



HAMILTON CITY COUNCIL 2008/09 ANNUAL REPORT SUMMARY

About the Annual Report

This document is a summary of Council's full 2008/09 Annual Report. Council must produce an Annual Report at the end of each June financial year. The Annual Report shows how Council's activities and services measured up to what it said it would achieve in the Long-Term Plan. This year's Annual Report looks at year three (2008/09) of Council's 2006-16 Long-Term Plan.

The full 2008/09 Annual Report is available from the main Council office in Garden Place or at any branch of Hamilton City Libraries.

This summary document and the full report are also available to view/download on Council's website www.hamilton.co.nz/annualreport. Alternatively, you can request a copy by contacting the Strategy and Research Unit on 838 6537 or by emailing strategy@hcc.govt.nz.

Contents

■ About the Annual Report.....	1
■ Message from the Mayor and Chief Executive.....	1
■ The City Strategic Framework..	4
■ Hamilton's Community Outcomes.....	4
■ Key Achievements in 2008/09.....	5
■ Non-financial Performance of Council's Significant Services....	14
■ Residents Survey Results - Overall Performance of Council.....	15
■ Profile of Hamilton.....	15
■ 2008/09 Financial Overview....	16
■ Audit Report.....	19

Message from the Mayor and Chief Executive

2008/09 saw some key milestones achieved in the city; this occurred during challenging times as the effects of the economic downturn were experienced throughout the community.

The financial ramifications of the downturn have impacted considerably on New Zealand's overall growth. This has filtered through to local economies including council operations. Many of the costs that impact directly on Council's operations have also increased significantly over recent years, particularly those around labour, construction and materials. Council has had to make some careful decisions during the past year to ensure a balance between minimising costs and continuing to provide for the city's future.

Despite the economic climate and tight operating budgets, much has been achieved in 2008/09 towards Council's long-term vision for a Vibrant Hamilton. The vision is

about investing in people; creating identity and prosperity; and protecting our future. This Annual Report provides an overview of how Council has worked towards a Vibrant Hamilton in 2008/09.

Strategy Development and Implementation

In partnership with key stakeholders, work has continued on developing and implementing the eight City Strategies. The Environmental Sustainability, Economic Development and Hamilton Urban Growth Strategies were signed off in 2008/09, and significant progress has also been made towards finalising the Access Hamilton and Active Communities strategies.

Council and its partners also signed off *FutureProof* - a Strategy covering the administrative areas of Hamilton, Waikato and Waipa District Councils and the associated area of Environment Waikato.



FutureProof sets out how these councils will manage population growth and land use for this area over the next 50 years. The aim is to create a subregion with a diverse and vibrant metropolitan centre linked to thriving towns and rural communities - offering choices for living, working, investing and visiting.

The strategy will assist with the protection of natural environments, landscapes and heritage sites as well as ensuring the partners work closely with Tangata Whenua to help restore the health of the Waikato River. Infrastructure will be well planned for the future to ensure it is affordable, efficient and able to cope with growth as and when it occurs.

Vibrant Public Places

A quality urban environment and a strong and connected city heart are paramount to the city's future development. Some key projects were approved, commenced and completed during the past year.

Completion of the first stage of the CityHeart revitalisation works saw Victoria Street transformed into a pedestrian-friendly area, complete with permanent one-laning of traffic in each direction, widened central median 'havens', enhanced lighting and fresh landscaping. The Victoria Street upgrade is part of the larger CityHeart project, which is Council's response to the development of the city centre as part of the city's long-term planning.

The Verandah at Hamilton Lake, a stunning new café and function centre, was completed and opened for business. The new facility offers a diverse range of services and is already a popular venue for families, social and business groups alike. The redeveloped building is in line with the principles of the CityScope urban design strategy; contemporary and iconic as well as fitting in with the natural lakeside environment.

The final decision was made to proceed with the Claudelands redevelopment. There is strong community support for this exciting project, which is expected to attract over \$30 million each year in the city. The main contract for construction of the 5,000 capacity indoor arena was also awarded, following an extensive tender and vendor proposal evaluation process. Physical works on the indoor arena began in July 2009.

“a quality urban environment and a strong and connected city heart”

Council also delivered on the many projects and programmes in its 2008/09 work programme, ranging from transportation and water related infrastructure to recreation and social amenities. A total of \$276 million was spent in the 2008/09 financial year on capital and operating costs. Section 5.0 of this Annual Report provides further information on some of the key projects, programmes and initiatives across the different activities of Council.

Changes Signalled for Local Government

Discussions have been taking place over recent months around the future role and organisation of local government within the region - there appears to be significant public interest in amalgamation of certain councils. In general Council is supportive of this move - it makes sense to think about amalgamation where there is a real sense of shared interest between affected communities. The people of Waipa District, Waikato District and Hamilton City have a strong connection and Council feels that a well worked proposal for amalgamation between these councils would receive public support.

Council would like to see specific achievable amalgamation proposals made available to the community before the end of 2009 so that well-informed discussions can begin. If the terms of amalgamation can be agreed to before the October 2010 local authority elections, the following three year term can then be used to begin aligning operations of the three councils in time for election of a new council in October 2013.

Looking Forward — the Next 10 Years

A full review of Hamilton's District Plan commenced in 2009/10, with the review process aiming to better align the District Plan with the principles of the eight City Strategies. A parallel



review of the Hamilton City Development Manual (which sets out standards for physical works undertaken by private developers providing or connecting to Council infrastructure) will also be undertaken to achieve development standards that include a range of environmentally sustainable design and development mechanisms.

The 2009/10 financial year marks the beginning of Council's 2009-19 LTCCP - a plan that balances community expectations with affordability in these tough economic times. The plan makes funding provision of just over \$1 billion for capital projects over the next 10 years (as well as \$2.28 billion for operating and maintenance costs).

In developing the LTCCP Council focused on listening to the community and making decisions that reflect people's wishes and aspirations. A range of projects supported by the community were approved by Council, including the Claudelands Events Centre redevelopment, additional funding for construction of a hydrotherapy pool at Waterworld, funding towards Waiwhakareke Natural Heritage Park, annual funding for public art, and support for the formation of a Business Improvement District Programme that will assist in revitalising and adding vibrancy to the central city.

"internationally recognised credit rating"

To ensure even greater discipline of its financial management and decision-making, Council applied for and was recently awarded an internationally recognised credit rating of AA- by Fitch Ratings, one of the top three credit rating agencies in the world.

Achieving such a good rating is a significant milestone. It will provide Council with greater access to more competitive borrowing rates and provide more flexibility when raising loans (including potentially cheaper loan funding).

Council will continue to monitor and analyse the economic climate in which it operates, and may need to look at reassessing parts of its 10 year programme of works if current conditions deteriorate.

In Remembrance of Kaumaatua Hare Puke

Sadly, Hare Puke, Council's much-loved and respected Kaumaatua, passed away in November 2008. Hare was a great leader in every regard. His wisdom and knowledge will be irreplaceable, his warmth and friendship will nourish us for years to come.

*E te Rangatira Hare ahakoa e ngaro ana koe,
E kore matou te Kaunihera o Kirikiriroa e wareware ki a koe.*

*Hare even though you are lost from us,
We the Council will never forget you.*



**Bob Simcock
HAMILTON MAYOR**



**Michael Redman
CHIEF EXECUTIVE**



The City Strategic Framework

Council has developed a Strategic Framework for the city that will enable progress towards Hamilton's Community Outcomes through Council and other organisations working towards a 'Vibrant Hamilton' vision.

Achievement of the *Vibrant Hamilton* vision will primarily be through delivering on the principles, themes and initiatives of eight City Strategies. The ongoing promotion and implementation of the Strategies is Council's main means of delivering on Hamilton's Community Outcomes, as well as promoting a sustainable development approach for Hamilton over the next 10 years and beyond.



The Strategic Framework will provide a unified approach towards making Hamilton a more sustainable city, through aligning the strategic planning and service delivery of the city's key organisations and stakeholders with Council's *Vibrant Hamilton* vision. The City Strategies will provide a platform to both strengthen existing partnerships within the city and to develop new ones.

More information on the City Strategic Framework and the eight City Strategies can be found in the full Annual Report and on Council's website at www.hamilton.co.nz/citystrategies. The full Annual Report also provides an update on progress towards the Strategies, including flagship projects, in 2008/09.

Hamilton's Community Outcomes

The Local Government Act 2002 requires councils to get their local communities thinking about and identifying how they would like to see their city or district develop over the next 10 years and beyond and to translate this thinking into what are known as community outcomes. Hamilton's Community Outcomes were developed using extensive community engagement throughout 2004 and 2005.

Council is required to report at least once every three years on the progress being made towards Hamilton's Community Outcomes. Information from progress reports can be used by Council and other key stakeholders to assist in identifying areas where progress is being made and alert us to areas that require action.

Council's website - www.hamilton.co.nz/ **communityoutcomes** - contains further information on Hamilton's Community Outcomes; including the Community Outcomes Progress Indicators and the full 2009 Hamilton Community Outcomes Progress Report.

Sustainable and Well-Planned

"An attractive city that is planned for the well-being of people and nature, now and in the future"

Vibrant and Creative

"A city that encourages creativity for a vibrant lifestyle"

Unique Identity

"A city with a strong identity that recognises the significance of its river and history"

Safety and Community Spirit

"A safe, friendly city where all people feel connected and valued"

Health and Happy

"Active and healthy people with access to affordable facilities and services"

Intelligent and Progressive City

"Business growth that is in harmony with the city's identity and community spirit"

Working Together

"Collaborative decision-making and planning are common practice"



Key Achievements in 2008/09

Graffiti 0800 Number Proves a Hit

Hamilton's 0800 TAGBUSTERS number was launched in July 2008. After one year of operation it received calls from 1,383 Hamilton residents reporting, nearly 3,906 graffiti removal jobs. Three crews and a contractor are in operation throughout the city removing tags for these callers as well as from an array of Council assets. These regular removal operations have proven vital in maintaining the cleanliness and perceived safety of Hamilton's toilets, parks and city streets.

The operation has moved from strength to strength over the year, with the TAGBUSTERS number and email address now sign-written on Council's vehicle fleet. Calls continue to come in meaning the crews are busier than ever.

'It's Not OK' Campaign

Throughout December 2008 Hamilton rolled out its own version of the 'It's Not OK' campaign, a flagship project of the Social Well-being Strategy. Through billboards and print advertising featuring local personalities, the message was spread that if you are hurting your family or know about someone hurting their family - it's not OK to turn a blind eye, but it is OK to ask for help.

The campaign stressed that a few small steps by individuals makes a big contribution to getting the message out in the community.

Top Dignitaries Unveil Te Parapara Garden Stage Two

A \$433,000 grant from the Lottery Significant Project Fund enabled Council to complete Stage Two of the Te Parapara Garden at Hamilton Gardens, New Zealand's first public traditional Maaori garden.

Te Mara, Stage Two of Te Parapara Garden was opened in December 2008 by Hamilton Mayor Bob Simcock in the presence of Te Arikinui Tuheitia Paki, the Maaori King, and the Honourable Anand Satyanand, the Governor-General of New Zealand.

Local Maaori leaders have been involved throughout the garden's planning and design process. The practices and symbols of local hapuu and the knowledge and guidance of local kaumaatua have helped to determine the shape of the new garden.

Named Te Mara because of its traditional function as a cultivated garden, visitors will enter the space via Te Ara Whakatauki, or the path of proverbs. The approach uses plantings to tell the story of the journey of the Tainui people from their homeland in Hawaiiki to the former pa site Te Parapara on which the garden now stands.

Te Parapara will have a valuable role to play in helping to conserve and tell the stories of local hapuu and enable the wider community to gain a deeper understanding of the culture and sophistication of Maaori horticulture. There are no publically accessible traditional Maaori gardens anywhere in New Zealand and Te Parapara is set to become the truly unique taonga and feature of Hamilton Gardens. The third and final stage of Te Parapara is expected to be completed by May 2010.

"truly unique taonga and feature of Hamilton Gardens"

The Verandah at Hamilton Lake

With cutting edge sustainable design, stunning views and a service range which caters for everything from an ice cream or coffee to a business lunch or cocktail party, The Verandah at Hamilton Lake is the new place for all Hamiltonians to be.

Starting out life as a relatively small tearoom, over the past 25 years the now demolished former facilities were amended, added on to and adjusted to accommodate the changing needs of its customers. By 2007, when the buildings were demolished, the materials, style and layout of the Lake Tearooms had made them difficult to



maintain, unattractive and unable to operate either efficiently or effectively as a café and function centre.

In light of these issues and the location's huge popularity as a recreational facility, Council identified the need for significant redevelopment of the site. The brief was to deliver a redeveloped building that was in line with the guiding principles of the CityScope urban design strategy; that was contemporary and could be considered iconic but was also capable of respecting the natural environment in which it was to be located.

Anyone who was present at the July 2009 opening of The Verandah or who has been through its doors will agree that it is a superbly functional facility with an iconic identity which marks it out and yet fits with ease into the ambience of the lakeside setting. For more information about The Verandah, visit www.theverandah.co.nz.

“The Verandah at Hamilton Lake is the new place for all Hamiltonians to be”

Ministry Survey Rates Hamilton Tops for Development

In June 2008 Council achieved an overall 99% efficiency rating for processing resource consent applications in the Ministry for the Environment's (MfE) latest two-yearly survey. Council achieved a 100% score for non-notified consents as all were processed within the Resource Management Act's (RMA) required time of 20 days.

The MfE survey helps monitor the implementation and operation of the RMA. It also allows comparisons to be made between local authorities, promoting performance benchmarking, and stimulating discussion and the sharing of good practice.

Whereas the national overall average of resource consent applications being processed on time

was only 69%, Council's outstanding result validates its focus on thinking smarter about processes and adding value by proactive engagement with customers.

Since 2002 Council has operated a 100% money back guarantee on application fees if it is over time for non-notified consents. This demonstrates the organisation's commitment to providing timely resource consent decisions. For all consents Council has taken the innovative step of engaging applicants in pre-application meetings and informal meetings with affected parties to work through solutions which where possible all agree to. Rather than potentially costly and protracted legal stand offs, this makes for a much better development solution in the community and saves ratepayer's money.

In the 2008/09 financial year Council processed 100% of resource consent applications within statutory timeframes of the RMA.

Digital Hamilton

Digital Hamilton is a flagship project from the Economic Development Strategy. The project is focused on investigating and implementing the actions needed to improve the use of digital technology by organisations and individuals in Hamilton.

Stage one of the project was a study that investigated the major digital opportunities for our city. The study identified four major theme areas — cohesion, awareness, innovation and infrastructure. The full report is available on Council's website and an implementation plan will be available by December 2009 (www.hamilton.co.nz/citystrategies).

Launch of SODA Inc.

In October 2008, Wintec and Council announced the official establishment of SODA Inc., the city's new creative industries business incubator aimed at encouraging and enabling economically successful businesses within the creative industries sector to thrive in Hamilton. SODA Inc. is one of the flagship projects of the city's Economic Development Strategy.

SODA Inc. is a high-tech custom-designed suite of offices located on the mezzanine level of the refurbished Meteor theatre. Council recently completed renovations on the building, including



major work on the mezzanine level for the incubator, and Wintec undertook the fit-out of the mezzanine to complete its transformation into an interactive open-plan contemporary workspace. Council has a 40% shareholding in Soda Inc.

The City's New Economic Development Agency

In July 2009 Opportunity Hamilton, the city's new economic development agency, was launched. Opportunity Hamilton is funded, in part, by Hamilton City Council, New Zealand Trade and Enterprise, Work and Income New Zealand and the Young Enterprise Trust. Formerly known as the Business Development Centre, the organisation has served the city in an economic development role for over 20 years.

Predominantly working with entrepreneurs and business owners who are starting up and growing their companies in the city, one of Opportunity Hamilton's additional roles is promoting Hamilton as an ideal place to locate (or relocate) a business.

The agency is also playing an active role supporting Hamilton International Airport as it sets up a new regional tourism organisation. Additionally, it is helping to grow exports and job opportunities within the Waikato aviation industry through its work with the Waikato Aviation Cluster.

"growth hub for Ag-biotech business"

Funding for Innovation Park

Waikato Innovation Park is New Zealand's growth hub for Ag-Biotech businesses. The park is located on 17 hectares of land next to the Ruakura Research Centre, home to AgResearch, HortResearch, Landcare and Dexcel. It is in close proximity to the University of Waikato Campus.

In December 2007 Council resolved to invest \$2.4 million into Innovation Park to enable development of at least one new building on the site. This investment was made in March 2009 and is subject to an interim funding agreement to secure Council's interest until the investment

structure is determined. It is anticipated that the final structure will be confirmed in the latter half of 2009 with the finalised structure likely to be a Council Organisation.

Council's funding contribution was also supported by contributions from the Ministry of Economic Development's Enterprise Partnership Fund (\$2 million towards the new building and \$2 million towards operating expenditure) as well as debt funding from Innovation Waikato.

This total investment will mean that the Park will increase its economic contribution to Hamilton and the national economy. The increased significance of the Park may in turn attract businesses on a global scale.

Hamilton in Hi-Res

A collaborative effort between Hamilton City Council and Google means high resolution satellite imaging of Hamilton is now available on Google Maps. A web mapping service application offering street maps and directions free for non-commercial use, Google Maps previously only featured very high level images of Hamilton.

The high resolution colour GIS maps were supplied by Council and uploaded by Google in April 2009, meaning crystal-clear images are now viewable. The hi-res images can be viewed by typing www.maps.google.co.nz, searching 'Hamilton' and selecting the satellite view.

Second Annual Hamilton 400

The inaugural Hamilton 400 was a major success and it was always going to prove challenging to build on this success in 2009, especially when considering the current economic climate.

As with any first-time event, a number of areas for improvements were identified in 2008, which the event promoter and Council worked together to rectify in 2009. This included a new track build programme to minimise disruptions to properties situated on the circuit; an increase in grandstand seating and decrease in ticket numbers to improve visibility for spectators; and the construction of an additional footbridge from Commerce Street over High Street to assist with pedestrian flow.



Overall 121,000 spectators attended the April 2009 event across the three days, with millions of dollars injected into the local economy.

Hamilton Secures Rugby World Cup 2011 Games

The announcement that Hamilton will host three pool games at Waikato Stadium during the Rugby World Cup 2011 was a great achievement for the city, particularly considering so many venues were vying for hosting rights.

It was confirmed in March 2009 that Hamilton will host the All Blacks when they take on the winner of the Asia qualifier on 16 September 2011, before hosting Wales twice - first when they go up against the winner of the Oceania qualifier on 18 September 2011, and then when they face Fiji on 2 October 2011.

Hamilton's successful bid was the result of an outstanding effort by Council and a strong regional partnership with other local councils and funders. Overall 40 pool games were allocated to 13 venues across the country.

“reputation as an events destination with a ‘can do’ attitude”

Fight of the Century

Hamilton further cemented its reputation as an events destination with a ‘can do’ attitude earlier this year when it secured the right to host the David Tua versus Shane Cameron ‘Fight of the Century’ boxing contest.

Hamilton secured the contest above Auckland, Waitakere and Wellington, with initial plans to host the event on 6 June 2009 at a ‘fully covered’ Waikato Stadium. However, when an injury to Shane Cameron forced the event to be postponed for several months and ruled Waikato Stadium out as the venue, Council continued to work with the event promoters Duco to ensure the fight could be accommodated at the alternate venue, Mystery Creek, on 3 October 2009.

Da Vinci’s Creations on Display

The Da Vinci Machines, an international exhibition that has attracted record visitor numbers at all New Zealand venues in which it has been displayed, ran between 14 March and 23 August 2009 at Waikato Museum.

The exhibition showcased 60 interactive machines based on the original drawings of Leonardo da Vinci and crafted by internationally acclaimed Florentine artisans Teknoart, including his flying machines, war machines, and nautical, hydraulic and architectural innovations.

Visitors to the exhibition were invited to touch and handle the models to gain a first-hand appreciation of how they work. Each model was accompanied by explanatory notes and illustrative panels featuring Da Vinci’s drawings.

Waikato Museum Celebrates 150 Years of the Kiingitanga Movement

An exhibition celebrating 150 years of the Kiingitanga movement in the Waikato was held at the Waikato Museum between October 2008 and April 2009.

‘Te Puna Kai: Visual Tales along the Poukai Trail’ was a photographic exhibition that captured key moments at Poukai Marae throughout the region. The photos represent a time of change for Te Kiingitanga, and have resulted in a record that will help people learn and a nation remember.

The Te Puna Kai exhibition has been a collaborative project for Waikato Raupatu Lands Trust and Waikato Museum, and has marked another phase in the relationship between Tainui and the Museum.

10-metre Waka Installed at Rototuna

A new public art installation by Dion Hitchens in Rototuna (situated at the intersection of Borman Road and Resolution Drive) took on an exciting new form, with the raising of seven waka in September 2008.

Placed in the formation of the Kiingitanga symbol of the Matariki star constellation, the 8-10 metre tall waka express the heritage and history of the area, with symbols embedded into the top of each waka telling stories to represent Tangata, the human history of the land, and symbols at



the bottom representing Whenua, the natural history of the land.

The name of the installation will be announced at the special opening ceremony and the blessing scheduled for October 2009.

Passing Red installed at Pit Lane

A new public art installation by Gaye Jurisich runs along the full length of the Hamilton 400 V8 Supercars pit lane on Mill Street. This piece of art represents the flow of the race track or curves of a meandering river.

Designed by a nationally acclaimed local artist and brought to life by an internationally successful local firm, Passing Red is something Hamilton will be able to be proud of for generations to come. The official opening ceremony took place on 21 July 2009.

“something
Hamilton will be
able to be proud of
for generations to
come”

Claudelds Redevelopment

The Claudelds redevelopment has probably been consulted on more than any other project carried out by Council and community support for it has proven strong. This is an exciting project that will bring substantial benefit to Hamilton, estimated to attract over \$30 million each year. Due to open in mid 2011, Claudelds will provide the city access to many sports and entertainment events that currently do not come to Hamilton.

The redevelopment was first proposed as part of the 2006-16 LTCCP and since underwent three further public consultation processes as part of the 2007/08 Annual Plan, the publicly notified Resource Consent, and the Proposed 2009-19 LTCCP. Taking into account the results and community support from consultation processes, Council decided to commence redevelopment of the Claudelds Events Centre.

A resource consent was applied for in November 2008 to build the 5,000 capacity indoor arena. Public notification of the resource consent application for the arena was given on 19 November 2008. The resource consent was heard by an independent commissioner and resulted in 95 submissions being made to the hearing. The application was subsequently approved on 6 May 2009. No appeals to the application were lodged.

The remainder of the Claudelds development is able to proceed as part of the current District Plan zoning rules and does not specifically require resource consent. The development includes building the indoor arena primarily for concerts and sports events, but will also be integrated with a new exhibition hall and a conference area on the site.

The main contract for construction of the 5,000 capacity indoor arena was awarded following an extensive tender and vendor proposal evaluation process. Early engagement with the successful contractor has allowed final detailed designs to be extensively worked through prior to construction and any potential opportunities for cost savings to be identified. Physical works on the indoor arena began in July 2009.

“an exciting project
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substantial benefit to
Hamilton”

Work on the conference and exhibition facilities will commence from November 2009, which will involve the redevelopment of the existing Main Hall into a conference area with a 1,000m² space on the lower level and a 250m² space on the upper level. The exhibition facilities will include the proposed demolition of the existing East Wing and the construction of two new halls of 2,000m² each. This will enhance the indoor exhibition capacity across the venue to approximately 9,000m² in total.

The conference facilities at Claudelds are integrated with the overall development of the



venue and play an important and positive impact on the business plan and attracting new business into the city. There is currently no venue in Hamilton capable of holding a conference of over 500 delegates and it is expected that this particular component will see significant shifts in accommodation requirements and economic impacts from associated tourism and increased spend while in town.

Historic Claudelands Grandstand Officially Opened

The newly refurbished Claudelands Grandstand was officially opened on 4 February 2009, marking the next chapter in the rich history of this historic building.

The landmark grandstand, which was registered Category II by the Historic Places Trust, was shifted 500 metres across the Claudelands site in April 2008 and subsequently went through extensive restoration work. Its \$1.5 million restoration saw original character design features retained and restored, lower grandstand seating removed in order to recapture its original design, and internal walls removed to create a large open-planned function space suitable for banquets, corporate functions, weddings and special events.

The grandstand's new location on the top of the Oval, adjacent to the playground, was carefully selected to enable the grandstand to take maximum advantage of key components in the Claudelands redevelopment project. Its relocation also formed an 'invisible timeline' across the site - linking from 'pre-European' Jubilee Bush at the northern end to the 'early-European' grandstand in the centre, then finally linking across to the 'modern' conference and event facilities in the southern corner.

The Claudelands Grandstand is available for event bookings. For more information visit www.claudelands.co.nz.

International Cricket Comes to Hamilton

Seddon Park hosted a number of international cricket matches during the 2008/09 season, including the Black Caps v West Indies 20/20 (28 December 2008); Black Caps v India ODI (11 March 2009); and Black Caps v India Test match (26-30 March 2009).

Council's investment into the upgrade of the playing venue and training facilities is one of the key reasons that Seddon Park is now so sought after for International cricket. The venue is now rated one of the best in New Zealand.

Free High-speed Internet Access and Wireless Broadband at Hamilton Libraries

In July 2008 Hamilton City Libraries were gifted new, high-specification desktop computers, through the Aotearoa People's Network partnership - a national initiative to enable communities to participate in the digital world. The number of PCs now available to customers has increased to 43, and internet access is now free to all library visitors.

Since September 2008, the partnership has also enabled free wireless internet broadband at all six library locations. Library users can also now surf the web and access emails using their own laptop or other wireless capable devices in the comfortable surroundings of their local library for free.

“the knowledge and gift of learning that libraries provide to their communities”

Significant Maaori Artwork for Dinsdale Library

In April 2009 a significant piece of Maaori artwork was installed on the ceiling alcove of Dinsdale Library. The artwork was designed by artist James Webster and includes perspex designed window inserts and koowhaiwhai patterning. A suspended 'Waka Huia' (treasure chest) is the focal point of the installation and represents the knowledge and the gift of learning that libraries provide to their communities.

The Dinsdale Community Library is the first of Hamilton City Libraries' six sites to receive a significant piece of Maaori artwork, in keeping with its strong Maaori community. An official blessing of the artwork took place in April 2009.



New Female Chimpanzees Arrive at Hamilton Zoo

Two female chimps, mother Fimi and daughter Sanda, arrived at Hamilton Zoo in December 2008, with the hope they will breed with the facility's male chimpanzees. As well as Fimi and Sanda being invaluable for educating visitors about this endangered species, they could prove vital for the long-term sustainability of chimps in the region.

After arriving at Hamilton Zoo from Adelaide Zoo, Fimi and Sanda were housed in quarantine for a month. Upon leaving quarantine they were introduced to the Zoo's existing chimpanzees through mesh as part of a carefully managed integration process.

Due to the aggressive nature of chimpanzees, there are always risks associated with their integration. As well as the existing chimps being threatened by Fimi and Sanda, their arrival resulted in a change in hierarchy amongst the males with Mike re-taking the role from the youngest son, Luka.

Landmark Water Consent Granted

Council is committed to ensuring the long-term security of an adequate supply of water for Hamilton and was successfully granted a landmark resource consent in February 2009 which renewed the city's water take for the next 35 years.

The new consent means that Council can now extract up to 105 million litres of water from the river on a daily basis for municipal use. This will increase to 146 million litres per day in 2014 and has further steps beyond this to meet future growth. Council is committed to the ongoing and proactive management of water as a precious resource and to working with Tainui, Environment Waikato and other major water users on the efficient and sustainable use of water.

Smart Water Use Initiative

A 'Smart Water Use' initiative between Council, Environment Waikato and other territorial authorities throughout the greater Waikato was introduced in December 2008 and is part of a regional collaborative effort aimed at promoting proactive water conservation. A key component

of this programme is the introduction of a new water alert level system.

The new water alert levels are a more comprehensive water conservation approach than the alternate day sprinkler restrictions used previously. Council will initiate a rise in water alert levels when a high volume of water has been consumed over a sustained period. Alternatively, when consumption volumes are reduced over a sustained period, alert levels can be lowered.

The water alert levels and their corresponding restrictions are designed to encourage residents to treat water as a 'limited and precious resource' and to ensure a consistent supply to the city's water users throughout the year. The alert levels are supported by educational and communication strategies that ensure that Hamilton's residents are aware of the need to conserve water and at what level of demand the city is currently experiencing.

“Hamilton led the way in New Zealand by harnessing the biggest energy saving”

Hamilton Residents do their bit for Earth Hour

Hamilton residents were encouraged to do their bit to support Earth Hour on Saturday 28 March 2009 from 8.30-9.30pm, with over 4,000 cities and towns taking part in the global initiative.

Hamilton marked Earth Hour by 'switching off' in various areas of the city on the night of 28 March, including a section of street and decorative lighting on Hood Street and during the 'Balloons Over Waikato' Earth Hour Nightglow held at the University of Waikato. Other local initiatives included the planting of 150 trees by a group of Hamilton Zoo staff at Waiwhakareke Natural Heritage Park on 25 March 2009, and the distribution of 1,000



Ecobulb® energy efficient light bulbs to members of the public in the days leading up to Earth Hour.

Hamilton led the way in New Zealand by harnessing the biggest energy saving throughout the country of 10.3%, suggesting that residents embraced the event and showed their support with their light switches.

Trialling of LED Street Lights

In November 2008 Council was one of the first local authorities in New Zealand to trial Light Emitting Diode (LED) streetlights in some of Hamilton's streets. LED street lighting will be able to provide long life (up to 20 years), cost effective, energy efficient lighting solutions for the city's streets. This is also *one of* the first LED installations in New Zealand which complies with the 2005 Joint Australian/New Zealand standard for lighting of roads and public spaces.

Specific benefits likely to arise from introducing LED street lighting in Hamilton include reducing Council's \$1.2 million annual street lighting energy costs by up to 40%. Additional benefits would result from reduced maintenance and replacement costs, improved driver visibility, personal security and better CCTV images, due to 86% more direct white light being emitted.

As the performance of LED products continues to improve even further energy use and cost savings for Council could be realised.

Victoria Street Revitalisation

The CityHeart project is Council's response to the development of the city centre. Its intent is to create a vibrant and distinctive heart for Hamilton by delivering shared spaces which reflect the city's unique identity. The CityHeart project is also driven by the need to ensure connectivity and cohesiveness for the central city's future development.

The first stage of the CityHeart revitalisation commenced in January 2009, with Victoria Street improvements between Hood and Collingwood Streets. The second section of the project began in March, with construction between Collingwood and Alma Streets. The final stage of works - Claudelands Road to Bryce Street - was completed in August 2009.

Improvements to Victoria Street have included the widening of the central median incorporating loading zones, permanently one-laning traffic in each direction, significantly enhanced lighting, landscaping, partial pavement replacement, and better incorporation of the Riff Raff reserve. The result is a much enhanced pedestrian friendly, traffic calmed environment that provides a canvas for vibrant dining and retail experiences.

“connectivity and cohesiveness for the central city's future development”

Hamilton's First 40km/h Speed Precinct

A new lower speed precinct came into effect on 1 March 2009. The initiative rides on the back of the successful launch in February 2008 of the 40km/h variable speed zones around 18 Hamilton primary and intermediate schools.

The city's first 40km/h speed precinct is in the area around the hospital and Hamilton West Primary School (Hammond Street, Horne Street, Park Terrace, Valley Terrace, Tidd Street and Selwyn Street). It is an expansion to the already successful 40km/h school speed zones project. In addition, speeds in Victoria Street from Claudelands Road to Hood Street are being reduced to 30km/h.

The impetus behind the new traffic calming initiatives is to provide a safer road environment around Hamilton schools and residential areas, reinforce driver expectations as to the likely presence of children in the area and encourage safe, active travel to school. In particular Council is seeking to discourage inappropriate speeds within the vicinity of primary and intermediate schools, parks, and places where there is a high presence of people walking or cycling on the street in a given area.

Valuable City Asset Secured

Hamilton City Council and the Brian Perry Charitable Trust are partnering in a strategic land agreement which will ultimately see better access



to the Waikato River from the southern end of Victoria Street.

The riverside parcel of land fronting Victoria Street across from Collingwood Street was purchased by Council from the Brian Perry Charitable Trust for \$2 million. As part of the agreement the Trust has gifted the city a portion of the 4,772m² site. It is likely that the land gift will see a public plaza developed overlooking the river. In the short-term the current building on site is being demolished and the land will continue to operate as a car park.

Exactly how the site will be developed around the public plaza is still to be finalised. Options include premium office space with river views, riverfront shops and cafes, several green spaces and a significant extension of the city's upper level riverfront promenade adjacent to the site.

“better access to the Waikato River”

Design Funding Approved for Wairere Drive Projects

Wairere Drive is a key component of Hamilton's arterial ring road and is a strategic corridor of regional significance. Council has made a commitment through the Access Hamilton Strategy to address the city's transportation issues (which include ongoing increases in traffic congestion and population growth).

In 2008/09 the New Zealand Transport Agency (NZTA) approved \$1,072,500 funding (55% of the \$1,950,000 project) for the investigation and design phases of the Wairere Drive 4-Laning project between Pukete Road and Resolution Drive. Design funding (approximately \$2.7 million) has also been approved by the NZTA for the section of Wairere Drive between Crosby Road and Cambridge Road.

The four laning of the section of Wairere Drive from Te Rapa Road to Pukete Road was completed in 2007/08 as part of the upgrade to the state highway network. The greater Wairere Drive corridor is planned to stretch from Te Rapa Road (SH1) in the west to Cobham Drive (SH1) in the south.

A key objective of the project is to achieve a positive aesthetic outcome within the constraints that affect design, construction and operation. This will take into account the underlying cultural, ecological and landscape features to provide a pleasing visual link between Wairere Drive and the Waikato River.

District Plan Review and Variations

Council has resolved to take significant steps towards resolving the majority of the existing variations to the city's Proposed District Plan. Of those variations, decisions have been made for Subdivision Connectivity, Heritage, Special Provisions in new growth areas and Miscellaneous Provisions (known as Variation 15), Hayes Paddock (Variation 11) and the Rotokauri Structure Plan (Variation 18).

Council is presently deliberating on Residential Centres (Variation 13) and Peacocks Structure Plan (Variation 14). A draft variation is also being finalised to introduce a Hamilton East Residential Character Zone (Variation 20) which aims to maintain and enhance the character of the area, while still providing for growth into the future.

A full review of Hamilton's District Plan commenced in the 2009/10 financial year. This review process aims to better align the District Plan with the principles of the eight City Strategies. A parallel review of the Hamilton City Development Manual (which sets out standards for physical works undertaken by private developers providing or connecting to Council infrastructure) will also be undertaken to achieve development standards that include a range of environmentally sustainable design and development mechanisms.

“A full review of Hamilton's District Plan”



Non-financial Performance of Council's Significant Services

Council's 25 significant services are grouped under the three strands of the City Strategic Framework: *Investing in Our People, Creating Identity and Prosperity and Protecting Our Future.*

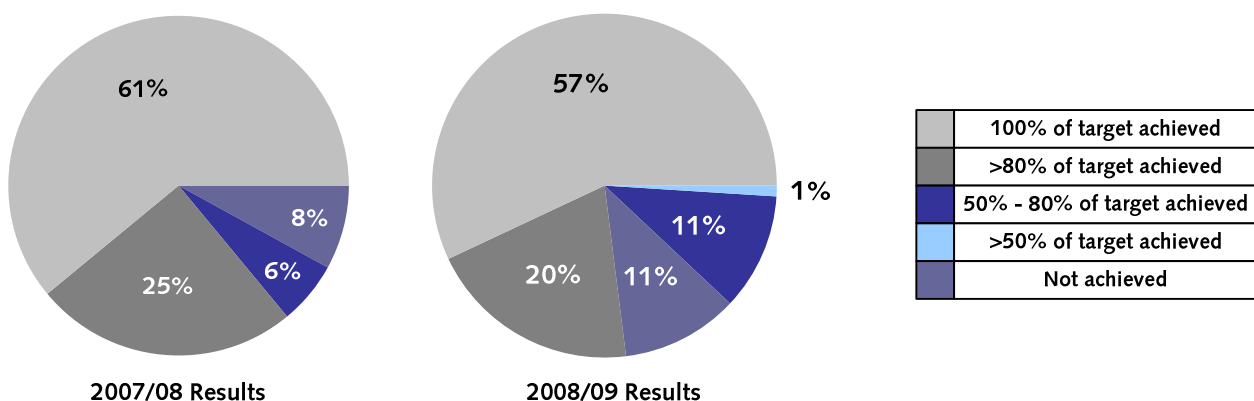
Investing in Our People	Creating Identity and Prosperity	Protecting Our Future
<ul style="list-style-type: none"> Community Development Community Facilities Emergency Management Partnership with Maaori Representation and Civic Affairs Environmental Health Parks and Gardens Sports Areas Swimming Facilities 	<ul style="list-style-type: none"> Environmental Services Economic Development City Promotion Performing Arts Hamilton City Libraries Waikato Museum of Art and History Event Facilities Hamilton Zoo 	<ul style="list-style-type: none"> Wastewater Management Stormwater Management Recycling/Refuse Collection Water Supply Sustainable Environment Transport: Road Network Management Transport: Access Hamilton Endowment and Investment Property Portfolio Management

Council's 2006-16 Long-Term Plan includes the key performance measures and targets for each of the 10 financial years covered by the plan. These measures are used to report on how the significant services performed in 2008/09.

The performance measures and targets in the Long-Term Plan take into account the diversity of Council's facilities and services and were developed from a wide range of sources. They measure things such as quality, customer satisfaction, facility usage, meeting legislative requirements, public health and safety, timeliness, etc. They were also independently assessed by Council's auditors, Audit New Zealand.

In 2008/09 there were 140 performance measures across Council's 25 significant services. The following pie graphs show the overall results for the 2008/09 performance targets against an achievement scale. The pie graphs also provide a comparison with the 2007/08 results.

Performance Measure Results — 2007/08 and 2008/09





Residents Survey Results - Overall Performance of Council

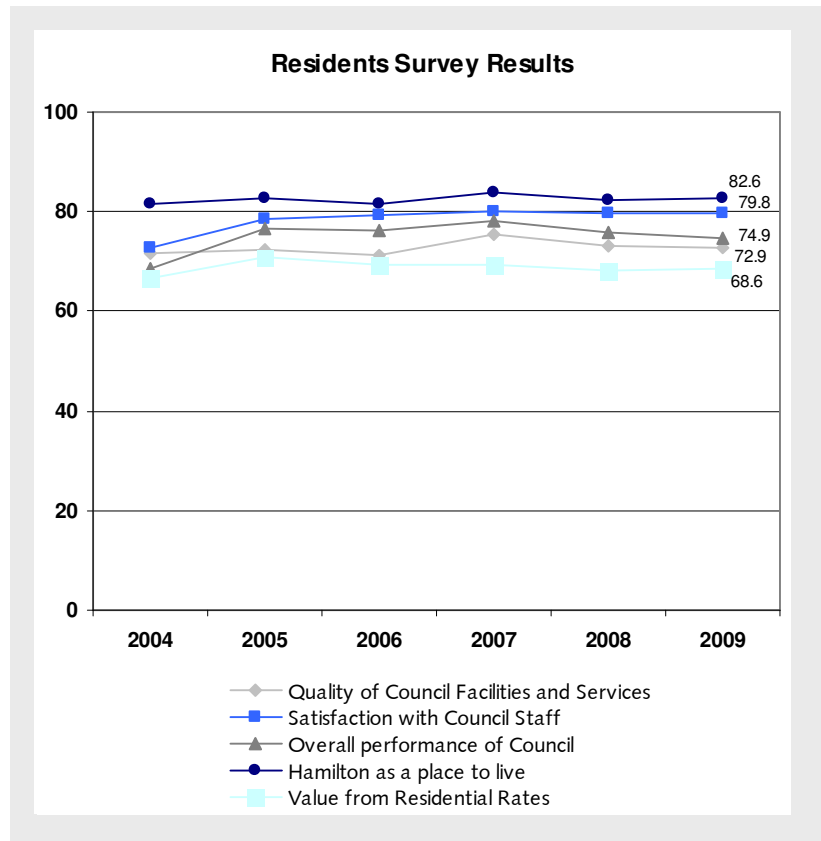
The Residents Survey, which is completed each quarter, is one of the main methods of obtaining Hamilton residents' views on how effectively Council is operating, particularly in regard to the provision of key facilities and services.

This survey has been carried out since 1984 by an independent research company and provides a useful measure of community opinion over time. The survey is conducted by telephone and interviews 175 Hamilton residents each quarter, providing a sample size of 700 respondents annually.

The use of customer satisfaction scores allows results to be compared from year-to-year. The scores are based on an 11 point satisfaction scale (0 = very dissatisfied to 10 = very satisfied).

Scores from individual survey respondents are then aggregated into a single score out of 100.

Results from the 2009 Residents Survey Report (for the four quarters during July 2008 to June 2009) show that satisfaction scores remain steady compared to 2008, continuing to represent high levels of resident satisfaction for key areas.



Profile of Hamilton

Population	141,504	Length of footpaths	919.9 km
City area	9,860 ha	Length of cycleways	70.6km
Number of Businesses	13,211	Length of wastewater pipes	778 km
Number of Employees	77,510	Length of stormwater pipes	635 km
Rating system	Land Value	Length of water pipes	1,065 km
Rates revenue (net)	\$103.2m	Number of bridges	59
Rateable properties (all excluding not-rated)	52,228	Traffic bridges over the Waikato River	Six
Rateable land value (all excluding not-rated)	\$10,124m	Length of streets (road centreline length)	605.3 km
Rateable capital value (all excluding not-rated)	\$21,773m	Number / area of parks and gardens	145 (636.4 ha)
Net city debt (including internal borrowing)	\$264.0m	Number / area of sports areas	63 (446.4 ha)
Date of city revaluation	1 Sept 2006	Number of play areas	95



2008/09 Financial Overview

Council and its group of entities has reported a deficit after tax of \$16.8m for the 2008/09 financial year (2007/08 \$2.2m surplus).

The significant variances to the financial result for 2007/08 included:

- Net rates revenue was \$98.0m, an increase of \$6.1m over last year (2007/08 \$91.9m), of which \$1.0m was from city growth (new rateable properties).
- Other revenue was \$81.6m, a decrease of \$5.4m over last year (2007/08 \$87.0m). This was due to a lower value of assets being vested to Council compared to the previous year.
- Other gains decreased to nil from \$6.5m in 2007/08. This was due to there being no adjustments to fixed assets upon revaluation for 2008/09.
- Finance costs have increased by \$2.6m to \$16.0m due to Council's increased level of debt funding.

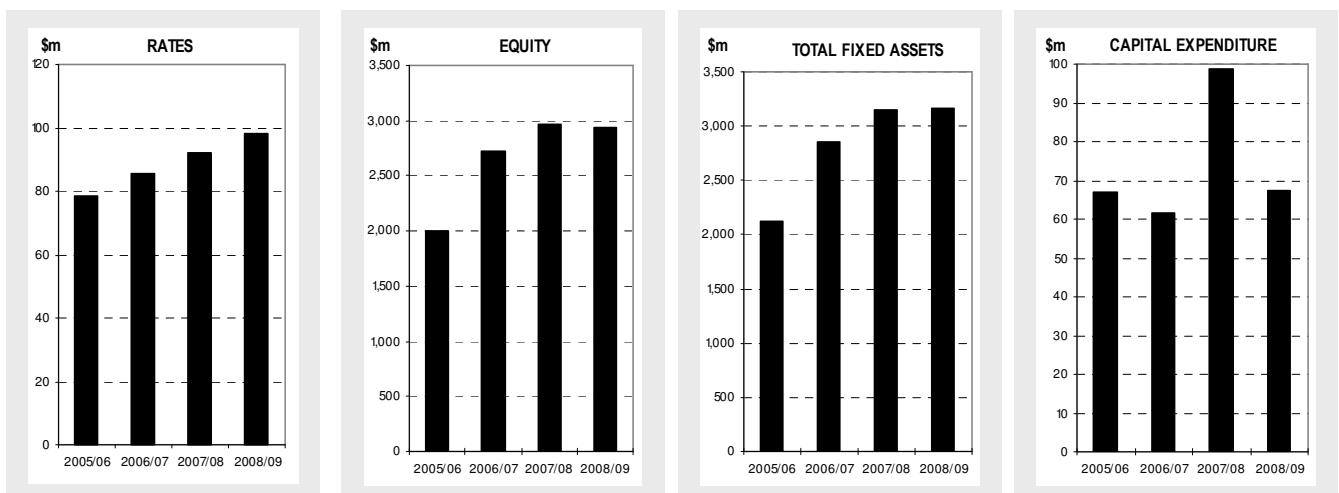
Interest cost incurred in servicing debt (excluding internal borrowing interest) increased to \$15.3m (2007/08 \$12.9m).

Overall net debt (including internal borrowing) increased to \$264.3m (2007/08 \$229.0m) due to further loan funded capital expenditure.

Capital expenditure for the 2008/09 financial year was \$67.2m (2007/08 \$98.7m). A number of significant projects were undertaken during the 2008/09 financial year. These include work associated with upgrading Claudelands Event Centre (\$5.3m), Pukete wastewater secondary treatment plant (\$5.4m), CityHeart improvements (\$5.4m), Lake Domain tearooms (\$2.4m), major roading projects at Wairere Drive (\$6.1m), Rototuna (\$3.7m) and Rotokauri (\$2.5m).

Financial Summary

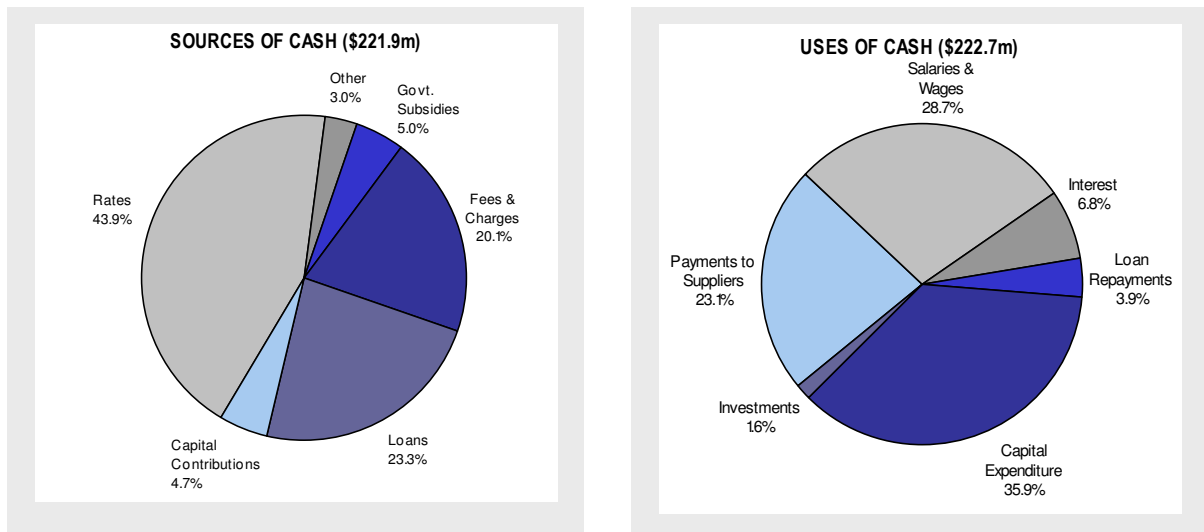
The financial summary of key items from June 2006 to June 2009 is shown as follows:





Cash Flow

The sources and uses of cash for the year ended 30 June 2009 is summarised as follows:

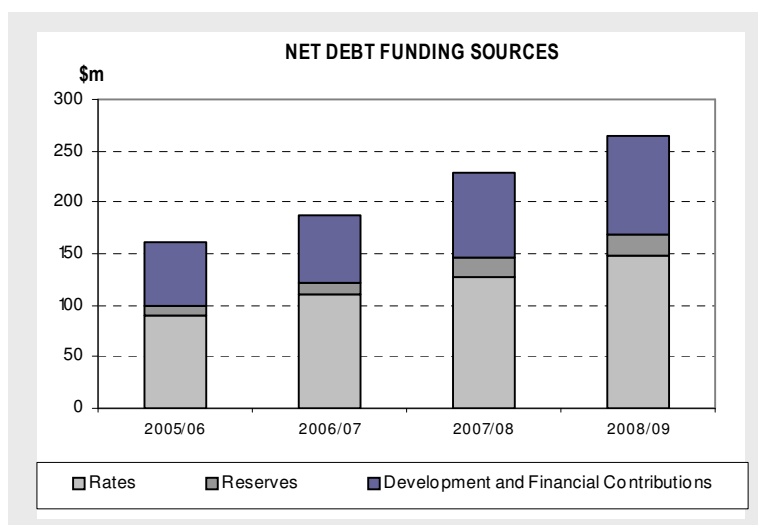


City Debt

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, which is then added to the reserves.

Council introduced a policy of Development and Financial Contributions from 1 July 2005 which provides a dedicated funding stream to support urban growth. In line with the introduction of this policy, Council has analysed the overall net debt based on sources of funding used to repay the principal and interest costs for subsequent years.

The graph below shows the net debt levels (including internal borrowing) from June 2006 to June 2009 and how it is funded in subsequent years.





Debt Servicing Performance Targets

Policy Limits - Council Net Debt

- 1. Interest on Council debt (excluding interest on Development and Financial Contributions Levy (DCL) debt) shall not exceed 20% of total rating income.**
Interest on Council's debt for the year ended 30 June 2009 was \$9.6m, compared with rating income of \$98.3m.
 - The target has been met at 9.8%.
- 2. Net debt (Council) shall not exceed 180% of total income (excluding total DCL contributions received per annum in income).**
Council's net debt as at 30 June 2009 was \$169.1m, compared with total income of \$158.5m.
 - The target has been met at 106.7%.
- 3. Net debt (Council) per capita shall not exceed \$1,800.**
Council's net debt as at 30 June 2009 was \$169.1m, compared with the estimated population of Hamilton of 141,504.
 - The target has been met at \$1,195.

Policy Limits - Total Net Debt

- 1. Net debt shall not exceed 25% of total assets.**
Total net debt as at 30 June 2009 was \$264.3m, compared with total assets of \$3,227.3m.
 - The target has been met at 8.1%.
- 2. Net debt shall not exceed 300% of total income (including total DCL contributions received per annum in income).**
Total net debt as at 30 June 2009 was \$264.3m, compared with total income of \$165.1m.
 - The target has been met at 160.1%.
- 3. Interest (total) shall not exceed 20% of total income (including total DCL contributions received per annum in income).**
Total interest as at 30 June 2009 was \$15.9m, compared with total income of \$165.1m.
 - The target has been met at 9.7%.
- 4. Liquidity (on total net debt and working capital) will be at least 110%.**
 - The target has been met at 121.9%.



Audit Report

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

Audit Report

To the readers of Hamilton City Council and group's summary annual financial statements, performance information and the other requirements for the year ended 30 June 2009

We have audited the summary financial statements, performance information and the other requirements as set out in pages 4 to 18.

Unqualified Opinion

In our opinion:

- the summary financial statements, performance information and the other requirements represent, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the information reported in the summary financial statements, performance information and the other requirements complies with FRS-43: Summary Financial Statements and is consistent with the full financial statements from which it is derived.

We expressed an unqualified audit opinion, in our report dated 25 September 2009, on:

- the full financial statements; and
- the performance information; and
- the Council and group's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report.

Basis of Opinion

Our audit was conducted in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards. In addition to the audit we have carried out an assignment to provide assurance over the process for procuring consultants and contractors for the City Heart Project and have conducted the audit of the Long Term Council Community Plan, which are compatible with those independence requirements. Other than the audit and these assignments, we have no relationship with or interests in the City Council or any of its subsidiaries.



Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary annual report and we are responsible for expressing an opinion on those summary financial statements, performance information and the other requirements. These responsibilities arise from the Local Government Act 2002.

Karen MacKenzie, Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand
25 September 2009