>• 69.9 for street lighting around here was achieved.</li> </ul> 2 Maintenance work was completed in accordance with contract specifications and in line with industry best practice. |
| 1, 2          | b To work in partnership with the police and the LTSA* to address road safety risk areas identified in the LTSA/HCC Road Safety Issues Report.  | 3 Completed community-based road safety education projects evaluated and accepted by the LTSA.  | 3 Community-based road safety education projects will be independently evaluated with LTSA acceptance expected by 31 July 2004.   |
| 1             | c To provide for the maintenance and management of Council's six pay and display off-street city parking facilities to enhance the availability of public parking in a safe and efficient manner. | 4 Achieved an average CSI score for Council's six off-street pay and display car parks of 66, as measured by Council's 2004 Annual Residents Survey.  | 4 A user satisfaction measure of 59.7 for Council's six off-street pay and display car parks was achieved.  |

\* Land Transport Safety Authority.

## FOOTPATHS, CYCLEWAYS AND VERGES

| Council Goals | Objectives   | Performance Measures   | Results  |
|---------------|--|--|--|
| 1             | a To provide for the safety and amenity of pedestrians and cyclists, by maintaining and constructing footpath and verge areas including cycleways. | <p>1 Completed 6km of footpath refurbishment, 0.6km of new footpath construction and 20km of footpath resurfacing.</p> <p>2 Completed maintenance work in accordance with contract specifications ensuring that footpaths, cycleways and verges remain in their current state or better condition.</p> <p>3 Achieved a CSI score for:</p> <ul style="list-style-type: none"> <li>• footpaths in general throughout the city of 70</li> <li>• footpaths around here of 70</li> <li>• pedestrian facilities of 71, as measured by Council's 2004 Annual Residents Survey.</li> </ul> | <p>1 Completed 6.2km of footpath refurbishment, 0.2km of new footpath construction and 16.8km of footpath resurfacing. New Footpath construction and footpath resurfacing were not achieved due respectively to the need to co-ordinate with adjacent developers and contractual delays.</p> <p>2 All maintenance work was completed in accordance with contract specifications ensuring that footpaths, cycleways and verges remain in their current state or better condition.</p> <p>3 A user satisfaction measure of</p> <ul style="list-style-type: none"> <li>• 71.2 for footpaths in general throughout the city</li> <li>• 71.4 for footpaths around here</li> <li>• 68.4 for pedestrian facilities was achieved.</li> </ul> |
| 1, 2          | b To continue development of the cycleway network.   | 4 Achieved a CSI score for cycle facilities and support for cycling throughout the city of 60, as measured by Council's 2004 Annual Residents Survey.  | 4 A user satisfaction measure of 65.2 for cycle facilities and support for cycling throughout the city was achieved.   |

## PARKING ENFORCEMENT

| 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 equal to or better than the time limits set for these areas.<br><br>2 Maintained a paid before prosecution rate for parking regulation offences better than 80%. | 1 The average turnover in the city at a meter allowing 30minutes was 31minutes. At a 60 minute meter the average turnover was 57 minutes.<br><br>2 The rate for 2003/04 was 80.40%. |
| 1             | b To ensure all motor vehicles are licensed, have a current Warrant or Certificate of Fitness and have tyres that meet the legal criteria. | 3 Limited the number of motor vehicles displaying an out-of-date licence and/or Warrant or Certificate of Fitness two or more months overdue, to less than 4%.   | 3 The survey of parked vehicles produced a result of 2.05%.   |



## BUILDING CONTROL

| Council Goals | Objectives  | Performance Measures  | Results  |
|---------------|---|---|--|
| 1             | a To receive and process all building consents and project information memoranda (PIMs) within statutory timeframes and to achieve compliance with the Building Act 1991. | <p>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:</p> <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> <p>2 Audited 100% of the fire safety records of all buildings identified (approx 2800 in total) on Council's compliance schedule matrix:</p> <ul style="list-style-type: none"> <li>• 900 high risk buildings—annually</li> <li>• 190 low risk buildings—once every 5 years (minimum of 380 in 2003/04).</li> </ul> <p>3 Inspected all buildings where a building consent has been uplifted within the following timeframes:</p> <ul style="list-style-type: none"> <li>• Commencement of construction—2 working days</li> <li>• All other construction—1 working day.</li> </ul> | <p>1 99.88% of building consents and project information memoranda for buildings up to a value of \$500,000 were processed within 10 working days. The target was not achieved because of the unforeseen high level of building development over the period.</p> <p>100% of building consents and project information memoranda for buildings valued over \$500,000 were processed within 20 working days.</p> <p>2 90% of the fire safety records of all buildings were audited. The target was not achieved because auditing staff were seconded to other duties as a result of the high level of building activity over the period.</p> <p>3 70.33% of all buildings where a building consent has been uplifted were inspected within 2 working days of commencement of construction. The target was not achieved as a result of the high level of building activity over the period. 7.83% of all other buildings were inspected within 1 working day. The target was not achieved as a result of the high level of building activity over the period.</p> |
| 2             | b To receive and process all land information memoranda (LIMs) 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.  | 4 100% of all land information memoranda were processed within 10 working days of receiving an application.  |
| 1             | c To increase awareness of building safety through education and consultation.  | <p>5 Ran an annual seminar on the building compliance schedule section of the Building Act 1991 for industry representatives.</p> <p>6 Ran an annual public awareness campaign to educate swimming pool owners on pool fencing requirements and ongoing maintenance.</p>  | <p>5 Ran three successful seminars.</p> <p>6 Ran a successful public awareness campaign to educate swimming pool owners.</p>   |

## PLANNING GUIDANCE

| Council Goals | Objectives  | Performance Measures   | Results  |
|---------------|---|--|--|
| 1             | a To advise, process and monitor applications for new subdivisions as well as new and existing land uses in the city to comply with the requirements of the Resource Management Act 1991 and the Hamilton City District Plan. | <p>1 All resource consent applications and certificates processed within the statutory time limits of the:</p> <ul style="list-style-type: none"> <li>• Resource Management Act 1991</li> <li>• Hamilton City District Plan.</li> </ul> <p>2 Inspected and effectively monitored at least 50 resource consents per month.</p> <p>3 Achieve a 50% recovery of total costs through fees and charges.</p> | <p>1 Processed 97.6% of all resource consent applications (notified, non-notified controlled, discretionary, and subdivisions applications) within the statutory time limit of the Resource Management Act 1991. 2.4% 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.</p> <p>2 Inspected and effectively monitored 1032 notified and non-notified resource consent applications, an average of 86 per month.</p> <p>3 Recovered a minimum of 44.04% costs for the Unit through fees and charges. 50% cost recovery was not achieved because overhead allocation and expenditure was slightly higher than anticipated.</p> |
| 1, 5          | b To meet customer expectations for quality service by providing planning and subdivision interpretation and advice for general enquiries and resource consent applications.  | <p>4 Non-notified resource consent customers refunded 100% of fees application if not issued within the statutory timeframes.</p> <p>5 Achieved 90% satisfaction by Council's Statutory Management Committee of all notified applications.</p> <p>6 95% of cases taken to the Environment Court and supported by staff were successful.</p>  | <p>4 Only 1.7% of total applications were out of time (10 out of 601) and 1.18% of total fees was refunded. These applications were not processed within the time frame because staff had to assess applications under two District Plans, thus more time was involved in giving advice to customers and assessing applications. Complex subdivision applications take a longer time to process as staff have to obtain comments from other units of Council.</p> <p>5 Maintained 100% acceptance of resource consent recommendations made by staff to the Council's Statutory Management Committee and to Commissioners.</p> <p>6 100% of cases taken to Environment Court and supported by staff were successful.</p>  |

## ANIMAL CARE AND CONTROL

| Council Goal | Objectives   | Performance Measures  | Results   |
|--------------|--|---|---|
| 1            | a To promote effective and responsible dog ownership, maximise dog registration and minimise dog attacks.  | 1 Completed a minimum of 30 community presentations in accordance with the requirements of the Dog Control Policy 1997.<br><br>2 Recovered 60% of costs for animal care and control activities through fees and charges.<br><br>3 Achieved a CSI score for animal care and control services of 76, as measured by Council's 2004 Annual Residents Survey. | 1 46 education seminars were completed.<br><br>2 50.49% of costs were recovered.<br>Incurred additional expenditure resulting from implementation of the Dog Control Amendment Act 2003.<br><br>3 A user satisfaction measure of 72.3 for animal care and control services was achieved.  |
| 1            | b To ensure the health and well-being of animals in custody at the Animal Care and Control Centre.   | 4 All kennels and yards cleaned daily at the Animal Care and Control Centre and received no valid complaints regarding hygiene.   | 4 No complaints were received relating to a lack of hygiene at the Animal Care and Control Centre.  |
| 1            | c To identify offences against public place bylaws (e.g., dogs, litter, skateboarding, advertising signs, merchandise displays, buskers, mobile shops, overgrown and overhanging vegetation) and take appropriate action to deter further incidents. | 5 Responded to urgent requests for services involving public safety within one hour of receipt and to all routine requests for service within 48-hours, as measured by Council's customer action request process (CARs).  | 5 a) Total customer action requests received and actioned: 5690<br>b) 222 CARs were classified for an 'urgent' response (1 hour): Achieved 98.64%<br>c) 1.36% went over time<br>d) 5468 CARs were classified for a non-urgent response (48 hours). Achieved 98.65%<br>e) Of the 1.35% that went over time, 80% were fencing inspection requests received during the peak registration renewal period. |

## PROPERTY MANAGEMENT (ENDOWMENT AND INVESTMENTS)

| 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 Basic Asset Management Plan has been developed and approved by external audit, property condition assessment is underway and maintenance plans are being developed.   |
| 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 investment properties to provide a return in line with market lease returns.                           | 3 Achieved a gross return on Municipal Endowment Fund investment 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 equal to or better than current market rates as determined by an independent Hamilton valuer.                                      |
| 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 equal to or better than current market rates as determined by independent Hamilton valuers, at the time of the lease review.       |
| 1, 2          | e To provide an efficient transport centre both for residents and visitors to Hamilton.   | 5 Achieved a CSI score for the Hamilton Transport Centre of 78, as measured by Council's 2004 Annual Residents Survey.<br><br>6 Achieved a usage measure for the Hamilton Transport Centre of 36%, as measured by Council's 2004 Annual Residents Survey. | 5 A user satisfaction measure of 73.3 for the Hamilton Transport Centre was achieved.<br><br>6 A usage measure of 35.2% for the Hamilton Transport Centre was achieved. |

## COUNCIL'S RESPONSE

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

### Economic Development

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

Services include:

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

### City Promotion

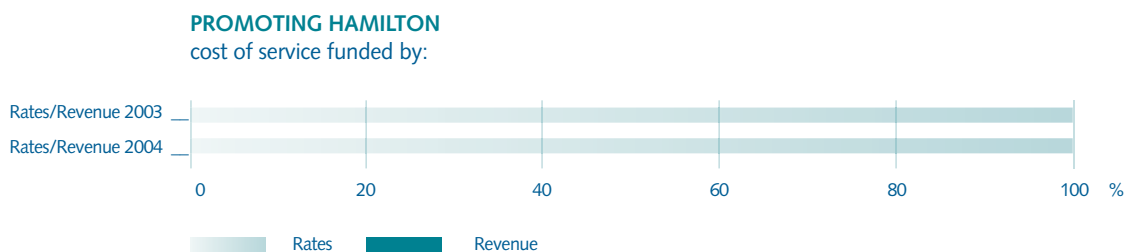
Promoting Hamilton as a great place to live, work and play through communicating with, and marketing to, audiences within and outside of Hamilton (including sister city and other international relationships). This will be achieved through Council's main website and other related websites, City News and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

Services include:

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



|                                      | Actual<br>2004<br>\$000 | Budget<br>2004<br>\$000 | Actual<br>2003<br>\$000 |
|--------------------------------------|-------------------------|-------------------------|-------------------------|
| <b>EXPENDITURE</b>                   |                         |                         |                         |
| <b>Economic development</b>          |                         |                         |                         |
| Grant to Business Development Centre | 218                     | 218                     | 218                     |
| Grant to Business to Hamilton (B2H)  | 300                     | 300                     | 200                     |
| Grant to Waikato Innovation Park     | 1,126                   | 1,151                   | 1,068                   |
| Grant to Tourism Waikato             | 358                     | 357                     | 393                     |
| <b>City promotion</b>                |                         |                         |                         |
| City promotion                       | 100                     | 118                     | 7                       |
| Grants for events sponsorship        | 737                     | 775                     | 532                     |
| Sister cities programme              | 2                       | 44                      | 8                       |
| <b>TOTAL EXPENDITURE</b>             | <b>2,841</b>            | <b>2,963</b>            | <b>2,426</b>            |
| <b>NET COST OF SERVICE</b>           | <b>2,841</b>            | <b>2,963</b>            | <b>2,426</b>            |
| <b>CAPITAL EXPENDITURE</b>           | <b>9</b>                | <b>15</b>               | <b>15</b>               |



## ECONOMIC DEVELOPMENT

| Council Goal | Objectives  | Performance Measures  | Results   |
|--------------|---|---|---|
| 5            | a To support, assist and contribute towards the funding of approved organisations and projects, to enable them to assist Council achieve its goal of developing a sound economic base for the city. | <p>1 Tenants of the first stage of Innovation Park onsite.</p> <p>2 Supported Business2Hamilton to attract financial support equal to or greater than Council's contribution.</p> <p>3 Allocated funding for economic development opportunities from the Economic Development Promotional Fund (\$50,000) approved by the Economic Development Committee.</p>   | <p>1 First stage fully tenanted.</p> <p>2 Council contributed \$300,000 to B2H and B2H raised approximately \$150,000 from other funding sources during the year. B2H was without staff or a CEO for most of the year. This hampered its ability to raise additional funds. A CEO has now been appointed.</p> <p>3 Funding approved included:</p> <ul style="list-style-type: none"> <li>• \$10,000 to WECA (Waikato Engineering Career Association)</li> <li>• \$10,000 to Education Waikato</li> <li>• \$21,000 new city entrance signs.</li> </ul> |
| 5            | b To support, assist or contribute towards city events which have an economic benefit, create a strong and vibrant city, and grow over time as icons of the city.                                   | 4 Allocated at least 20% of the Event Sponsorship Fund to the growth or development of significant 'icon' events for the city.  | 4 \$275,000 was allocated to 'icon' events from total funds available from the Event Sponsorship fund of \$580,000, representing 47%.   |
| 5            | c To provide regular information to existing and potential business stakeholders on economic activity in Hamilton.  | <p>5 Hamilton economic information published and distributed quarterly and available on the internet at <a href="http://www.hcc.govt.nz">www.hcc.govt.nz</a> and <a href="http://www.b2h.co.nz">www.b2h.co.nz</a>.</p> <p>6 An economic development newsletter Connect2Hamilton published and distributed monthly 11 times per year and available on the internet at <a href="http://www.hcc.govt.nz">www.hcc.govt.nz</a> and <a href="http://www.b2h.co.nz">www.b2h.co.nz</a>.</p> | <p>5 Information was published and distributed quarterly.</p> <p>6 Connect2Hamilton was published 4 times during the year due to availability of information material and resource being less than anticipated.</p>   |

## CITY PROMOTION

| 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. | <p>1 The average number of visitors to the Hamilton City Council website <b>www.hcc.govt.nz</b> increased to 8000 per month.</p> <p>2 Achieved a CSI score for Hamilton City Council's website <b>www.hcc.govt.nz</b> of 68, as measured by Council's 2004 Annual Residents Survey.</p>  | <p>1 The average number of visitors to <b>www.hcc.govt.nz</b> was 8387 each month.</p> <p>2 A user satisfaction measure of 70.2 for Hamilton City Council's website <b>www.hcc.govt.nz</b> was achieved.</p>  |
| 4, 5          | b To promote Hamilton to the city's residents and keep them informed about Council and city activities.   | <p>3 Council's free publication City News distributed to all households 8 times per year.</p> <p>4 Achieved a CSI score for City News of 73, as measured by Council's 2004 Annual Residents Survey.</p>  | <p>3 City News was published and distributed 8 times during the year.</p> <p>4 A user satisfaction measure of 75.7 for City News was achieved.</p>  |
| 5             | c To promote Hamilton events.   | <p>5 Produced two six-monthly calendars, which promote Hamilton events to visitors, events businesses and overseas markets.</p> <p>6 City Happenings listing events in the city produced and widely distributed 8 times a year.</p> <p>7 More than 600 events within a 12-month horizon registered, at any one time, on the website <b>www.hamiltonevents.co.nz</b>.</p> <p>8 Achieved a CSI score for Events Hamilton website <b>www.hamiltonevents.co.nz</b> of 71, as measured by Council's 2004 Annual Residents Survey.</p> | <p>5 Two six-monthly calendars were produced.</p> <p>6 City Happenings was produced and distributed 8 times during the year.</p> <p>7 An average of 760 events were registered each month within a 12-month horizon.</p> <p>8 A user satisfaction measure of 74.5 for Events Hamilton website <b>www.hamiltonevents.co.nz</b> was achieved.</p> |
| 5             | d To produce updated marketing material promoting Hamilton.   | <p>9 Produced a Hamilton graphic identifier for use by city residents and organisations.</p>   | <p>9 A graphic identifier for use in Hamilton promotional material was created.</p>   |

## COUNCIL'S RESPONSE

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

### Hamilton Theatre Services

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

### Hamilton City Libraries

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

### Waikato Museum of Art and History

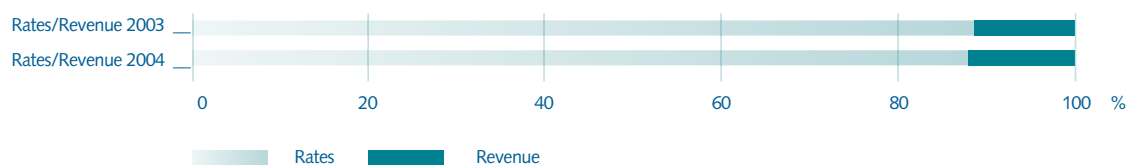
The Waikato Museum of Art and History (Te Whare Taonga O Waikato) provides a rich programme of art and history exhibitions and associated activities for the benefit of the city and region. ArtsPost and the Exscite Science Centre are also part of the museum's organisation and operation.

Services include:

- ArtsPost
- Exscite

|                                   | Actual<br>2004<br>\$000 | Budget<br>2004<br>\$000 | Actual<br>2003<br>\$000 |
|-----------------------------------|-------------------------|-------------------------|-------------------------|
| <b>EXPENDITURE</b>                |                         |                         |                         |
| Hamilton theatre services         | 2,027                   | 1,795                   | 1,793                   |
| Hamilton City Libraries           | 7,032                   | 6,594                   | 6,510                   |
| Waikato Museum of Art and History |                         |                         |                         |
| Museum                            | 3,621                   | 3,482                   | 2,946                   |
| ArtsPost                          | 122                     | 206                     | 189                     |
| Exscite                           | 0                       | 0                       | 540                     |
| <b>TOTAL EXPENDITURE</b>          | <b>12,802</b>           | <b>12,077</b>           | <b>11,978</b>           |
| <b>Less REVENUE</b>               |                         |                         |                         |
| Theatres charges                  | 774                     | 599                     | 617                     |
| Library charges                   | 705                     | 662                     | 632                     |
| Waikato Museum of Art and History |                         |                         |                         |
| Museum                            | 260                     | 305                     | 147                     |
| ArtsPost charges                  | 8                       | 4                       | 14                      |
| Exscite charges                   | 0                       | 0                       | 172                     |
| <b>TOTAL REVENUE</b>              | <b>1,747</b>            | <b>1,570</b>            | <b>1,582</b>            |
| <b>NET COST OF SERVICE</b>        | <b>11,055</b>           | <b>10,507</b>           | <b>10,396</b>           |
| <b>CAPITAL EXPENDITURE</b>        | <b>1,413</b>            | <b>1,711</b>            | <b>1,603</b>            |

EXPERIENCING OUR ARTS, CULTURE AND HERITAGE  
cost of service funded by:



## HAMILTON THEATRE SERVICES

| 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. | <p>1 Achieved 92% rating for overall quality of service delivery from venue hirers, as measured by performance reports.</p> <p>2 Achieved combined percentage occupancy days for all Hamilton Theatre Services venues of 50%.</p> <p>3 Achieved combined total patronage of 140,000 people for Hamilton Theatre Services venues.</p> <p>4 Achieved a CSI score for:</p> <ul style="list-style-type: none"> <li>Founders Memorial Theatre of 75</li> <li>WestpacTrust Community Theatre of 74</li> <li>The Meteor of 68, as measured by Council's 2004 Annual Residents Survey.</li> </ul> <p>5 Achieved a CSI score for the overall service provided by staff of 79, as measured by an independent survey of theatre patrons.</p> | <p>1 Achieved a rating of 84% for overall service delivery from performance reports, however this result is derived from only 75% of the previous year's returns. Communication issues were cited as the main source of dissatisfaction.</p> <p>2 Achieved a 44.7% combined occupancy rate. Fewer bookings were received from community groups for use of the Westpac Theatre than expected.</p> <p>3 Achieved a combined total patronage of 118,581 people for all venues. A number of shows held at the Founders and Meteor Theatres failed to attract the expected number of bookings.</p> <p>4 A user satisfaction measure of</p> <ul style="list-style-type: none"> <li>77.2 for Founders Memorial Theatre</li> <li>72.9 for WestpacTrust Community Theatre</li> <li>70.4 for The Meteor was achieved.</li> </ul> <p>5 This independent survey was not completed in the 2003/04 year.</p> |
| 2             | b To undertake annual maintenance and compliance checks of theatre operational equipment, as required by legislation.   | <p>6 Checked 100% of inventory of operational equipment at all Hamilton Theatre Services venues as specified by electrical regulations and mechanical safety codes of practice.</p> <p>7 Completed the annual equipment renewal programme.</p>  | <p>6 100% of Founders and WestpacTrust Theatre equipment was checked, 95% of The Meteor equipment was checked. (The balance has been removed from service until the check is completed).</p> <p>7 The equipment renewal programme was completed.</p>   |
| 2, 4          | c To maintain Ticketek business levels.   | 8 Booking office income maintained at \$120,000 or greater.   | 8 Booking office income for the year was \$148,196.87, a 20% increase over 2002/03.  |



## HAMILTON CITY LIBRARIES

| Council Goals | Objectives   | Performance Measures  | Results   |
|---------------|--|---|---|
| 1, 2, 4       | a To maintain and develop a libraries environment that delivers excellent resources and services to customers. | <p>1 Library material issues maintained at 1.5 million items.</p> <p>2 Active registered borrowers maintained at 60,000.</p> <p>3 Visits to the central library maintained at 450,000.</p> <p>4 Achieved a CSI score for</p> <ul style="list-style-type: none"> <li>the central library of 87</li> <li>community libraries of 80, as measured by Council's 2004 Annual Residents Survey.</li> </ul> | <p>1 Library customers were issued 1.56 million items. This represents a 5.7% increase on the previous year.</p> <p>2 The number of active registered borrowers has increased to 69,785.</p> <p>3 435,284 visits were made to the Central Library. Improvements being made across the Libraries resulted in more people using their local Community Library than visiting the Central library.</p> <p>4 A user satisfaction measure of</p> <ul style="list-style-type: none"> <li>82.7 for the central library</li> <li>80.9 for community libraries was achieved.</li> </ul> <p>Greater use of Community Libraries coupled with a lack of available seating and tables at the Central Library, along with ongoing building modifications, has had a negative impact on visitor satisfaction.</p> |

## WAIKATO MUSEUM OF ART AND HISTORY

| Council Goals | Objectives   | Performance Measures   | Results   |
|---------------|--|--|---|
| 1, 5          | a To maintain and develop the usage and satisfaction of the Waikato Museum of Art and History and Exscite. | 1 Achieved a total combined visitor attendance to the Waikato Museum and Exscite of 110,000.<br><br>2 Achieved a CSI score for the Waikato Museum of Art and History of 77, as measured by Council's 2004 Annual Residents Survey. | 1 75,090 visitors attended the Waikato Museum. Owing to a change in policy the reported number can no longer be compared to the previous year.<br><br>2 A user satisfaction measure of 79.5 for the Waikato Museum of Art and History was achieved.   |
| 1, 4, 5       | b To research and install a new semi-permanent exhibition on the history of Hamilton and the Waikato.      | 3 Installed the 'Innovations in Agricultural History' exhibition by October 2003.  | 3 4WRD "Innovations in Agriculture" was opened on the 15th of August 2003. This exhibition has continued to attract good visitor numbers and favourable comments.   |
| 1, 4, 5       | c To upgrade the museum building to an acceptable standard for exhibitions and storage of the collection.  | 4 Implemented year 2 of a 3-year plan for upgrading exhibition lighting.<br><br>5 Implemented year 2 of a 3-year plan for the development of collection and exhibition storage.  | 4 New lighting equipment was installed in level 4, the Student Gallery and the Community wall space of Waikato Museum.<br><br>5 New collection areas were opened for the storage of Tainui Taonga and for large three dimensional objects. This has alleviated congestion in the main storage area and provided new specialist storage options for cultural material. |
| 1, 5          | d To provide a venue which supports the growth of the visual arts in the community.                        | 6 Achieved a CSI score of 79 for ArtsPost, as measured by Council's 2004 Annual Residents Survey.  | 6 A user satisfaction measure of 80.0 for ArtsPost was achieved.  |

## COUNCIL'S RESPONSE

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

### Community Development

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

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

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

Services include:

- Community Assistance Grants
- Creative New Zealand Grants

### Community Facilities

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

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

### Employment Initiatives

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

### Emergency Management

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

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

### Partnership with Māori

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

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

### Cemeteries and Crematorium

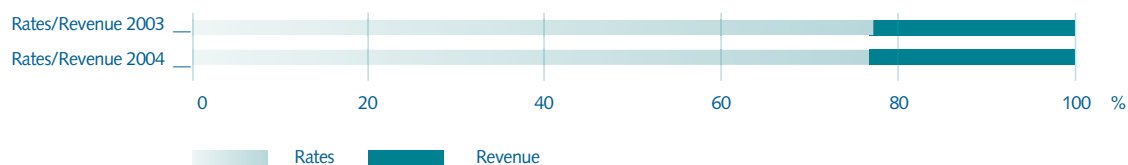
Hamilton Park Cemetery and Crematorium provides burial, cremation, ash memorialisation, and chapel services within a supportive environment that reflects the varied cultural, economic and social needs of the local community. Records are maintained for the Hamilton West and Hamilton East cemeteries, and cemetery heritage sites are also developed and protected.

### Representation and Civic Affairs

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

|   | Actual<br>2004<br>\$000 | Budget<br>2004<br>\$000 | Actual<br>2003<br>\$000 |
|---|-------------------------|-------------------------|-------------------------|
| <b>EXPENDITURE</b>                        |                         |                         |                         |
| <b>Community support</b>                  |                         |                         |                         |
| Community development                     | 2,251                   | 2,129                   | 1,956                   |
| Youth programme                           | 117                     | 224                     | 174                     |
| Community assistance grants               | 804                     | 860                     | 1,161                   |
| Creative NZ grants                        | 74                      | 70                      | 74                      |
| Housing services                          | 1,626                   | 1,589                   | 1,637                   |
| Employment initiatives                    | 1,050                   | 1,294                   | 1,144                   |
| Cemeteries and crematorium                | 912                     | 918                     | 914                     |
| <b>Emergency management</b>               | 406                     | 550                     | 257                     |
| <b>Partnership with Māori</b>             | 265                     | 265                     | 247                     |
| <b>Representation and civic affairs</b>   |                         |                         |                         |
| Elections                                 | 0                       | 7                       | 0                       |
| Councillor services                       | 2,765                   | 2,801                   | 2,597                   |
| Mayoral services                          | 1,724                   | 1,898                   | 1,772                   |
| <b>TOTAL EXPENDITURE</b>                  | <b>11,994</b>           | <b>12,605</b>           | <b>11,933</b>           |
| <b>Less REVENUE</b>                       |                         |                         |                         |
| <b>Community support</b>                  |                         |                         |                         |
| Sundry community income                   | 55                      | 53                      | 52                      |
| Hillary Commission                        | 4                       | 0                       | 7                       |
| Creative NZ                               | 74                      | 70                      | 74                      |
| Housing services rents                    | 1,487                   | 1,490                   | 1,509                   |
| Employment initiatives subsidies          | 316                     | 498                     | 348                     |
| Cemeteries and crematorium fees           | 704                     | 676                     | 668                     |
| <b>Emergency management contributions</b> | 120                     | 262                     | 6                       |
| <b>Representation and civic affairs</b>   |                         |                         |                         |
| Elections recovery                        | 0                       | 7                       | 0                       |
| <b>TOTAL REVENUE</b>                      | <b>2,760</b>            | <b>3,056</b>            | <b>2,664</b>            |
| <b>NET COST OF SERVICE</b>                | <b>9,234</b>            | <b>9,549</b>            | <b>9,269</b>            |
| <b>CAPITAL EXPENDITURE</b>                | <b>192</b>              | <b>1,836</b>            | <b>272</b>              |

**LIVING IN HAMILTON**  
cost of service funded by:



## COMMUNITY DEVELOPMENT

| Council Goal | Objectives  | Performance Measures  | Results   |
|--------------|---|---|---|
| 1            | a To strengthen community groups, neighbourhood development, and the establishment and development of community centres.  | <p>1 Implemented year 4 Community Development Team objectives of the 6-year Community Development Plan.</p> <p>2 Funded community centre projects in accordance with the Community Centre Implementation Plan and Policy.</p> <p>3 Partnership agreements established with community houses to accommodate and/or employ 5 neighbourhood development workers.</p>   | <p>1 92% of year 4 (community development plan objectives were implemented by June 2004. One objective within the plan (Obj 29) has not been achieved due to changes in operation.</p> <p>2 Funding support for the Western Community Centre and Multicultural Services has been implemented.</p> <p>3 A "Relationship Protocol" has been developed with community houses and employment of Neighbourhood Workers has been confirmed.</p>   |
| 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. | <p>4 Implemented year 2 of a 5-year action plan of the Child and Family Policy.</p>   | <p>4 The Child and Family Action Plan achievements were reported to Council in October 2003.</p>  |
| 1            | c To strengthen the provision of services, activities, resources and programmes to Hamilton's youth/rangatahi.  | <p>5 Hamilton Youth Council completed two projects.</p> <p>6 Partnership agreements established with community houses to accommodate and/or employ youth development workers.</p> <p>7 Completed the 5 yearly review of Hamilton's Youth Policy and developed the 2003/04 action plan.</p> <p>8 Facilitated forums to assist youth service providers to develop strategies that respond the needs of youth.</p> | <p>5 The Youth Council implemented two projects, which were a promotion during Youth Week and an induction programme for new Youth Councillors.</p> <p>6 A "Relationship protocol" has been developed with community houses and employment of Youth Development Workers has been confirmed.</p> <p>7 The Youth Policy has been reviewed and the three-year action plan has been completed to be reported to Council in September 2004.</p> <p>8 Three forums have been held for youth service providers to address youth strategy developments.</p> |
| 1            | d To work in partnership with Safer Hamilton to promote, establish and support crime prevention initiatives in the community.   | <p>9 Safer Hamilton provided two, six-monthly performance reports to Council to show its goals are on target.</p>   | <p>9 Safer Hamilton has disbanded and a new Central City Strategy has been implemented through Environmental Services.</p>  |
| 1            | e To enhance the provision of services in the community through the allocation of funds to community organisations.   | <p>10 Distributed approximately \$279,000 of small grants to community organisations in accordance with Council Policy and the programme's criteria.</p>  | <p>10 The available funding of \$260,613 was distributed to 136 community groups according to Council Policy and programme criteria by June 2004.</p>   |

## COMMUNITY FACILITIES

| Council Goals | Objectives   | Performance Measures   | Results   |
|---------------|--|--|---|
| 1, 2, 4       | a To provide well-maintained safe and affordable living environments for tenants.        | <p>1 The number of Neighbourhood Support Groups in Council housing complexes is maintained at 100%.</p> <p>2 Recovered 94% of costs with rents below the market rate for matched accommodation.</p> <p>3 Achieved a customer satisfaction rating of 85%, as measured by the 2004 Housing Services Annual Tenants Survey.</p> | <p>1 100% of maintenance calls were prioritised, reported to the Property and Risk Management Unit and actioned within three days.</p> <p>2 Achieved 94% of costs with rents below market rate for matched accommodation.</p> <p>3 The Corporation Customer Satisfaction survey programme has been implemented with a 95.2% overall customer satisfaction rating.</p>   |
| 1, 2, 4       | b To provide facilities for youth and older persons to enhance the delivery of services. | <p>4 Consulted with community stakeholders to establish specific facilities and services which are to be provided through Youth Zone.</p> <p>5 Implemented year 1 of a 5-year action plan of the Celebrating Age Centre's strategic plan.</p>  | <p>4 Consultation with community stakeholders has determined the needs and services for youth within central city. A report to Council regarding a decision on Youth Zone is scheduled for November 2004.</p> <p>5 83% of the Celebrating Age Centre strategic plan actions for year 1 have been achieved. The remaining actions relate to the Celebrating Age Centre Booking System and will be addressed in 2005.</p> |



## EMPLOYMENT INITIATIVES

| 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 50 participants in the programme moved into stable employment or other training.<br>2 Completed 15 Council sponsored community work projects. | 1 51 participants from Taskforce Green and Work Base Training moved into employment by June 2004.<br>2 24 Council sponsored community work projects were provided throughout Hamilton City by 30 June 2004.                   |
| 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 43% of programme funding was sourced from Central Government funders. Low contributions from external funders were reflective of the lower unemployment rate in Hamilton and the smaller number of qualifying participants. |
| 1, 5          | c To deliver appropriate training to participants that meets New Zealand Qualifications Authority (NZQA) requirements.                        | 4 70% of participants achieved NZQA unit standards qualifications and/or obtained employment or further progressive training.                           | 4 78% of participants achieved NZQA Unit Standards qualifications.  |

## EMERGENCY MANAGEMENT

| Council Goals | Objectives  | Performance Measures   | Results   |
|---------------|---|--|---|
| 1, 2          | a To assist in the development of the new Civil Defence Emergency Management Group (CDEMG) plan.  | 1 Actively participated in all CDEMG planning meetings.<br>2 Facilitated development of the WVEOA cluster.   | 1 All CDEM Group meetings were attended.<br>2 WVEOA cluster is now fully operational and working under a Combined District Plan.  |
| 1, 2          | b To negotiate and develop service level requirements with WVEOA member organisations.  | 3 Service requirements agreed with WVEOA members by December 2003.   | 3 Service Agreement was signed off by all parties by 1 Oct 2003.  |
| 1, 2          | c To maintain public awareness of the need for emergency preparedness for the city.   | 4 Attained 88% public awareness of the need to be self-reliant in the event of a disaster, as measured by Council's 2004 Annual Residents Survey.<br>5 Achieved a measure of 50% of households that have an Emergency Plan in place, as measured by Council's 2004 Annual Residents Survey.  | 4 A measure of 81.7% of public awareness of the need to be self-reliant in the event of a disaster was achieved.<br>5 A measure of 43.2% of households that have an Emergency Plan in place was achieved. |
| 1, 2          | d To ensure response and recovery plans are prepared by Emergency Management and are continuously reviewed.   | 6 Reviewed standard operating procedures for emergency response and recovery plans and maintained ISO 9002 registration.   | 6 New SOPs and guidelines were developed in line with the new operating arrangements and ISO 9002 registration was maintained following an external audit.  |
| 1, 2          | e To develop and maintain partnerships with all other emergency response agencies that will support Council's response to and recovery from any declared emergency event. | 7 Contacted 50 groups, organisations, or schools regarding emergency preparedness.<br>8 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. | 7 Contact was made with 59 groups.<br>8 All of the city's emergency planning meetings were attended by staff.   |

## PARTNERSHIP WITH MĀORI

| Council Goals | Objectives  | Performance Measures   | Results  |
|---------------|---|--|--|
| 1, 4          | a To promote and strengthen the partnership between Council and Te Runanga O Kirikiriroa.       | 1 Distribution of the Māori projects fund by Te Runanga O Kirikiriroa monitored every six months.                            | 1 Report regarding distribution of the Māori projects fund was provided to the Joint Venture Committee at the meeting 15 June 2004.  |
|               |   | 2 Implemented a programme with TeROK to address consultation and other requirements under the new Local Government Act 2002. | 2 TeROK was involved in developing reports, a Council workshop and ongoing discussions on how to improve Māori participation in Council decision-making, and was consulted on the revision of consultation policy. |
|               |   | 3 Joint Committee meetings conducted on a regular 6-weekly basis to discuss and promote the partnership.                     | 3 Joint Venture Committee meetings have been held as part of Council Committee meeting schedules.  |
| 1, 4          | b To ensure tangata whenua are advised and consulted on resource management issues in the city. | 4 NaMTOK advised on all notified resource consent applications.  | 4 NaMTOK was advised on 11 out of 12 (92%) notified resource consent applications. One application did not require advice.   |
|               |   | 5 NaMTOK advice incorporated into notified resource consent applications.  | 5 NaMTOK advice was incorporated where appropriate into notified resource consent applications.  |

## CEMETERIES AND CREMATORIUM

| 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 (1181) and burials (258) were accommodated in accordance with legal requirements and Council bylaws.   |
| 1             | b To maintain the cemetery facilities and environment to the satisfaction of customers.       | 2 Achieved a CSI score for the overall environment at Hamilton Park Cemetery and Crematorium of 80, as measured by Council's 2004 Annual Residents Survey.<br><br>3 Implemented the annual customer service monitoring programme.                   | 2 A user satisfaction measure of 83.5 for the overall environment at Hamilton Park Cemetery and Crematorium was achieved.<br><br>3 A Customer survey has been implemented. An overall customer satisfaction rating of 88.1% was recorded in July 2003.            |
| 4             | c To implement the nine-year Cemetery Management Plan.  | 4 Implemented year 5 goals and objectives of the Cemetery Management Plan:<br><ul style="list-style-type: none"> <li>implemented restoration programme for Hamilton West Cemetery</li> <li>completed Hamilton Cemetery road maintenance.</li> </ul> | 4 The Hamilton West Cemetery restoration has not been completed and is deferred to 2004/05. Reports from the Historical Places Trust and consultation with Māori are pending.<br><br>Road maintenance at Hamilton Park Cemetery has been completed within budget. |

## REPRESENTATION AND CIVIC AFFAIRS

| Council Goal | Objectives   | Performance Measures  | Results  |
|--------------|--|---|--|
| 4            | a To maintain the democratic process of local government as required by legislation.         | <p>1 Annual Plan, Annual Report, draft Long-term Council Community Plan (LTCCP) and District Plan produced in compliance with legislative requirements.</p> <p>2 Completed the review on wards and representation by August 2003.</p> <p>3 Initiated additional procedures required for Council's 2004 triennial elections.</p>   | <p>1 Council's 2003/04 Annual Plan, 2002/03 Annual Report, Proposed Community Plan 2004-14, Governance Statement and Hamilton's Proposed District Plan November 2001 (references version) were completed within statutory timeframes and in compliance with all relevant legislation.</p> <p>2 Council resolved on the 21 May 2003 to undertake a representation and boundary review by 31 August 2006 for the 2007 triennial elections.</p> <p>3 The 2004 triennial elections project is proceeding in accordance with legislative requirements and good practice timeframes.</p> |
| 4            | b To respond to key issues/ proposals that may impact on the city and/or Council operations. | <p>4 Council submissions prepared on key issues/ proposals (through the Council submission process) and forwarded to the relevant organisations by the submission closing date.</p>   | <p>4 Council made 3 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.</p>  |
| 4            | c To ensure optimum community consultation and participation on key Council issues.          | <p>5 Achieved a CSI score for contact with Councillors and Mayor of 65, as measured by Council's 2004 Annual Residents Survey.</p> <p>6 Achieved a CSI score for the opportunities Council provides for community involvement in decision-making of 59, as measured by Council's 2004 Annual Residents Survey.</p> <p>7 Staff training programme for effective community consultation undertaken.</p> | <p>5 A user satisfaction measure of 57.2 for contact with Councillors and Mayor was achieved.</p> <p>6 A user satisfaction measure of 60.5 for the opportunities Council provides for community involvement in decision-making was achieved.</p> <p>7 A review of Council's Consultation Policy and guidelines was undertaken and included a stocktake of Council's key projects and current consultation processes and external focus groups. Recommendations for improvements to current policy and practice will be made.</p>   |

## COUNCIL'S RESPONSE

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

### Sports Areas

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

### Parks and Gardens (including playgrounds)

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

### Stadiums

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

Services include:

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

### Swimming Facilities

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

Services include:

- Swimming pools
- Grants (other pools)

### Community Halls and Leased Buildings

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

### Hamilton Zoo

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

### Hamilton Gardens

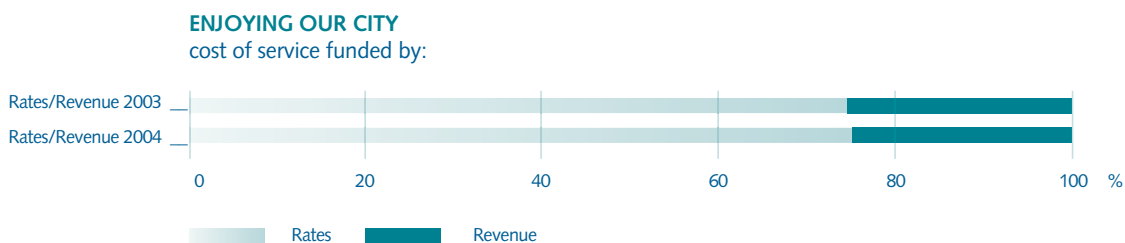
Hamilton Gardens features seven authentic themed gardens and provides a high quality visitor and events venue (including the Pavilion) that enhances the quality of life of residents and promotes the image of Hamilton.

### Toilets

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



|                                      | Actual<br>2004<br>\$000 | Budget<br>2004<br>\$000 | Actual<br>2003<br>\$000 |
|--------------------------------------|-------------------------|-------------------------|-------------------------|
| <b>EXPENDITURE</b>                   |                         |                         |                         |
| <b>Sports areas</b>                  | 2,356                   | 2,279                   | 2,455                   |
| <b>Parks and gardens</b>             |                         |                         |                         |
| Parks and gardens                    | 4,583                   | 4,642                   | 4,539                   |
| City beautification                  | 1,773                   | 1,803                   | 1,671                   |
| Hamilton Gardens                     | 1,905                   | 1,771                   | 1,715                   |
| Community halls & leased buildings   | 263                     | 266                     | 233                     |
| Toilets                              | 456                     | 467                     | 404                     |
| <b>Stadiums</b>                      |                         |                         |                         |
| Waikato Stadium                      | 4,641                   | 3,833                   | 3,630                   |
| Westpac Park                         | 498                     | 532                     | 556                     |
| Waikato Events Centre                | 1,030                   | 1,016                   | 650                     |
| Hamilton City Leisure Centre         | 141                     | 140                     | 126                     |
| <b>Swimming facilities</b>           |                         |                         |                         |
| Swimming pools                       | 4,304                   | 3,979                   | 3,996                   |
| Grants - other pools                 | 100                     | 119                     | 77                      |
| <b>Hamilton Zoo</b>                  | 1,874                   | 1,699                   | 1,656                   |
| <b>TOTAL EXPENDITURE</b>             | <b>23,924</b>           | <b>22,546</b>           | <b>21,708</b>           |
| <b>Less REVENUE</b>                  |                         |                         |                         |
| <b>Sports areas rents</b>            | 112                     | 110                     | 105                     |
| <b>Parks and gardens</b>             |                         |                         |                         |
| Parks rents and contributions        | 588                     | 605                     | 716                     |
| City beautification charges          | 6                       | 8                       | 10                      |
| Hamilton Gardens charges             | 182                     | 163                     | 199                     |
| Community halls and leased buildings | 36                      | 47                      | 33                      |
| <b>Stadiums</b>                      |                         |                         |                         |
| Waikato Stadium charges              | 1,875                   | 1,601                   | 1,546                   |
| Westpac Park charges                 | 67                      | 133                     | 109                     |
| Waikato Events Centre charges        | 530                     | 517                     | 461                     |
| <b>Pools admission fees</b>          | 1,785                   | 1,612                   | 1,721                   |
| <b>Zoo admission fees</b>            | 528                     | 550                     | 526                     |
| <b>TOTAL REVENUE</b>                 | <b>5,709</b>            | <b>5,346</b>            | <b>5,426</b>            |
| <b>NET COST OF SERVICE</b>           | <b>18,215</b>           | <b>17,200</b>           | <b>16,282</b>           |
| <b>CAPITAL EXPENDITURE</b>           | <b>6,822</b>            | <b>7,845</b>            | <b>11,101</b>           |



## SPORTS AREAS

| 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 2003, and with winter sports codes before April 2004.<br><br>2 Achieved a CSI score for sports areas of 72, as measured by Council's 2004 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.<br><br>2 A user satisfaction measure of 78.4 for sports areas was achieved. |
| 1            | b To meet the needs of the community for active recreational opportunities through the development and maintenance of sports areas.                       | 3 Constructed changing facilities at Marist Park by April 2004.   | 3 Changing facilities construction completed June 2004 due to wet weather and difficulty in obtaining tradespersons.  |
| 1            | c To identify and acquire suitable land for development as sports areas.  | 4 Identified and acquired sports areas in the northeast sector as noted in the Rototuna Structure Plan.   | 4 One site has been designated and one site is subject to agreement with the owner. Another two sites have been identified on the Rototuna Structure Plan.  |
| 1            | d To implement and undertake 3 yearly reviews of the Recreation and Leisure Plan 2002–2012.   | 5 Implemented year 2 of the Recreation and Leisure Plan 2002–2012.  | 5 Aspects of year 2 have been implemented. Ongoing projects identified in year 2 (e.g., relationships with organisations/ community groups and development of plans, strategies and brochures) will continue in 2004/05.          |

## PARKS AND GARDENS (INCLUDING PLAYGROUNDS)

| Council Goal | Objectives   | Performance Measures  | Results  |
|--------------|--|---|--|
| 1            | a To provide and contribute towards meeting the recreational and well-being needs of the community through the provision and maintenance of parks, reserves and other forms of open space, and the facilities on them. | <p>1 Completed Lake Rotoroa (Hamilton Lake) Esplanade walkway by November 2003.</p> <p>2 Completed Stage 1 of a 3-year programme of restoration work and provision of access at Kirikiriroa Gully.</p> <p>3 Developed Claudelands Park car park, (Brooklyn Road) in accordance with the Claudelands Park Management Plan.</p> <p>4 Achieved a CSI score for:</p> <ul style="list-style-type: none"> <li>• parks and gardens in the city of 82</li> <li>• children's playgrounds in general of 74, as measured by Council's 2004 Annual Residents Survey.</li> </ul> | <p>1 The walkway was completed in February 2004. The completion date was later than expected due to the need to accommodate activities on the lake.</p> <p>2 Stage 1 was completed on time and within budget.</p> <p>3 The project was deferred pending completion of negotiations regarding the possibility of development of an indoor stadium at the site.</p> <p>4 A user satisfaction measure of</p> <ul style="list-style-type: none"> <li>• 84.4 for parks and gardens in the city</li> <li>• 78.0 for children's playgrounds in general was achieved.</li> </ul> |
| 1            | b To provide for the maintenance and enhancement of city beautification areas and amenity trees.   | <p>5 Planted 32,000 new trees and shrubs.</p> <p>6 Achieved a CSI score for city beautification of 78, as measured by Council's 2004 Annual Residents Survey.</p>   | <p>5 The planting target was not only met but exceeded, as approximately 40,000 trees and shrubs were planted.</p> <p>6 A user satisfaction measure of 77.3 for city beautification was achieved.</p>  |
| 1            | c To ensure that all fountains are refurbished and operating efficiently.  | 7 Completed the refurbishment of the Centennial Fountain (western side of Founders Memorial Theatre).   | 7 The Centennial Fountain refurbishment was completed in December 2003.  |
| 1            | d To work with the community in the establishment and ongoing maintenance of urban vegetation on public open space through the Community Planting Programme.   | 8 Planted 25,000 trees on public open space with the involvement of not less than 60 representatives from community organisations, adjacent property owners or interested stakeholders.   | 8 50,336 trees, shrubs and hedges were planted at 61 locations with the help of 87 community groups and individuals.   |

## STADIUMS

| Council Goals | Objectives   | Performance Measures  | Results  |
|---------------|--|---|--|
| 1, 5          | a To enhance customer expectation and experience of the Waikato Stadium and Westpac Park.  | <p>1 Achieved a CSI score for public perception of the:</p> <ul style="list-style-type: none"> <li>• Waikato Stadium of 70</li> <li>• Westpac Park of 70, as measured by Council's 2004 Annual Residents Survey.</li> </ul> <p>2 Achieved a CSI score for users of the:</p> <ul style="list-style-type: none"> <li>• Waikato Stadium of 94</li> <li>• Westpac Park of 85, as measured by Council's 2004 Annual Residents Survey.</li> </ul> <p>3 Achieved a CSI score from venue hirers of the:</p> <ul style="list-style-type: none"> <li>• Waikato Stadium of 70,</li> <li>• Westpac Park of 70, as measured by a continuous hirers' survey.</li> </ul> | <p>1 A CSI score was not established for public perception. A usage measure of</p> <ul style="list-style-type: none"> <li>• 51.8% for the Waikato Stadium</li> <li>• 25.6% for Westpac Park was achieved.</li> </ul> <p>2 A user satisfaction measure of</p> <ul style="list-style-type: none"> <li>• 85.2 for the Waikato Stadium</li> <li>• 78.7 for Westpac Park was achieved.</li> </ul> <p>3 The venue hirer survey was not completed this year as it is still under development. This will be completed by June 2005.</p>  |
| 1, 5          | b To provide and sustain Waikato Stadium and Westpac Park to an international standard and to ensure the facilities are competitive and self-sufficient. | <p>4 Attracted events of national and international level to Waikato Stadium and Westpac Park.</p> <p>5 Increased level of recoverability of operational costs associated with each venue. Year 2 of a 4-year programme to be 100% self-sufficient.</p>   | <p>4 The following national or International events were held:</p> <p>Waikato Stadium:</p> <ul style="list-style-type: none"> <li>- Super 12 rugby</li> <li>- NPC rugby</li> <li>- NRL rugby league preseason game</li> <li>- Australian National Soccer league (2 games)</li> <li>- Rugby test (All Blacks vs. Argentina)</li> <li>- National Marching Championships</li> <li>- Impact World Tour</li> <li>- International Paintball tournament.</li> </ul> <p>Westpac Park:</p> <ul style="list-style-type: none"> <li>- Cricket Test (NZ vs. South Africa)</li> <li>- Cricket test (NZ vs Pakistan)</li> </ul> <p>5 Operational shortfall of;</p> <p>Waikato Stadium:</p> <p>Yr 1-2002/03 \$289,118</p> <p>Yr 2- 2003/04 \$93,432</p> <p>Westpac Park</p> <p>Yr 1- 2002/03 \$344,943</p> <p>Yr 2- 2003/04 \$326,663</p> |

| Council Goals | Objectives  | Performance Measures   | Results   |
|---------------|---|--|---|
| 1, 5          | c To ensure the Waikato Stadium and Westpac Park cater for a range of events and activities.                                      | 6 Developed a marketing and events plan for the Waikato Stadium and Westpac Park to attract 6 or more events outside of cricket or rugby at the respective venues.   | 6 The following events, other than rugby or cricket were held; <ul style="list-style-type: none"> <li>- National Marching Championships</li> <li>- Warriors vs. Dragons Rugby League game</li> <li>- World Impact Tour</li> <li>- Weber Brothers Circus</li> <li>- Kingz vs Parramatta Power NSL soccer league</li> <li>- International Paintball tournament.</li> </ul>  |
| 1, 5          | d To seek out and build strategic alliances around key events and activities at the Waikato Stadium and Westpac Park.             | 7 Developed a strategic approach to communicate with stakeholders and held regular meetings with key partners (rugby and cricket) and venue neighbours.  | 7 Strategic communications held with key partners included meetings with: <ul style="list-style-type: none"> <li>- Neighbours twice a year regarding coming events</li> <li>- Waikato Rugby Union once a month regarding coming events, conducting rugby events, Stadium development</li> <li>- Northern Districts Cricket once a week regarding the new CEO introductions, venue development, event management</li> <li>- Resident caterers at all venues</li> <li>- Venue hirers at Waikato Events Centre.</li> </ul> |
| 1, 5          | e To bring high profile events and functions to the Waikato Stadium and Westpac Park that benefit the community, city and region. | 8 Achieved a combined total patronage of 170,000 at all events at the Waikato Stadium and Westpac Park.<br><br>9 Achieved national and international media coverage of events held at the respective venues. | 8 A combined total patronage of 270,000 at all events at the Waikato Stadium and Westpac Park was achieved.<br><br>9 National and international media coverage included the Super 12 and NPC rugby, All Blacks vs Argentina Rugby Test; Vodafone Warriors vs. St George Illawarra Dragons, National Marching Championships, Kingz Soccer games, NZ vs. South Africa cricket test, NZ vs. Pakistan cricket test.   |
| 1, 5          | f To ensure the optimum use of the Waikato Events Centre.   | 10 Maintained income turnover at an average of the previous 3 years.   | 10 Income generation achieved as per budget<br>Average income: \$429,570<br>Income 2003/04: \$529,600.  |

| Council Goals | Objectives   | Performance Measures   | Results   |
|---------------|--|--|---|
|               |  | 11 Achieved a usage measure for the Waikato Events Centre of 61%, as measured by Council's 2004 Annual Residents Survey.   | 11 A usage measure of 58.1% for the Waikato Events Centre was achieved.   |
| 1, 5          | g To work with event organisers to create events at the Waikato Events Centre that meet the community and business sector markets.   | 12 Achieved a CSI score for the Waikato Events Centre of 58, as measured by Council's 2004 Annual Residents Survey.  | 12 A user satisfaction measure of 68.7 for the Waikato Events Centre was achieved.  |
| 1             | h To provide, maintain, and promote the Hamilton City Leisure Centre facility, equipment for health, fitness, sport and leisure programmes and quality services in response to identified community needs. | <p>13 Monitoring and evaluation of the management contract with Metro Y showed contract compliance and satisfactory performance rating of the contractor.</p> <p>14 Achieved a patronage total that is equal to the average of the previous 3 years.</p> <p>15 Achieved a CSI score for the Hamilton City Leisure Centre of 65, as measured by Council's 2004 Annual Residents Survey.</p> | <p>13 No non compliances to the contract with Metro Y were recorded.</p> <p>14 168,545 patrons were recorded against an average for the last three years of 151,916.</p> <p>15 A user satisfaction measure of 69.7 for the Hamilton City Leisure Centre was achieved.</p> |



## SWIMMING FACILITIES

| Council Goal | Objectives  | Performance Measures   | Results   |
|--------------|---|--|---|
| 1            | a To operate and maintain swimming facilities for the health and safety of users.   | <p>1 Waterworld and Gallagher Aquatic Centre maintained compliance with the NZS 5826:2000 Pool Water Quality Standards, verified by third party 'poolsafe' audit every second year (the next audit is expected to be in October 2003).</p> <p>2 Waterworld and Gallagher Aquatic Centre met or exceeded standards for the ratio of lifeguards to pools.</p> <p>3 Maintained the 'Pool Safe' certification (expected to be assessed in October 2003).</p> <p>4 Provided technical direction to at least 5 Hamilton school pools to assist them in developing pool management strategies to meet national standards for water quality or other health and safety issues.</p> | <p>1 All work required to comply with the NZS 5826:2000 Pool Water Quality Standards was achieved.</p> <p>2 All work required to meet the standard ratio of lifeguards to pools at Waterworld and Gallagher Aquatic Centre was achieved.</p> <p>3 All work required to maintain the 'Pool Safe' certification at Waterworld and Gallagher Aquatic Centre was achieved.</p> <p>4 Four school pools were given grant funding to provide swimming space to the public in the 'Partner Pool' Programme. Technical assistance was only offered to four pools due to resource and time constraints.</p> |
| 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. | <p>5 Achieved a CSI score for:</p> <ul style="list-style-type: none"> <li>• Waterworld of 80</li> <li>• Gallagher Aquatic Centre of 80, as measured by Council's 2004 Annual Residents Survey.</li> </ul>  | <p>5 A user satisfaction measure of</p> <ul style="list-style-type: none"> <li>• 75.9 for Waterworld</li> <li>• 77.4 for the Gallagher Aquatic Centre was achieved.</li> </ul>  |
| 1            | c To ensure optimum use of swimming facilities to meet community needs.   | <p>6 Achieved a usage measure for:</p> <ul style="list-style-type: none"> <li>• Waterworld of 47%</li> <li>• Gallagher Aquatic Centre of 17%, as measured by Council's 2004 Annual Residents Survey.</li> </ul> <p>7 Maintained 600,000 visits at city-funded pools.</p>   | <p>6 A usage measure of</p> <ul style="list-style-type: none"> <li>• 52.6% for Waterworld</li> <li>• 20.9% for the Gallagher Aquatic Centre was achieved.</li> </ul> <p>7 There were 787,571 admissions to city-funded pools in Hamilton.</p>   |

## COMMUNITY HALLS AND LEASED BUILDINGS

| Council Goal | Objectives  | Performance Measures   | Results  |
|--------------|---|--|--|
| 1            | a To provide and service halls and leased buildings, in order to enable a wide range of recreation, leisure and community activities. | 1 Maintained a 30% occupancy rate for community halls and 100% for leased buildings. | 1 Achieved occupancy rates of 26% for community halls and 100% for leased buildings. |

## HAMILTON ZOO

| 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 Achieved a CSI score for Hamilton Zoo of 86, as measured by Council's 2004 Annual Residents Survey.<br><br>2 Achieved a usage measure for Hamilton Zoo of 46%, as measured by Council's 2004 Annual Residents Survey.<br><br>3 Achieved a user satisfaction rating of 75% for zoo education services, as measured by a continuous teacher survey.<br><br>4 Achieved a CSI score of 84 for the overall service provided by staff, as measured by an independent survey of zoo visitors. | 1 A user satisfaction measure of 83.5 for Hamilton Zoo was achieved.<br><br>2 A usage measure of 57.9% for Hamilton Zoo was achieved.<br><br>3 A user satisfaction of 90% for zoo education services was achieved.<br><br>4 A user satisfaction measure of 87.3% for overall service provided by staff was achieved. |
| 1             | b To maintain a standard of animal husbandry and housing that meets or exceeds contemporary standards. | 5 Received no non-compliance reports from audits carried out by the Ministry of Agriculture and Forestry.<br><br>6 Maintained annual licence status by December 2003.  | 5 No non-compliances were recorded.<br><br>6 The License has been maintained.  |

## HAMILTON GARDENS

| 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 Achieved a CSI score for Hamilton Gardens of 92, as measured by Council's 2004 Annual Residents Survey.  | 1 A user satisfaction measure of 89.9 for Hamilton Gardens was achieved.  |
| 1, 5          | b To develop Hamilton Gardens as a high quality visitor and events venue in accordance with the Hamilton Gardens Management Plan and development programme. | 2 Completed stage 2 of a 3-stage development programme for the construction of the Indian Char Bagh Garden.<br>3 Appointed a curator to manage the Hamilton Gardens plant collections. | 2 Stage 2 was completed on time and within budget.<br>3 A curator was appointed in July 2003.   |
| 1, 5          | c To promote Hamilton Gardens as a world-class facility locally, nationally and internationally.  | 4 Developed and established an economic model and marketing plan and initiated implementation of the marketing plan.   | 4 Economic Impact Assessments were established and reported; a marketing plan was established and implementation of the plan was initiated. |

## TOILETS

| Council Goals | Objectives   | Performance Measures  | Results  |
|---------------|--|---|--|
| 1, 2          | a To provide well-serviced facilities in accordance with NZS 4241: Public Toilets in locations that meet the community's needs and expectations. | 1 Achieved a CSI score for public toilet facilities of 62, as measured by Council's 2004 Annual Residents Survey. | 1 A user satisfaction measure of 65.0 for public toilet facilities was achieved. |





|   |            |
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Audit New Zealand

**AUDIT REPORT**  
**TO THE READERS OF**  
**HAMILTON CITY COUNCIL AND GROUP'S**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2004**

The Auditor-General is the auditor of Hamilton City Council (the City Council) and group. The Auditor-General has appointed me, B H Halford, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the City Council and group, on his behalf, for the year ended 30 June 2004.

**Unqualified opinion**

In our opinion the financial statements of the City Council and group on pages 88 to 120:

- ▲ comply with generally accepted accounting practice in New Zealand; and
- ▲ fairly reflect:
  - the City Council and group's financial position as at 30 June 2004;
  - the results of operations and cash flows for the year ended on that date; and
  - the service performance achievements measured against the performance targets adopted for the year ended on that date.

The audit was completed on 21 September 2004, and is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

**Basis of opinion**

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed our audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in the opinion.

Our audit involved performing procedures to test the information presented in the financial statements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- ▲ determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- ▲ verifying samples of transactions and account balances;
- ▲ performing analyses to identify anomalies in the reported data;
- ▲ reviewing significant estimates and judgements made by the Council;
- ▲ confirming year-end balances;
- ▲ determining whether accounting policies are appropriate and consistently applied; and
- ▲ determining whether all financial statement disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

We evaluated the overall adequacy of the presentation of information in the financial statements. We obtained all the information and explanations we required to support the opinion above.

## **Responsibilities of the Council and the Auditor**

The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the City Council and group as at 30 June 2004. They must also fairly reflect the results of operations and cash flows and service performance achievements for the year ended on that date. The Council's responsibilities arise from the Local Government Act 2002, which requires the Council to prepare financial statements under the Local Government Act 1974.

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001.

## **Independence**

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.



During the year we performed a post implementation assurance review of an information technology project which is compatible with those independence requirements. Other than the audit and this assignment, we have no relationship with or interests in Hamilton City Council and Group.



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

#### **Matters Relating to the Electronic Presentation of the Audited Financial Statements**

This audit report relates to the financial statements of Hamilton City Council (the City Council) and group for the year ended 30 June 2004 included on Hamilton City Council's website. The Council's board is responsible for the maintenance and integrity of the Hamilton City Council's website. We have not been engaged to report on the integrity of the Hamilton City Council's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 21 September 2004 to confirm the information included in the audited financial statements presented on this web site.

Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## FINANCIAL OVERVIEW

Council has reported a net surplus after tax of \$6.2m for the 2003/04 financial year (2002/03 \$10.2m). The significant variances included:

- rates levied were \$70.3m, an increase of \$4.4m over last year (2002/03 \$65.9m), of which \$1.4m was from city growth (new rateable properties).
- the accounting adjustment writedown of the library book collection asset by \$4.337m which had no rating impact.
- the net operating cost of providing services excluding the depreciation allowance increased by \$4.8m to \$52.4m compared to 2002/03. The significant item for 2003/04 comprising this increase was the accounting writeoff on disposal of roading assets resulting from the asset renewal programme of \$3.8m

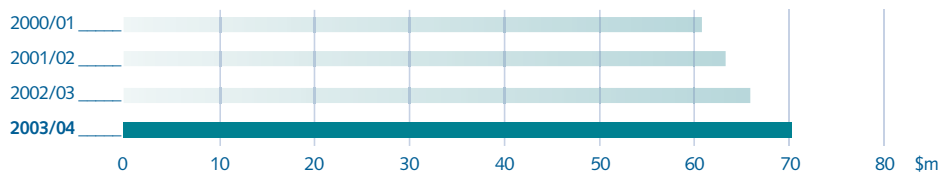
Interest cost incurred in servicing city debt (excluding internal borrowing interest) decreased to \$6.78m (2002/03 \$6.98m). Overall net city debt (including internal borrowing) increased to \$119.6m (2002/03 \$113.9m) due to loan funded capital expenditure.

Capital expenditure for the 2003/04 financial year was \$35.6m (2002/03 \$34.1m). A number of significant projects were undertaken during the 2003/04 financial year. These include the Thomas Road upgrade (\$2.69m), Hukanui Road/Horsham Downs Road upgrade (\$0.91m), new water mains and work on the new bulk water main in the southern end of the city (\$1.72m), construction of Marist Park changing rooms (\$0.75m), commencement of construction of the chimpanzee exhibit at the zoo (\$0.74m), and Hamilton Lake Domain redevelopment (\$0.52m).

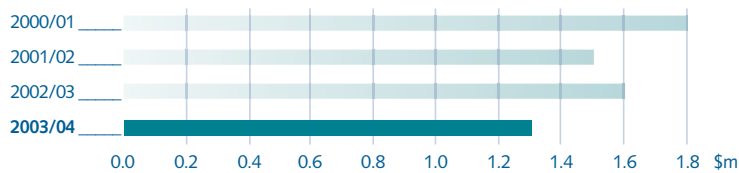
## FINANCIAL SUMMARY

The financial summary of key items from June 2001 to June 2004 is shown as follows:

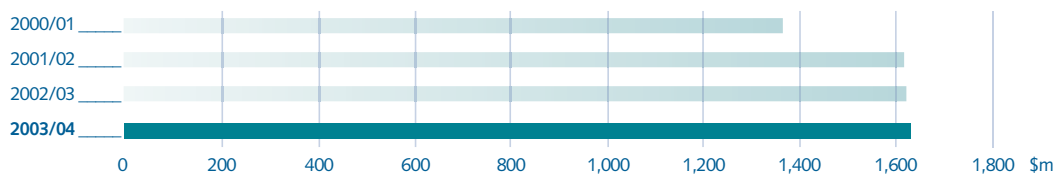
### RATES



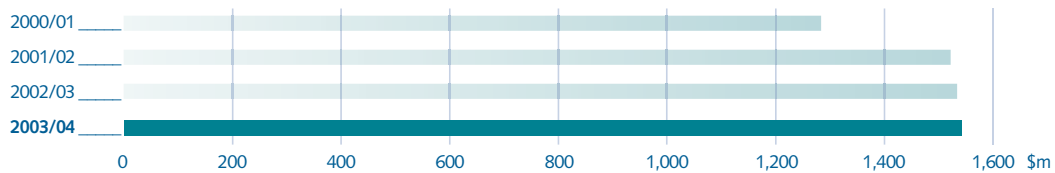
### RATES OUTSTANDING



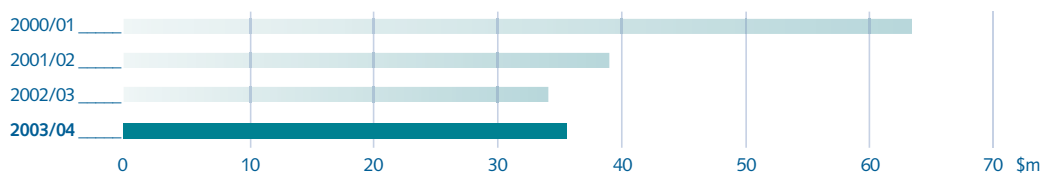
### TOTAL FIXED ASSETS



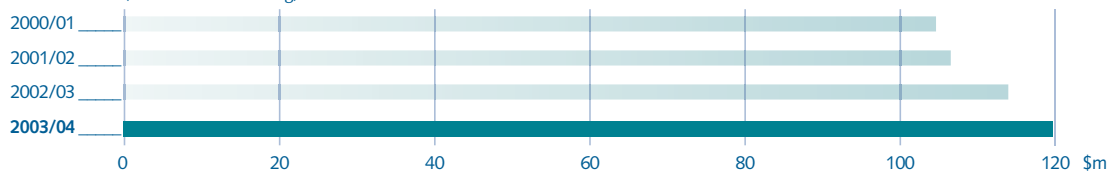
### EQUITY



### CAPITAL EXPENDITURE



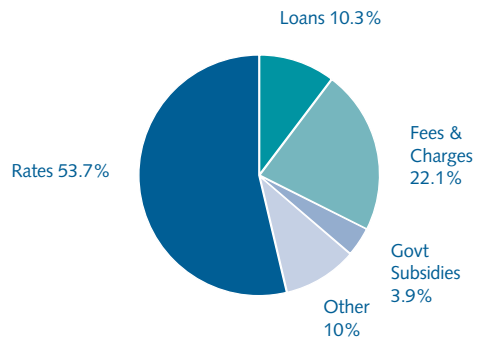
### NET CITY DEBT (incl. internal borrowing)



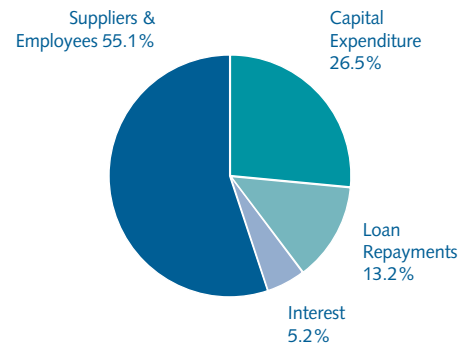
## CASH FLOW

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

### SOURCES OF CASH (\$132.48m)



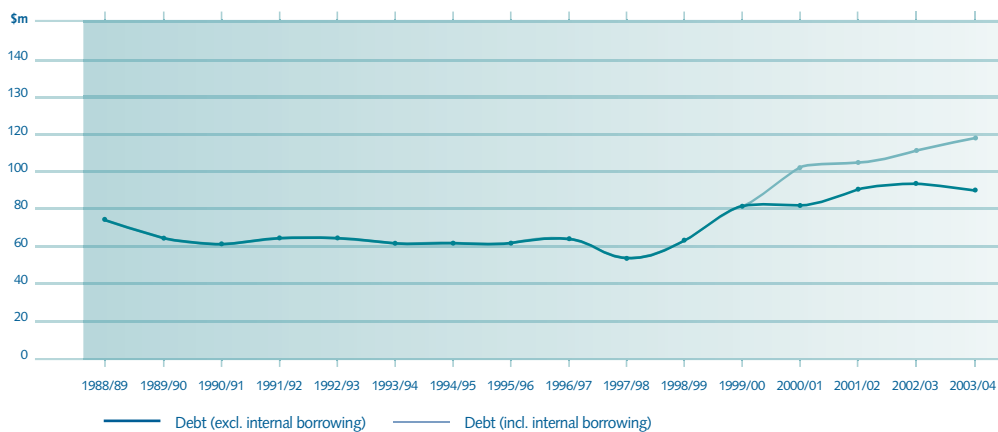
### USES OF CASH (\$132.67m)



## CITY DEBT

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

### 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.

The 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 2004 is \$91.2m, compared with ratepayers' equity of \$1,535.4m.

- The target has been met at 5.9 per cent.

If internal borrowing of \$28.4m is included, the net debt position for the same period is \$119.6m and the net city debt to total ratepayers' equity ratio is 7.8 per cent.

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

Council's net city debt as at 30 June 2004 is \$91.2m, compared with total revenue of 125.2m.

- The target has been met at 72.8 per cent.

If internal borrowing of \$28.4m is included, the net city debt position for the same period is \$119.6 and the net city debt to total revenue ratio is 95.5 per cent.

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

Total interest costs for 2003/04 are \$7.7m, compared with total revenue of \$125.2m.

- The target has been met at 6.2 per cent.

If internal borrowing of \$28.4m is excluded, the interest cost for the same period is \$6.78m, and the interest cost to total revenue ratio is 5.4 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 2003/04 are \$7.7m, compared with rating revenue of \$70.3m.

- The target has been met at 11.0 per cent.

If internal borrowing of 28.4m is excluded, the interest cost for the same period is \$6.78m, and the interest cost to rating revenue ratio is 9.6 per cent.

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

Council's net debt as at 30 June 2004 is \$91.2m, compared with the estimated population of 125,000.

- The target has been met at \$730.

If internal borrowing of \$28.4m is included, the net city debt position for the same period is \$119.6m and the net debt per capita is \$957.

**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 2004 is \$153.4m, compared with the 12 month forecast net city debt of \$125.8m.

- The target has been met at 121.9 per cent.

| FINANCIAL SUMMARY                        | 2000/01   | 2001/02   | 2002/03   | 2003/04   |
|--|-----------|-----------|-----------|-----------|
| Rates levied                             | \$60.8m   | \$63.3m   | \$65.9m   | \$70.3m   |
| Rates outstanding                        | \$1.8m    | \$1.5m    | \$1.6m    | \$1.3m    |
| Total fixed assets                       | \$1364.0m | \$1615.5m | \$1620.2m | \$1628.8m |
| Equity                                   | \$1277.6m | \$1515.4m | \$1527.3m | \$1535.4m |
| Capital expenditure                      | \$63.4m   | \$39.0m   | \$34.1m   | \$35.6m   |
| City debt repaid during year             | \$5.0m    | \$5.4m    | \$7.9m    | \$5.1m    |
| Net city debt*                           | \$81.5m   | \$91.0m   | \$94.1m   | \$91.2m   |
| Net city debt (incl. internal borrowing) | \$104.5m  | \$106.4m  | \$113.9m  | \$119.6m  |

#### FINANCIAL INDICATORS

|  |         |         |         |         |
|--|---------|---------|---------|---------|
| % Rates outstanding to rate levied   | 3.0%    | 2.4%    | 2.4%    | 1.8%    |
| Net city debt* per rateable property   | \$1,813 | \$1,979 | \$1,931 | \$1,902 |
| Net city debt* per capita  | \$697   | \$767   | \$763   | \$730   |
| Net city debt* as % of rates levied  | 134.0%  | 143.8%  | 142.8%  | 129.7%  |
| Interest payment as % of rates levied  | 12.0%   | 11.9%   | 11.7%   | 11.0%   |
| Interest payment* as % of rates levied                                       | 11.1%   | 10.7%   | 10.6%   | 9.6%    |
| Loan principal repayment as % of rating levied                               | 8.2%    | 8.5%    | 12.0%   | 7.3%    |
| Net city debt* as % of ratepayers' equity                                    | 6.4%    | 6.0%    | 6.2%    | 5.9%    |
| Net city debt (incl. internal borrowing) as % of ratepayers' equity          | 8.2%    | 7.0%    | 7.5%    | 7.8%    |
| Liquidity-term debt and committed loan facilities to 12 months forecast debt | NA      | NA      | 134.1%  | 121.9%  |

\* Excluding internal borrowing.

# STATEMENT OF FINANCIAL PERFORMANCE

## For the year ended 30 June 2004

### Council and Consolidated

|                                       |      | Actual<br>2004<br>\$000 | Budget<br>2004<br>\$000 | Actual<br>2003<br>\$000 |
|---------------------------------------|------|-------------------------|-------------------------|-------------------------|
|                                       | Note |                         |                         |                         |
| <b>REVENUE</b>                        |      |                         |                         |                         |
| Revenue from strategic areas          | 1    | 31,911                  | 30,277                  | 29,725                  |
| Rates                                 | 2    | 70,515                  | 70,310                  | 66,294                  |
| Revenue assigned to asset development | 3    | 20,111                  | 11,848                  | 20,017                  |
| Other revenue                         | 4    | 2,580                   | 1,366                   | 1,269                   |
| <b>Total operating revenue</b>        |      | <b>125,117</b>          | <b>113,801</b>          | <b>117,305</b>          |
| <b>EXPENDITURE</b>                    |      |                         |                         |                         |
| Expenditure from strategic areas      | 1    | 115,178                 | 108,799                 | 107,880                 |
| Library books asset writedown         | 5    | 4,337                   | 0                       | 0                       |
| Other expenditure                     |      | 19                      | 112                     | 35                      |
| <b>Total operating expenditure</b>    |      | <b>119,534</b>          | <b>108,911</b>          | <b>107,915</b>          |
| Operating surplus before taxation     | 6    | 5,583                   | 4,890                   | 9,390                   |
| Less tax expense                      | 7    | 0                       | 0                       | 0                       |
| <b>Net surplus after tax</b>          |      | <b>5,583</b>            | <b>4,890</b>            | <b>9,390</b>            |
| Share of associate's retained surplus | 10   | 613                     | 0                       | 799                     |
| <b>Net surplus</b>                    |      | <b>6,196</b>            | <b>4,890</b>            | <b>10,189</b>           |

# STATEMENT OF MOVEMENTS IN EQUITY

## For the year ended 30 June 2004

### Council and Consolidated

|   |      | Actual<br>2004<br>\$000 | Budget<br>2004<br>\$000 | Actual<br>2003<br>\$000 |
|---|------|-------------------------|-------------------------|-------------------------|
|   | Note |                         |                         |                         |
| Net surplus   |      | 6,196                   | 4,890                   | 10,189                  |
| Net increase/(decrease) in revaluation of assets                | 8    | (3,402)                 | 0                       | (7,004)                 |
| Net increase/(decrease) in revaluation of investment properties | 8    | 5,824                   | 0                       | 2,980                   |
| Net increase/(decrease) in revaluation of shareholdings         | 8    | (526)                   | 0                       | 5,723                   |
| <b>Total recognised revenues and expenses for the year</b>      |      | <b>8,092</b>            | <b>4,890</b>            | <b>11,888</b>           |
| <b>Equity at beginning of year</b>                              |      | <b>1,527,299</b>        | <b>1,542,660</b>        | <b>1,515,411</b>        |
| <b>Equity at end of year</b>                                    |      | <b>1,535,391</b>        | <b>1,547,550</b>        | <b>1,527,299</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 and Consolidated               |      |                         |                         |                         |
|--|------|-------------------------|-------------------------|-------------------------|
|  | Note | Actual<br>2004<br>\$000 | Budget<br>2004<br>\$000 | Actual<br>2003<br>\$000 |
| <b>EQUITY</b>                          |      |                         |                         |                         |
| Accumulated funds                      | 8    | 1,286,928               | 1,307,172               | 1,284,597               |
| Revaluation reserves                   | 8    | 224,319                 | 220,208                 | 222,210                 |
| Restricted reserves                    | 8    | 6,590                   | 3,719                   | 3,679                   |
| Council created reserves               | 8    | 17,554                  | 16,451                  | 16,813                  |
| <b>Total Equity</b>                    |      | <b>1,535,391</b>        | <b>1,547,550</b>        | <b>1,527,299</b>        |
| <b>ASSETS</b>                          |      |                         |                         |                         |
| <b>Current Assets</b>                  |      |                         |                         |                         |
| Cash and bank                          |      | 18                      | 0                       | 212                     |
| Investments                            | 9    | 881                     | 1,622                   | 1,565                   |
| Accounts receivable and prepayments    | 11   | 9,044                   | 7,000                   | 10,981                  |
| Inventories                            |      | 514                     | 350                     | 433                     |
| Mortgages                              |      | 5                       | 0                       | 5                       |
| Properties intended for sale           | 12   | 550                     | 0                       | 550                     |
| <b>Total Current Assets</b>            |      | <b>11,012</b>           | <b>8,972</b>            | <b>13,746</b>           |
| <b>Non-Current Assets</b>              |      |                         |                         |                         |
| Mortgages                              |      | 18                      | 0                       | 23                      |
| Investment properties                  | 13   | 38,337                  | 32,000                  | 34,048                  |
| Investments                            | 9    | 19,179                  | 11,907                  | 19,204                  |
| Fixed assets                           | 14   | 1,589,915               | 1,626,094               | 1,585,611               |
| <b>Total Non-Current Assets</b>        |      | <b>1,647,449</b>        | <b>1,670,001</b>        | <b>1,638,886</b>        |
| <b>Total Assets</b>                    |      | <b>1,658,461</b>        | <b>1,678,973</b>        | <b>1,652,632</b>        |
| <b>LIABILITIES</b>                     |      |                         |                         |                         |
| <b>Current Liabilities</b>             |      |                         |                         |                         |
| Bank overdraft                         | 15   | 0                       | 300                     | 0                       |
| Accounts payable and income in advance | 16   | 15,214                  | 10,000                  | 13,904                  |
| Employee entitlements                  | 17   | 2,873                   | 2,500                   | 3,339                   |
| Term debt                              | 18   | 5,465                   | 1,752                   | 5,514                   |
| Finance lease liabilities              | 19   | 329                     | 0                       | 309                     |
| <b>Total Current Liabilities</b>       |      | <b>23,881</b>           | <b>14,552</b>           | <b>23,066</b>           |
| <b>Non-Current Liabilities</b>         |      |                         |                         |                         |
| Employee entitlements                  | 17   | 1,427                   | 1,300                   | 1,578                   |
| Term debt                              | 18   | 91,466                  | 114,122                 | 95,156                  |
| Finance lease liabilities              | 19   | 980                     | 1,449                   | 1,101                   |
| Landfill aftercare provision           | 20   | 5,316                   | 0                       | 4,432                   |
| <b>Total Non-Current Liabilities</b>   |      | <b>99,189</b>           | <b>116,871</b>          | <b>102,267</b>          |
| <b>Total Liabilities</b>               |      | <b>123,070</b>          | <b>131,423</b>          | <b>125,333</b>          |
| <b>Net Assets</b>                      |      | <b>1,535,391</b>        | <b>1,547,550</b>        | <b>1,527,299</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 CASH FLOWS

## For the year ended 30 June 2004

### Council and Consolidated

|  |           | Actual<br>2004<br>\$000 | Budget<br>2004<br>\$000 | Actual<br>2003<br>\$000 |
|--|-----------|-------------------------|-------------------------|-------------------------|
|  | Note      |                         |                         |                         |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                |           |                         |                         |                         |
| <b>Cash was provided from:</b>                             |           |                         |                         |                         |
| Rates  |           | 71,102                  | 70,310                  | 66,241                  |
| Rates–Environment Waikato                                  | 21        | 0                       | 0                       | 5,905                   |
| Petrol tax   |           | 967                     | 900                     | 917                     |
| Government operating subsidies and grants                  |           | 2,455                   | 3,049                   | 2,332                   |
| Government capital subsidies and grants                    |           | 2,692                   | 2,168                   | 1,911                   |
| Fees rents and charges                                     |           | 29,213                  | 30,835                  | 26,287                  |
| Other capital contributions                                |           | 8,105                   | 6,529                   | 4,998                   |
| Interest on investment and special funds                   |           | 25                      | 0                       | 45                      |
| Interest on sinking funds                                  |           | 322                     | 1,214                   | 361                     |
| Net GST received   |           | 285                     | 0                       | 0                       |
|  |           | <b>115,166</b>          | <b>115,005</b>          | <b>108,997</b>          |
| <b>Cash was applied to:</b>                                |           |                         |                         |                         |
| Rates paid to Environment Waikato                          | 21        | 0                       | 0                       | 5,905                   |
| Salaries and wages   |           | 32,703                  | 31,281                  | 29,366                  |
| Payments for supplies and services                         |           | 40,379                  | 44,294                  | 37,852                  |
| Interest paid  |           | 6,904                   | 8,623                   | 7,048                   |
| Net GST paid   |           | 0                       | 0                       | 3                       |
|  |           | <b>79,986</b>           | <b>84,198</b>           | <b>80,174</b>           |
| <b>Net Cash Inflow/(Outflow) from Operating Activities</b> | <b>21</b> | <b>35,180</b>           | <b>30,807</b>           | <b>28,823</b>           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                |           |                         |                         |                         |
| <b>Cash was provided from:</b>                             |           |                         |                         |                         |
| Sale of fixed assets                                       |           | 106                     | 160                     | 219                     |
| Sale of properties   |           | 2,488                   | 0                       | 2,265                   |
| Sales of shares in Pirongia Mountain Afforestation         |           | 277                     | 0                       | 0                       |
| Mortgage principal and investment withdrawn.               |           | 731                     | 441                     | 1,089                   |
|  |           | <b>3,602</b>            | <b>601</b>              | <b>3,573</b>            |
| <b>Cash was applied to:</b>                                |           |                         |                         |                         |
| Purchase of fixed assets                                   |           | 35,136                  | 37,288                  | 34,695                  |
|  |           | <b>35,136</b>           | <b>37,288</b>           | <b>34,695</b>           |
| <b>Net Cash Inflow/(Outflow) from Investing Activities</b> |           | <b>(31,534)</b>         | <b>(36,687)</b>         | <b>(31,122)</b>         |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                |           |                         |                         |                         |
| <b>Cash was provided from:</b>                             |           |                         |                         |                         |
| Loans uplifted   |           | 13,514                  | 10,564                  | 16,427                  |
| Finance leases raised                                      |           | 193                     | 0                       | 1,163                   |
|  |           | <b>13,707</b>           | <b>10,564</b>           | <b>17,590</b>           |
| <b>Cash was applied to:</b>                                |           |                         |                         |                         |
| Loan repayments  |           | 17,253                  | 5,125                   | 14,998                  |
| Finance lease repayments                                   |           | 294                     | 0                       | 151                     |
|  |           | <b>17,547</b>           | <b>5,125</b>            | <b>15,149</b>           |
| <b>Net Cash Inflow/(Outflow) from Financing Activities</b> |           | <b>(3,840)</b>          | <b>5,439</b>            | <b>2,441</b>            |
| Net increase/(decrease) in cash held                       |           | (194)                   | (441)                   | 142                     |
| Plus opening cash balance 1 July                           |           | 212                     | 1,763                   | 70                      |
| <b>Closing Cash Balance 30 June</b>                        |           | <b>18</b>               | <b>1,322</b>            | <b>212</b>              |
| <b>Made up of:</b>   |           |                         |                         |                         |
| Cash and bank  |           | 18                      | 0                       | 212                     |
| Bank overdraft   |           | 0                       | (300)                   | 0                       |
| Investments at call  |           | 0                       | 1,622                   | 0                       |
| <b>Closing Cash Balance 30 June</b>                        |           | <b>18</b>               | <b>1,322</b>            | <b>212</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 2002 (the Act). The financial statements of Hamilton City Council and Group are prepared in accordance with the requirements of the transitional provisions of section 283 of the Act, which requires financial statements be prepared in accordance with part VIIA and section 223E of the Local Government Act 1974.

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

Hamilton City Council's 50 per cent share in the Waikato Regional Airport Ltd, 41.38 per cent share in Hamilton Riverview Hotel Ltd (Novotel), and 3.17 per cent share in New Zealand Local Government Insurance Company Ltd, is equity accounted.

## MEASUREMENT BASE

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

## ACCOUNTING POLICIES

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

### 1. Basis of Consolidation

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

### 2. Associate Companies

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

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

### 3. Revenue Recognition

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

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

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

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

### 5. Taxation Expense

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

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

### 6. Fixed Assets

These assets consist of:

#### Operational Assets

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

**Restricted Assets**

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

**Heritage Assets**

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

**Infrastructural Assets**

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

**Valuation**

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

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

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

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

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

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

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

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

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

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

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

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

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

**7. Investment Properties and Properties for Resale**

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

**Valuation**

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

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

**8. Depreciation**

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

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

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

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

- Land
- Formation costs associated with roading
- Investment properties

- Properties for resale
- Work in progress and assets under construction

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

#### 9. Investments

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

#### 10. Employee Entitlements

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

The provision for annual leave and long service leave has been calculated on an actual entitlement basis at current rates of pay. The provision for retirement gratuities has been calculated on an actuarial basis bringing to account what is likely to be payable in the future in respect of service that employees have accumulated up until 30 June 2004.

#### 11. Leases

Leases consist of:

##### Finance Leases

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

##### Operating Leases

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

#### 12. Landfill Post-Closure Costs

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

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

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

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

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

#### 13. Equity

Accumulated Funds comprise accumulated surpluses over the years.

Revaluation Reserves comprise accumulated revaluation increments/decrements.

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

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

#### 14. Accounts Receivable

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

**15. Mortgage Assets**

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

**16. Inventories**

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

**17. Statement of Cash Flows**

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

Operating activities include cash received from all income sources of Council and cash payments made for goods and services.

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

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

**18. Cost of Service Statements**

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

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

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

**19. Foreign Currency**

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

**20. Financial Instruments**

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

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

**21. 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.

**CHANGES IN ACCOUNTING POLICIES**

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



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

|  | Council and Consolidated |                |                |
|--|--------------------------|----------------|----------------|
|  | Actual                   | Budget         | Actual         |
|  | 2004                     | 2004           | 2003           |
|  | \$000                    | \$000          | \$000          |
| <b>Revenue from Strategic Areas</b>            |                          |                |                |
| Sustaining Hamilton's environment              | 11,208                   | 10,223         | 10,514         |
| Growing Hamilton                               | 14,179                   | 13,557         | 12,946         |
| Promoting Hamilton                             | 0                        | 0              | 0              |
| Experiencing our arts, culture and heritage    | 1,747                    | 1,570          | 1,582          |
| Living in Hamilton                             | 2,760                    | 3,056          | 2,664          |
| Enjoying our city                              | 5,709                    | 5,346          | 5,426          |
|  | <b>35,603</b>            | <b>33,752</b>  | <b>33,132</b>  |
| Less internal revenue                          | (3,692)                  | (3,475)        | (3,407)        |
| <b>Total Revenue from Strategic Areas</b>      | <b>31,911</b>            | <b>30,277</b>  | <b>29,725</b>  |
| <b>Expenditure from Strategic Areas</b>        |                          |                |                |
| Sustaining Hamilton's environment              | 35,184                   | 33,871         | 33,624         |
| Growing Hamilton                               | 33,740                   | 29,715         | 31,047         |
| Promoting Hamilton                             | 2,841                    | 2,963          | 2,426          |
| Experiencing our arts, culture and heritage    | 12,802                   | 12,077         | 11,978         |
| Living in Hamilton                             | 11,994                   | 12,605         | 11,933         |
| Enjoying our city                              | 23,924                   | 22,546         | 21,708         |
|  | <b>120,485</b>           | <b>113,777</b> | <b>112,716</b> |
| Less internal expenditure                      | (3,692)                  | (3,475)        | (3,407)        |
| Less rates charged to Council properties       | (529)                    | (481)          | (329)          |
| Less internal transfers to reserves            | (164)                    | (164)          | (378)          |
| Less interest on internal borrowing            | (922)                    | (858)          | (722)          |
| <b>Total Expenditure from Strategic Areas*</b> | <b>115,178</b>           | <b>108,799</b> | <b>107,880</b> |

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

\* Refer to Note 32 for explanation of major variances.

**NOTE 2: RATES**

|  | Council and Consolidated |               |               |
|--|--------------------------|---------------|---------------|
|  | Actual                   | Budget        | Actual        |
|  | 2004                     | 2004          | 2003          |
|  | \$000                    | \$000         | \$000         |
| Rates                                    | 70,306                   | 70,256        | 65,916        |
| Rates penalties and service charges      | 758                      | 625           | 711           |
| Rates remissions                         | (20)                     | (90)          | (4)           |
| Less rates charged to Council properties | (529)                    | (481)         | (329)         |
| <b>Total Rates</b>                       | <b>70,515</b>            | <b>70,310</b> | <b>66,294</b> |

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

|  | Council and Consolidated |               |               |
|--|--------------------------|---------------|---------------|
|  | Actual                   | Budget        | Actual        |
|  | 2004                     | 2004          | 2003          |
|  | \$000                    | \$000         | \$000         |
| Transfund NZ capital subsidies                     | 2,692                    | 3,462         | 1,911         |
| <b>Contributions—vested assets</b>                 | <b>11,314</b>            | <b>4,125</b>  | <b>11,108</b> |
| <b>Other capital contributions</b>                 |                          |               |               |
| Contributions to subdivision reserves              | 1,795                    | 800           | 1,450         |
| Contributions to infrastructural reserves          | 2,189                    | 1,738         | 1,738         |
| Cemetery fees                                      | 61                       | 52            | 58            |
| General contributions                              | 2,060                    | 1,671         | 3,752         |
|  | <b>6,105</b>             | <b>4,261</b>  | <b>6,998</b>  |
| <b>Total Revenue Assigned to Asset Development</b> | <b>20,111</b>            | <b>11,848</b> | <b>20,017</b> |

**NOTE 4: OTHER REVENUE**

|                            | Council and Consolidated |              |              |
|----------------------------|--------------------------|--------------|--------------|
|                            | Actual                   | Budget       | Actual       |
|                            | 2004                     | 2004         | 2003         |
|                            | \$000                    | \$000        | \$000        |
| Petrol tax                 | 967                      | 900          | 917          |
| Investment income          | 278                      | 356          | 327          |
| Sundry revenue             | 1,335                    | 110          | 25           |
| <b>Total Other Revenue</b> | <b>2,580</b>             | <b>1,366</b> | <b>1,269</b> |

**NOTE 5: LIBRARY BOOKS ASSET WRITEDOWN**

During the year Council undertook a comprehensive review of the library book inventory held in the Library collection system and then compared this to the fixed asset financial system. The outcome of this review was an overstated cost in the fixed asset financial system of \$4.337m due to adjustments made in prior years to the library collection system but not recognised at the time in the fixed asset financial system. A write down adjustment has been made to reduce the cost in the fixed asset financial system and the financial statements. This writedown has no impact on rates and has the effect of reducing equity (accumulated funds) by \$4.337m to \$1,286m at 30 June 2004.

## NOTE 6: OPERATING SURPLUS BEFORE TAXATION

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

|  | Council and Consolidated |               |
|--|--------------------------|---------------|
|  | Actual                   | Actual        |
|  | 2004                     | 2003          |
|  | \$000                    | \$000         |
| <b>Audit fees</b>  |                          |               |
| Fees paid to principal auditor                                 | 93                       | 93            |
| Other services provided by the principal auditor               | 20                       | 0             |
| <b>Cost of offering credit</b>                                 |                          |               |
| Bad debts written off  | 14                       | 11            |
| Increase/(decrease) in provision for doubtful debts            | (24)                     | (12)          |
| <b>Depreciation</b>  |                          |               |
| Buildings  | 6,199                    | 6,029         |
| Improvements—parks and gardens                                 | 1,982                    | 1,801         |
| Plant and equipment  | 2,289                    | 1,996         |
| Vehicles   | 399                      | 377           |
| Library books  | 1,151                    | 1,116         |
| Zoo animals  | 97                       | 97            |
| Museum and library   | 26                       | 26            |
| Refuse   | 2,436                    | 1,889         |
| Roads and traffic network                                      | 8,157                    | 9,075         |
| Stormwater system  | 2,116                    | 2,077         |
| Wastewater system  | 1,750                    | 1,587         |
| Wastewater treatment plant                                     | 1,543                    | 1,827         |
| Water system   | 2,191                    | 2,154         |
| Water treatment statement                                      | 557                      | 516           |
| <b>Total depreciation</b>                                      | <b>30,893</b>            | <b>30,567</b> |
| <b>Governance expenses</b>                                     |                          |               |
| Mayor and councillors' salary, meeting payments and allowances | 783                      | 610           |
| Ceremonies for the public                                      | 84                       | 103           |
| Insignia and robes of office                                   | 0                        | 0             |
| <b>Other expenditure</b>                                       |                          |               |
| Donations  | 0                        | 0             |
| Operating leases rental expense                                | 1,490                    | 1,219         |
| Finance charges on leased assets                               | 87                       | 44            |
| Interest expense   | 6,777                    | 6,985         |
| Loss/(Gain) on disposal of assets                              | 4,694                    | 972           |
| Insurance premiums   | 1,009                    | 844           |
| Ex gratia payments   | 0                        | 0             |
| Entertainment  | 1                        | 5             |
| Subscriptions, levies, fees and contributions                  | 4,577                    | 4,175         |
| Unauthorised expenditure                                       | 0                        | 0             |
| Final payments to staff exceeding \$50,000                     | 0                        | 0             |

## NOTE 7: TAXATION

Taxation is payable by Hamilton City Council on any income received from its Council Controlled Organisations (CCOs) and Council Organisations (COs). As there has been no taxable income received (i.e., dividends) from CCOs or COs during the financial year, there is no tax liability at 30 June 2004.

The group has no deferred tax balance on timing differences. The total tax losses of the group are \$535,746 (2003 \$527,559). This is made up of losses to carry forward from Council \$56,037 (2003 \$47,850) and from Hamilton Properties Ltd \$479,709 (2003 \$479,709). The total tax effect of the losses of the Group are \$176,796 (2003 \$174,094) have not been recognised.

## NOTE 8: EQUITY

|   |               |                | Council and Consolidated |                         |
|---|---------------|----------------|--------------------------|-------------------------|
|   |               |                | Actual<br>2004<br>\$000  | Actual<br>2003<br>\$000 |
| <b>Accumulated Funds</b>                                |               |                |                          |                         |
| Opening balance   |               |                | 1,284,597                | 1,277,613               |
| Net surplus   |               |                | 6,196                    | 10,189                  |
| Transfer from revaluation reserve on disposal of assets |               |                | (213)                    | (449)                   |
| Transfers from restricted and Council created reserves  |               |                | 25,065                   | 27,202                  |
| Transfers to restricted and Council created reserves    |               |                | (28,717)                 | (29,958)                |
| <b>Total Accumulated Funds</b>                          |               |                | <b>1,286,928</b>         | <b>1,284,597</b>        |
| <b>Revaluation Reserves</b>                             |               |                |                          |                         |
| <b>General Asset Revaluation Reserves</b>               |               |                |                          |                         |
| Opening balance   |               |                | 217,507                  | 218,339                 |
| Transfer to accumulated funds on disposal of assets     |               |                | 213                      | 449                     |
| Increase/(decrease) in revaluation of assets            |               |                | (3,402)                  | (7,004)                 |
| Increase/(decrease) in revaluation of shareholdings     |               |                | (526)                    | 5,723                   |
| <b>Closing balance</b>                                  |               |                | <b>213,792</b>           | <b>217,507</b>          |
| <b>Investment Property Revaluation Reserves</b>         |               |                |                          |                         |
| Opening balance   |               |                | 4,703                    | 1,723                   |
| Increase in revaluation of investment properties        |               |                | 5,824                    | 2,980                   |
| <b>Closing balance</b>                                  |               |                | <b>10,527</b>            | <b>4,703</b>            |
| <b>Total Revaluation Reserves</b>                       |               |                | <b>224,319</b>           | <b>222,210</b>          |
| <b>Restricted Reserves</b>                              |               |                |                          |                         |
|   | Transfers to  | Transfers from |                          |                         |
| Cemetery plot maintenance in perpetuity                 | 132           | 71             | 1,317                    | 1,256                   |
| Domain sales endowment reserve                          | 633           | 20             | 1,567                    | 954                     |
| Municipal crown endowment reserve                       | 2,390         | 154            | 3,678                    | 1,442                   |
| Waikato art gallery endowment reserve                   | 1             | 0              | 28                       | 27                      |
| <b>Total Restricted Reserves</b>                        | <b>3,156</b>  | <b>245</b>     | <b>6,590</b>             | <b>3,679</b>            |
| <b>Council Created Reserves</b>                         |               |                |                          |                         |
| Bus shelter (Adshel) reserve                            | 3             | 5              | 65                       | 67                      |
| Dame Hilda Ross library memorial                        | 0             | 0              | 1                        | 1                       |
| Debt repayment reserve                                  | 3,339         | 3,339          | 0                        | 0                       |
| Disaster recovery fund                                  | 249           | 0              | 2,393                    | 2,144                   |
| General interest reserve                                | 104           | 150            | 104                      | 150                     |
| Horotiu aftercare reserve                               | 269           | 0              | 1,229                    | 960                     |
| Horotiu landfill reserve                                | 1,730         | 1,553          | (317)                    | (494)                   |
| Infrastructural subdivision reserve                     | 2,305         | 3,016          | 1,686                    | 2,397                   |
| Lake Domain Drive reserve                               | 6             | 0              | 113                      | 107                     |
| Loan funds  | 13,514        | 13,514         | 0                        | 0                       |
| Loan repayment reserve                                  | 858           | 1,586          | 5,632                    | 6,360                   |
| Peachgrove lounge site development                      | 0             | 4              | (5)                      | (1)                     |
| Project watershed–Environment Waikato                   | 441           | 346            | 258                      | 163                     |
| Public transport and parking reserve                    | 439           | 122            | 1,172                    | 855                     |
| Roman catholic schools library fund                     | 0             | 0              | 4                        | 4                       |
| Storm damage reserve                                    | 13            | 0              | 237                      | 224                     |
| Subdivisional reserve                                   | 2,019         | 1,021          | 4,573                    | 3,575                   |
| Vehicle and plant reserve                               | 164           | 164            | 0                        | 0                       |
| Waikato Stadium events                                  | 90            | 0              | 90                       | 0                       |
| Waitawhiriwhiri plant reserve                           | 2             | 0              | 32                       | 30                      |
| Wastewater treatment plant sludge lagoon reserve        | 16            | 0              | 287                      | 271                     |
| <b>Total Council Created Reserves</b>                   | <b>25,561</b> | <b>24,820</b>  | <b>17,554</b>            | <b>16,813</b>           |
| <b>Total Restricted and Council Created Reserves</b>    | <b>28,717</b> | <b>25,065</b>  | <b>24,144</b>            | <b>20,492</b>           |
| <b>Total Equity</b>                                     |               |                | <b>1,535,391</b>         | <b>1,527,299</b>        |

**NOTE 9: INVESTMENTS****Council and Consolidated**

|   | Actual<br>2004<br>\$000 | Actual<br>2003<br>\$000 |
|---|-------------------------|-------------------------|
| Sinking fund commissioners                    | 847                     | 1,532                   |
| Other investments                             | 34                      | 33                      |
| <b>Current Investments</b>                    | <b>881</b>              | <b>1565</b>             |
| Sinking fund commissioners                    | 4,786                   | 4,828                   |
| Shares in other organisations (refer Note 10) | 14,393                  | 14,376                  |
| <b>Non-Current Investments</b>                | <b>19,179</b>           | <b>19,204</b>           |
| <b>Total Investments</b>                      | <b>20,060</b>           | <b>20,769</b>           |

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

**Council and Consolidated**

| Weighted average effective interest rate | 2004  | 2003  |
|--|-------|-------|
| Short-term deposits                      | 5.97% | 5.21% |
| Sinking funds                            | 5.84% | 4.95% |

|                     | Less than<br>6 months<br>\$000 | 6-12<br>months<br>\$000 | 1-2<br>years<br>\$000 | 2-5<br>years<br>\$000 | > 5<br>years<br>\$000 | Total<br>\$000 |
|---------------------|--------------------------------|-------------------------|-----------------------|-----------------------|-----------------------|----------------|
| <b>Maturities</b>   |                                |                         |                       |                       |                       |                |
| Short-term deposits | 34                             | 0                       | 0                     | 0                     | 0                     | 34             |
| Sinking funds       | 847                            | 0                       | 0                     | 4786                  | 0                     | 5633           |
|                     | <b>881</b>                     | <b>0</b>                | <b>0</b>              | <b>4786</b>           | <b>0</b>              | <b>5667</b>    |

**NOTE 10: SHARES IN OTHER ORGANISATIONS**

Shares in other organisations are comprised as follows:

|  | Number of<br>Shares | %<br>Holding | Balance<br>Date | 2004<br>\$000 | 2003<br>\$000 |
|--|---------------------|--------------|-----------------|---------------|---------------|
| Hamilton Riverview Hotel Ltd (Novotel)     | 6,000               | 41.38        | 31 Dec          | 3,735         | 3,309         |
| Hamilton Properties Ltd                    | 1,000               | 100.00       | 30 Jun          | 0             | 0             |
| NZ Local Government Insurance Co Ltd       | 202,729             | 3.17         | 31 Dec          | 401           | 361           |
| Pirongia Mountain Afforestation            |                     |              |                 | 0             | 307           |
| Waikato Regional Airport Ltd               | 1,430,000           | 50.00        | 30 Jun          | 10,257        | 10,399        |
| <b>Total Shares in Other Organisations</b> |                     |              |                 | <b>14,393</b> | <b>14,376</b> |

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

Council sold its 25.6 per cent share in Pirongia Mountain Afforestation to Waipa District Council in December 2003.

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

**Council and Consolidated**

|  | Actual<br>2004<br>\$000 | Actual<br>2003<br>\$000 |
|--|-------------------------|-------------------------|
| Hamilton Riverview Hotel Ltd (Novotel) | 426                     | 145                     |
| NZ Local Government Insurance Co Ltd   | 41                      | 16                      |
| Pirongia Mountain Afforestation        | (31)                    | 59                      |
| Waikato Regional Airport Ltd           | 177                     | 579                     |
|  | <b>613</b>              | <b>799</b>              |

## NOTE 11: ACCOUNTS RECEIVABLE AND PREPAYMENTS

|  | Council and Consolidated |                         |
|--|--------------------------|-------------------------|
|  | Actual<br>2004<br>\$000  | Actual<br>2003<br>\$000 |
| Rates debtors                                    | 1,265                    | 1,629                   |
| Transfund New Zealand                            | 1,258                    | 951                     |
| Water by meter                                   | 850                      | 1,016                   |
| Sundry debtors                                   | 4,333                    | 5,973                   |
| GST refund due                                   | 720                      | 894                     |
| Prepayments                                      | 776                      | 670                     |
|  | <b>9,202</b>             | <b>11,133</b>           |
| Less provision for doubtful debts                | (158)                    | (152)                   |
| <b>Total Accounts Receivable and Prepayments</b> | <b>9,044</b>             | <b>10,981</b>           |

## NOTE 12: PROPERTIES INTENDED FOR SALE

|                 | Council and Consolidated 2004 |                   |                     | Council and Consolidated 2003 |                   |                     |
|-----------------|-------------------------------|-------------------|---------------------|-------------------------------|-------------------|---------------------|
|                 | Cost/Val<br>\$000             | Acc Depn<br>\$000 | Book Value<br>\$000 | Cost/Val<br>\$000             | Acc Depn<br>\$000 | Book Value<br>\$000 |
| At cost-current | 550                           | 0                 | 550                 | 550                           | 0                 | 550                 |

## NOTE 13: INVESTMENT PROPERTIES

|              | Council and Consolidated 2004 |                   |                     | Council and Consolidated 2003 |                   |                     |
|--------------|-------------------------------|-------------------|---------------------|-------------------------------|-------------------|---------------------|
|              | Cost/Val<br>\$000             | Acc Depn<br>\$000 | Book Value<br>\$000 | Cost/Val<br>\$000             | Acc Depn<br>\$000 | Book Value<br>\$000 |
| At valuation | 38,337                        | 0                 | 38,337              | 34,048                        | 0                 | 34,048              |

Investment properties have been valued by two independent valuers at 30 June 2004: Curnow Tizard \$27.402m (Municipal Endowment properties) and Quotable Value \$10.935m (other investment properties). This has resulted in an increase in the investment property revaluation reserve of \$5.824m (refer Note 8).

**NOTE 14: FIXED ASSETS****Council and Consolidated 2004**

|                                | <b>Cost<br/>\$000</b> | <b>Val<br/>\$000</b> | <b>Acc Depn<br/>\$000</b> | <b>Book Value<br/>\$000</b> |
|--------------------------------|-----------------------|----------------------|---------------------------|-----------------------------|
| <b>Operational Assets</b>      |                       |                      |                           |                             |
| Land                           | 348                   | 20,500               | 0                         | 20,848                      |
| Buildings                      | 38,887                | 94,442               | (15,232)                  | 118,097                     |
| Land-parks and gardens         | 2,870                 | 98,287               | 0                         | 101,157                     |
| Improvements-parks and gardens | 11,035                | 20,642               | (5,266)                   | 26,411                      |
| Plant and equipment            | 9,467                 | 7,117                | (5,722)                   | 10,862                      |
| Vehicles                       | 4,093                 | 0                    | (2,027)                   | 2,066                       |
| Library books                  | 8,900                 | 0                    | (2,629)                   | 6,271                       |
| Zoo animals                    | 0                     | 971                  | (291)                     | 680                         |
|                                | <b>75,600</b>         | <b>241,959</b>       | <b>(31,167)</b>           | <b>286,392</b>              |
| <b>Restricted Assets</b>       |                       |                      |                           |                             |
| Land                           | 1,405                 | 4,103                | 0                         | 5,508                       |
| <b>Heritage Assets</b>         |                       |                      |                           |                             |
| Museum and library             | 39                    | 21,951               | (79)                      | 21,911                      |
| <b>Infrastructural Assets</b>  |                       |                      |                           |                             |
| Land                           | 0                     | 3,492                | 0                         | 3,492                       |
| Refuse                         | 6,950                 | 10,049               | (6,042)                   | 10,957                      |
| Roads and traffic network      | 36,767                | 837,320              | (26,629)                  | 847,458                     |
| Stormwater system              | 5,125                 | 144,258              | (6,256)                   | 143,127                     |
| Wastewater system              | 4,468                 | 81,407               | (5,205)                   | 80,670                      |
| Wastewater treatment plant     | 24,655                | 16,106               | (4,099)                   | 36,662                      |
| Water system                   | 5,037                 | 89,617               | (6,490)                   | 88,164                      |
| Water treatment station        | 2,347                 | 21,460               | (1,551)                   | 22,256                      |
|                                | <b>85,349</b>         | <b>1,203,709</b>     | <b>(56,272)</b>           | <b>1,232,786</b>            |
| <b>Work in Progress</b>        | 43,318                | 0                    | 0                         | 43,318                      |
| <b>Total Fixed Assets</b>      | <b>205,711</b>        | <b>1,471,722</b>     | <b>(87,518)</b>           | <b>1,589,915</b>            |



## Council and Consolidated 2003

|                                | Cost<br>\$000  | Val<br>\$000     | Acc Depn<br>\$000 | Book Value<br>\$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                 | 99,208              |
| Improvements-parks and gardens | 5,507          | 20,649           | (3,156)           | 23,000              |
| Plant and equipment            | 6,878          | 7,196            | (3,643)           | 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>243,489</b>   | <b>(23,164)</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      | 20,810         | 841,644          | (19,224)          | 843,230             |
| Stormwater system              | 2,821          | 144,301          | (4,141)           | 142,981             |
| Wastewater system              | 3,512          | 81,418           | (3,455)           | 81,475              |
| Wastewater treatment plant     | 23,556         | 16,107           | (2,556)           | 37,107              |
| Water system                   | 2,662          | 89,689           | (4,310)           | 88,041              |
| Water treatment station        | 2,087          | 21,511           | (995)             | 22,603              |
|                                | <b>61,744</b>  | <b>1,210,801</b> | <b>(38,287)</b>   | <b>1,234,258</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>    |

## NOTE 15: 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 2004 the interest rate on the facility was 8.75 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 2004 the interest rate on the facility was 8.75 per cent per annum.

## NOTE 16: ACCOUNTS PAYABLE AND INCOME IN ADVANCE

## Council and Consolidated

|   | Actual<br>2004<br>\$000 | Actual<br>2003<br>\$000 |
|---|-------------------------|-------------------------|
| Trade creditors and accruals                        | 13,131                  | 12,477                  |
| Agency funds  | 331                     | 282                     |
|   | <b>13,462</b>           | <b>12,759</b>           |
| Income in advance                                   | 1,752                   | 1,145                   |
| <b>Total Accounts Payable and Income in Advance</b> | <b>15,214</b>           | <b>13,904</b>           |

**NOTE 17: EMPLOYEE ENTITLEMENTS**

|                                     | <b>Council and Consolidated</b> |               |
|-------------------------------------|---------------------------------|---------------|
|                                     | <b>Actual</b>                   | <b>Actual</b> |
|                                     | <b>2004</b>                     | <b>2003</b>   |
|                                     | <b>\$000</b>                    | <b>\$000</b>  |
| Accrued pay                         | 366                             | 732           |
| Annual leave and long service leave | 2,288                           | 2454          |
| Retirement gratuities               | 1,646                           | 1731          |
| <b>Total Employee Entitlements</b>  | <b>4300</b>                     | <b>4917</b>   |
| Made up of:                         |                                 |               |
| Current                             | 2,873                           | 3339          |
| Non-current                         | 1,427                           | 1578          |
| <b>Total Employee Entitlements</b>  | <b>4300</b>                     | <b>4917</b>   |

**NOTE 18: TERM DEBT**

The city's debt has been issued in accordance with the Local Government Act 2002. The loans are secured through the debenture trust deed over all rates with one exception. The \$5.204m loan used to purchase Claudelands Park is secured by way of a mortgage over the Claudelands Park property.

|   | <b>Council and Consolidated</b> |                |
|---|---------------------------------|----------------|
|   | <b>Actual</b>                   | <b>Actual</b>  |
|   | <b>2004</b>                     | <b>2003</b>    |
|   | <b>\$000</b>                    | <b>\$000</b>   |
| Payable no later than one year            | 37,317                          | 47,189         |
| Later than one, not later than two years  | 797                             | 13,867         |
| Later than two, not later than five years | 33,113                          | 10,740         |
| Later than five years                     | 25,704                          | 28,874         |
| <b>Total Term Liabilities</b>             | <b>96,931</b>                   | <b>100,670</b> |

|                                  | <b>Council and Consolidated</b> |                |
|----------------------------------|---------------------------------|----------------|
|                                  | <b>Actual</b>                   | <b>Actual</b>  |
|                                  | <b>2004</b>                     | <b>2003</b>    |
|                                  | <b>\$000</b>                    | <b>\$000</b>   |
| Payable within one year          | 37,317                          | 47,189         |
| Less renewal loans to be raised* | (31,852)                        | (41,675)       |
| Current                          | 5,465                           | 5,514          |
| Non-current                      | 91,466                          | 95,156         |
| <b>Total Term Liabilities</b>    | <b>96,931</b>                   | <b>100,670</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 per cent of opening net debt balance.

The weighted average effective interest rate on borrowings (current and non-current) was 6.56 per cent including the impact of synthetic instruments (2003 6.75 per cent).

Council uses synthetic instruments (swaps and FRAs) to manage its interest rate risk profile based on independent professional advice (see Note 23).

Term liabilities includes an interest free loan from the Energy Efficiency and Conservation Authority (EECA) \$0.114m (2003 \$0.191m).

Under authority of the Local Government Act 1974 (Local Authorities Loans Act 1956), Sinking Funds to the value of \$5.633m (2003 \$6.360m) are held to provide for the repayment of debt.

Under the Local Government Act 2002, Section 98(1), there have been no significant variations or material departures from Council's Liability 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 bank funding facilities.

Internal borrowing from cash held for special funds and working capital as at 30 June 2004 is \$28.414m (2003 \$19.810m). If this is added to Council's net debt of \$91.184m (2003 \$94.119m) the overall net city debt (excluding EECA) at 30 June 2004 is \$119.598m (2003 \$113.929m).

The statement of financial performance, reflects a net off of internal borrowing interest of \$0.922m (2003 \$0.722m) to eliminate the internal interest charged to strategic areas.

## NOTE 19: FINANCE LEASE LIABILITIES

|   | Council and Consolidated |                         |
|---|--------------------------|-------------------------|
|   | Actual<br>2004<br>\$000  | Actual<br>2003<br>\$000 |
| Payable no later than one year            | 424                      | 378                     |
| Later than one, not later than two years  | 424                      | 378                     |
| Later than two, not later than five years | 637                      | 880                     |
| Later than five years                     | 0                        | 0                       |
|   | 1,485                    | 1636                    |
| Future finance charges                    | (176)                    | (226)                   |
| <b>Total Finance Lease Liabilities</b>    | <b>1,309</b>             | <b>1410</b>             |
| Made up of:                               |                          |                         |
| Current                                   | 329                      | 309                     |
| Non-current                               | 980                      | 1101                    |
| <b>Total Finance Lease Liabilities</b>    | <b>1,309</b>             | <b>1410</b>             |

The interest rates applying to lease liabilities for 2004 ranges from 5.23 per cent to 7.94 per cent (2003 ranges from 5.23 per cent to 7.94 per cent).

## NOTE 20: 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 2004 the remaining capacity was 268,500 cubic metres. The remaining capacity has been determined using estimated tonnage of 233,500 tonnes multiplied by a compaction rate of 0.87.

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 and Consolidated |              |
|---|--------------------------|--------------|
|   | Actual                   | Actual       |
|   | 2004                     | 2003         |
|   | \$000                    | \$000        |
| <b>Statement of Movements in Landfill Aftercare Provision</b> |                          |              |
| Opening Balance   | 4,432                    | 3,182        |
| Increase due to relative volume assumption                    | 0                        | 1,027        |
| Increase due to aftercare cost assumption                     | 574                      | 0            |
| Increase in discount amount from passage of time              | 310                      | 223          |
| <b>Closing Balance</b>  | <b>5,316</b>             | <b>4,432</b> |

## NOTE 21: RECONCILIATION OF NET SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

|   | Council and Consolidated |                |
|---|--------------------------|----------------|
|   | Actual                   | Actual         |
|   | 2004                     | 2003           |
|   | \$000                    | \$000          |
| <b>Net surplus</b>  | <b>6,196</b>             | <b>10,189</b>  |
| <b>Add/(less) non-cash items:</b>                                       |                          |                |
| Loss/(gain) on revaluation of investments                               | (613)                    | (799)          |
| Realisation of revaluation reserve on disposal of shares                | (207)                    | 0              |
| Realisation of revaluation reserve on disposal of investment properties | (866)                    | 0              |
| Landfill aftercare interest   | 310                      | 0              |
| Library books asset writedown   | 4,337                    | 0              |
| Depreciation plus net loss/(gain) on disposal of assets                 | 35,587                   | 31,540         |
| Contributions—fixed assets vested                                       | (11,314)                 | (11,108)       |
|   | <b>27,234</b>            | <b>19,633</b>  |
| <b>Add/(less) movements in working capital:</b>                         |                          |                |
| Change in accounts receivable and prepaid expenditure                   | 1,937                    | (3,406)        |
| Change in inventory   | (81)                     | (9)            |
| Change in accounts payable and income in advance                        | 1,310                    | (2,236)        |
| Change in employee entitlements (including non-current portion)         | (617)                    | 419            |
|   | <b>2,549</b>             | <b>(5,232)</b> |
| <b>Add/(less) Items classified as investing activities:</b>             |                          |                |
| Change in capital expenditure accruals                                  | (799)                    | 4,233          |
|   | <b>(799)</b>             | <b>4,233</b>   |
| <b>Net Cash Inflow/(Outflow) from Operating Activities</b>              | <b>35,180</b>            | <b>28,823</b>  |

The statement of cash flows shows there were no rates received on behalf of (or paid to) Environment Waikato for the year ended 30 June 2004. As from 1 July 2003 Environment Waikato was responsible for collecting its own rates.

**NOTE 22: 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 23: 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 18.

**Synthetic Contracts Held**

| Instrument          | Term             | Interest Rate<br>% | Amount<br>\$000 |
|---------------------|------------------|--------------------|-----------------|
| Interest rate swaps | 10 August 2004   | 5.99               | 2,000           |
|                     | 1 October 2004   | 6.31               | 2,000           |
|                     | 12 January 2005  | 5.75               | 7,000           |
|                     | 15 February 2006 | 6.49               | 6,000           |
|                     | 24 February 2006 | 5.62               | 2,000           |
|                     | 11 December 2006 | 6.33               | 2,000           |
|                     | 23 January 2007  | 6.52               | 4,000           |
|                     | 23 January 2008  | 6.06               | 2,000           |
|                     | 12 February 2008 | 5.81               | 6,000           |
|                     | 3 November 2008  | 6.25               | 3,000           |
|                     | 15 April 2009    | 6.61               | 10,000          |
|                     | 1 September 2011 | 6.87               | 7,500           |
|                     | 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           |
|                     | 20 February 2014 | 6.65               | 5,000           |
|                     | 10 March 2014    | 6.71               | 6,000           |
|                     | 15 March 2014    | 6.68               | 5,000           |
|                     |                  |                    | <b>89,000</b>   |

**Fair Value**

The fair value of financial instruments is shown as follows:

|                           | Council and Consolidated 2004 |                     | Council and Consolidated 2003 |                     |
|---------------------------|-------------------------------|---------------------|-------------------------------|---------------------|
|                           | Carrying Amount<br>\$000      | Fair value<br>\$000 | Carrying Amount<br>\$000      | Fair value<br>\$000 |
| <b>Assets</b>             |                               |                     |                               |                     |
| Cash and bank             | 18                            | 18                  | 212                           | 212                 |
| Current investments       | 881                           | 881                 | 1,565                         | 1,565               |
| Non-current investments*  | 19,179                        | 19,179              | 19,204                        | 19,204              |
| <b>Liabilities</b>        |                               |                     |                               |                     |
| Term debt                 | 96,931                        | 97,164              | 100,670                       | 101,634             |
| Finance lease liabilities | 1,309                         | 1,309               | 1,410                         | 1,410               |

\* Shares in other organisations are carried at values as stated in Note 10. 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 gain of \$545,638 as at 30 June 2004 (2003 unrealised loss \$4,182,030). This has not been recognised in the Statement of Financial Performance. 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.

**NOTE 24: 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 nil as at 30 June 2004 (2003 \$18,762).

|   | Council and Consolidated 2004 |                     | Council and Consolidated 2003 |                     |
|---|-------------------------------|---------------------|-------------------------------|---------------------|
|   | Carrying Amount<br>\$000      | Fair value<br>\$000 | Carrying Amount<br>\$000      | Fair value<br>\$000 |
| Foreign currency forward exchange contracts | 0                             | 0                   | 19                            | 19                  |

**NOTE 25: REMUNERATION OF 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 \$233,029 (2003 \$226,195). In terms of his contract, the Chief Executive also receives the following additional benefits: motor vehicle \$15,419 (2003 \$15,419) and superannuation subsidy of \$6,211 (2003 \$6,040). The total remuneration package is \$254,659 (2003 \$247,654).

For the year ended June 2004, the total annual cost to Hamilton City Council of the remuneration package being received by Mr Marryatt was \$251,596 (2003 \$242,075).

|                        | Council and Consolidated |                      |
|------------------------|--------------------------|----------------------|
|                        | Actual<br>2004<br>\$     | Actual<br>2003<br>\$ |
| Salary                 | 230,137                  | 223,773              |
| Motor vehicle          | 15,419                   | 14,817               |
| Superannuation subsidy | 6,040                    | 3,485                |
| <b>Total cost</b>      | <b>251,596</b>           | <b>242,075</b>       |

Mr Marryatt is also a Director of Hamilton Riverview Hotel Limited (appointed by Hamilton City Council) and received Directors fees of \$12,600 (2003 \$12,600) for his work in that capacity.

## NOTE 26: STATEMENT OF COMMITMENTS

|  | Council and Consolidated |              |
|--|--------------------------|--------------|
|  | Actual                   | Actual       |
|  | 2004                     | 2003         |
|  | \$000                    | \$000        |
| <b>Capital Expenditure Commitments</b>             |                          |              |
| Approved and committed                             | 6,468                    | 4,463        |
| <b>Non Cancellable Operating Lease Commitments</b> |                          |              |
| Not later than one year                            | 1,116                    | 1,389        |
| Later than one year and not later than two years   | 510                      | 919          |
| Later than two years and not later than five years | 206                      | 543          |
| Later than five years                              | 144                      | 152          |
|  | <b>1,976</b>             | <b>3,003</b> |
| <b>Total Commitments</b>                           | <b>8,444</b>             | <b>7,466</b> |

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

|                   | Council and Consolidated |              |
|-------------------|--------------------------|--------------|
|                   | Actual                   | Actual       |
|                   | 2004                     | 2003         |
|                   | \$000                    | \$000        |
| Water supply      | 408                      | 24           |
| Wastewater        | 146                      | 452          |
| Stormwater        | 372                      | 239          |
| Roading           | 1,433                    | 1,221        |
| Parks and gardens | 371                      | 273          |
| Other activities  | 1,422                    | 1,622        |
|                   | <b>4,152</b>             | <b>3,831</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:

|                            | Council and Consolidated |            |
|----------------------------|--------------------------|------------|
|                            | Actual                   | Actual     |
|                            | 2004                     | 2003       |
|                            | \$000                    | \$000      |
| <b>Lending Institution</b> |                          |            |
| ASB Bank                   | 490                      | 787        |
| Bank of New Zealand        | 129                      | 0          |
| Westpac                    | 398                      | 163        |
|                            | <b>1,017</b>             | <b>950</b> |



**Insurance and Liability Claims**

Council was involved as defendant in various public liability and professional indemnity claims at 30 June 2004. Council's potential liability, if at all, would be its insurance excess. Council has also estimated its other liability claims.

|                        | <b>Council and Consolidated</b> |               |
|------------------------|---------------------------------|---------------|
|                        | <b>Actual</b>                   | <b>Actual</b> |
|                        | <b>2004</b>                     | <b>2003</b>   |
|                        | <b>\$000</b>                    | <b>\$000</b>  |
| Insurance claim excess | 349                             | 260           |
| Other liability claims | 132                             | 80            |
|                        | <b>481</b>                      | <b>340</b>    |

**Uncalled Capital**

During May 2004, the shareholders of Waikato Regional Airport Ltd (WRAL) of which Hamilton City Council has a 50 per cent shareholding, authorised the company issuing further shares totalling \$21.6m to existing shareholders. This capital restructure is part of the WRAL Airport Development and allows WRAL to borrow at commercially favourable interest rates.

The WRAL Airport Development is estimated to cost \$20.5m over the next five years, which is being funded by new external borrowings of \$14.6m and retained earnings.

Whilst there are no plans to call up the capital, Council has a contingent liability for \$10.8m for uncalled capital.

|   | <b>Council and Consolidated</b> |               |
|---|---------------------------------|---------------|
|   | <b>Actual</b>                   | <b>Actual</b> |
|   | <b>2004</b>                     | <b>2003</b>   |
|   | <b>\$000</b>                    | <b>\$000</b>  |
| Uncalled capital–Waikato Regional Airport Ltd | 10,800                          | 0             |

**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.

**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.

|  | <b>Actual</b> | <b>Actual</b> |
|--|---------------|---------------|
|  | <b>2004</b>   | <b>2003</b>   |
|  | <b>\$000</b>  | <b>\$000</b>  |
| <b>Roads and Traffic Business Unit</b> |               |               |
| Revenue                                |               |               |
| In-house professional services         | 847           | 600           |
| Other revenue                          | 1,133         | 1,160         |
| Less Operating Expenditure             | (1,823)       | (1,814)       |
| <b>Net surplus/(deficit)</b>           | <b>157</b>    | <b>(54)</b>   |

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

|                                      | Actual<br>2004<br>\$000 | Actual<br>2003<br>\$000 |
|--------------------------------------|-------------------------|-------------------------|
| <b>Design Services Business Unit</b> |                         |                         |
| Revenue                              |                         |                         |
| In-house professional services       | 972                     | 369                     |
| Other revenue                        | 1,920                   | 2,074                   |
| Less Operating Expenditure           | (2,623)                 | (2,289)                 |
| <b>Net surplus/(deficit)</b>         | <b>269</b>              | <b>154</b>              |

The net 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 and Consolidated |                         |
|--------------------------|--------------------------|-------------------------|
|                          | Actual<br>2004<br>\$000  | Actual<br>2003<br>\$000 |
| Chief executive's office | 91                       | 27                      |
| Community services       | 135                      | 137                     |
| Corporate                | 363                      | 248                     |
| Environmental services   | 197                      | 165                     |
| Works and services       | 148                      | 54                      |
|                          | <b>934</b>               | <b>631</b>              |

## NOTE 30: STATEMENTS OF SERVICE PERFORMANCE

During the period 21 May to 14 June 2004 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 700 residents in the city of Hamilton. The survey results have been reported in the Statements of Service Performance.

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: RECONCILIATION OF APPROVED TO RESTATED BUDGET**

| STATEMENT OF FINANCIAL PERFORMANCE                 | Approved<br>Budget<br>\$000 | Carryover<br>from 02/03<br>\$000 | Other<br>\$000 | Restated<br>Budget<br>\$000 |
|--|-----------------------------|----------------------------------|----------------|-----------------------------|
| <b>Revenue from Strategic Areas</b>                |                             |                                  |                |                             |
| Sustaining Hamilton's environment                  | 10,314                      | 0                                | (91)           | 10,223                      |
| Growing Hamilton                                   | 13,541                      | 16                               | 0              | 13,557                      |
| Promoting Hamilton                                 | 0                           | 0                                | 0              | 0                           |
| Experiencing our arts, culture and heritage        | 1,568                       | 0                                | 2              | 1,570                       |
| Living in Hamilton                                 | 3,056                       | 0                                | 0              | 3,056                       |
| Enjoying our city                                  | 5,405                       | 0                                | (59)           | 5,346                       |
| Less internal revenue                              | 0                           | 0                                | (3,475)        | (3,475)                     |
| <b>Total Revenue from Strategic Areas</b>          | <b>33,884</b>               | <b>16</b>                        | <b>(3,623)</b> | <b>30,277</b>               |
| <b>Rates</b>                                       | <b>70,791</b>               | <b>0</b>                         | <b>0</b>       | <b>70,791</b>               |
| Less rates charged to Council properties           | 0                           | 0                                | (481)          | (481)                       |
| <b>Total Rates</b>                                 | <b>70,791</b>               | <b>0</b>                         | <b>(481)</b>   | <b>70,310</b>               |
| <b>Revenue Assigned to Asset Development</b>       |                             |                                  |                |                             |
| Transfund NZ capital subsidies                     | 2,168                       | 1,294                            | 0              | 3,462                       |
| Contributions-vested assets                        | 4,125                       | 0                                | 0              | 4,125                       |
| Other capital contributions                        | 6,529                       | 282                              | (2,550)        | 4,261                       |
| <b>Total Revenue Assigned to Asset Development</b> | <b>12,822</b>               | <b>1,576</b>                     | <b>(2,550)</b> | <b>11,848</b>               |
| <b>Other Revenue</b>                               | <b>1,256</b>                | <b>0</b>                         | <b>110</b>     | <b>1,366</b>                |
| <b>Total Operating Revenue</b>                     | <b>118,753</b>              | <b>1,592</b>                     | <b>(6,544)</b> | <b>113,801</b>              |
| <b>Expenditure from Strategic Areas</b>            |                             |                                  |                |                             |
| Sustaining Hamilton's environment                  | 33,271                      | 533                              | 67             | 33,871                      |
| Growing Hamilton                                   | 29,404                      | 301                              | 10             | 29,715                      |
| Promoting Hamilton                                 | 2,771                       | 192                              | 0              | 2,963                       |
| Experiencing our arts, culture and heritage        | 11,952                      | 173                              | (48)           | 12,077                      |
| Living in Hamilton                                 | 12,339                      | 236                              | 30             | 12,605                      |
| Enjoying our city                                  | 22,177                      | 362                              | 7              | 22,546                      |
| Less internal expenditure                          | 0                           | 0                                | (3,475)        | (3,475)                     |
| Less rates charged to Council properties           | 0                           | 0                                | (481)          | (481)                       |
| Less internal transfers to reserves                | 0                           | 0                                | (164)          | (164)                       |
| Less interest on internal borrowing                | (858)                       | 0                                | 0              | (858)                       |
| <b>Total Expenditure from Strategic Areas</b>      | <b>111,056</b>              | <b>1,797</b>                     | <b>(4,054)</b> | <b>108,799</b>              |
| <b>Other Expenditure</b>                           | <b>110</b>                  | <b>0</b>                         | <b>2</b>       | <b>112</b>                  |
| <b>Total Operating Expenditure</b>                 | <b>111,166</b>              | <b>1,797</b>                     | <b>(4,052)</b> | <b>108,911</b>              |
| <b>Net Surplus</b>                                 | <b>7,587</b>                | <b>(205)</b>                     | <b>(2,492)</b> | <b>4,890</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 2002/03, transfers of budgets, and presentation of internal charges that were not included in the annual plan.

**STATEMENT OF FINANCIAL POSITION**

|                         | Approved<br>Budget<br>\$000 | Carryover<br>from 02/03<br>\$000 | Other<br>\$000 | Restated<br>Budget<br>\$000 |
|-------------------------|-----------------------------|----------------------------------|----------------|-----------------------------|
| <b>Equity</b>           | <b>1,530,705</b>            | <b>16,855</b>                    | <b>(10)</b>    | <b>1,547,550</b>            |
| Fixed Assets            | 1,609,108                   | 16,996                           | (10)           | 1,626,094                   |
| Finance Lease Liability | (1,308)                     | (141)                            | 0              | (1,449)                     |
| <b>Net Assets</b>       | <b>1,607,800</b>            | <b>16,855</b>                    | <b>(10)</b>    | <b>1,624,645</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 2002/03, and transfers of budgets. All other budgets not shown are as per the annual plan.

## NOTE 32: MAJOR BUDGET VARIANCES

### Statement of financial performance

Council made a net surplus of \$6.20m, an increase of \$1.31m over the budgeted net surplus of \$4.89m.

The major reasons for this favourable variance were: additional level of assets vested to Council \$7.19m, higher contribution from subdividers and other capital contributions \$1.84m, lower level of interest expense \$0.82m, share in associate's surpluses \$0.61m, and operational savings.

Major items offsetting these favourable variances were: the lower level of Transfund subsidy \$0.77m due to deferred roading projects, the increase in depreciation charge of \$3.36m over budget, writedown in library books \$4.34m (refer Note 5), and writeoff on disposal of assets \$4.76m (a majority of this relates to the writeoff of roading assets resulting from the asset renewal programme—roading assets had a opening net book value of \$843m).

### Statement of movements in equity

The level of equity as at 30 June 2004 was \$12.16m lower than budget. The favourable net surplus noted above, and net increase in revaluation reserves \$1.90m, was more than offset by a lower than budgeted opening equity balance.

### Statement in financial position

The level of net assets as at 30 June 2004 was \$12.16m lower than budget.

Term debt was lower than budget by \$18.94m, primarily due to an increase in internal borrowing \$8.60m, which was used to offset external borrowing requirements during the 2003/04 financial year, and also various loan funded projects deferred to the 2004/05 financial year.

Fixed assets was \$36.18m lower than budget, primarily due to the writedown of assets on disposal, writedown of library books and capital projects deferred to 2004/05.

Investment properties was higher than budget by \$6.34m, mainly due to an adjustment to recognise a revaluation increase of \$5.82m.

### Statement of cash flows

The overall movement in cash held was \$0.25m higher than budget.

Net cash inflows from operating activities was \$4.37m higher than budget. Major favourable variances were higher capital contributions received, lower interest paid, and lower level of payment to suppliers due to year end creditors being higher than last year.

Net cash outflows from investing activities was \$5.15m lower than budget, due to endowment properties sold but not budgeted, and capital projects deferred to 2004/05.

Net cash outflows from financing activities was \$9.28m higher 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 2004/05 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 33: EVENTS AFTER BALANCE DATE

Council received a dividend \$212,891 from Hamilton Review Hotel Ltd (Novotel) on 20 July 2004. This will be recognised in the Council's statement of financial performance for the year ended 30 June 2005.

As at 1 July 2005, Hamilton City Council incorporated the Temple View subdivision from Waipa District Council, and this vested asset will be recognised in the 2004/05 financial year.

Council operates two Council Controlled Organisations (CCOs), Hamilton Properties Ltd and Waikato Regional Airport Ltd.

In addition, Council has interests in Council Organisations (COs) including a shareholding in a Joint Venture in Hamilton Review Hotel Ltd (Novotel) and a minor shareholding in NZ Local Government Insurance Co Ltd. The later organisation has been specifically exempted as a CCO in accordance with section 6(4)(f) of the Local Government Act 2002).

The following explains what the organisations do and the performance:

### HAMILTON PROPERTIES LTD

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.

### WAIKATO REGIONAL AIRPORT LTD

Waikato Regional Airport Ltd replaced the Airport Authority in 1989, which previously ran Hamilton Airport (and in which Council had a shareholding).

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

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.

Waikato Regional Airport Ltd reported a net surplus of \$350,234 for the year ended 30 June 2004 (2003 \$1,189,848). The net surplus for 2003 was higher due to the MAF settlement recognised, i.e., one-off income adjustment relating to the Privy Council decision to waive border control charges. For 2004 financial year an adjustment was made in the financial statements of the Waikato Regional Airport Ltd to reduce revaluation reserves by \$0.639m.

No dividend was paid in 2004 (2003 nil).

Refer to Note 10 of the financial statements for investment details and Council's share of the net surplus.

A comparison of the company's financial and performance measures for the year ended 30 June 2004 is shown below.

|   | Statement of<br>Corporate<br>Intent<br>Targets |        |
|---|--|--------|
|   | Actual   |        |
| Operating surplus after taxation to shareholders' funds               | 1.71%  | 1.92%  |
| Operating surplus before taxation and interest to total assets        | 3.76%  | 4.20%  |
| Operating surplus after taxation to total assets                      | 1.20%  | 1.40%  |
| Operating surplus before taxation and interest to shareholders' funds | 5.33%  | 5.74%  |
| Percentage of non-landing charges revenue to total revenue            | 78.07%   | 78.94% |
| Net asset backing per share   | \$7.17   | \$7.41 |
| Interest rate cover   | 1.9  | 2.0    |
| Total liabilities to shareholders' funds                              | 29:71  | 26:74  |

For more information on the activities of the Waikato Regional Airport Ltd, contact: Hugh McCarroll, Chief Executive, Airport Road, RD2, Hamilton.

### HAMILTON RIVERVIEW HOTEL LTD (NOVOTEL)

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 41.38 per cent of the shares in the Hamilton Riverview Hotel Ltd. Tainui Development Ltd and AAPC NZ PTY Ltd hold the remaining shares.

Hamilton Riverview Hotel Ltd reported a net surplus of \$1,028,872 for the year ended 31 December 2003 (2002 net surplus \$351,199).

No dividend was paid in 2003 (2002 nil), although a dividend of \$514,486 was declared after balance date (Council's share was \$212,891).

Refer to Note 10 of the financial statements for investment details and Council's share of the net surplus.

For more information on the activities of Hamilton Riverview Hotel Ltd, contact Mike Garrett, General Manager Corporate, Hamilton City Council, Private Bag 3010, Hamilton.

**NZ LOCAL GOVERNMENT INSURANCE CO LTD**

NZ Local Government Insurance Co Ltd's prime objective is to ensure the long-term provision of stable and cost effective risk financing products for local government in New Zealand.

Council holds 3.17 per cent of the shares in the NZ Local Government Insurance Co Ltd. The remaining shares are held by other councils in New Zealand.

NZ Local Government Insurance Co Ltd reported a net surplus of \$1,262,931 for the year ended 31 December 2003 (2002 net surplus \$491,086).

No dividend was paid in 2003 (2002 nil).

Refer to Note 10 of the financial statements for investment details and Council's share of the net surplus.

## INTRODUCTION

Each local authority is required to prepare and adopt a Funding and Financial Strategy including a Revenue and Financing Policy, Funding Impact Statement, Investment Policy, and Liability Management Policy.

Schedule 10 of the Local Government Act 2002 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 Funding and Financial Policy set out in the Annual Plan for the financial year, and
- the actual achievement of those objectives and policies.

## OVERVIEW

During 2003/04 Council made significant progress towards the achievement of objectives and policies for the year as set out in the Funding and Financing Policy of the Annual Plan relating to its Revenue and Financing Policy (Long-Term Financial Strategy/Funding Policy), Funding Impact Statement, Investment Policy and Liability Management Policy.

Details of achievement against the objectives and policy are set out below.

### 1. REVENUE AND FINANCING POLICY—LONG-TERM FINANCIAL STRATEGY

#### Background

The Long-Term Financial Strategy (LTFS) as outlined in the annual plan identifies significant activities of Council and provides for the associated estimated future expenses, revenues, cashflows and other movements in the Statement of Financial Position. The LTFS was prepared in 2002/03, therefore the 2003/04 budget used in comparisons below is year 2 of this document. 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 2003/04 was \$6.2m, which is \$3.2m less than that outlined in the LTFS of \$9.4m.

The significant variations to the LTFS are explained as follows:

- Fixed assets vested for year at \$11.3m was \$7.2m greater than in the LTFS, reflecting a higher level of sub-divisional assets vested to Council, and the Northern District Cricket Association pavilion vested to Council.
- Contributions from subdividers and other capital contributions at \$6.1m was \$3.1m greater than in the LTFS.
- Rates revenue at \$70.5m was \$1.7m greater than in the LTFS, reflecting mainly growth in the city.
- Revenue from significant activities was \$0.5m greater, partly due the higher activity in the building industry resulting in an increase in revenue for building consents.
- Share in associate retained surplus was \$0.6m favourable, mainly due the Hamilton Review Hotel Ltd.
- Interest expense \$1.1m lower than the LTFS due the lower interest rates.
- Depreciation for the year at \$30.9 was \$8.5m 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 include the write off of assets on disposal \$4.9m and the writedown of library books \$4.3m, recognised in the statement of financial performance but not reflected in the LTFS (refer to financial statements Note 5).

## Specific Objectives and Targets

| Objective   | 2004 Targets   | Performance  | Significant Variations, Comments   |
|---|--|--|--|
| To maintain the direction specified in the Long-Term Financial Strategy (LTFS). | Achieve the budgeted figures specified in the LTFS.  | Net surplus of \$6.2m against budget of \$9.4m.  | Refer to notes above.  |
| To manage the level of commitments and contingencies.                           | Total contractual commitments do not exceed \$2m.  | This target was not met. Contractual commitments totalled \$6.468m, with a majority of these relating to roads and traffic. Refer to the Statement of Commitments Note 26.   | Council has a number of projects that were committed but not completed in the 2003/04 financial year. Funding for these projects in the 2003/04 financial year will be carried forward to 2004/05. |
|   | 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 2003/04 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 26 and outlined in Section 2.9 of the Revenue and Financing Policy. | No significant variation.  |



## 2. REVENUE AND FINANCING POLICY–FUNDING POLICY/FUNDING IMPACT STATEMENT

### 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. The Funding Impact Statement disclosed in the annual plan outlines the funding and rating mechanisms of Council for the following year.

### Overall Performance

Council has generally achieved the planned mix of funding and rating.

The actual allocation of the costs of Council's functions is not significantly changed from the annual plan.

### Specific Objectives and Targets

| Objective   | 2004 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 25.5% of total revenue. | No significant variation.                                     |
|   | Differentials on property sectors maintained to achieve the rate recovery specified in the Annual Plan. | Achieved.  | Rate revenue per Note 2, is higher than budgeted by \$205,000 |

The above targets are based on the results coming out of the process associated with developing the Revenue and Financing Policy and Funding Impact Statement.

## 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  | 2004 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. LIABILITY MANAGEMENT POLICY

##### Background

The main function of the Liability 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 Liability Management Policy as reported in the annual plan.

##### Specific Objectives and Targets

| Objective   | 2004 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: 5.9% (7.8%, if internal borrowing included). Refer to Financial Overview.   |                                  |
|   | Net city debt does not exceed 150% of total income for the year.  | Achieved: 72.8% (95.5%, if internal borrowing included). Refer to Financial Overview. |                                  |
|   | City debt interest payments do not exceed 15% of the total income for the year.   | Achieved: 6.2%. Refer to Financial Overview.  |                                  |
|   | City debt interest payments do not exceed 20% of the rating income for the year.  | Achieved: 11.0%. 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: 121.9%. Refer to Financial Overview.  |                                  |
|   | Net city debt does not exceed \$1,500 per capita.   | Achieved: \$730 (\$957, if internal borrowing included). Refer to Financial Overview. |                                  |
|   | Security documentation is reviewed to ensure compliance.  | Achieved.   |                                  |
| To maintain security for public debt by way of a charge over rates through the Debenture Trust Deed, or registered mortgage over specific assets. |   |   |                                  |
| 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.                                 |                                  |

### Compliance

Council and management of Hamilton City Council confirm that all the statutory requirements of the Local Government Act 2002, which includes the requirements to comply with Part VIIA 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 2004, and the results of its operations and cash flows and the service performance achievements for year ended on that date.



D J Braithwaite  
Mayor  
21 September 2004



A J Marryatt  
Chief Executive  
21 September 2004

M D Garrett  
General Manager Corporate  
21 September 2004

**Agenda 21**

Agenda 21 is the title of a document that resulted from the 1992 Rio Earth Summit. Agenda 21 is a global plan for sustainable development in the twenty-first century, and recognises that global issues need to be addressed at the local level—hence the expression ‘think globally, act locally’.

**Annual Residents Survey**

This survey is Council's key barometer of gauging community opinion on use and satisfaction with Council provided facilities and services, overall attitudes and community needs and priorities. An independent research company conducts the survey annually.

**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 Business Area (CBD)**

The main commercial and retail centre of Hamilton.

**Consultation**

Consultation is a key term in the LGA 2002 and is imbedded within the planning of the Long-Term Council Community Plan (LTCCP) process. A definition of consultation being used by other local authorities in New Zealand is that consultation is the dialogue that precedes decision-making. Consultation can be described as a genuine exchange of information, points of view and options for decisions between affected and interested people and decision-makers before a decision has been made.

**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.

**Funding and Financial Policy (FFP)**

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

**Financial Management Policy (FMP)**

The former Local Government Act 1974 required Council to produce a Financial Management Policy, which set out the guidelines of how Council planned for, and acquired funds, to finance its operation, and the projects and programmes in the Annual Plan. Council's Long-Term Financial Strategy underpinned the Financial Management Policy and set out Council's projects and programmes, and the means by which they would be funded over the next 10-years. The new Funding and Financial Policy has replaced the Financial Management Policy under the new Local Government Act 2002.

**Goal**

A long-term organisational target or direction of development. Goals state what the organisation wants to accomplish or become.

**Infrastructural Assets**

These are essential services such as water, stormwater, wastewater and roading. They also include associated assets such as pump stations, treatment plants, street lighting and bridges.

**Joint Venture**

A form of arrangement in which there is a contractual association, other than a partnership, between two or more parties to undertake a specific business project.

**Levels of Service**

The standard to which services are provided, e.g., speed of response times to information requests, the standard of the stormwater drainage system to prevent incidents of surface water flooding, etc.

**Local Authorities**

A local authority is either a regional council or a territorial authority whose role is to put into effect the purpose of local government and to perform specific duties and exercise rights conferred to it from central government. A territorial authority is a city council or a district council. There are 86 local authorities in New Zealand, which comprise 74 territorial authorities and 12 regional councils.

**Local Government Act 2002 (LGA)**

The Act of Parliament that legally defines the powers and responsibilities of all territorial local authorities. The purpose of this new Act is to provide for democratic and effective local government that recognises the diversity of New Zealand communities through: providing a framework; promoting accountability; and providing for local authorities to play a broad role in promoting the social, economic, environmental and cultural well-being of their communities, taking a sustainable development approach.

**Long-Term Council Community Plan (LTCCP)**

The new Local Government Act 2002 requires Council to adopt a Long-Term Council Community Plan (LTCCP), which is to be the key accountability and planning document for Council activity. It must cover a period of 10 years, and will require extensive community consultation, the identification of community outcomes and priorities, and the establishment of monitoring and review mechanisms.

**Mission Statement**

Conveys the function and purpose of Hamilton City Council. It includes why the organisation exists and what it seeks to accomplish.

**Objective**

A measurable target that must be met on the way to attaining a goal.

**Operating Surplus**

Operating surplus is an accounting term that means the excess of operating income over operating costs. An operating surplus is inclusive of non-cash items such as income and expenditure owing but not paid (debtors and creditors) and depreciation.

**Partnerships Between Council And The Private Sector Policy**

Section 107 of the new Local Government Act 2002 requires Council to introduce a policy on partnerships between Council and the private sector. The policy must state Council's policies in respect of the commitment of its resources to partnerships between Council and the private sector. The focus of this policy is on commercial relationships with entities engaged in trading activities undertaken for the purpose of making a profit.

**Performance Measure**

Performance measures provide a way to gauge the achievement of the objectives.

**Resource Management Act 1991 (RMA)**

The Resource Management Act 1991 (RMA) is the core of the legislation intended to help achieve sustainability in New Zealand. By bringing together laws governing land, air and water resources and concentrating on the environmental effects of human activities, the Resource Management Act introduced a new approach to environmental management. The Act's purpose is to promote the sustainable management of natural and physical resources.

**SAP (Strategic Action Plan)**

A Strategic Action Plan (SAP) is a specific project of programme that forms part of Council's Revenue and Finance Policy.

**Service**

Those areas of Council activity within a significant service where it is helpful to break down the significant service to a lower level.

**Significance Policy**

Section 90 of the new Local Government Act 2002 requires Councils to adopt a 'significance' policy that sets out conditions that ascertain the 'significance' of proposals and decisions. Councils will have special consultative obligations to comply with when decisions or proposals are deemed to be 'significant'.

**Significant Service**

The cost centres of Council that are classified under each Strategic Area.

**Solid Waste**

Waste products of non-liquid or gaseous nature, e.g., building materials, used packaging, etc.

**Special Consultative Procedure**

The Special Consultative Procedure (SCP) is a formal consultation process defined in the LGA 2002 that sets out a series of steps that a local authority must follow when consulting on particular types of decisions.

**Strategic Area**

Key areas in Council's annual Report 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 Arts, Culture and Heritage in Hamilton; Living in Hamilton; and Enjoying Hamilton.

**Sustainable Development**

Sustainable development is the cornerstone of Agenda 21 and can be interpreted as providing the following:

- a viable natural environment capable of supporting life systems, now and in the future
- a sufficient economy that provides sustainable livelihoods for all
- nurturing communities that provide opportunities for meeting social, cultural and spiritual needs.

A report from the Office of the Parliamentary Commissioner for the Environment notes that sustainable development can be thought of as 'Getting more, from less, for longer'.

The concept of sustainable development is now an integral part of the Local Government Act 2002.

**Vision, Goals and Purpose**

Conveys the function and purpose of Hamilton City Council. It includes why the organisation exists and what it seeks to accomplish.

## HAMILTON CITY: A PROFILE

| A selection of comparisons (as at 30 June)                    | 2003                            | 2004                            |
|---|---------------------------------|---------------------------------|
| POPULATION (usually resident in Hamilton)                     | 123,380 <sup>2</sup> (estimate) | 125,000 <sup>1</sup> (estimate) |
| HOUSING (number of permanent private dwellings)               | 45,619 (Mar 03 estimate)        | 46,933 (Mar 04 estimate)        |
| EMPLOYMENT <sup>3</sup>                                       | 56,240 (Feb 03)                 | 56,240 (Feb 03)                 |
| BUSINESSES <sup>4</sup>                                       | 9483 (Feb 03)                   | 9483 (Feb 03)                   |
| ENVIRONMENT   |                                 |                                 |
| Number/area of parks and gardens                              | 128 (544.4 hectares)            | 131 (549 hectares)              |
| Number/area of sports areas                                   | 59 (425.7 hectares)             | 57 (423 hectares)               |
| Number of play areas  | 75                              | 78                              |
| Number of swimming pools                                      | 3                               | 3                               |
| Walkways in parks and reserves                                | 49km                            | 49km                            |
| Number of street trees  | 29,000 (estimate)               | 29,000 (estimate)               |
| INFRASTRUCTURE  |                                 |                                 |
| Traffic bridges over Waikato River                            | 6                               | 6                               |
| Number of Bridges <sup>5</sup>                                | 55                              | 56                              |
| Length of Streets (road centreline length)                    | 550km                           | 560.5km (Jun 04)                |
| Length of Footpaths   | 852km                           | 856.9 <sup>8</sup> (Jun 04)     |
| Length of Cycleways <sup>6</sup>                              | 25km                            | 27km                            |
| Length of Wastewater Pipes                                    | 717km                           | 731km                           |
| Length of Stormwater Pipes                                    | 566km                           | 583km                           |
| Length of Open Stormwater Drains and natural watercourses     | 86km                            | 86km                            |
| Length of Water Pipes   | 931km                           | 967km                           |
| REFUSE DISPOSAL<br>(tonnes deposited at the Horotiu Landfill) |                                 |                                 |
| City  | 65,700                          | 92,562                          |
| Other areas <sup>7</sup>                                      | 28,200                          | 12,961                          |
| RATING DATA   |                                 |                                 |
| Rating system   | land value                      |                                 |
| Rateable properties (all excluding not-rated)                 | 46,700                          | 48,002                          |
| Rateable land value (all excluding not-rated)                 | \$3432                          | \$4175                          |
| Rateable capital value (all excluding not-rated)              | \$9862                          | 12,085                          |
| Date of city revaluation                                      | 1 Sept 2000                     | 1 Sept 2003                     |
| YEARS OF RATE REVENUE TO REPAY NET CITY DEBT                  | 1.73 years                      | 1.70 years                      |
| RATES REVENUE   | \$65.9m                         | \$70.3m                         |
| NET CITY DEBT (including internal borrowing)                  | \$113.9m                        | \$119.6m                        |

<sup>1</sup> Statistics New Zealand estimate.

<sup>2</sup> Hamilton City Council estimate.

<sup>3</sup> 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).

<sup>4</sup> Source: Statistics New Zealand (Annual Business Frame Update Survey).

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

<sup>6</sup> Includes on-road and off-road cycling facilities.

<sup>7</sup> Includes waste from other districts.

<sup>8</sup> Footpath 862.2 ex RAMM (Jun 04) minus Temple View 5.3km (both include walkways).



**Hamilton City Council**

Te kaunihera o Kirikiriroa





**Hamilton City Council**  
Te kaunihera o Kirikiriroa

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