

HAMILTON CITY COUNCIL'S 2009/10 ANNUAL REPORT

the year in
review





Whakatauki and He Mihi

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.*

Nga take I koreohia a 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.*

Na Potatau Te Wherowhero, 1858

the year in review

Hamilton City Council
Municipal Offices
Garden Place
Private Bag 3010
Hamilton 3420
New Zealand
Phone +64 (0)7 838 6699
Fax +64 (0)7 838 6599
Email info@hcc.govt.nz
www.hamilton.co.nz
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1.0 MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE

HE KARERE MAI TE KOROMATUA ME TE KAIWHAKAHAERE MATUA

Council's 10-year plan (the 2009-19 Long-term Council Community Plan) aims to strike a balance between affordability in tough economic times, and allowing for progress towards longer-term aspirations for the city. This 2009/10 Annual Report outlines Council's performance against the first year of this plan.

Careful planning and a cautious approach mean that Council has delivered on its commitments, despite a slower than anticipated economic recovery, with a funding surplus of \$0.448 million after rates funded carryovers of \$1.505 million. Reduced revenue streams and increasing external costs experienced in 2009/10 have further reinforced the focus on prioritisation. Council's internationally recognised AA- Fitch credit rating was also renewed in May 2010, ensuring greater discipline in financial management and decision-making.

As well as being a record of Council's performance, this Annual Report also highlights and acknowledges some of the exciting collaborative projects and initiatives happening in Hamilton. Council provides a wide range of facilities and services to the community, but is only one of many organisations and businesses whose actions and efforts contribute to making Hamilton a great city.

For the last four years Council, in partnership with a large group of city leaders, has developed and implemented eight City Strategies that work towards achieving the vision of a *Vibrant Hamilton*. The City Strategies are based on the premise that achieving outcomes for Hamilton and comprehensive improvement to the city's well-being will not be achieved by the actions of any sector or by any single layer of government alone. 2009/10 saw the completion and adoption of the final two strategies (Access Hamilton and Active Communities) to make up the full suite.

Section 2.0 of this document provides an overview of what has been achieved in 2009/10, including both financial performance and how well services and projects have been delivered to the community. This section also outlines Council's priorities looking forward.

Ko te tirohanga matua oo te Maahere Rautaki aa Haapori 2009-19, he whakaritenga kia tautika ai te whakatutukitanga I ngaa moemoea me ngaa aaheitanga moo te Taaone. I roto hoki I te Riipoata aa Tau he whakangungu hei tautoko ai I nga whakahaerenga aa Te Kaunihera moo ngaa tau 2009/10.

Ahako te pooturitanga oo te ekeenga aa moni I roto oo Aotearoa, kua tutuki pai ngaa whainga aa Te Kaunihera moo ngaa tau 2009/10. Aa muri tonu I te kawenga a reeti \$1.505 million, ko te taatau moni tuwhene moo ngaa reeti, ko te 0.448 million. Ko te mea matua, me pakari ai te tirohanga aa Te Kaunihera I roto tonu I te whakahekenga o ngaa moni putea me te whakaekenga o ngaa utunga o waho mo ngaa tau 2009/10. Kua whakahoungia hoki te tohu AA- Fitch I te marama o Haratua kua mahue ake nei, naa teena tohu kua arahi tonutia I Te Kaunihera I roto I ngaa mahi putea me oona whakaritenga katoa.

Atu I te whakatokotoranga o ngaa whakaritenga aa Te Kaunihera, ko te Riipoata aa Tau, he whakaaturanga oo ngaa whiwhinga, ngaa painga o ngaa mahi ki roto o Kirikiriroa. Kei te pakari tonu ana ngaa whakaurunga me ngaa kawenga taangata moo te haapori tonu, engari, naa te mahitahi a ngaa roopu whakahaere me ngaa kaipaakihi o Kirikiriroa, kia tuu rangatira ai too taatou Taaone.

Naa te kotahitanga o ngaa roopu whakahaere o Kirikiriroa, kua whakataungia ngaa whainga rautaki e waru kia tutuki ai te moemoea *Vibrant Hamilton*. Ko te whiriwhiringa o ngaa whainga rautaki nei he aronga e tautoko ana te Taaone kia oti pai ai ngaa mahi, me wheenei hoki te ahua, e hara taku toa I te toa takitahi, engari he toa takitini, whakamaui kia tiina. Hei te mutunga o 2009/10, kua rite hoki ngaa whainga whakamutunga Access Hamilton and Active Communities hei whakaotinga moo eenei tirohanga.

I roto tonu I te Riipoata aa Tau ngaa whakataunga me ngaa whakaotinga aa putea mo ngaa tau 2009/10 me he whakakitenga ano aa Te Kaunihera mo ngaa tau kei te haere mai.



Bob Simcock

MAYOR / TE KOROMATUA



Michael Redman

CHIEF EXECUTIVE / TE KAIWHAKAHAERE MATUA

2.0 OVERVIEW OF COUNCIL'S PERFORMANCE IN 2009/10

TE TIROHANGA WHAANUI O NGAA MAHI 2009/10

ABOUT THE ANNUAL REPORT...

Council is required by the Local Government Act 2002 (LGA 2002) to develop a series of documents that communicate its plans for the city's future development. Council also has to report annually on how well it achieved what it said would be done. The three documents that make up this planning and reporting framework are:

PLANNING AND REPORTING FRAMEWORK	
DOCUMENT	DESCRIPTION
10-year Long-Term Council Community Plan (LTCCP)	The LTCCP defines Council's intentions for Hamilton over the next 10 years, and is reviewed every three years.
Annual Plan	An Annual Plan is produced in the two intervening years between each LTCCP and outlines any key changes Council has made to the LTCCP.
Annual Report	The Annual Report shows Council's performance against the activities, projects and budgets outlined in a specific year of the LTCCP or Annual Plan.

Council's Annual Report is produced at the end of the June financial year. The Annual Report shows how Council has performed against the commitments made in its 10-year Long Term Council Community Plan (LTCCP) and any subsequent Annual Plans. The report covers both financial performance and how well Council has delivered its services to the community. The 2009/10 Annual Report reports on Year 1 of the 2009-19 LTCCP.

COUNCIL'S FOCUS IN 2009/10...

It is Council's job to get the balance right between meeting community expectations in the shorter term, and looking after the future interests of the city. Council's 2009-19 LTCCP was developed based on a prioritisation tool that reflects this sustainable development approach and divides the 10-year plan into three broad phases:

MEND	EXTEND	BLEND
Early years of the LTCCP. Making the most of what we currently have. Alignment of key plans and policies (e.g. District Plan) to the city vision. Investment in key information systems. Gaining a better understanding of the condition of key assets.	Middle years of the LTCCP. Services expanded to address pressure on existing services and infrastructure. Deliverability still balanced with affordability.	Latter years of the LTCCP. Expansion of infrastructure to continue. Will also involve maintenance and upgrading of existing assets and planning for future growth cells.

The prioritisation tool also recognises that there is an existing baseline of expenditure relating to projects and programmes already underway. These projects and programmes run throughout the three phases. For example, the City Heart revitalisation project, Claudelands redevelopment, Access Hamilton transportation projects, City Strategy flagship projects, and Council's asset renewal programme.

Other key projects that were progressed in the first year (2009/10) of the 'Mend' phase include:

- Further development planning and accelerated implementation of the upgrade to Council's information systems and processes.
- The Service Delivery Review, which is aimed at providing Council with information to consider the potential use of alternative structures, arrangements and/or methods for delivering services in the most effective and efficient way.
- Progression of the District Plan review, with draft outcomes and options for the review being presented to the community for comment.
- Completion of City Structure Plans and implementation of Future Proof (the sub-regional growth strategy).
- Development of greater knowledge of key Council assets (in particular the city's water supply, wastewater and stormwater networks) through various studies and data capture processes.

OPERATING IN DIFFICULT ECONOMIC TIMES...

Although the economy appears to be stabilising, the rate of recovery is slower than was anticipated in the 2009-19 LTCCP and Council remains relatively cautious.

As a result of the slump in the building sector, Council is experiencing a significant reduction in revenue from new rating growth and development fees. Revenue from development contributions was down 40% on that budgeted for 2009/10, from \$9.5 million to \$5.7 million. Expenditure was also lower than budgeted, with a net deficit of \$0.111million for Development Contributions being ring-fenced within the Development Contributions reserve, and the timing of future growth projects is being reviewed.

Residential development activity in Hamilton appears to be slowly strengthening. There were 728 building consents issued for new houses in 2009/10, compared to 394 in 2008/09. However, activity remains significantly lower than that of recent 'boom' years.

The reduction in revenue streams in 2009/10 was compounded by increasing costs (particularly plant and

materials) that have impacted directly on Council's operations. The cost of legislative compliance has also increased, for example recent changes to water supply standards. Council has implemented some strategies to reduce operating costs where feasible, and has been able to offset the implication of the reduced revenue without affecting current levels of service in 2009/10.

Despite the economic downturn, Hamilton's population is increasing at a steady rate, reaching almost 144,000 at 30 June 2010. Projections indicate that the city will need to accommodate an additional 25,000 people between 2009 and 2019, which in turn will place increased pressure on Council's services and infrastructure.

As part of addressing this increase, a number of northern and eastern areas currently in Waikato District that adjoin the city will be transferred to form part of Hamilton in 2010/11 i.e. the city will increase in size by 3.8%, from 9,860 hectares to 10,230 hectares. The Hamilton Urban Growth Strategy (HUGS) and Future Proof sub-regional growth strategy will be critical in guiding and shaping the city's development over the next 10 years and beyond.

As in 2009/10, Council will continue to monitor and analyse the economic environment in which it operates. The results of this ongoing analysis are one of the key inputs used by Council when undertaking its annual reassessment of the 2009-19 LTCCP work programme through the Annual Plan process and each three-yearly review of the 10-year LTCCP.

SUMMARY OF FINANCIAL PERFORMANCE...

The 2009-19 LTCCP makes funding provision of just over \$1 billion for capital projects over its 10 year period (as well as \$2.28 billion for operating and maintenance costs). Despite challenging times in 2009/10, Council delivered on the majority of its committed projects and programmes.

For the 2009/10 financial year, Council and its group of entities reported a deficit after tax of \$20.9 million. In comparison, a \$16.8 million deficit was recorded for 2008/09.

The deficit of \$20.9 million included \$11.6 million losses on various items including disposal of assets, valuation of investment properties, asset revaluation adjustments and interest rate swaps, as well as \$4.9 million deferred tax adjustments from our associates which were all non-cash items. The total funding surplus from general rates after rates funded carryovers of \$1.505 million was \$0.448 million.

Although Council budgeted to spend \$78 million on capital items, the actual spend was \$109.1 million (in comparison the actual capital spend in 2008/09 was \$67.2 million). The additional capital spend was funded by way of budget carried over from the previous year.

Examples of significant projects undertaken during 2009/10 included work associated with upgrading Claudelands Events Centre (\$32.4 million); construction of the Pukete wastewater secondary treatment plant (\$4.5 million); CBD improvements (\$3.3 million); Property management (\$3.7 million); major roading projects at Wairere Drive (\$5.0 million), Rototuna (\$1.7 million) and

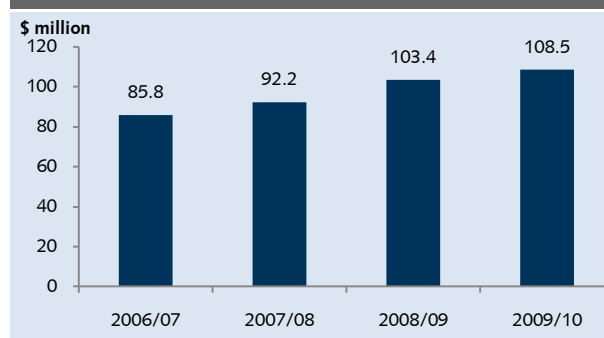
Rotokauri (\$3.7 million); strategic property purchases (\$12.0 million); land purchases for reserves (\$5.6 million); cycleway construction (\$2.1 million), and Access to Hamilton E1 Arterial (\$1.4 million).

Rates income (after penalties and remissions) of \$108.5 million accounted for 41% of Council's revenue stream in 2009/10, with the balance comprising fees and charges, government subsidies and loans. In comparison, the income from rates in 2008/09 was \$103.4 million.

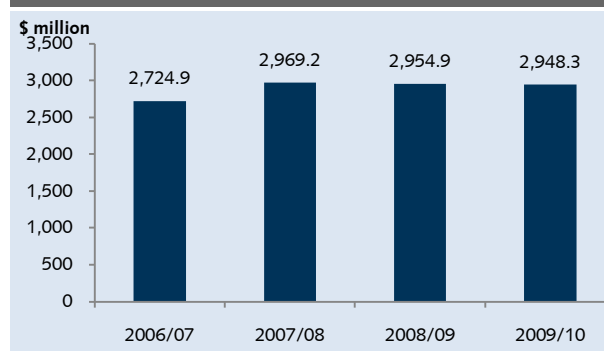
Other revenue was \$70.1 million, a decrease of \$6 million over 2008/09 (\$76.1 million). This was due to a lower value of assets being vested to Council compared to the previous year.

Trend data for the city's rating income, ratepayer's equity, total fixed assets and capital expenditure between 2006/07 and 2009/10 is outlined in the following graphs.

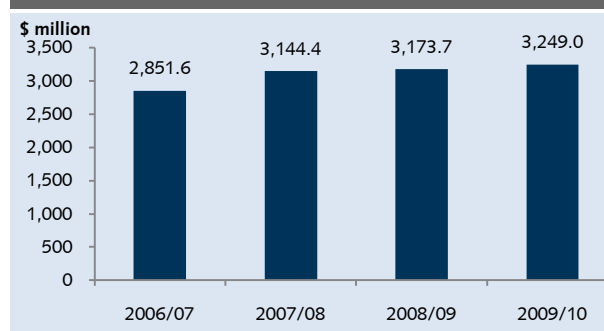
TOTAL RATING INCOME



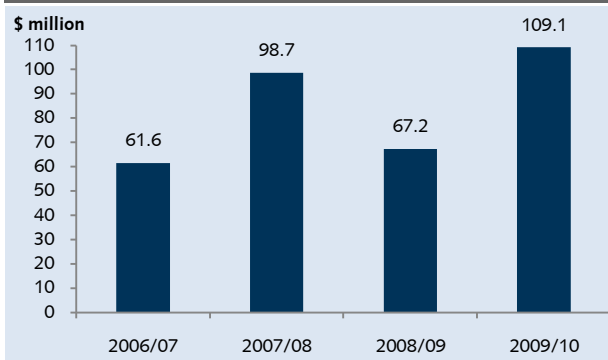
RATEPAYERS EQUITY



TOTAL FIXED ASSETS (INCLUDES INVESTMENT PROPERTIES)



CAPITAL EXPENDITURE



City Debt

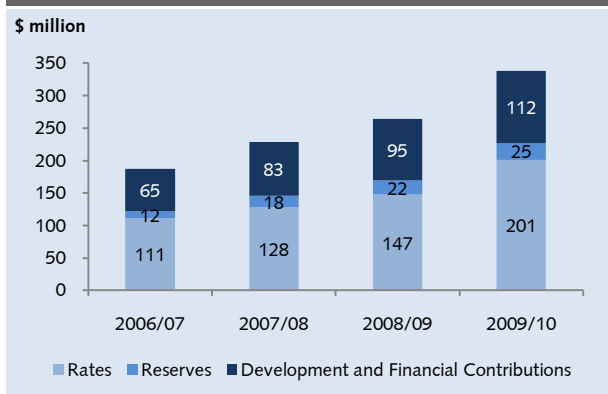
Rather than sourcing all of its borrowing externally, Council utilises funds from reserves and working capital cash to reduce external borrowing. Internal interest is charged on these funds, which is then added to the reserves.

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.

Overall net debt (which includes internal borrowing) increased from \$264.3 million in 2008/09 to \$338.5 million in 2009/10 due to further loan funded capital expenditure. Of this latter figure, \$201.3 million was funded by rates, \$112.1 million by development and financial contributions, and \$25.1 million was funded from reserves. The increased level of debt funding has resulted in total finance costs increasing in 2009/10 by \$2.1 million to \$18.1 million. Interest cost incurred in servicing debt (excluding internal borrowing interest) increased to \$17.0 million (2008/09 \$15.3 million).

The following graph shows the net debt levels (including internal borrowing) from 2006/07 to 2009/10 and how it is funded.

NET DEBT FUNDING SOURCES



AA- Credit Rating

In July 2009 Council was awarded an internationally recognised credit rating of AA- by Fitch Ratings, one of

three internationally recognised credit rating agencies along with Standard & Poors and Moodys. Fitch Ratings has provided ratings for a number of large New Zealand companies such as Telecom, Contact Energy and Fonterra.

The AA- rating, which was renewed in May 2010, ensures greater discipline of Council's financial management and decision-making. It also provides Council with greater access to more competitive borrowing rates as well as providing more flexibility when raising loans.

SERVICE DELIVERY PERFORMANCE...

Council has structured its activities by 10 groups, which comprise a total of 34 activities. The 10 Activity Groups provide the main means of delivering Council's services and work programmes.

Section 4.0 of this document provides a detailed assessment of how well Council's activities performed during 2009/10, covering both financial results and how effectively services have been delivered to the community.

Performance against 2009/10 Targets

The 2009-19 LTCCP includes performance measures and targets for each activity. Section 4.0 reports the results for 2009/10 (Year 1 of the LTCCP) and also discusses any important aspects of performance in addition to the performance measures.

The performance measures and targets in the LTCCP take into account the diversity of Council's facilities and services and were developed from a wide range of sources. They are based on service provision attributes such as quality, safety, sustainability, accessibility and reliability/ responsiveness. The LTCCP performance measurement framework was also independently assessed by Council's auditors, Audit New Zealand.




Results are coded using the following key:

KEY:

- = target achieved
- = within 5% of target
- = Not achieved

PERFORMANCE AGAINST 2009/10 TARGETS

ACTIVITY GROUP	■	■	■	TOTAL
City Profile	7		1	8
City Safety	7	2		9
Community Services and Amenities	13		4	17
Democracy	7	1	1	9
Event and Cultural Venues	14	2		16
Recreation	12	1	2	15
Transportation	13	3		16

ACTIVITY GROUP				TOTAL
Urban Development	3	2	2	7
Waste Minimisation	5			5
Water Management	16			16
Total	97	11	10	118

Of the 118 performance measures for 2009/10 across Council's 10 Activity Groups, 97 were 100% achieved, 11 were achieved within 5% of the target, and 10 were not achieved.

Section 4.0 provides detailed information for all the performance measures, including why targets were not achieved. In the majority of cases where targets were not met, significant progress was made towards their achievement, resulting in minimal impact on the services delivered to the community.

Monitoring Citywide Trends

Council is also required to monitor progress being made towards the community's goals - known as Hamilton's Community Outcomes. This is achieved through looking at trend data from a number of measures that have been agreed to by the community (e.g. air and water quality) known as Hamilton's Community Outcomes Progress Indicators (HCOPIs).

Trend data of the relevant HCOPI's that Council's 10 Activity Groups contribute towards is outlined at the end of each Activity Group in Section 4.0 of this document. In summary, of the 87 HCOPIs identified, 23 were identified as improving/favourable, 21 were declining/unfavourable, and for 43 the trend was uncertain.

RESIDENTS' SATISFACTION...

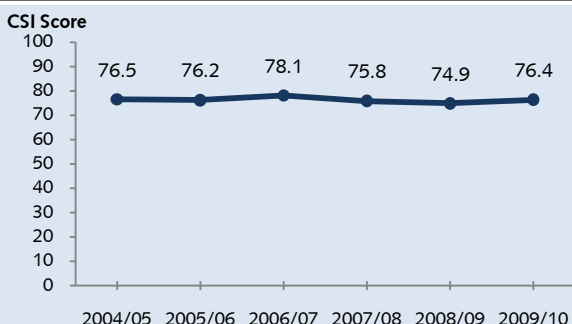
Council's Residents Survey, which is undertaken each quarter, is one of the main methods of obtaining Hamilton residents' views on how effectively Council is operating, particularly in regard to its key facilities and services. The survey has been carried out since 1984 by an independent research company, and provides a useful measure of community opinion over time.

The survey is conducted by telephone and interviews 175 Hamilton residents each quarter, providing an annual sample size of 700 respondents.

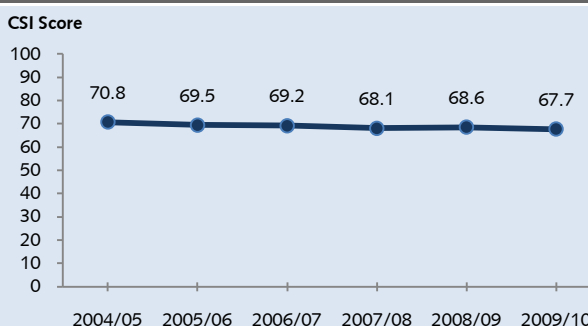
The use of satisfaction scores allows results to be compared from year-to-year. The scores are based on an 11 point satisfaction scale (0 = very dissatisfied to 10 = very satisfied). Scores from individual survey respondents are then aggregated into a single Customer Satisfaction Index score (CSI score) out of 100.

The following graphs include a summary of results for residents' satisfaction with the overall performance of Council, the quality of Council facilities and services, and value received from residential rates.

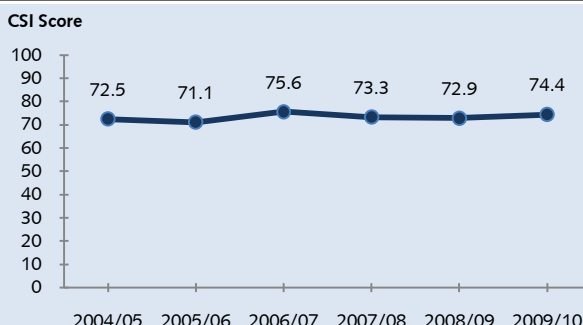
OVERALL PERFORMANCE OF COUNCIL



VALUE FOR RESIDENTIAL RATES



QUALITY OF COUNCIL FACILITIES AND SERVICES



Since 2004, survey results show that residents have identified transportation issues (particularly congestion) as the most important ones Council should be looking at. Council is addressing these issues through progressing the Access Hamilton Strategy, and has made budget provision of \$116 million over the 10-year period of the 2009-19 LTCCP to maintain and enhance the city's transportation network.

PROGRESS OF MAJOR PROJECTS...

Section 4.0 of this document, which reports on the service delivery performance of Council's 10 Activity Groups, also provides a selection of highlights for the 34 constituent Activities that focus on projects that were either completed or where significant progress was made during the 2009/10 financial year. In total, this section contains over 70 highlights across the 34 Activities, with 15 of these highlights being outlined below.

Claudlands Redevelopment

Claudlands is currently undergoing a \$68.4 million upgrade, which when completed, will see the construction of a 5,000-capacity indoor multipurpose arena, conference centre capable of holding up to 1,200 delegates and upgraded exhibition facilities.

Construction began in July 2009, with all portions of the project scheduled for completion by mid-2011.

The first component of the redevelopment - enhanced exhibition facilities, consisting of two 2,000m² exhibition halls - was completed in 2009/10. Claudlands continued to host events through out the construction, with shows like the Waikato Home and Garden Show, the Motor Home and Caravan Show, and others, having successfully worked around the build programme.

With an integrated indoor exhibition trade space of up to 6,000m² (comprising 4,000m² new and 2,000m² existing), complemented by an expansive outdoor hard surfaced exhibition space of up to 3,000m², the halls will provide an enhanced offering to the centre's existing exhibition business, while also enabling the venue to cater to a new range of events.

The establishment of the new 1,200 delegate conference facilities and a 5,000 capacity indoor arena continues. Work on both components is currently underway, with the conference facilities due for completion in March 2011 and the arena scheduled to be completed by mid-2011.

The arena will provide opportunities to host music concerts, live performances, major sporting events, conference conventions, large presentation, award dinners and flat floor exhibitions.

Both the physical build and the financial budget are on track. \$32.5 million was spent in 2009/10. The total spend as at 30 June 2010 was \$35 million, of the budgeted \$68.4 million.

'Fast Forward' — District Plan Review

'Fast Forward' is the name of Hamilton's District Plan review; one of Council's most significant long-term projects. The District Plan affects all Hamilton residents and organisations, as it sets out the rules and policies for how people can develop and use land in the city.

The two-year review of the Hamilton City District Plan commenced in 2009/10 and saw the publication of a discussion document released for public feedback in November 2009. The discussion document aimed at identifying the most significant resource management issues for Hamilton that will eventually be addressed by the District Plan. This was followed up with a number of public exhibitions explaining the review process.

A new website www.fastforwardhamilton.co.nz was also launched in late 2009 to promote the District Plan. The existing District Plan is now over ten years old and much has changed in that time. The new District Plan will address issues such as:

- Residential intensification - how do we want our neighbourhoods to grow?

- City Heart vitality - how can we have a vibrant and successful central city?
- Character and heritage - how can we protect the things in Hamilton that are special and unique?
- Social well-being - ensuring residents have good access to social facilities.
- Transportation and accessibility - how can we get around more sustainably?
- Environmental sustainability - how should we protect our natural assets?
- The river - how can we make the most of the Waikato River?

Following on from the November 2009 discussion document, a range of options have been developed to address significant issues. An Outcomes and Options discussion document, entitled 'Big Picture', was produced in August 2010, seeking residents' feedback on Council's thinking so far. It covers a range of issues, including what could happen in the areas of facilities and events, natural environments, transport, public space, culture and heritage, design guidance and residential and business areas. A summary flyer, entitled 'Snapshot' was also distributed to all Hamilton residents in late August 2010.

Council will consider results of the consultation in February/March 2011 so that a final direction on options to be taken forward can be confirmed. The new District Plan will be drafted during 2011 and is intended to be formally notified in early 2012.

As part of the District Plan review process, 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.

Implementation of Future Proof

Formal implementation of the Sub-regional Growth Strategy - Future Proof - commenced in 2009/10, with Hamilton City Council being appointed as the administering authority for the first three years.

Future Proof covers the administrative areas of Hamilton City, Waikato and Waipa District Councils and the associated area of Environment Waikato. It sets out how these councils will manage growth and land use for the sub-region over the next 50 years.

An Implementation Committee has been established, comprising two elected members from each of the partner councils, along with two tangata whenua representatives.

Implementation of the strategy is occurring by way of a number of joint projects and initiatives, with the Future Proof partners also giving effect to the strategy through their own planning processes.

Council Decisions on District Plan Variations

Variations 7, 13 and 14 to the existing District Plan were progressed to formal hearings of Council, where final

decisions were made in respect of public submissions. A number of appeals have been lodged against these decisions and work is now underway to resolve these.

Variation 7: Temple View - brings the Temple View area of the city under the provisions of the Hamilton City Proposed District Plan, whereas previously it had been administered under the provisions of the Waipa District Plan.

Variation 13: Residential Centres - controls the way in which residential centres and managed care facilities are able to establish in the city.

Variation 14: Peacocke Growth Cell - introduces a Structure Plan for the Peacocke growth cell into the Proposed District Plan. The Structure Plan provides the framework for controlling how urban development in the Peacocke area should occur over time.

Variation 20: Hamilton East Character Area - aims to address concerns regarding inappropriate forms of development in terms of subdivision, building form, intensity of development, lack of design controls and the need to recognise the special character of the area in terms of its heritage buildings, streetscape and landscape. The variation was notified in September 2009, with 102 submissions received initially and 26 further submissions received both supporting and opposing the original submissions. Hearings were held on 12 and 13 August 2010, and decisions made on the submissions and further submissions on 13 August 2010. The decisions will be notified in September 2010.

New Promoter for the Hamilton ITM 400

Australian and international motorsport leader, V8 Supercars Australia, is to run Hamilton's ITM 400 from 2011. The deal, announced on 6 May 2010, sees V8 Supercars Australia take over from current promoter Caleta Streetrace Management (CSM). CSM has stepped aside from their role as promoter as they are no longer in a financial position to run and grow the event.

The deal is a further coup for Hamilton, entering a partnership with an event organiser of such calibre, and guaranteeing the only New Zealand leg of the series in the city for at least a further four years with a new three-year extension.

Council will continue to sponsor the event and will share in its financial success but with no exposure to trading losses. V8 Supercars Australia has a proven track record of promoting successful and profitable streetrace events.

Other new initiatives include substantially increasing the spend promoting the ITM 400 in New Zealand and Australia, and introducing a rock 'n' race theme. It is the largest single sporting event in New Zealand, and despite the recent economic downturn, still attracted more than 100,000 people through the gates over three days in April 2010.

V8 Supercars Australia is in the process of securing key local staff, suppliers and contractors, and planning is already well underway for the 2011 ITM 400 around a street circuit in Frankton.

Te Parapara Garden

Work on Te Parapara Garden, New Zealand's first and only traditional Maori garden, continued during 2009/10. Focusing on plants, techniques and culture associated with pre-European Maaori horticulture, food gathering and food preparation and storage, Te Parapara sits alongside the Sustainable Backyard, the Kitchen Gardens and the Herb Garden in Hamilton Gardens' Productive Garden Collection.

Te Parapara's design comprises traditional carvings created by artisan local carvers and plants with cultural significance. It tells the story of the establishment of cultivated food crops in the Waikato, from the landing of the Tainui waka to the era of the expansive plantations in which local Maaori excelled as productive gardeners.

A joint project between the Te Parapara Garden Trust, Nga Mana Toopu of Kirikiriroa and Hamilton City Council, Te Parapara is due to re-open in late Spring 2010.

Advancement of the Waikato Expressway Development and the Te Rapa Bypass

Council is continuing to work with the New Zealand Transport Agency (NZTA) to deliver the Te Rapa Bypass. The NZTA has awarded a design and build contract, with physical work expected to commence in the Avalon Drive area during the 2010/11 summer period.

Council is procuring significant wastewater infrastructure to enable Rotokauri growth cell development as part of the Te Rapa Bypass contract. The phasing of costs will be determined by the contractor's programme, and it is expected that the first costs will be incurred during 2010/11. The work is expected to be completed by 2013.

The NZTA has tendered the designated Hamilton section of the Waikato Expressway for secondary investigation and this will commence in 2010/11. Council will be working with the NZTA in a key stakeholder role to ensure good integration with the city and its transport network.

Continued Development of the City Ring Road

During 2009/10, Council took advantage of an advanced funding offer from the New Zealand Transport Agency and accelerated the design of the Wairere Drive four-laning between Pukete Road and Resolution Drive, and also the Ring Road extension from the new roundabout at Tramway Road to Cobham Drive.

The construction funding has now been approved for both of these transportation projects and a contract is expected to be awarded early in 2010/11.

New Roundabout at Wairere Drive

The new roundabout being built on Wairere Drive (at the intersection with Tramway Road) commenced construction in 2010 as part of the Wairere Drive extension contract (Hukanui Road to Tramway Road). It will be a key feature of the Access Hamilton ring road transport corridor. The innovative design contains a spoked hub for pedestrians and cyclists within the roundabout, with underpasses under its mid-sections. The design also incorporates the provision for a fifth leg connection for a possible link to the Waikato Expressway and a corridor into the Ruakura area.

Prior to commencing the roundabout's construction, the contractors continued to construct the Wairere Drive extension while undertaking pavement works and relocating underground services. It is anticipated that the \$20 million project will be operational by the end of 2010. The Wairere Drive Roundabout concept plan can be viewed at www.hamilton.co.nz/waieredrive.

Year 2 of the Wastewater Treatment Plant Upgrade

In 2008/09 Council embarked on a 5-year, \$25 million upgrade of the Wastewater Treatment Plant at Pukete. The overall project is aimed at increasing the Plant's capacity to cater for city growth, as well as increasing treatment potential to cater for new, more stringent discharge consent conditions.

Construction of the bioreactor and clarifier tanks was completed in 2009/10. The project will continue in 2010/11 with major works focused on upgrading the solids treatment stream of the plant. This work will involve the installation of new technologies to enhance solids quality, minimise solids volume and increase gas production for use in the onsite electrical generation facility.

ENHANCING THE CENTRAL CITY...

Hamilton's central city is Hamilton's main commercial and retail area, accounting for around 30% of the city's workforce and 30% of retail outlets. The value of land and buildings (capital value) in the central city at June 2010 was \$2.780 billion, representing 11.6 % of Hamilton's total capital value of \$23.948 billion. In addition, over 10% of Council's total rate take comes from the central city.

A number of pressures are being placed on the central city, including the recent economic downturn and subsequent fall off in retail sales, along with increasing pressure from other large retail complexes throughout Hamilton. Parking, rates (relative to other commercial areas in the city), and development contributions are also key issues for the central city's viability.

As one of a variety of means of addressing this issue, Council publicly notified Variation 21 to Hamilton's Proposed District Plan in September 2009, a planning measure aimed at better managing retail and commercial activities in the city. The variation introduced new assessment criteria to maintain the central city as the principal office, retail and commercial hub of the Hamilton, particularly in the face of increasing small office, retail and commercial growth in the northern part of the city.

A Judicial Review of the process was sought by Waikato Tainui, relating to Council's notification of Variation 21. At a court hearing at the High Court in Hamilton in late March 2010, Tainui lawyers claimed Council had an obligation under the Resource Management Act to consult with them, as local iwi, prior to the variation being signalled to other property owners.

Council argued that had it consulted Tainui, they would have gained commercial advantage over other property owners through the commercial arm Tainui Group Holdings, as they would have been in the position to lodge

pre-emptive planning applications, thereby undermining the intent of the plan change. The ruling, released on 3 June 2010, favoured Tainui. Council decided not to appeal the decision and has ceased its processing of Variation 21.

Despite the outcome of the Judicial Review, Council is firmly committed to protecting the central city. Implementation of various projects in the City Heart revitalisation programme will be a key means of achieving this goal.

The City Heart programme is aimed at developing a quality urban environment that will attract people back into the central city and assist in the revitalisation process. Over the 2009-19 period, Council has made funding provision of \$8.2 million to undertake a range of key projects in the central city.

First Year of the Targeted BID Rate

The targeted rate for the Business Improvement District (BID) area began on 1 July 2009. The BID is financially supported by the levying of a targeted rate and collected from all non-residential properties within the defined boundary. Council also contributed \$100,000 in 2009/10 to support the formation of the BID, and will do the same in 2010/11.

During 2009/10, the Hamilton Central Business Association (HCBA) appointed a General Manager and an Executive Committee. A three-year Strategic Business Plan was also finalised, which identifies three goals that reflect the areas in which the HCBA will be focusing its efforts. Each goal is supported by a number of clear strategies that explain how the goals will be achieved. The three goals are:

- Attract more people into the CBD as customers for retail, hospitality and other CBD businesses.
- Enhance the customer experience for people visiting the CBD and patronising CBD businesses.
- Strengthen core competencies of the HCBA and build a reputation as an effective organisation that delivers for its members.

The HCBA has secured commitment from the Hamilton branch of the New Zealand Historic Places Trust to provide conservation architect's recommendations on colour and repair to historic buildings (as well as newer buildings) at no cost to property owners. Through this collaborative project, local paint providers are also offering professional services at a substantial discount, with paint being provided to building owners at no cost. HCBA has secured these ongoing partnerships and will market these success stories as they unfold.

Garden Place Activation and Redesign

2009/10 saw the roll out of 'Summer in Garden Place', a programme of events and activities designed to breathe life and bring people back into this public space. To support this activation, on 19 May 2010 Council endorsed a design brief for Garden Place to guide the planning of physical works to help upgrade the space. The scope of the design brief is to make the best use of existing facilities and environs, and build upon these elements rather than undertake a total revamp of this precinct.

The resulting concept plans include a range of improvements to the existing square, and provide an option to develop a pedestrian-vehicle shared environment that will reconnect Worley Place with Alexandra Street. The design process involved consultation with Garden Place business and building owners, along with other key stakeholders and the public. The Garden Place upgrade will include an outdoor reading room outside the Central Library, a permanent covered stage, an interactive water feature, a creative play area (for the likes of petanque and chess) and vendor kiosks. The upgrade also includes additional angle parking outside the retail stores in Worley Place.

Stage one of the physical works is scheduled to commence August 2010 and be completed by 1 December 2010. The remainder of physical works will continue after the 'Summer in Garden Place' programme has finished and is expected to be completed by the end of June 2011. The overall budget for the project is \$3.7 million. The 'Summer in Garden Place' programme is being developed in conjunction with a Garden Place management group comprising Garden Place property owners, the Hamilton Central Business Association and Council. It will commence during December 2010 - March 2011.



Downtown Plaza Underground Car Park Purchase

On 1 September 2009 Council purchased the Downtown Plaza 460-space underground car park for \$9 million. While not a specific City Heart initiative, the car park will have a significant role in influencing the central city's overall parking strategy, with the purchase being a key response to challenges facing the central city with increased competition from large outlying retail precincts. Once physical changes to the car park are complete and

Council has implemented its Parking Strategy, Council may consider divesting this asset.

This parking asset, combined with other significant Council sites including the Knox Street car park, River Road car park and parking spaces available at the Victoria on the River site (at the end of Collingwood Street) will provide Council the ability to shape how off-street parking operates in the City Heart.

Funding provision of \$2.4 million has been made in 2010/11 for detailed design and construction of physical works related to the reconfiguration of the car park. This work will include ingress/egress changes, including the relocation of the parking building entrances. Any changes will be designed to enable the best use to be made of existing spaces within the central city environs and be integrated with other works to be undertaken as part of the Garden Place upgrade.

Parking Survey

In April 2010 Council began a two month survey of parking behaviour around the city, focussing on the central city. The survey collected quantitative information on where vehicles park and how long they park there for. The information was collected via temporary sensors in parking bays and vehicles designed to take automatic photographic records of cars throughout a set circuit at set times.

Data from the survey helped Council identify the areas of highest demand, understand how long vehicles are parked and show at what times of the day visitor numbers to the city centre are at their highest. This has provided Council with a better understanding of the city's parking situation and will assist in planning for future parking requirements and regulations. The Parking Management Plan will continue to be implemented in 2011.

As a result of the parking survey, Council developed a parking model for the city centre and approved a new parking trial on 11 August 2010. This will reduce the cost of parking in Council-owned off-street car parks to just \$1 an hour for the first four hours, effective from 1 September 2010. The trial is not intended to be the ultimate solution to parking issues in the central city, but will provide Council with further information on how pricing in particular influences parking behaviour.

ORGANISATIONAL EFFICIENCY PROJECTS...

The following outlines a number of key longer-term projects that commenced in 2009/10 and are aimed at providing Council with more efficient and effective processes throughout key parts of its operations. Such initiatives will lead to increased customer satisfaction and assist in Council's mission to be New Zealand's leading service organisation by 'delivering a distinctively Hamilton customer experience'.

Service Delivery Review

On 4 November 2009, Council resolved to undertake a service delivery review of a range of services it provides. The review is aimed at providing Council with the necessary information to consider the potential use of alternative structures, arrangements and/or methods for delivering services in the most effective and efficient way.

The basis for the review is Council's Service Delivery Review Policy - also adopted on 4 November 2009. The policy requires that a two-stage process be used to conduct the review. Stage 1 is intended to identify which services and service delivery arrangements are suitable to proceed to Stage 2 for detailed analysis and final recommendations, prior to any necessary public consultation.

The following 13 services, which are delivered by Council using in-house resources, formed the basis of the Stage 1 work i.e. City Delivery; City Parks; Civil Defence; Event Facilities; Information Services Support Team; i-SITE; Neighbourhood Development; Youth Development; Nursery; Parking; Payroll; Swimming; and Indoor Recreation.

Stage 1 was completed in June 2010 and identified that the following seven services will be the focus of a more detailed evaluation in Stage 2 i.e. City Delivery; City Parks; Nursery; Event Facilities; Swimming; Indoor Recreation; and Parking.

The review of the Information Services Support Team was fast-tracked due to parallel IT projects, and concluded that the core server room infrastructure and support activities be provided through a managed service. A contract was awarded to Axon who has commenced the delivery of the outsourced core server infrastructure and support.

Further work on Council's Neighbourhood Development and Youth Development service will be put on hold pending the outcome of the recommended level of service review across Council's Community Development Unit.

Similarly, further work on Council's i-SITE service has been put on hold pending the outcome of discussions concerning the delivery of regional tourism services that are likely to occur early in 2011.

Throughout 2010/11 Council will progress with Stage 2 of the service delivery review for the seven selected Council activities. In all cases, Stage Two work will also include an evaluation of the status quo.

Upgrade of Council's Information Systems and Processes

Council is investing \$19 million over the next 10 years in a comprehensive overhaul of its information processes and systems to ensure greater cross-Council integration and management of information. This project will provide a technology platform that acts as an enabler to Council becoming New Zealand's leading customer service organisation. It will enhance service delivery to customers, making it easier and quicker for them to work with Council by producing more efficient processes that deliver both time and cost savings and ensure Council is compliant with the Public Records Act.

Following Civica New Zealand being confirmed as Council's prime vendor for the supply of key software applications in December 2009, a number of the Change Programmes have commenced. These include the Microsoft Office 2007 upgrade, Geographic Information System (GIS), Bookings and Point of Sale (Centaman), Library Management System, Financial Information

Management System and an Electronic Document Management System.

The upgrade to Microsoft 2007 was completed in February 2010 and the District Plan iteration of the GIS project was completed in May 2010. It is expected that the remainder of Council will be transitioned to the new GIS platform by June 2011.

The Centaman point of sale and booking system has been implemented at the Zoo and Artspost. The roll out of Centaman to Parks and Gardens (including Hamilton Gardens), Museum and Community Facilities will enable the project to be closed before the end of 2010. The library management system and financials information management system are both scheduled to go live in November 2010.

Planning is well underway for the year two change programmes and for deployment of an Electronic Document Records Management System (EDRMS). The EDRMS will enable Council to manage its records in a more accessible, secure and manageable fashion and is a key technology for assisting the organisation achieve a 'single view of the customer'.

Organisational Development

Council's mission is to be New Zealand's leading service organisation by 'delivering a distinctively Hamilton customer experience'. To make this happen, Council developed an Organisational Strategy during 2009/10 which aims to develop a strong service orientated culture and a significantly enhanced organisational reputation.

The strategy comprises three work streams - People; Business; and Customer. Part of this work has involved the creation of a Customer Charter, Job competencies (which have been integrated into job descriptions), and performance management review processes, in particular around customer service as well as the development of an organisational reporting framework (a Dashboard of measures) that consolidates the organisation's external and internal reporting.

The focus of the Organisational Strategy during 2010/11 will be the rollout of the Dashboard Framework throughout the organisation, and the development of a Customer Strategy.

LOOKING AHEAD — PRIORITIES FOR 2010/11 AND BEYOND...

Key components of the Service Delivery Review, the upgrade of Council's information systems and processes, and the Organisational Development Strategy will continue to be developed and rolled out throughout the organisation in 2010/11 and beyond.

Concurrently, Council will continue to progress a range of other key projects and issues throughout 2010/11 and beyond, particularly those that comprise part of the 'Mend' phase of the 2009-19 LTCCP. A number of these key projects are outlined below.

Developing the 2011/12 Annual Plan

Towards the end of 2010 Council will commence developing its 2011/12 Annual Plan, which will focus on

identifying key changes made by the newly elected Council to the work programme shown in Year 3 (2011/12) of the 2009-19 LTCCP. The Proposed 2011/12 Annual Plan will be available for public submissions in March 2011. Decisions on submissions will be made in early June and the final plan adopted at the end of June 2011.

Preparation for the 2012-22 Long-Term Plan

Early planning and background work on the review of the 2009-19 Long Term Council Community Plan (LTCCP) and development of the 2012-22 Long Term Plan (LTP) commenced in mid 2010. The substantive LTP development phase will take place from mid 2011, with the 2012-22 LTP planned to be adopted in June 2012.

The fundamental assumptions and principles underpinning the 2009-19 LTCCP will form a key part of the review process, particularly around ensuring that the new 2012-22 LTP is affordable for the city's residents and ratepayers while at the same time provides the necessary infrastructure and services for a growing city. The review will also take into account provisions in the new Amendment to the Local Government Act 2002.

Review of the Rating System

As part of developing the 2009-19 LTCCP, Council investigated the impact of different rating scenarios on the city's ratepayers. It concluded that in the current economic environment, any change to the existing land-based rating system would have some significant impact and affordability issues for a large number of ratepayers.

Although Council acknowledges that no rating system is fair and equitable to all ratepayers, it considers that continuation of the current land-based rating system at this stage will provide more certainty of rating levels for existing Hamilton residents and ratepayers. It will also ensure an adequate provision of rates to support and deliver on the projects and programmes in the 2009-19 LTCCP.

However, during consideration of the 2009-19 LTCCP, Council resolved that it would be desirable when introducing any new targeted rates in the future, to have these based on a capital value rating system. This would have the effect of reducing the incidence of rating on land value and change the overall percentage split between land value and capital value over a period of time.

Through the Local Government Act 2002, Council is required to consider the tools and mechanisms for rating within the city as part of developing its 2012-22 LTP. A report looking at options and strategies for Hamilton's rating system will be considered by Council prior to June 2011 as early input for the 2012-22 LTP.

Activity Management Plans

Council is also undertaking a review of its Activity and Asset Management Plans (AMPs). AMPs assist with decision-making around service levels for Council's activities, as well as the operational management of the organisation's services and assets. The review of AMPs will be one of the first steps and building blocks in developing the 2012-22 LTP.

Model of Water Assets to be Developed

During 2010/11 Council has made budget provision of approximately \$2 million to develop a model of the city's water assets. This will comprise:

- Development of a three-waters computerised model to manage growth, identify over-land stormwater flows and optimise operations of the networks. The first phase of this work looks at the bulk water mains and reservoirs, and the city's interceptor sewers and food hazard mapping. Over the course of the next five years the remaining water, wastewater and stormwater reticulation will be added to this model to provide a holistic view of the city's infrastructure.
- Digitisation of the water supply network onto GIS to the same standard as the wastewater and stormwater networks.

Preparation for the October 2010 Elections

Elections for Hamilton City Council are to be held on 9 October 2010 and will operate under the First Past the Post (FPP) voting system. The order of candidate names on voting papers will appear in a Pseudo-random order i.e. names are randomly selected by drawing candidate names out of a hat. Elections will be held for the Mayor and 12 Councillors (six for the East Ward and six for the West Ward) and will be run in accordance with the Local Electoral Act 2001, Local Electoral Regulations 2001, and the Code of Good Practice for the Management of Local Authority Elections and Polls 2010. Electoral staff are also responsible for producing the Candidate Information Handbook, which includes relevant documentation around Council's governance arrangements.

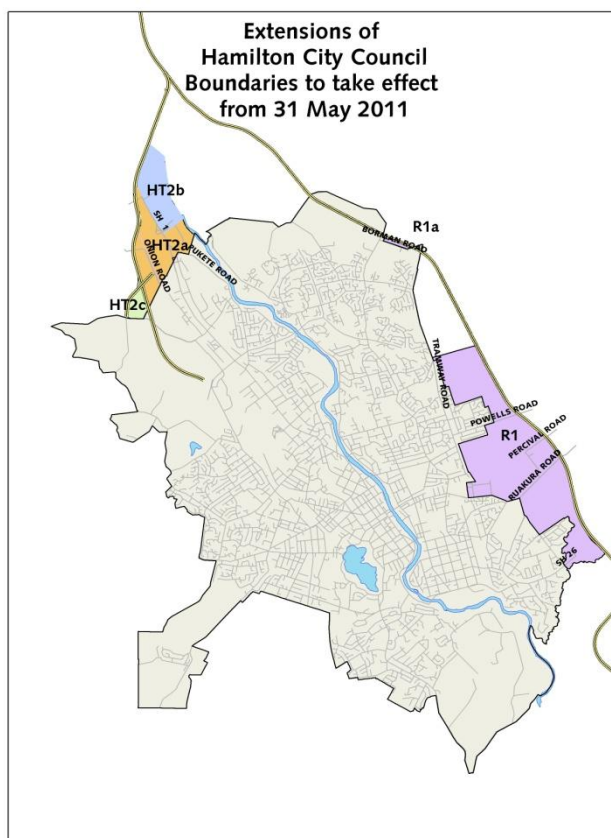
Ensuring that the newly elected Council is inducted efficiently and are able to exercise their governance role quickly and effectively following the October 2010 elections is a key priority for the organisation. Newly elected members will be provided with a comprehensive induction pack, which includes procedures and standing orders of standing committees, KnowHow professional development programmes, and agenda/minutes of recent Council meetings. Administration arrangements, including workspace and technology resources, will also be incorporated into the induction programme.

Formalising Recent City Boundary Changes

During 2010/11 work that commenced in 2009 to expand the city's boundaries in the east and northwest in order to align them with the paths of the planned Waikato Expressway and Ngaruawahia and Te Rapa Bypasses will be completed. The five areas of land to be transferred include:

- Horotiu 2a (HT2a), an area between the Te Rapa Bypass and the Waikato River to the south of the Fonterra Dairy Factory site and between the Te Rapa Bypass and State Highway 1 to the north of the Fonterra Dairy factory site.
- Horotiu 2b (HT2b), an area of land bounded by the Ngaruawahia Bypass to the north, by the Waikato River to the east, by the southern boundary of the Fonterra Dairy Factory site to the south, and by State Highway 1 to the west.

- Ruakura 1 (R1), more than 700 hectares of land between the current city boundary and the Waikato Expressway from Greenhill Road in the north to Mangaonua Stream in the south.
- Two small areas that will be cut off from the city by the Expressway and Bypass: HT2c, an area of land in between HT2b and the western branch of the Te Rapa Bypass; and R1a, a small area of land between the Waikato Expressway and Borman Road.



The transfer of land to Hamilton City Council will also be formalised by an Order in Council (Parliament). In order to facilitate the transfer of land, a range of related operational work needs take place, including moving and installing new water meters, reconfiguring water infrastructure and rationalising refuse contracts. Property information (e.g. building and planning) will also need to be aligned with Council's record management systems.

Continued Implementation of Future Proof

Key projects over the next three years that will progress the Future Proof sub-regional growth strategy include:

- A Southern Study, which will identify the long-term land-use options for the area to the south of Hamilton.
- A communication strategy to maintain high levels of awareness of growth management issues in the community.
- A plan to assist with the achievement of more intense forms of development within the sub-region.

- The development of a protocol for the management of cross-boundary water supply infrastructure.

Developing a Structure Plan for the Ruakura Area

A detailed plan for the Ruakura area of the city will be developed as part of the District Plan Review. Investigatory work and consultation with key stakeholders will take place during the course of 2010/11 and the Structure Plan will be publicly notified as part of the District Plan Review in early 2012.

Delivering on Changes to the Local Government Act 2002

Central government is placing increasing pressure on the local government sector around greater efficiencies, transparency, accountability and financial management - known as 'TAFM'. An Amendment to the Local Government Act 2002 is currently being considered by Parliament. The proposed changes will impact on how councils make decisions with their communities and how performance is reported in relation to other councils. Council has been proactive on the TAFM proposals and made a comprehensive submission to the Local Government Act 2002 Amendment Bill in June 2010.

The Amendment to the Local Government Act 2002 is anticipated to be in force by December 2010. Council will continue to assess the impact of these new requirements and will introduce changes to how it operates as and when required.

3.0 STRATEGIC DIRECTION

TE ANGA WHAKAMUA

CITY STRATEGIES

For the last four years Council, in partnership with a large group of city leaders, has continued to implement the eight City Strategies that work towards achieving the vision of a *Vibrant Hamilton*.

The development of some strategies involved the formation of a steering group of representatives from agencies with interests in Hamilton and those which had an ability to implement the strategy outcomes and influence decision-making. Others were developed in negotiation with a think tank of experts.

The development process of the City Strategies is based on the premise that achieving outcomes for Hamilton and comprehensive improvement to the city's well-being will not be achieved by the actions of any sector or by any single layer of government action alone. The strategy

development approach has been cross-cultural, recognising the place of tangata whenua and the diverse nature of the communities living within our city.

Council has made a commitment to monitor the City Strategies on an annual basis and produce a scorecard for each of the strategies priority areas. Each Strategy will also be reviewed on a three-to-five-yearly basis.

Each of the City Strategies contain what are known as 'flagship projects'. These projects have been agreed to and are in alignment with the work programmes of a number of key stakeholder agencies across the city and are the collective first response to some of the pressing issues facing Hamilton.

To find out more about the City Strategies and for copies of the Strategies, please visit Council's website www.hamilton.co.nz/citystrategies.

HAMILTON'S EIGHT CITY STRATEGIES

Collectively the eight City Strategies form the City Strategic Framework which provides a unified approach towards making Hamilton a more sustainable city.	CITY SCOPE	ECONOMIC DEVELOPMENT
	The CityScope Strategy is the city's urban design strategy and advocates key priorities to guide future development. It formulates the basis of Hamilton's evolving urban form and built environment so that positive social, economic and environmental outcomes can be delivered.	The Economic Development Strategy sets our vision for Hamilton's economy. It builds on Hamilton's value proposition as a young, dynamic, agile city able to capitalise on opportunity.
ACCESS HAMILTON	CREATIVITY AND IDENTITY	HAMILTON URBAN GROWTH
Access Hamilton 2010 is the city's transport Strategy and is aligned with all national and regional legislation and strategic direction. Our approach is to fully integrate transport options allowing us to consider and understand how walking, cycling passenger transport, cars and freight all interact with each other.	The Creativity and Identity Strategy reflects an attitudinal change to a city this is vibrant, energetic and says YES instead of no. It aims to stimulate the imagination of a wide range of individuals and organisations, and position Hamilton as a seeding ground for innovation.	The Hamilton Urban Growth Strategy is the plan for accommodating the expected population growth increase in the city over the next 30 years. It is Council's spatial vision for the city, and outlines the strategic approach for achieving this vision.
ACTIVE COMMUNITIES	SOCIAL WELL-BEING	ENVIRONMENTAL SUSTAINABILITY
The aim of the Active Communities Strategy is to support Hamilton residents in being physically active and to ensure the long term sustainability of the sports and recreation sector. Engaging in sport and recreation or leading an active lifestyle leads to better outcomes for personal development, social inclusion and crime prevention.	The focus of the Social Well-Being Strategy is about positively changing the city and making a real difference for our people. It's about ensuring that people feel empowered to contribute to society, that young people are optimistic about their future, that our neighbourhoods are safe places to live and that people have a high quality of life.	The Environmental Sustainability Strategy sets out priorities to help us shape the changes we need to make to create a sustainable Hamilton. Success will depend on the cumulative effect of these changes - from each of us as individuals right up to the big institutions and investors who will shape the city's future.

CITYSCOPE:

Ensuring Hamilton's urban form is shaped intelligently, sustainably and creatively.

As part of the CityScope strategy an Urban Design Panel was set up to provide free, independent advice on key urban design elements of significant projects throughout Hamilton. In July 2009 a review workshop of the Urban

Design Panel was held, at which the Mayor reaffirmed Council's support for this initiative.

Throughout 2009/10 the Urban Design Panel reviewed eight planning proposals, including redevelopment of the Braemar Hospital site for the Cancer Society; a new purpose-built Rehabilitation Hub facility on the Waikato Hospital Campus; a new multi-level parking commercial and retail facility on Pembroke Street; and the Te Rapa

Bypass from State Highway 1 (south of Horotiu) to the Avalon Drive Bypass.

Eight public presentations were held to promote a wider understanding of urban design. The speakers covered concepts and principles behind shared spaces schemes and showed examples of cities around the world which have successfully integrated urban design while preserving amenity.

SOCIAL WELL-BEING:

Ensuring Hamilton changes positively and makes a real difference for people.

The Social Well-being Leadership Forum continues to meet quarterly to provide a collaborative and strategic focus for the city's future well-being. During 2009/10 a range of initiatives were delivered under the 'Vibrant Young People' and 'Community Safety' theme areas. These included the development of youth specific programmes in the Crawshaw and Nawton, such as Twilight Sports, an Urban Art programme and hip hop classes - all aimed to increase the availability of 'Cool things for youth to do' at low or no cost.

The HTWNYOUTH website (www.htwnyouth.co.nz) continues to be refined in response to youth feedback to ensure broad promotion of youth activities and events in Hamilton. Additionally, a Youth Event Planning Resource Toolkit is currently being developed to support young people with the development of their own events and projects.

The 'Improving Outcomes for Youth At-Risk' action plan was adopted in September 2009, along with a communication strategy. The action plan was developed in conjunction with Ministry of Social Development, the NZ Police, and Child, Youth and Family. It provides a framework for collaboration between key agencies and service providers that support young people who are either at-risk, or are involved in gang culture. The plan aims to engage these young people in positive activities, and transition them into sustainable employment, training or back to school. The action plan takes a three-pronged approach with a focus on early intervention, prevention and deterrence.

A second campaign for 'Action against Family Violence' was held in February 2010. This project was run in conjunction with Ministry of Social Development, NZ Police and the Hamilton Abuse Intervention Project. The involvement with aged based services in Hamilton helped to increase local awareness of the issues of elder abuse and child abuse.

Under the 'Community Capacity and Pride' theme area, the Poets Corner Community Renewal project continues to expand with the help of Housing New Zealand Corporation. In 2009/10 a Computer Clubhouse in the Enderley Park Community Centre was opened and new multi-sport hardcourts were constructed. A new Community House was also opened, which is being run by a local residents group and includes the development of a tool library and community garden.

CREATIVITY AND IDENTITY:

Ensuring Hamilton's identity is creatively fostered through positive experiences that enhance our daily lives.

In June 2009, a Creativity and Identity Forum was established to further progress the aspirations set out in the strategy. During 2009/10 the Creativity and Identity strategy was reviewed and a new look document published to reflect changes that were made.

The city centre Wifi project, which looks at providing free public access to a wireless network in the CityHeart, was initiated in 2010. The project was a recommendation in the Digital Hamilton study and has been identified by the Creativity and Identity Forum as a tool which could help boost vibrancy and creativity.

In June 2010 Council adopted a Public Art Plan, which provides a guide to assist Council to prioritise decision making in respect of public art acquisition and investment for the city over the next 10 years. It outlines key areas/precincts, prioritises the areas/precincts in terms of investment, identifies locations within these areas and outlines appropriate public art responses.

It is anticipated that from time to time, Council will receive public art proposals from various individuals, Charitable trusts and other groups. It should be noted that the Public Art Plan does not preclude proposals outside of the priority areas outlined in the Plan from being put forward to Council. The key purpose of the Plan is to help provide a targeted focus for the limited public art funding.

ECONOMIC DEVELOPMENT:

Ensuring Hamilton builds on its strengths as a centre for research, commercialisation, training and entrepreneurship.

A study on the opportunities and benefits for the city in the area of digital technology (Digital Hamilton) was completed in November 2009. The study brought members of the digital industry together to discuss the future and identify projects and opportunities. They considered the infrastructure that currently exists within the city and are now implementing projects such as the city centre Wifi project, Hamilton Network and processes such as better communication between Council and broadband infrastructure providers.

The Hamilton Network project was completed in 2009/10. This project set up Facebook and Twitter pages to establish a web-based network of young Hamilton residents. Particularly aimed at those who have left Hamilton on 'OEs' or to take up jobs outside the city, the network enables Hamiltonians to keep an eye on what is happening in their home city, to share ideas with each other and allow the city to market opportunities and exciting new things happening in Hamilton. Organisations around Hamilton provide updates on the sites to ensure ongoing information and content.

The first Digital Industry Forum was held in December 2009. The Forum is an opportunity for those in the industry or interested in it to share ideas and best practice

case studies. It will become an annual event that will support and promote Hamilton's digital industry.

HAMILTON URBAN GROWTH:

Ensuring Hamilton's future growth is optimally located, compact, affordable, and sustainable.

The Spatial Framework that has been prepared as part of the current District Plan review, expands on the four key growth principles outlined in the Hamilton Urban Growth Strategy.

The Hamilton Urban Growth strategy also feeds into the broader sub-regional growth strategy, Future Proof. Future Proof is a combined project between five councils (Hamilton, Waikato, Waipa, Matamata-Piako and Environment Waikato), Tangata Whenua and the New Zealand Transport Agency.

The Future Proof Growth Strategy and Implementation Plan 2009 was adopted by the councils in June 2009 and an Implementation Committee was established to oversee the development of the strategy. Hamilton City Council was appointed as the administering authority for the Future Proof Strategy for the first three years of implementation.

Implementation of the strategy is occurring by way of a number of initiatives, including Environment Waikato's Regional Policy Statement Plan Change 2 which gives statutory effect to the Strategy. Additionally, each of the Future Proof partners seeks to give effect to the Strategy through their own planning processes, as well as through joint Future Proof projects and initiatives such as the Southern Sector study.

ENVIRONMENTAL SUSTAINABILITY:

Ensuring Hamilton's urban form recognises, enhances and protects our natural resources now and in the future.

The Breathe Easy project aims to retrofit pre-1978 homes with insulation and by replacing old, inefficient wood burners with cleaner heating alternatives. In 2009/10 Council contributed \$40,000 to the WEL Energy Network's managed programme 'Healthier Homes', with additional funding provided by WEL Energy Trust and EECA. The total funding pool came to \$140,000 and allowed for retrofitting of 146 Hamilton homes.

In March 2010 Hamilton took part in the worldwide Earth Hour campaign to turn off all lights (and other electrical appliances) for one hour. This was the second time Hamilton has participated in the highly successful event. The Hamilton event was held in Garden Place and involved engaging businesses to participate in the event and providing activities for the public throughout the day to raise awareness of the campaign and global climate change issues. National polling shows Hamilton residents participation in Earth Hour grew from 48% in 2009 to 60% in 2010. This is the highest participation rate amongst nearly 50 New Zealand councils.

The Situation Room project, which aimed to inform the community about the ecological assets on their doorstep,

began in March 2010 and ran for five weeks. The project involved using highly visual and interactive maps of the city and making these available for the public to review and engage with. The Situation Room was set up in a retail space in the city centre, and also included evening sessions on environmental initiatives.

In 2009/10 Waiwhakareke Natural Heritage Park secured a number of different funding sources including \$40,000 from Environment Waikato for plants, \$50,000 from WEL Trust for track construction and \$25,000 from the Waikato Catchment Ecological Enhancement Trust for swamp plants. This funding will help contribute to the ongoing restoration work at the unique and iconic lake. A website was established up in 2009 (www.waiwhakareke.co.nz) to help communicate the benefits of the project and actively engage people to participate.

ACCESS HAMILTON:

Ensuring Hamilton's economic social and environmental needs are enhanced by our transport options.

During 2009/10 Council completed a full review of its transportation plans and studies. As a result, a comprehensive framework for ongoing development of the city's transportation network for the next 30 years was developed.

The Access Hamilton Strategy was adopted by Council in May 2010. It involved a partnership approach from various organisations including the NZ Police, Environment Waikato, the New Zealand Transport Agency, Ontrack, Kiwirail, Tangata Whenua, and Waipa and Waikato District Councils. The New Zealand Transport Agency gave this document strong support. Its purpose is to meet the changing travel demands of the city by providing an affordable, safe, responsive and sustainable transport system that contributes to Hamilton's strategic vision and is aligned with national and regional legislation and strategic directions. The Strategy's approach is to fully integrate transport options allowing consideration and understanding of how walking, cycling, passenger transport, cars and freight interact with each other.

ACTIVE COMMUNITIES:

Ensuring Hamilton provides an environment that fosters support for people to live an active lifestyle.

The Active Communities Strategy is the most recently completed Strategy and was officially adopted by Council in November 2009. One of the key projects under this strategy is the design and construction of a Hydrotherapy pool at Waterworld. A ceremony was held in February 2010 to mark the beginning of the construction process. The project is planned to be completed by March 2011, with Council's contribution totalling \$1.43 million.

As part of the Getting Families Active project Council received funding from SPARC for three years. This funding has been used to employ a neighbourhood sport and recreational co-ordinator who will initially work with families in the Fairfield park area before the programme is rolled out to other areas of Hamilton.

HAMILTON'S COMMUNITY OUTCOMES

Community Outcomes can be thought of as the things the community thinks are important for the well-being and for Hamilton's future - the community's goals. The outcomes identified by the community indicate the community's desire for how the city should progress socially, economically, environmentally and culturally. In late 2004 Council invited a range of community-based organisations, iwi/Māori, central/local government and other representatives to develop and oversee a consultation process throughout 2005 to develop Hamilton's Community Outcomes.

While it is acknowledged that Council performs a wide range of activities and contributes in different ways to a number of Hamilton's Community Outcomes, it needs to

be emphasised that Council is only one of numerous organisations whose actions and direction assist in progressing the outcomes and overall community well-being in the city. Organisations such as the private sector, government agencies, health and social service agencies and iwi/Māori organisations also have the mandate, resources and ability to influence and make significant progress towards Hamilton's Community Outcomes and to promote community well-being.

The promotion and ongoing implementation of the eight City Strategies by Council and other organisations provides the main means of giving effect to the Community Outcomes and community's priorities.

HAMILTON'S COMMUNITY OUTCOMES		
Community Outcomes can be thought of as the things the community thinks are important for its well-being and for Hamilton's future - the community's goals. The outcomes identified by the community indicate the community's desire for how the city should progress socially, economically, environmentally and culturally.		SUSTAINABLE & WELL-PLANNED
		An attractive city that is planned for the well-being of people and nature, now and in the future
VIBRANT & CREATIVE	UNIQUE IDENTITY	SAFETY & COMMUNITY SPIRIT
A city that encourages creativity for a vibrant lifestyle.	A city with a strong identity that recognises the significance of its river and history.	A safe, friendly city where all people feel connected and valued.
HEALTHY & HAPPY	INTELLIGENT & PROGRESSIVE CITY	WORKING TOGETHER
Active and healthy people with access to affordable facilities and services.	Business growth that is in harmony with the city's identity and community spirit.	Collaborative decision-making and planning are common practice.

4.0 PERFORMANCE OF COUNCIL'S 10 ACTIVITY GROUPS

NGAA WHAKARITENGA O NGAA ROOPU MAHI TEKAU AA TE KAUNIHERA

INTRODUCTION TO THE ACTIVITY GROUPS

Council has structured its Activities by 10 groups. The Activity Groups are based on commonalities in the nature of individual Activities' functions, and in the contributions

that they make to Hamilton's Community Outcomes and the City Strategies.

The following table lists each of the Activity Groups and their corresponding Activities. It also includes the Community Outcomes and the City Strategies that each Activity Group primarily contributes to.

COUNCIL'S 10 ACTIVITY GROUPS				
ACTIVITY GROUPS	ACTIVITIES	PRIMARY COMMUNITY OUTCOMES	PRIMARY CITY STRATEGIES	PAGE #
City Profile	<ul style="list-style-type: none"> City Promotion Economic Development Strategic Property Development 	<ul style="list-style-type: none"> Intelligent and Progressive City Unique Identity 	<ul style="list-style-type: none"> Economic Development 	23
City Safety	<ul style="list-style-type: none"> Emergency Management Animal Care and Control Central City Safety Environmental Health 	<ul style="list-style-type: none"> Safety and Community Spirit 	<ul style="list-style-type: none"> Social Well-being 	31
Community Services and Amenities	<ul style="list-style-type: none"> Community Development Hamilton City Libraries Community Centres and Halls Housing for Older People Cemeteries and Crematorium Public Toilets 	<ul style="list-style-type: none"> Safety and Community Spirit Healthy and Happy 	<ul style="list-style-type: none"> Social Well-being 	39
Democracy	<ul style="list-style-type: none"> Representation and Civic Affairs Partnership with Maori 	<ul style="list-style-type: none"> Working Together 	<ul style="list-style-type: none"> Social Well-being 	49
Event and Cultural Venues	<ul style="list-style-type: none"> Waikato Stadium Claudlands Events Centre Hamilton City Theatres Seddon Park Waikato Museum 	<ul style="list-style-type: none"> Vibrant and Creative Intelligent and Progressive City 	<ul style="list-style-type: none"> Creativity and Identity Economic Development 	55
Recreation	<ul style="list-style-type: none"> Parks and Gardens Sports Areas Hamilton Zoo Swimming Facilities 	<ul style="list-style-type: none"> Healthy and Happy 	<ul style="list-style-type: none"> Active Communities 	65
Transportation	<ul style="list-style-type: none"> Transportation Network Parking Enforcement 	<ul style="list-style-type: none"> Sustainable and Well-planned 	<ul style="list-style-type: none"> Access Hamilton 	73
Urban Development	<ul style="list-style-type: none"> City Planning Planning Guidance Building Control Sustainable Environment 	<ul style="list-style-type: none"> Sustainable and Well-planned 	<ul style="list-style-type: none"> Hamilton Urban Growth CityScope Environmental Sustainability 	85
Waste Minimisation	<ul style="list-style-type: none"> Refuse and Recycling 	<ul style="list-style-type: none"> Sustainable and Well-planned 	<ul style="list-style-type: none"> Environmental Sustainability 	95
Water Management	<ul style="list-style-type: none"> Water Supply Wastewater Stormwater 	<ul style="list-style-type: none"> Sustainable and Well-planned 	<ul style="list-style-type: none"> Environmental Sustainability 	99

CONTENT OF THIS SECTION

This section reports on how well Council's Activities performed during 2009/10 against the goals and targets set out in Sections 8.0 — 8.11 of the 2009-19 LTCCP. The reporting covers both financial results and how effectively services have been delivered to the community.

REPORTING ON SERVICE PERFORMANCE

Reporting on service performance is provided for each individual activity and includes the following information:

2009/10 Highlights




Highlights may include major projects completed or progressed, positive initiatives, awards won, or key milestones achieved. They communicate some of the key initiatives that Council has been working on throughout the year.

Service Performance

The 2009-19 LTCCP includes performance measures and targets for each activity. This section reports the results for year 1 of the LTCCP (2009/10) and also discusses any additional important aspects of performance in addition to the performance measures.

Results are coded using the following key:

KEY:

-  = target achieved
-  = within 5% of target
-  = Not achieved

Looking Ahead — Priorities for the Next Two Years

As well as reporting on past performance, it is also important to know about upcoming priorities. This section looks ahead and discusses the key priorities for activities over the next two years.

EFFECTS ON COMMUNITY WELL-BEING

Council monitors the effects that its activities have on community well-being, by focusing on the goals and aspirations that the community has identified as being the most important for Hamilton over the next 10 years and beyond.

Hamilton's Community Outcomes identify the community's priorities and goals for now and in the future — the aspects of well-being that are the most important for the city.

This section identifies the Community Outcomes that the Activity Group primarily contributes to, and reports on a series of indicators that assist in monitoring particular aspects of well-being over time.

Additionally, the 2009-19 LTCCP identifies the significant existing or potential negative effects that may occur as a result of providing activities. This section also reports on whether any of these have occurred in 2009/10.

SIGNIFICANT ACQUISITIONS OR REPLACEMENTS OF ASSETS

This section describes any significant acquisitions or replacements of assets during 2009/10, for capital projects exceeding \$1 million. It includes the reasons for the acquisition or replacement, including reasons for any significant variation from that shown in year 1 (2009/10) of the 2009-19 LTCCP.

COST OF SERVICE STATEMENTS

The Cost of Service Statement shows the cost centre accounts for the activities, comparing actual expenditure against budget (for 2008/09 as well as 2009/10). The statements show how much revenue and expenditure (budget/actual) there was for each of the operational services in the cost centre.

RESIDENTS SURVEY AND CUSTOMER SATISFACTION SURVEYS

A number of the performance measures and targets include satisfaction scores and performance categories derived from Council's Residents Survey and Customer Satisfaction Survey Programme.

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 its 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 quarterly Residents Survey is conducted by telephone and interviews 175 randomly selected Hamilton residents. Each quarterly report contains results based on a 12 month moving average, meaning that each quarter has a full sample of 700 respondents. Results have a margin of error of plus or minus 3.7% at the 95% confidence level.

The use of 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.

For the majority of questions in the Residents Survey, respondents are only asked to rate their satisfaction with a facility/service if they have used that particular facility/service in the past 12 months. This approach significantly reduces the number of 'don't know' responses.

Council also operates a customer satisfaction survey programme for a number of its activities, to gain customer feedback on an ongoing basis. This feedback is then used to implement changes that ensure continual improvement to Council's services and facilities.

The following framework has been developed to interpret the satisfaction scores.

SATISFACTION SCORE FRAMEWORK		
'CUSTOMER CHOICE' SATISFACTION SCORES	PERFORMANCE CATEGORIES	'NO CUSTOMER CHOICE' SATISFACTION SCORES
84 or higher	Exceptional performance	79 or higher
82 - 83	Excellent performance	77 - 78
78 - 81	Very good performance	73 - 76
73 - 77	Good performance, but with potential for improvement	68 - 72
67 - 72	Fair, needs improvement	62 - 67
66 or lower	Needs significant improvement	61 or lower

This framework covers two streams of Council provided services; those with 'customer choice' and those where there is 'no customer choice'. Each of these streams has a different satisfaction score interpretation.

'Customer choice' services and facilities would normally expect to receive higher satisfaction scores, as dissatisfied customers can take their business elsewhere. For 'no customer choice' services and facilities, the customer cannot change service provider, therefore dissatisfied customers remain as users, which can result in a lower score.

Examples of 'customer choice' facilities and services include Hamilton Zoo, Waterworld, Hamilton Gardens and Waikato Museum. Examples of 'no customer choice' facilities and services include the water supply, footpaths, animal control services and household refuse collection.

4.1 CITY PROFILE

WHAKAATURANGA TAAONE-NUI

Increasingly, cities and urban regions compete with other places for attention, investment, residents, visitors, shoppers, talent, and events. Continuing to raise the profile of Hamilton, both nationally and internationally, allows the city to pursue economic development opportunities and at the same time enables residents to feel proud of their city.

Council has an important leadership role to play in making Hamilton a competitive, attractive and profitable place for businesses to operate. A healthy economy and employment base will in turn contribute toward improved living standards across the city.

To fulfil this role, Council fosters and facilitates economic development through partnerships and initiatives that contribute to the city's sustainable economic future.

Council's City Profile Activity Group includes:

- City Promotion
- Economic Development
- Strategic Property Investment.

CITY PROMOTION

Focuses on marketing the city to a variety of audiences through the 'Hamilton' brand, aiming to communicate the points of difference and advantages that Hamilton has to offer to local residents and those living outside the city.

Encouraging and supporting event development is a key mechanism for promoting the city, which Council contributes to through its Event Sponsorship Fund. Council seeks to support iconic events that add to the vitality of the city (such as the Hamilton 400, Balloons over Waikato and the Hamilton Gardens Summer Festival). This activity also manages the i-Site Visitor Information Centre, which offers a travel and accommodation booking service and acts as a 'shop window' for visitors to Hamilton.

2009/10 HIGHLIGHTS

I-Site Visitor Centre moved to Garden Place

In October 2009, the I-Site Visitor Centre was relocated from the Transport Centre to a new location in the centre of Garden Place. I-Site is part of a national network of information centres, dedicated to providing information on local transport, attractions and accommodation.

Since opening in October, visitor numbers into the newly relocated Hamilton i-SITE were around 5,000 per month, peaked at 9,950 in February and then eased back to 4,500 in June 2010.

'Summer in Garden Place' Campaign

This campaign aimed to create a place for people to meet, enjoy activities and share time together; revitalising the space and giving people a good reason to visit Garden Place. Throughout summer, Garden Place attracted more than 17,000 people through a programme of events which included: outdoor Saturday evening movie screenings, free lunchtime street performances, petanque and giant chequers competitions, concerts, youth jams, skateboards jams, a mobile library bookstand, along with a scattering of tables and chairs that could be freely moved by the public within the space.

The massive Christmas tree with accompanying festive entertainment attracted popular attention throughout December, while some large scale scheduled events included: the after party for the city's annual Christmas parade, Hamilton 400 V8 Supercars launch party and driver signings, Children's Toy Trade and craft markets.

The 'Summer in Garden Place' campaign concluded successfully and achieved national attention with a free Waitangi Day concert, which included Australian Idol winner Stan Walker, drawing the largest crowd to be recorded in the space for some decades.

Transport Centre Refurbishment

The Transport Centre on the corner of Bryce and Anglesea Streets recently underwent alterations, including the building of new office facilities for CitySafe and Police Beat patrols, and installation of a new ticketing booth and exterior seated café area.

The interior has also been re-imaged to showcase examples of possible 'Hamilton experiences', including photos from Hamilton Zoo, Hamilton Gardens, the Hamilton 400 and Waikato Stadium.

The intention of the makeover is to provide a more attractive and inviting gateway to the city via the Transport Centre and showcase what's on offer for visitors as the city builds its reputation as an events destination.




Fight of the Century — Tua vs Cameron

Council was a key partner in staging 'the Fight of the Century — Tua vs Cameron' at Mystery Creek in October 2009. The fight attracted a national pay-per-view television audience in excess of 80,000, with 7,500 people attending the event.

SERVICE DELIVERY PERFORMANCE


Performance against 2009/10 Targets

Council's City Profile Activity reports against the following three performance measures, which focus around delivering high quality information that promotes a positive image of Hamilton and keeps people well informed about what is happening in the city.

CITY PROMOTION (Key service attribute: quality)				
PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
LEVEL OF SERVICE: High quality information is provided.				
Residents' satisfaction with the Visitor Information Centre.	78 — 81	84.6 	78.6	Measured through Council's Residents Survey. The 2009/10 result indicates 'exceptional performance' for a 'customer choice' service. The Visitor Information Centre was relocated to Garden Place in October 2009, and a marked improvement in satisfaction is evident in the 2009/10 result.
Residents' satisfaction with the City News publication.	73 — 77	79.1 	78.4	Measured through Council's Residents Survey. The 2009/10 result indicates 'very good performance' for a 'customer choice' service.
Number of unique visitors to the Hamilton City Council website.	An average of 25,000 visitors per month.	An average of 28,000 visitors per month. 	An average of 36,455 visits per month.	A change in methodology for website visits is reflected in the 2009/10 result. 'Unique visitors' are a count of how many different people access a website. They are counted only once no matter how many times they visit the site that month. The result for 2008/09 was for the number of visits in total, rather than for unique visitors.

 = target achieved

 = within 5% of target

 = target not achieved

Following the relocation of I-Site to Garden place, Residents Survey results have improved markedly, with the 2009/10 result moving this service from 'very good performance' to 'exceptional performance' on the survey's rating scale. Results for the City News publication are also tracking positively, with an increase on the 2008/09 result.

Council is exceeding its target around the number of 'unique visitors' to the www.hamilton.co.nz website. The website is a virtual face of Council and provides information about Council services; management and elected members; online services; and important community information. Visitors to the site can also access a wide range of information about living in and visiting the city, as well as a comprehensive image library and new archive system.

Additional Key Areas of Performance

In terms of its events development and support function, Council sponsored a total of 48 events during 2009/10:

- 22 Special Events, which are events that are significant in terms of lifting the status, awareness or profile of Hamilton and bringing visitors to the city. For example Super X, Craft and Quilt Fair, Bridge to Bridge Waterski Classic, and others.
- 19 Community Events, which are events that attract attendance of 1,000 or more people, are free or low cost, and are high profile activities for the community. For example Treats in the Park, Carols in the Park, Trees and the Meteor and others.
- 7 Hallmark Events, which are Hamilton's key iconic events and include the Hamilton 400, Fuel Festival, Balloons Over Waikato, Hamilton Gardens Summer

Festival, Gallagher Great Race, Hamilton Christmas Parade and the Parachute Music Festival.

Of note in 2009/10 was the significant profile achieved for the city through the Tua vs Cameron fight; and the increase in popularity and attendance for the Hamilton Gardens Summer Festival, with ticket sales over 200% greater than previous years.

LOOKING AHEAD — PRIORITIES FOR THE NEXT TWO YEARS

Council played a key role in bidding for and securing three significant games as part of the Rugby World Cup 2011, including an All Blacks game. Hamilton will be one of only three main centres hosting the All Blacks, with Auckland and Wellington being the other cities. Gearing up for the games, which are scheduled for September and October 2011 will be a priority.

The World Rowing Championships at Lake Karapiro in November 2010 mean a major role for Hamilton as part of the staging of the event. Hamilton is the official host city for the world championships and as a significant sponsor will play a key part in supporting the regatta.

ECONOMIC DEVELOPMENT

Ensures a city wide collaborative approach to fostering economic development in and around Hamilton. Areas of focus include the recruitment of business operations, assisting in the expansion or retention of business operations, supporting the start-up of new businesses, and providing funding for an Economic Development Agency in Hamilton.

Council recognises that the growth of key city partnerships is important for economic development, and through the adoption of Hamilton's Economic Development Strategy, has committed to work with Hamilton's foremost economic development players.

2009/10 HIGHLIGHTS

Digital Hamilton Strategy Developed

One of the flagship projects from the Economic Development Strategy, Digital Hamilton, was developed in 2009/10. It identifies actions to improve use of digital technology by organisations and individuals in Hamilton.

Four theme areas have been identified; cohesion, awareness, innovation, and infrastructure. A group of organisations is working together to start delivering these actions.

The first Digital Industry Forum in the city was hosted at SODA (the creative industries business incubator located at The Meteor theatre) on 2 December 2009. This was the first event in an ongoing series of initiatives that have emerged as opportunities for either quick-wins or essential work to facilitate later initiatives or external influencers such as the government's Broadband Investment Initiative. Visit <http://digitalforum.sodainc.com/> for more information.

First Year for the Business Improvement District (BID)

As part of its 2009-19 LTCCP, Council adopted a Business Improvement District (BID) Policy for the central city. The BID is a partnership between Council and the Hamilton Central Business Association to develop projects and

services that will benefit the trading environment and add vibrancy to the area.

The targeted rate for the BID area began on 1 July 2009. The BID is financially supported by the levying of a targeted rate and collected from all non-residential properties within the defined boundary. Council also contributed \$100,000 in 2009/10 to support the formation of the BID, and will do the same in 2010/11.

During 2009/10, the Hamilton Central Business Association appointed a General Manager and an Executive Committee. A three-year Strategic Business Plan was finalised, which identifies three goals that reflect the areas in which the Business Association will be focusing its efforts. Each goal is supported by a number of clear strategies that explain how the goals will be achieved. The three goals are:

- Attract more people into the CBD as customers for retail, hospitality and other CBD businesses.
- Enhance the customer experience for people visiting the CBD and patronising CBD businesses.
- Strengthen core competencies of the Hamilton Central Business Association and build a reputation as an effective organisation that delivers for its members.

SERVICE DELIVERY PERFORMANCE

Performance against 2009/10 Targets

Council's Economic Development Activity reports against the following two performance measures, which are focused around attracting businesses to the city. The city's Economic Development Agency — Opportunity Hamilton — is contracted to provide these services. Council has a service agreement with Opportunity Hamilton to a value of up to \$430,000 per annum.

With a 20 year history of supporting businesses, Opportunity Hamilton is a one stop shop for advice and assistance to start a new business; grow an existing business; relocate a business to Hamilton; find out about industry groups in Hamilton, such as the aviation cluster; and invest in Hamilton.

ECONOMIC DEVELOPMENT (Key service attribute: cost effectiveness)

PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
LEVEL OF SERVICE: Grant monies are used effectively.				
Economic Development Agency achieves all annually set performance targets relating to the business attraction programme (Business Gateway Project).	Initiatives result in: <ul style="list-style-type: none"> • 1,000 website visits • 2 new businesses attracted to Hamilton. 	<ul style="list-style-type: none"> • Over 1,000 website visits per month since February 2010 • No businesses attracted in 2009/10. 	Not applicable. This was a new measure that began in 2009/10.	<p>The Business Gateway Project is a Council funded business attraction service currently provided by Opportunity Hamilton, a contracted Economic Development Agency.</p> <p>During 2009/10 Opportunity Hamilton targeted a number of companies and encouraged them to locate their operation to Hamilton. This involved regular meetings and the supply of extensive information promoting the city's advantages to prospective companies.</p> <p>Although no new businesses were attracted to Hamilton in 2009/10 as a direct result of</p>

PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
				initiatives undertaken by Opportunity Hamilton, discussions to locate a new engineering company in the city appear very positive. The economic downturn resulted in low levels of business confidence across the country and may have contributed to the reluctance of businesses to make large changes.



= target achieved



= within 5% of target



= target not achieved

Additional Key Areas of Performance

In addition to the performance measure around attracting businesses to Hamilton, Opportunity Hamilton provides many other services. Key achievements in 2009/10 include developing a regional investment prospectus; compiling a directory of labour market activities in the Central Waikato; and promoting training opportunities for businesses in partnership with industry training organisation and the Waikato Chamber of Commerce. For more information, visit the Opportunity Hamilton website - www.opportunityhamilton.co.nz.

LOOKING AHEAD — PRIORITIES FOR THE NEXT TWO YEARS

Major priorities for the Economic Development activity over the next two years include implementation of the Digital Hamilton Strategy and reviewing the flagship projects highlighted in the Economic Development Strategy.

A key project planned for the coming year is to provide wireless internet in the City Heart for free. It is targeted at people moving through and spending time in the open spaces of the City Heart, e.g. business travellers, visitors and workers. The network will help attract people to the City Heart and promote Hamilton as a digital city. Visitor information and walking tours could be delivered by the network. It will also be used to provide information about events and attractions in Hamilton and may support Council business and other activities requiring a wireless internet connection.

STRATEGIC PROPERTY INVESTMENT

This activity manages two funds - the Domain Endowment Fund and the Municipal Endowment Fund and administers 114 Council owned properties throughout Hamilton. Both

funds are required by legislation to be invested in property, in order to maximise the financial return for the city.

The Domain Endowment Fund proceeds are used for the purchase of land for reserves and for the creation, improvement and development of reserves and parks within the city.

The Municipal Endowment Fund is invested in commercial properties and income from the fund is used to reduce the rates requirement of the city. Other properties that this activity manages include Council owned and occupied buildings and Council owned and leased buildings.

2009/10 HIGHLIGHTS

Tenants Retained, Despite Tough Economic Climate

The global economic downturn and subsequent credit crunch created a challenging environment for retail and commercial tenants. A number of tenants in Council owned properties experienced difficulties trading but all survived the recession. The Municipal Endowment Fund (MEF) Portfolio remains fully tenanted with no current vacancy of premises.



MEF managers have worked hard to retain tenants. There have been a number of lease renewals, notably the Bank of New Zealand.

SERVICE DELIVERY PERFORMANCE

Performance against 2009/10 Targets


Council's Strategic Property Investment Activity reports against the following three performance measures. These measures are to ensure that Council is receiving a suitable return on its strategic property investments, and that the buildings in the Municipal Endowment Fund are occupied to an appropriate level.

STRATEGIC PROPERTY INVESTMENT (Key service attribute: cost effectiveness)				
PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
LEVEL OF SERVICE: Buildings in the Municipal Endowment Fund (MEF) are appropriately utilised.				
Commercial and retail premises across the MEF portfolio return an annual occupancy level of 90%.	90% occupancy rate.	100% occupancy rate		100% occupancy rate.

PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
LEVEL OF SERVICE: Return on investment is appropriate.				
Achieve an annual gross return on the Domain Endowment Fund that is in line with the average market return of similar properties.	Gross return in line with average market return.	Independent assessor confirmed returns as typical for the Hamilton property market. 	Independent assessor confirmed returns as typical for the Hamilton property market.	Performance against this target is assessed by an independent registered valuer.
Achieve an annual gross return on Municipal Endowment Fund Investment properties that is typical for the Hamilton property market.	Gross return typical for Hamilton property market.	Independent assessor confirmed returns as typical for the Hamilton property market. 	Independent assessor confirmed returns as typical for the Hamilton property market.	Performance against this target is assessed by an independent registered valuer.

 = target achieved

 = within 5% of target

 = target not achieved

Municipal Endowment Fund (MEF)

The performance of the MEF has been closely monitored during the economic downturn. There have been no vacant tenancies and no significant reduction in income. While rent reviews have consistently resulted in market rental reductions, ratchet clauses have maintained contract rentals at higher levels.

The MEF is actively managed to ensure that income returned to the ratepayers is maximised. In 2009/10, \$3,150,166 from this fund went towards reducing rates.

Domain Endowment Fund (DEF)

The income returned from the DEF is derived predominantly from rental generated by ground leases. The income is used to offset the total operating costs for the 16 parks classified as "Domain Parks". The income generated by the DEF covered 57% of the total operating cost of the Domain Parks during the 2009/10 year (\$727,930 was used to contribute towards the maintenance of reserve).

LOOKING AHEAD — PRIORITIES FOR THE NEXT TWO YEARS

Major priorities for the Economic Development activity over the next two years include implementation of the Digital Hamilton Strategy and reviewing the flagship projects highlighted in the Economic Development Strategy.

A key project planned for 2010/11 is to provide wireless internet in the City Heart for free. It is targeted at people moving through and spending time in the open spaces of the City Heart, e.g. business travellers, visitors and workers. The network will help attract people to the City Heart and promote Hamilton as a digital city. Visitor information and walking tours could be delivered by the network. It will also be used to provide information about events and attractions in Hamilton and may support

Council business and other activities requiring a wireless internet connection.

EFFECTS ON COMMUNITY WELL-BEING

Council monitors the effects that its Activities have on community well-being by focusing on the goals and aspirations that the community has identified as being the most important for Hamilton over the next 10 years and beyond.

Hamilton's Community Outcomes identify the community's priorities and goals for now and in the future — the aspects of well-being that are the most important for the city.

The City Profile Activities primarily contribute to the 'Unique Identity' and 'Intelligent and Progressive City' Community Outcomes, in particular to the following goals:

UNIQUE IDENTITY

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

Hamilton people want a city that:

- Is a great place to learn, work and play, where people are proud of the education sector and embrace student culture.
- Supports research, education and innovation, and is recognised as a centre of excellence.

INTELLIGENT AND PROGRESSIVE CITY

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

Hamilton people want a city that:

- Is recognised as the thriving economic hub for the Waikato Region and provider of regional services.
- Attracts and retains sustainable, innovative businesses.
- Offers a range of job opportunities throughout the city to suit all skill levels.

- Is progressive and cosmopolitan, creating an environment for business success.
- Attracts and retains people and investment and grows great ideas.




COMMUNITY OUTCOMES PROGRESS INDICATORS









Progress towards Hamilton's Community Outcomes is monitored through a selection of indicators. Indicators provide ways in which to measure, directly or indirectly, changes to social, environmental, economic and cultural well-being over time.

Council is one of many organisations whose actions assist in progressing the Community Outcomes and overall community well-being.

The following progress indicators are used to monitor the effect that the City Profile Activities have on progressing the Community Outcome goals.

KEY:

M	= Moderate contribution		= Improving/favourable
S	= Significant contribution		= Uncertain/no trend
O	= Council is the only provider		= Declining/unfavourable

REPORTING ON PROGRESS INDICATORS					
COMMUNITY OUTCOMES PROGRESS INDICATORS		LATEST RESULTS			TREND
S	Residents' rating of sense of pride in the way their city looks and feels (percentage of people who agreed or strongly agreed). <i>Source: Quality of Life Survey</i>	2004 70%	2006 69%	2008 68%	
M	Number of businesses in Hamilton (as at February each year). <i>Source: Statistics New Zealand</i>	2007 12,977	2008 13,211	2009 13,319	
M	Total employment in Hamilton (as at February each year). <i>Source: Statistics New Zealand</i>	2007 77,480	2008 77,730	2009 75,530	
M	Proportion of employees in Hamilton to that of the Waikato Region (as at February each year). <i>Source: Statistics New Zealand</i>	Hamilton: 2007 77,480	2008 77,730	2009 75,530	
		Waikato: 2007 168,370	2008 170,710	2009 165,410	
		% in Hamilton: 2007 46.0%	2008 45.5%	2009 45.7%	
M	Visitor guest nights (for the year ended June). <i>Source: Statistics New Zealand</i>	2007/08 531,917	2008/09 531,239	2009/10 535,885	
M	Average hotel/motel occupancy rates (for the year ended March). <i>Source: Statistics New Zealand</i>	2007/08 51.6%	2008/09 50.5%	2009/10 52.2%	
S	Number of events listed on the 'What's On Hamilton' website. <i>Source: Hamilton City Council</i>	2008 Not applicable (monitoring began in July 2009)	2009 Not applicable (monitoring began in July 2009)	2010 3,115 events on the website as at June 2010	
M	Business gains, losses and survival rates (as at February each year). <i>Source: Statistics New Zealand</i>	2007 +367 businesses	2008 +274 businesses	2009 +61 businesses	

MONITORING NEGATIVE EFFECTS

Existing or potential negative effects on the current and future well-being of the community are an important consideration for Council when planning and carrying out its activities.

During 2009/10 there were no instances of negative effects on the community from the City Profile Activities that were considered significant.

SIGNIFICANT ACQUISITIONS OR REPLACEMENTS OF ASSETS

SIGNIFICANT ACQUISITIONS OR REPLACEMENTS OF ASSETS				
	PROJECT REFERENCE NUMBER (SAP #)	ACTUAL 2009/10 (\$000)	BUDGET 2009/10 (\$000)	REASON
ECONOMIC DEVELOPMENT CityHeart - Garden Place and Civic Square	917.0		1,300	This project involves the redevelopment of Garden Place. The project was delayed to enable Council to determine a comprehensive design brief. This budget will be carried forward to enable works to be completed in 2010/11.

COST OF SERVICE STATEMENT FOR THE YEAR ENDED 30 JUNE 2010

COST OF SERVICE STATEMENT FOR THE YEAR ENDED 30 JUNE 2010			
	ACTUAL 2009/10 (\$000)	BUDGET 2009/10 (\$000)	ACTUAL 2008/09 (\$000)
GROUP OF ACTIVITY - OPERATING STATEMENT			
OPERATING REVENUE			
Activity revenue - user charges and fees	7,790	8,582	9,095
General rates	2,636	2,633	2,481
Other general sources	11	2	295
Total operating revenue	10,437	11,217	11,871
OPERATING EXPENDITURE			
City Promotion	7,190	5,526	6,196
Economic Development	6,731	3,659	5,057
Strategic Property Investment	2,894	2,458	3,239
Total operating expenditure	16,815	11,643	14,492
Operating surplus/(deficit)	(6,378)	(426)	(2,621)
GROUP OF ACTIVITY - CAPITAL AND RESERVES FUNDING STATEMENT			
CAPITAL EXPENDITURE			
Growth	-	-	-
Increased level of service	556	1,414	2,116
Renewal	149	132	89
Total capital expenditure	705	1,546	2,205
Loan repayments	4,241	304	238
Transfers to reserves	968	1,804	1,363
Operating deficit	6,378	426	2,621
Total funding required	12,292	4,080	6,427
Funded by:			
Operating surplus	-	-	-
Funding from non-cash expenses	593	1,614	388
Loans raised	6,510	1,455	3,777
Proceeds from sale of assets	4,566	-	-
Transfers from reserves	2,453	620	1,684
Total funding applied	14,122	3,689	5,849
Funding surplus/(deficit)	1,830	(391)	(578)

4.2 CITY SAFETY

HAUMARU TAAONE-NUI

Feeling and being safe is a key component to the community's overall health. Safety and perceptions of safety feature highly in people's view of their living and working environments, their sense of well-being and their quality of life. Public safety and security is increasingly recognised as a central aspect of economic and social development.

Public confidence in the safety of the central city and suburbs is a priority for Hamilton. Through Council's Residents Survey, Hamiltonians have identified 'law and order' (which includes factors such as safety and crime) as an important issue that Council needs to consider.

As Hamilton grows, the need to plan and deliver safe social and physical environments where people are able to participate fully in their communities becomes increasingly important.

Council's City Safety Activity Group includes:

- Animal Care and Control
- Central City Safety
- Emergency Management and
- Environmental Health.

EMERGENCY MANAGEMENT

Focuses on developing and maintaining an appropriate level of planning and support to ensure that the Waikato Valley Emergency Operating Area (WVEOA) can respond to and recover from any disaster event. Five neighbouring local authorities comprising Waikato, Waipa, Otorohanga, Waitomo and Hamilton form the WVEOA.

Hamilton is the administering authority for the WVEOA. The Emergency Operations Centre is located at Council's Duke Street Depot in Hamilton.

2009/10 HIGHLIGHTS

Support for Families in Flooding Events

On two occasions in 2009/10, Emergency Management provided support in the middle of the night for families forced out of their homes due to flooding. The two properties, located in Waikato and Waipa Districts, experienced serious flooding from overflowing streams following heavy downpours. The flooding was serious enough to require the evacuation of the residents by the Fire Service.

Council's Emergency Management team worked with the Ministry of Social Development to ensure that the welfare of the residents was taken care of, and also arranged for the Waikato and Waipa District Councils to inspect the properties to make sure they were safe for the residents to return to their homes.

Draft Emergency Management Plans

2009/10 saw the completion of two draft Civil Defence Emergency Management Plans for the areas of Raglan and Te Kauwhata. Emergency Management Plans are a means to analyse the hazards in an area, establish the potential for disaster events, and identify difficulties that particular communities may face in a disaster. The plan then identifies community organisations in the geographical area that would have the capability to respond in the event of a disaster.


In addition to the two completed plans, Council is currently underway with plans for Te Kuiti, Te Awamutu and Otorohanga, with two plans for Hamilton (covering the East and West sides of the city) planned to be undertaken in 2010/11.

SERVICE DELIVERY PERFORMANCE

Performance against 2009/10 Targets

Preparedness to respond to an emergency event is of high importance for this activity. Emergency Management reports against the following performance measure, which assesses the effectiveness of this activity's systems and processes.

EMERGENCY MANAGEMENT (Key service attribute: preparedness)

PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
LEVEL OF SERVICE: Emergency Management response systems have been tested.				
Number of preparedness exercises held each year.	One exercise held.	Two exercises held. 	Two exercises held.	The exercises test the Civil Defence Emergency Management response systems and processes, and can be used to assess preparedness for a disaster event.

 = target achieved

 = within 5% of target

 = target not achieved

Additional Key Areas of Performance

The training and relationship management that Emergency Management staff work towards throughout the year culminates with the preparedness exercises that they run. The outcome of the exercises indicates the ability of the team to respond if faced with a disaster event. During the two exercises held in 2009/10, all systems within the Emergency Operations Centre worked as they were designed to.

Performance under the Civil Defence Emergency Management Act 2002 is measured and audited by the Regional Civil Defence Emergency Management (CDEM) Group. The recent CDEM Regional Capability Review report indicated that there were no issues that needed to be addressed for the Waikato Valley Emergency Operating Area.

LOOKING AHEAD — PRIORITIES FOR THE NEXT TWO YEARS

A key priority for the Emergency Management staff in 2010/11 is to finalise the two draft Community Civil Defence Emergency Management Plans for Hamilton.

ANIMAL CARE AND CONTROL

Contributes to making Hamilton a safe city by ensuring dog owners comply with dog legislation and by promoting responsible dog ownership through education initiatives. In their day-to-day operations, staff ensure that the maximum number of dogs are registered, investigate complaints, provide public education, and provide for the impounding of stray and seized dogs.

2009/10 HIGHLIGHTS




New Education Role Created

A specific education role has been created, with a primary focus to coordinate all internal training needs for staff and all external public education and animal behavioural workshops. Each year, staff make over 40 presentations to community groups such as schools, clubs and public service agencies, on issues to do with dog safety and responsible ownership.

SERVICE DELIVERY PERFORMANCE

Performance against 2009/10 Targets

Animal Care and Control reports against the following three performance measures, which are focused around maintaining public safety and providing a timely response to urgent and routine requests. Results for 2009/10 indicate that the 24 hour response service continues to provide a prompt service to customers. Threats to public safety are the main priority for this activity. Dog attack statistics have slightly increased over the past year; however there were no reported dog attacks that caused serious injury to a person.

ANIMAL CARE AND CONTROL (Key service attributes: quality and reliability/responsiveness)				
PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
LEVEL OF SERVICE: Dog control services are effective in protecting the community.				
Residents' satisfaction with the dog control service.	Satisfaction score of 77 — 78	Satisfaction score of 80.5 	Satisfaction score of 78.7	Measured through Council's Residents Survey. The 2009/10 result indicates 'exceptional performance' for a 'no customer choice' service. The target was for a score of 77 — 78, which indicates 'excellent performance'.
LEVEL OF SERVICE: A reliable and timely response is provided.				
Percentage of urgent requests for service involving dog threats to public safety responded to within one hour.	80%	99.2% 	100%	
Percentage of routine requests for service relating to dog control responded to within 48 hours.	90%	99% 	99%	



= target achieved



= within 5% of target



= target not achieved

LOOKING AHEAD — PRIORITIES FOR THE NEXT TWO YEARS

Continuing to provide a high standard of service for everyday functions, such as enforcement of dog control legislation, dog registration and caring for impounded dogs, will remain a priority for this activity over the next two years. Providing education services to the community on personal safety around dogs will also be a key focus.

CENTRAL CITY SAFETY

Engages with crime prevention partners to develop and implement initiatives that form an overall approach to safety. The overall aim is to reduce crime and disorder and improve people's safety and perceptions of safety in the city centre.

Aspects include partnership with the Police, liquor licensing, late night transport options, improved lighting, reduced tagging and Crime Prevention through Environmental Design (CPTED — a crime prevention philosophy based on the proper design and effective use of the built environment, leading to a reduction in incidence and fear of crime).

Council manages the central city crime prevention camera network (which also assists the police in their investigation of crime), the 'City Safe' night patrol team that is present in the central city on Thursday, Friday and Saturday nights, and has a Liquor Control bylaw in effect in areas of the city to ensure that drinking is appropriately managed.

2009/10 HIGHLIGHTS

City Safe Co-location with the Police Beat Team

Since June 2010, the City Safe programme has been co-located at the Transport Centre with the Police Beat Team. This joint operation provides the ability to work together and respond more effectively to emerging issues, and aims

to reduce the occurrence of crime and the perception of crime throughout the city centre.

The new facility has an increased capacity for monitoring the central city crime prevention camera network, which is now monitored in a more proactive way. With an operator viewing the images from the cameras which are placed at strategic points around the central city, information about potential or actual incidents can now be provided immediately to the Police and the City Safe Patrol. This helps them to react more quickly, and in some cases to approach people while they are involved in criminal or anti-social acts.

Liquor Control Bylaw

In August 2010, Council amended its Public Places Liquor Control Bylaw 2010. The new bylaw came into force on 1 September 2010 and introduces a citywide liquor ban in all public places between the hours of 10pm and 6am, in addition to the current 24-hour liquor bans in the central city and Te Rapa straight.


The purpose of the bylaw is to protect, promote and maintain public health and safety and minimise the potential for offensive behaviour in public places. Public places include all roads, service lanes, footpaths, public car parks, pedestrian malls, parks and reserves. Both the consumption and possession of alcohol is banned, however transporting alcohol in unopened containers through public places to private places or licensed premises is permitted. On a case by case basis, Council may also grant waivers of the provisions of the bylaw to cater for special events.

SERVICE DELIVERY PERFORMANCE

Performance against 2009/10 Targets

Central City Safety reports against the following two performance measures, which focus on residents' satisfaction with the City Safe Patrol team and liquor licensing inspections.


CENTRAL CITY SAFETY (Key service attributes: quality and reliability/responsiveness)

PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
LEVEL OF SERVICE: A reliable and timely response is provided.				
Number of inspections of licensed premises per year.	200 inspections	304 inspections 	335 inspections	<p>The target is based on anticipated scheduled inspections.</p> <p>The number of inspections carried in 2009/10 exceeded the target, mainly due to follow-up inspections and increased inspections generated by events.</p> <p>For example, the Food and Wine festival held at Hamilton Gardens in February 2010, which required 20 special licenses to be granted and at least subsequent 20 inspections to be carried out.</p>

PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
LEVEL OF SERVICE: City safe patrol services are effective in protecting the community.				
Residents' satisfaction with the City Safe Patrol Team.	Satisfaction score of 73 — 76	Satisfaction score of 78.6 	Satisfaction score of 77.5	Measured through Council's Residents Survey. The 2009/10 result of 78.6 indicates 'excellent performance' for a 'no customer choice' service. The target was for a score of 73 — 76, which indicates 'very good performance'.

 = target achieved

 = within 5% of target

 = target not achieved

Additional Key Areas of Performance

The main focus for Central City Safety in 2009/10 has been to display a greater presence, enhance customer focus and improve inter-agency collaboration and communication. For example, the City Safe programme works closely with the Ministry of Justice and the Police to support their programmes, as well as collaborating with the Hamilton Central Business District Association and retailers to gain a greater understanding of safety and security issues in the city centre.

Council's liquor licensing team also works collaboratively with the Police. In particular, Council inspectors become involved when the Police are carrying out major operations to monitor compliance with liquor control laws for both on and off licensed premises in the city. Council inspectors also work with the Police to monitor licensed premises during large events such as the V8 Supercar event and rugby test matches held at Waikato Stadium.

LOOKING AHEAD — PRIORITIES FOR THE NEXT TWO YEARS

Continuing to enhance city centre safety through improved coordination of the agencies involved will again be a major focus for this activity over the coming two years.

In addition, the Central City Safety staff will be focusing on the upcoming Rugby World Cup 2011, as well as the annual V8 Supercars event, to ensure that successful and safe events are hosted in Hamilton.

ENVIRONMENTAL HEALTH

Provides protection and promotion of public health and safety in the city. This is achieved by undertaking the monitoring, inspection, registration and enforcement of

standards in relation to food businesses, hairdressers and other regulated businesses (under the Health Act 1956) and the monitoring of recreational water quality (including public swimming pools).

The activity also investigates reported cases of communicable disease, manages hazardous substances in public places and residential areas, provides a noise control service, carries out an environmental noise monitoring programme and controls the use of contaminated land.

2009/10 HIGHLIGHTS

Food Control Plans


Council is encouraging local food businesses to voluntarily implement a Food Control Plan now, in preparation for the requirements that will become compulsory under the new Food Act.



During 2009/10, Environmental Health staff have participated in the NZ Food Safety Authority's Voluntary Implementation Programme, which involves mentoring food businesses to implement an approved Food Control Plan as a food safety risk management tool. As a result, 91 food service and catering premises in Hamilton have developed Food Control Plans. The aim of the programme is to achieve improved food safety outcomes for Hamilton, and also to prepare businesses and Council staff for the new legislative requirements.

SERVICE DELIVERY PERFORMANCE

Performance against 2009/10 Targets

Environmental Health reports against the following two performance measures, which focus on residents' satisfaction with Council's noise complaints service and food premises' compliance with actions required to meet food hygiene regulations.

ENVIRONMENTAL HEALTH (Key service attributes: reliability and responsiveness)				
PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
LEVEL OF SERVICE: A reliable and timely response is provided.				
Percentage of complaints relating to excessive noise responded to within 30 minutes.	95%	95% 	95%	The results throughout the year are variable from month to month, but the overall target for the year was achieved.

PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
Residents' satisfaction with the handling of noise complaints.	77 - 78	74.1 	80.5	<p>Measured through Council's Residents Survey. The 2009/10 result indicates 'very good performance' for a 'no customer choice' service.</p> <p>The target was for a score of 77 — 78, which indicates 'excellent performance'.</p> <p>A significant increase in the number of after hours noise complaints requires further analysis and management.</p> <p>Additionally, in some cases, staff are finding that complainants may have unrealistic expectations about what Council will be able to do about their complaint. Council has legislative powers under the Resource Management Act to act on the complaint if the noise is deemed excessive. However, in some cases the noise is not deemed excessive, and/or the complaint may be related to conflicts between neighbours.</p>
Percentage of licensed food premises complying with Notices of Improvement within agreed timeframes.	100%	96% 	100%	<p>A 'Notice of Improvement' is issued by an Environmental Health officer when a food premise needs to take action to ensure they meet food hygiene regulations.</p> <p>In the event that a registered food premise does not comply with a Notice of Improvement, further action is taken to ensure compliance.</p> <p>In 2009/10 three food premises were yet to comply with their Notice of Improvement and are being managed through the process.</p>

 = target achieved

 = within 5% of target

 = target not achieved

Additional Key Areas of Performance

Under the Resource Management Act, the Environmental Health team are required to control any actual or potential effects of the use, development or protection of land. This includes the prevention or mitigation of any adverse effects or development, subdivision or the use of contaminated land.

Council's approach to contaminated sites is based on the Ministry for the Environment's Contaminated Land Management Guidelines, which reflect best practice for the management of contaminated land.

Council's Environmental Technical Officers manage contaminated land in the city by:

- Identifying, registering and classifying sites and recording them on Council's database of selected land uses (based on the Ministry for the Environment's published Hazardous Activities and Industries List).
- Releasing information through official requests, for example Land Information Memoranda (LIM) and Project Information Memoranda (PIM).
- Identifying high risk sites and carrying out preliminary site investigations for high risk sites, and
- Requiring detailed site investigations through the building and planning consents applications process.

LOOKING AHEAD — PRIORITIES FOR THE NEXT TWO YEARS

The major priorities for Environmental Health over the next two years include:

- Preparing to work within the proposed Food Act, which will involve developing new procedures and achieving certain outcomes within statutory timeframes
- Responding to the proposed National Environmental Standard for Contaminants in Soil, which will also require the development of new procedures.
- Providing input into the review of the Hamilton's District Plan in relevant areas.

EFFECTS ON COMMUNITY WELL-BEING

Council monitors the effects that its Activities have on community well-being by focusing on the goals and aspirations that the community has identified as being the most important for Hamilton over the next 10 years and beyond.

Hamilton's Community Outcomes identify the community's priorities and goals for now and in the future — the aspects of well-being that are the most important for the city.

The City Safety Activities primarily contribute to the 'Healthy and Happy' Community Outcome, in particular to the following goals:

SAFETY AND COMMUNITY SPIRIT

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

Hamilton people want a city that:

- Builds socially engaged, responsive communities.
- Has safe roads and low crime rates, where people can feel secure at all times.




COMMUNITY OUTCOMES PROGRESS INDICATORS

Progress towards Hamilton's Community Outcomes is monitored through a selection of indicators. Indicators provide ways in which to measure, directly or indirectly, changes to social, environmental, economic and cultural well-being over time.








Council is one of many organisations whose actions assist in progressing the Community Outcomes and overall community well-being.

The following progress indicators are used to monitor the effect that the City Safety Activities have on progressing the Community Outcome goals.

KEY:

M	= Moderate contribution		= Improving/favourable
S	= Significant contribution		= Uncertain/no trend
O	= Council is the only provider		= Declining/unfavourable

REPORTING ON PROGRESS INDICATORS

COMMUNITY OUTCOMES PROGRESS INDICATORS		LATEST RESULTS			TREND
S	Residents' perceptions of safety in the CBD (satisfaction score). <i>Source: Hamilton City Council Residents Survey</i>	2008 56.7	2009 61.4	2010 63.3	
S	Residents' perceptions of safety in their neighbourhood (satisfaction score). <i>Source: Hamilton City Council Residents Survey</i>	2008 77.7	2009 79.5	2010 79.3	
M	Residents' perception of neighbourhood noise. <i>Source: Hamilton City Council Residents Survey</i>	2008 69.2	2009 70.2	2010 72.9	
S	Number of confirmed contaminated sites that have been remediated or managed (as at 30 June). <i>Source: Hamilton City Council</i>	2008 112	2009 130	2010 134	
M	Crime, including dwelling burglaries, theft from motor vehicles, unlawful theft and taking of motor vehicles, violent offences, family violence, sexual offences, and dishonesty offences (recorded crime per 10,000 population). <i>Source: New Zealand Police</i>	2007 1,367	2008 1,245	2009 1,242	
M	Residents who felt a sense of community within their local neighbourhood (percentage who agreed or strongly agreed). <i>Source: Quality of Life Survey</i>	2004 56%	2006 50%	2008 49%	
M	Residents' agreeing that it is important to feel a sense of community with others in their local neighbourhood (percentage who agreed or strongly agreed). <i>Source: Quality of Life Survey</i>	2004 74%	2006 63%	2008 60%	

MONITORING NEGATIVE EFFECTS

Although the City Safety Activities provide many vital and important benefits to the community in terms of

protecting and promoting public health and safety, there are potential negative effects that could arise from the activities, which Council must manage and mitigate.

For example, adverse reactions from city centre revellers if confronted regarding a breach of the Liquor Control Bylaw, or potential financial and health impacts on owners of contaminated land if remediation or active management is required.

Council's 2009-19 LTCCP identifies the significant existing or potential negative effects for the City Profile Activities. During 2009/10 no significant instances of these negative effects occurred.

COST OF SERVICE STATEMENT FOR THE YEAR ENDED 30 JUNE 2010

COST OF SERVICE STATEMENT FOR THE YEAR ENDED 30 JUNE 2010			
	ACTUAL 2009/10 (\$000)	BUDGET 2009/10 (\$000)	ACTUAL 2008/09 (\$000)
GROUP OF ACTIVITY - OPERATING STATEMENT			
OPERATING REVENUE			
Activity revenue - user charges and fees	1,548	1,572	1,537
Activity revenue - subsidy for operating expenditure	69	58	269
General rates	2,071	2,068	1,949
Other general sources	-	-	-
Total operating revenue	3,688	3,698	3,755
OPERATING EXPENDITURE			
Emergency Management	507	446	760
Animal Care and Control	1,340	1,270	1,520
Central City Safety	810	1,019	959
Environmental Health	1,141	1,128	1,025
Total operating expenditure	3,798	3,863	4,264
Operating surplus/(deficit)	(110)	(165)	(509)
GROUP OF ACTIVITY - CAPITAL AND RESERVES FUNDING STATEMENT			
CAPITAL EXPENDITURE			
Growth	-	-	-
Increased level of service	328	72	128
Renewal	133	124	70
Total capital expenditure	461	196	198
Loan repayments	1	1	1
Transfers to reserves	33	33	13
Operating deficit	110	165	509
Total funding required	605	395	721
Funded by:			
Operating surplus	-	-	-
Funding from non-cash expenses	27	46	6
Loans raised	42	-	1
Proceeds from sale of assets	-	-	-
Transfers from reserves	3	2	2
Total funding applied	72	48	9
Funding surplus/(deficit)	(533)	(347)	(712)

4.3 COMMUNITY SERVICES AND AMENITIES

HE RATONGA TIKANGA-A-IWI

A sense of community and belonging are values that are sometimes difficult to define and will mean different things to different people. Even so, they are an important aspect of the city and of residents' overall quality of life.

The Community Service and Amenities activities are provided in response to identified community needs and a desire from the community for Council to provide services that support the city's social and cultural well-being.

Social support and networks, places for social interaction and learning, and access to affordable services and facilities are essential components of any urban environment. Strong, healthy and connected communities in turn foster many other benefits, such as economic development and prosperity, innovation, creativity and a sense of identity and pride.

Council's Community Services and Amenities Activities include:

- Cemeteries and Crematorium
- Community Development
- Community Centres and Halls
- Hamilton City Libraries
- Housing for Older People
- Public Toilets.

CEMETERIES AND CREMATORIUM

Council's cemeteries and crematorium provide burial and cremation facilities and appropriate environments for memorialisation. Hamilton Park Cemetery has served the community since 1957, with the crematorium and chapel facilities operating since 1963. The cemetery currently operates on fourteen hectares with a further eighteen hectares available for future development.

Council is also responsible for Hamilton West Cemetery, which opened in 1869 and was closed in 1975, and Hamilton East Cemetery, which opened in 1866. The services aim to cater for individual cultural and religious needs and will continue to evolve to meet changing community needs.

This activity aims to ensure that the community is able to access cemeteries and crematorium facilities as and when required. The addition of a second cremator in September 2008 means that an uninterrupted service is provided.


SERVICE DELIVERY PERFORMANCE

Performance against 2009/10 Targets

This activity reports against the following performance measure, which appraises key stakeholders' satisfaction with the overall service provided by Hamilton Park Cemetery and Crematorium.

Key stakeholders for this activity are funeral directors and monumental masons. Results from the survey show that satisfaction has increased from 87.0 in 2008/09 to 89.6 in 2009/10, which reflects an exceptional level of performance.

CEMETERIES AND CREMATORIUM (Key service attribute: quality)

PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
LEVEL OF SERVICE: Cemetery and Crematorium Facilities are provided to an appropriate level, are well-maintained and provide a quality service.				
Key stakeholders' satisfaction with the overall service provided by Hamilton Park Cemetery and Crematorium.	Satisfaction score of 79 or above.	Satisfaction score of 89.6. 	Satisfaction score of 87.0.	Measured through an annual Customer Satisfaction Survey. A score of 79 or above indicates 'exceptional performance' for a 'no customer choice' service.

 = target achieved

 = within 5% of target

 = target not achieved

LOOKING AHEAD — PRIORITIES FOR THE NEXT TWO YEARS

The major priorities for the Cemetery and Crematorium activity over the next two years include renewal of operational components of the two cremators at Hamilton Park Cemetery. This will optimise the planned life of the assets, ensure agreed levels of service are met and ensure compliance with statutory and regulatory requirements, such as Health and Safety requirements and Resource Consents emission levels.

There are also projects planned to extend the Hamilton Park cemetery burial lawn and Garden of Memories (ash burial area), in order to meet customer demand and to meet requirements of the Burial and Cremation Act

COMMUNITY DEVELOPMENT AND COMMUNITY CENTRES AND HALLS

These activities contribute towards building strong, inclusive and supportive communities within Hamilton, through the provision of a diverse range of programmes and services. Council employs a number of staff who work collaboratively within the community and with other support service agencies to provide advice; funding and employment programmes; implement social strategy and policy; and develop and support capacity building for Hamilton communities.

Council owns and manages three community centres — Enderley Park Community Centre, the Celebrating Age Centre and Te Rapa Sportsdrome. Enderley Park Community Centre is the hub of the Enderley area, providing a place for running activities and programmes for the local community.

The Celebrating Age Centre, located at the south end of the CBD, is a focal point for Hamilton's diverse older community, providing and encouraging services and activities for older people. Te Rapa Sportsdrome, located in the north of the city, is a multi-purpose community house and sports hall ideally suited for indoor sports such as volleyball and badminton. Council also provides community halls for a wide range of recreation, leisure and community activities.

2009/10 HIGHLIGHTS

Working Bee to Beautify Bader

In March 2010, a number of community groups joined forces for a Working Bee to beautify the Bader area. New Zealand Police, members of the Mormon Helping Hands Team, Te Whare Kokonga, Council staff and local residents worked together to remove rubbish, paint out graffiti and clean up Sandford Park.

This event was well received by people living in the Bader community. Within four hours of activity, local residents filled eight large skip bins with general waste, as well as filling two green waste bins and one steel recycling bin. The Bader Street shops also received a fresh coat of paint.

Campaign against Family Violence Highlights Child and Elder Abuse

Stage two of the Campaign for Action on Family Violence was carried out in February and March 2010, with each month centring on a different aspect of family violence - specifically child and elder abuse. The project involved collaboration between Child Protection Studies and Age Concern, with input from Frankton/Dinsdale Rauawaawa Kaumatua Trust and Artmakers. The campaign again highlighted the message that it is ok to ask for help.

One element of the campaign, the inter-generational skill sharing days that took place between Age Concern and Artmakers Trust and Rauawaawa and Crawshaw Primary School, were such a success that the organisations have decided to continue with these events in the future.

Enderley Computer Clubhouse Launched

In March 2010, Council launched the second Computer Clubhouse in New Zealand at Enderley Park Community Centre. The Clubhouse is aimed at a target group of 10 to 18 year old people, and provides a safe and creative after-school learning environment filled with technology and opportunities for innovation. The Clubhouse has elements of an artist's studio, including an inventor's workshop, robotics lab, TV newsroom and music recording studio.

With the support of adult mentors, members are encouraged to explore their ideas, develop skills and build self-confidence through the use of state of the art ICT equipment and industry-standard software packages.

Awareness of Council's Graffiti Busting Programme Continues to Grow

Hamilton residents' use of Council's graffiti clean-up programme has continued to grow, with an additional 1,140 callers to the 0800 TAGBUSTERS phone added to the database in 2009/10. The total number of callers registered in the database is now 2,523.






In 2009/10 a total of 4,101 graffiti clean-up jobs were reported. As reporting awareness in the community grows, Council has also integrated a number of proactive initiatives into their reactive work. The major proactive project for the 2009/10 year has been 'Adopt-A-Box', which is a project where residents can paint a mural on traffic signal boxes around Hamilton. There are 53 traffic signal boxes in Hamilton, and to date 15 have been painted. Other initiatives include funding or developing murals, liaising closely with the Police, communities and schools to help stop tagging occurring.

SERVICE DELIVERY PERFORMANCE

Performance against 2009/10 Targets

Community Development and Community Centres and Halls report against the following five performance measures. These measures focus on the employment opportunities programme, Council's graffiti removal service, and stakeholders' satisfaction with the Community Development Team, Community Centres and Fairfield Hall.

COMMUNITY DEVELOPMENT (Key service attributes: quality, responsiveness and community engagement)

PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
LEVEL OF SERVICE: Employment opportunities are provided through the transition-to-work programme.				
Percentage of long-term unemployed, who complete the transition-to-work programme, placed in employment.	25% placed in employment.	35% placed in employment or further training. 	19% placed in employment.	The transition-to-work programme for the unemployed (Task Force Green) was run in conjunction with Work and Income New Zealand (50% funded by WINZ). This programme ceased in December 2009, due to a change in government funding priorities. It has been replaced with another similar scheme called 'Community Max'.
LEVEL OF SERVICE: Graffiti is removed promptly.				
Percentage of requests for graffiti removal responded to within 2 working days.	85% - 95%	85% 	80%	All graffiti removal functions were consolidated under the Employment Development Team from 1 July 2009. This has enabled a quicker response time.
Residents' satisfaction with Council's graffiti clean-up programme.	Satisfaction score of 68 - 72	Satisfaction score of 78.2 	Satisfaction score of 72.5	Measured through Council's Residents Survey. The 2009/10 result of 78.2 indicates 'excellent performance' for a 'no customer choice' service. The target was for a score of 68 - 72, which indicates 'good performance, with potential for improvement'.
LEVEL OF SERVICE: Social Well-being outcomes are improved through work with key community stakeholders.				
Stakeholders' satisfaction with the service provided by the Community Development Team.	Satisfaction score of 77 - 78	Satisfaction score of 77.0 	Satisfaction score of 77.0	Measured through the Community Development Stakeholder Survey. A satisfaction score of 77 — 78 indicates 'excellent performance' for a 'no customer choice' service.
LEVEL OF SERVICE: Community Centres and halls are fit for purpose.				
Stakeholders' satisfaction with Community Centres and Fairfield Hall.	Satisfaction score of 77 - 78	Satisfaction score of 77.2 	Satisfaction score of 80.0	Measured through the Community Development Stakeholder Survey. A satisfaction score of 77 — 78 indicates 'excellent performance' for a 'no customer choice' service.

 = target achieved = within 5% of target = target not achieved**Additional Key Areas of Performance**

In addition to the performance measures, Council staff use other information to provide a complete picture of the performance of the activities and services provided by Community Development and Community Centres and Halls. This has traditionally been a difficult area to set specific quantitative measures and targets, so qualitative descriptions and examples of successful project outcomes also show value to the community and can be supported by generic statistical information, such as participation numbers, crime statistics, and Census data.

Key priorities during 2009/10 included:

- Youth initiatives, such as:
 - Establishment of the Htwn Youth website — www.htwnyouth.co.nz, which provides events information and a place for Hamilton's youth to connect.
- Continued growth (in capacity and numbers) of the Hamilton Youth Council.
- Raising the profile of the annual Youth Recogniz Awards with increased sponsorship.
- Successful utilisation of unemployed youth through Ministry of Social Development Contracts on programmes in the Employment Development Team.
- Ongoing support and commitment to ethnic communities, such as running the citizenship ceremonies, the Ethnic Soccer Festival and Ethnic Listening Forums.
- Support for community projects, including:
 - Establishment of the Enderley Computer Clubhouse.

- Collaboration with the Police on graffiti reduction initiatives in Melville.
- Launch of Adopt-a-Box graffiti art project city wide.
- Development of inter-agency service provider groups in four key areas of Hamilton.
- Increased profile of HCC in community funding sector and running of Funding Forums and Community Well-being Grants processes.
- Hosting of the National Older Persons & Disability Forum for 2010; and annual reporting on the New Zealand Positive Aging Strategy.

LOOKING AHEAD — PRIORITIES FOR THE NEXT TWO YEARS

The major priority for these activities over the next two years is the continued promotion and implementation of the Social Well-being Strategy and its flagship projects in collaboration with partner agencies in Hamilton.

HAMILTON CITY LIBRARIES

As places where knowledge and imagination are accessible to all, Hamilton City Libraries contribute towards growing a strong, intelligent community with a passion for knowledge. A diverse range of services are provided across the city through a central library in Garden Place and five community libraries at Chartwell, St Andrews, Dinsdale, Hillcrest and Glenview; and through the Libraries website www.hamiltonlibraries.co.nz.

The Libraries provide an increasing range of electronic information and media in addition to traditional hard copy reading and research material. Free membership is offered to the city's residents.

2009/10 HIGHLIGHTS

'Library Unplugged' as part of 'Summer in Garden Place'

A mobile book cart 'Library Unplugged' featured in Garden Place over the summer, between 11am and 2pm weekdays, offering a popular selection of magazines and books for anyone to enjoy al fresco. When the weather permitted, other library activities were taken into Garden Place, such as the weekly playgroup sessions and the story and craft programme 'Inside Out'.

These outdoor initiatives were in response to the 'Summer in Garden Place' campaign and contributed to the diverse offerings available for the public to enjoy over the summer

Night @ the Library

The popular 'Night @ the Library' genealogy research event was extended this year to include in-depth assistance from staff and 'expert' volunteers, and a talk on how Hamilton's street names have changed over the years. Customers were led through an exciting range of resources and given access to some trial genealogy databases.

Genealogy enthusiasts were able to go behind the scenes to view and access a range of material not normally openly available to the public. Participants ranged from complete beginners to those with over 40 years' experience.



Author Shares Budgeting Tips





In March 2010 author Jackie Gower visited Glenview, Dinsdale and Hillcrest libraries to talk about her budgeting book 'The \$21 Challenge'. More than 360 people listened to the author's own personal battle with the budget, as well as her tips and tricks to keep the shopping bill down.

SERVICE DELIVERY PERFORMANCE

Performance against 2009/10 Targets

Hamilton City Libraries report against the following six performance measures. These targets focus around ensuring that relevant and up-to-date resources are provided, that the Libraries provide a good quality experience for customers, and that Libraries and their resources are accessible to customers.

HAMILTON CITY LIBRARIES (Key service attribute: quality and accessibility)				
PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
LEVEL OF SERVICE: Up-to-date relevant library resources are provided to meet customer needs.				
Number of items held in the collection per capita.	2.53 items per capita	2.56 items per capita 	2.53 items per capita.	The industry standard is 3 items per capita. The focus for this year has been limited to renewing the collection, rather than increasing the overall size of the collection. From years 2012/13 to 2014/15 refreshing and growing the overall collection size will increase, in advance of the opening of the new northeast library in year 2015/16.
Number of items in the collection renewed each year per capita.	0.34 items renewed per capita	0.33 items renewed per capita 	0.30 items renewed per capita.	The target for 2009/10 was not achieved, due to the late delivery of some items and a 4.7% increase in average item cost, which impacted on 'buying power'.

PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
LEVEL OF SERVICE: Libraries provide a good quality experience for customers.				
Customers' satisfaction with the library services overall.	Satisfaction score of 84 or above	Satisfaction score of 90.0 	Satisfaction score of 92.1.	Measured through an annual survey of library visitors. A score of 84 or above indicates 'exceptional performance' for a 'customer choice' service.
LEVEL OF SERVICE: A range of library services and resources are provided and customers are aware of how to access them.				
Number of visits to the Libraries' website per annum.	Greater than 560,000 web visits	291,177 web visits 	449,591 web visits.	The measurement methodology for web visits has been updated to a more reliable and widely accepted measurement tool (Google Analytics), which has resulted in a significant variation in the statistics. The performance targets have been revised from 2010/11 to align with the new methodology.
Number of physical visits to the Libraries per annum.	Greater than 1 million physical visits	1,245,211 physical visits 	1,202,381 physical visits	
Percentage of city residents who are active registered library borrowers.	Between 47% - 50%	50% 	49%	

 = target achieved

 = within 5% of target

 = target not achieved

The provision of library items that meet customers' needs is an important measure for Hamilton City Libraries. The industry standard for number of items held in the library collection is three items per capita. For the first three years of Council's 2009-19 LTCCP (2009/10 — 2011/12) the focus is on renewing the collection, rather than increasing the overall size of the collection. From years four to six (2012/13 — 2014/15) refreshing and growing the overall collection size will increase, in advance of the opening of the new north-east library.

During 2009/10, the collection outsourcing contract was put out for tender, resulting in the appointment of a new supplier, Wheelers. This has resulted in a saving of approximately \$150,000 per year, due to more competitive prices for shelf-ready items.

LOOKING AHEAD — PRIORITIES FOR THE NEXT TWO YEARS

The key priorities for the Hamilton City Libraries activity over the next two years include:

Facilities

- Planning for the new Library in the North-East of the city (currently planned for completion of construction in December 2014).
- Planning and design work in anticipation of an expansion to Hillcrest Library, scheduled to occur in 2012/13.
- The redevelopment of Garden Place is likely to see a permanent covered area immediately outside the Garden Place library within the next 12 months. A future focus will be to ensure this new space is used to its potential.

- Over the coming two to three years, an investigation and construction project is planned to open up the Garden Place Library frontage canopy and relocate the library offices that are currently at the front of the building.

Technology

- Radio Frequency Identification of the lending collection to improve security.
- Keeping up with community demand for internet and Wi-Fi access. The delivery of public access WiFi into Garden Place will potentially offer opportunities for the library to engage with residents and visitors.

Collections

- Purchase of new collections such as E-books/downloadable books to keep up with community expectations.

Service delivery

- Utilising Garden Place as a reading room and installing technology in front of the central library in Garden Place to promote the libraries' electronic resources.

HOUSING FOR OLDER PEOPLE

Healthy, affordable, secure housing is provided to people over 60 years of age with limited income and assets, who meet a set of eligibility criteria. There are currently 443 units in 24 complexes throughout the city. Council undertakes a landlord role and has a long-term maintenance and renewal programme for the assets. Proactive management of the facilities ensures costs are recovered to an appropriate level.

2009/10 HIGHLIGHTS

Housing Services Webpage Available

In response to increasing demand for information on Housing Services and changes in how customers wish to access that information, a webpage has been established in Council's website - www.hamilton.co.nz - to enable prospective customers and their families to read and download the relevant information about Council accommodation. The webpage will also provide valuable benchmarking opportunities for other low cost housing providers and support agencies to access up-to-date information about Council's housing options.

Design Phase Completed for Sullivan Crescent Housing Complex Redevelopment




The design plans for the redevelopment of Council's Sullivan Crescent housing complex have recently been finalised. These plans incorporate aspects of a sustainable and environmental approach to buildings and aim to meet the need for customers to have access to healthy, affordable, and quality housing.

Positive feedback was received after Council held an Open Day for neighbours and tenants to see the new designs and discuss any questions they had about the redevelopment.

SERVICE DELIVERY PERFORMANCE

Performance against 2009/10 Targets

The Housing for Older People activity plays a landlord role in providing housing for the target market. The following three performance measures are used to assess housing tenants' satisfaction with the services and housing accommodation they are provided, and to monitor the occupancy rate of the housing units.

HOUSING FOR OLDER PEOPLE (Key service attributes: quality and affordability)				
PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
LEVEL OF SERVICE: Housing units are maintained to an appropriate level.				
Housing tenants' overall satisfaction with the housing units and service provision.	Satisfaction score of 82 - 83	Survey not undertaken in 2009/10. 	Satisfaction score of 89.3	This survey of housing tenants is undertaken every two years. The survey timing has been incorrectly documented in the 2009/19 LTCCP and is not due to be undertaken until 2010/11.
Occupancy rate of housing units.	Minimum of 90% occupancy rate.	Occupancy rate of 93% achieved. 	Occupancy rate of 90% achieved.	There is generally around 10% of housing units unoccupied at any one time, due to changes of tenants and upgrade work.
LEVEL OF SERVICE: Housing units are provided at an affordable level.				
Housing tenants' satisfaction with the value for money of their rental unit.	Satisfaction score of 84 or above.	Survey not undertaken in 2009/10. 	Satisfaction score of 91.2	This survey of housing tenants is undertaken every two years. The survey timing has been incorrectly documented in the 2009/19 LTCCP and is not due to be undertaken until 2010/11.

 = target achieved

 = within 5% of target

 = target not achieved

Additional Key Areas of Performance

In addition to the formal performance measures, Council staff also monitor the management of rental arrears. The activity consistently achieves well below the target debt level of <1% of income.

The main priorities for this during 2009/10 have been to maintain a high occupancy level (93%) and manage tenancy issues (including rentals) and interagency issues. Another high priority for the year was the design phase for the redevelopment of the Sullivan Crescent complex and the sourcing of alternative Council accommodation for

those tenants who will be affected during the redevelopment.

LOOKING AHEAD — PRIORITIES FOR THE NEXT TWO YEARS

The major priorities for the Housing for Older People activity over the next two years include:

- Continuing to aim for the highest occupancy levels possible to offset the service operational costs.
- Review Council's existing Housing for Older Persons policy in 2011.

- In line with current policy, the activity will need to calculate future rental rates based on moving towards a 100% cost recovery model. The next rental rise is due to take effect from July 2012.
- Manage demand for housing by:
 - a) Monitoring application numbers to enable Council to consider whether the eligibility age criteria needs to increase from 60 to 65 years to address the anticipated increased demand on current stock available, and
 - b) Increasing the number of units currently available to cope with the growth in the anticipated target group. This will be addressed through the completion of Stage Two of Sullivan Crescent redevelopment, and the development of the remaining bedsit complex at Johnson Street.
- Increase Council's networking with social agencies to meet the changing needs of ageing tenants

PUBLIC TOILETS

Council provides public toilets in areas where people are likely to visit and gather. Sixty four public toilets are provided in total throughout the city, with 37 in sports areas and 27 in other locations.

2009/10 HIGHLIGHTS

New Toilet Block at Hamilton Gardens

A new toilet block has been constructed at Hamilton Gardens. The new toilets have a better appearance and cleanliness than the previous facilities, contributing to the positive experience had by visitors to the Gardens.

Staff at the Hamilton Gardens have received a number of favourable comments about the new toilets. In particular, the garden view and floral arrangement in the ladies toilet seem to have been positively received by visitors.

SERVICE DELIVERY PERFORMANCE

Performance against 2009/10 Targets

This activity reports against the following performance measure, which tracks residents' satisfaction with public toilets in the city.

Traditionally, residents' satisfaction with public toilet facilities rates relatively low when compared with other survey results. However, the target set for 2009/10 has been exceeded, equating to 'good performance' on the survey's rating scale, as opposed to the target to achieve 'fair performance'.

PUBLIC TOILETS (Key service attribute: quality)				
PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
LEVEL OF SERVICE: Public toilets are maintained to an appropriate level.				
Residents' satisfaction with public toilets in the city.	Satisfaction score of 62 - 67.	Satisfaction score of 69.6. 	Satisfaction score of 68.5.	Measured through Council's Residents Survey. The 2009/10 result of 69.6 indicates 'good performance, with potential for improvement' for a 'no customer choice' service. The target was for a score of 62 - 67, which indicates 'fair performance, needing improvement'.



= target achieved



= within 5% of target



= target not achieved

LOOKING AHEAD — PRIORITIES FOR THE NEXT TWO YEARS

The public toilets programme of works over the coming years aims to provide public toilets in parks and commercial areas in accordance with Council's Public Toilet Facilities and Services Policy.

The key priorities are to meet demand on parks used for junior sport, provide for facilities at 1.5 - 2.5 kilometres intervals on walkways and cycleways on parks, and to provide facilities to complement those provided by other agencies, and where other agencies do not provide facilities.

EFFECTS ON COMMUNITY WELL-BEING

Council monitors the effects that its Activities have on community well-being by focusing on the goals and aspirations that the community has identified as being the most important for Hamilton over the next 10 years and beyond.

Hamilton's Community Outcomes identify the community's priorities and goals for now and in the future - the aspects of well-being that are the most important for the city.

The Community Services and Amenities Activities primarily contribute to the 'Safety and Community Spirit' and 'Healthy and Happy' Community Outcomes, in particular to the following goals:

SAFETY AND COMMUNITY SPIRIT

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

Hamilton people want a city that:

- Promotes awareness and involvement in community activities and events.
- Addresses social issues and values volunteers.
- Building socially engaged, responsive communities.

HEALTHY AND HAPPY

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

Hamilton people want a city that:

- Provides access for all people to a range of healthy, affordable, quality housing.

COMMUNITY OUTCOMES PROGRESS INDICATORS




Progress towards Hamilton's Community Outcomes is monitored through a selection of indicators. Indicators







provide ways in which to measure, directly or indirectly, changes to social, environmental, economic and cultural well-being over time.

Council is one of many organisations whose actions assist in progressing the Community Outcomes and overall community well-being.

The following progress indicators are used to monitor the effect that the Community Services and Amenities Activities have on progressing the Community Outcome goals.

KEY:

M	= Moderate contribution		= Improving/favourable
S	= Significant contribution		= Uncertain/no trend
O	= Council is the only provider		= Declining/unfavourable

REPORTING ON PROGRESS INDICATORS					
COMMUNITY OUTCOMES PROGRESS INDICATORS		LATEST RESULTS			TREND
M	Residents' perception of the effect of increased diversity of lifestyle and cultures on the community (percentage of people stating a better or much better place to live). <i>Source: Quality of Life Survey</i>	2004 46%	2006 56%	2008 50%	
M	Residents who felt a sense of community within their local neighbourhood (percentage of people who agreed or strongly agreed). <i>Source: Quality of Life Survey</i>	2004 56%	2006 50%	2008 49%	
M	Residents' agreement that it is important to feel a sense of community with others in their neighbourhood (percentage of people who agreed or strongly agreed). <i>Source: Quality of Life Survey</i>	2004 74%	2006 63%	2008 60%	
S	Residents' rating of graffiti as a problem in the city (satisfaction score). <i>Source: Quality of Life Survey</i>	2004 45%	2006 66%	2008 80%	
O	Residents' use of Council's arts and culture facilities (satisfaction score, all libraries). <i>Source: Hamilton City Council Residents Survey</i>	2008 70.6%	2009 70.2%	2010 74.1%	
M	Residents' frequency of feeling isolated (percentage who never or rarely felt isolated or lonely). <i>Source: Quality of Life Survey</i>	2004 83%	2006 82%	2008 81%	

MONITORING NEGATIVE EFFECTS

Council's Community Services and Amenities Activities provide many important benefits to the community. However, the provision of community services and facilities can have some negative effects, which Council must manage and mitigate.

Council's 2009-19 LTCCP identifies the significant existing or potential negative effects for the Community Services and Amenities Activities.

During 2009/10 there were no instances of negative effects that were considered significant.

SIGNIFICANT ACQUISITIONS OR REPLACEMENTS OF ASSETS

SIGNIFICANT ACQUISITIONS OR REPLACEMENTS OF ASSETS				
	PROJECT REFERENCE NUMBER (SAP #)	ACTUAL 2009/10 (\$000)	BUDGET 2009/10 (\$000)	REASON
HAMILTON CITY LIBRARIES				
Library book purchases	106.0	1,544	1,508	Renewal of the libraries' collection to ensure it remains up to date and relevant to the community. Collections include books, audio-visual material, heritage and digital resources. There was additional budget carried forward from 2008/09.

COST OF SERVICE STATEMENT FOR THE YEAR ENDED 30 JUNE 2010

COST OF SERVICE STATEMENT FOR THE YEAR ENDED 30 JUNE 2010			
	ACTUAL 2009/10 (\$000)	BUDGET 2009/10 (\$000)	ACTUAL 2008/09 (\$000)
GROUP OF ACTIVITY - OPERATING STATEMENT			
OPERATING REVENUE			
Activity revenue - user charges and fees	3,855	3,817	3,636
Activity revenue - subsidy for operating expenditure	430	245	292
General rates	13,756	13,739	12,948
Other general sources	137	-	11
Total operating revenue	18,178	17,801	16,887
OPERATING EXPENDITURE			
Community Development	4,413	4,456	4,604
Hamilton City Libraries	8,697	8,700	7,900
Community Centres and Halls	2,121	1,073	1,320
Housing for Older People	1,590	1,697	2,162
Cemeteries and Crematorium	1,337	1,291	1,372
Public Toilets	686	701	787
Total operating expenditure	18,844	17,918	18,145
Operating surplus/(deficit)	(666)	(117)	(1,258)
GROUP OF ACTIVITY - CAPITAL AND RESERVES FUNDING STATEMENT			
CAPITAL EXPENDITURE			
Growth	25	44	35
Increased level of service	2,112	710	1,830
Renewal	2,603	2,369	1,789
Total capital expenditure	4,740	3,123	3,654
Loan repayments	40	54	42
Transfers to reserves	2,873	213	65
Operating deficit	666	117	1,258
Total funding required	8,319	3,507	5,019
Funded by:			
Operating surplus	-	-	-
Funding from non-cash expenses	2,044	864	1,459
Loans raised	524	296	621
Proceeds from sale of assets	2,672	-	-
Transfers from reserves	14	8	30
Total funding applied	5,254	1,168	2,110
Funding surplus/(deficit)	(3,065)	(2,339)	(2,909)

4.4 DEMOCRACY

TAA TE NUINGA I WHAKATAU AI

The participation of citizens in decision-making processes at community, local government and national levels is a critical component of democracy. Enabling democratic decision-making is one of the key purposes of local government.

Hamilton's Mayor is elected 'at large' from across the city. Of the 12 Councillors six represent the West Ward and six represent the East Ward with the two wards divided by the Waikato River.

The Mayor and Councillors are elected by the community and given responsibility for the overall governance of the city. This includes setting Hamilton's long-term direction and ensuring that Council acts in the best interests of Hamilton's residents.

Council has an important role in supporting its local communities, including working to improve the opportunities for Maaori to contribute to and play an active role in the city's development. The Local Government Act 2002 reinforces the importance of continuing to foster such relationships; the necessity of good communication; and the importance of Maaori heritage and values in the development of the country. Council is committed to the principles of Te Tiriti o Waitangi/The Treaty of Waitangi and its partnership relationship with Maaori.

Council's Democracy Activities include:

- Representation and Civic Affairs
- Partnership with Maaori

REPRESENTATION AND CIVIC AFFAIRS

Representation and Civic Affairs ensure that the people of Hamilton are provided with opportunities to be involved in democratic and decision-making processes. This activity provides for the costs of elected members' remuneration, meetings, public consultation and communication and civic functions. Funding provision is also made for conducting elections and maintaining the electoral roll.

Hamilton's Council of Elders and Youth Council are both key representative partners. The Council of Elders act as an advisory/kaumatua to Hamilton City Council. Comprising 15 people aged over 60, they are elected by Hamilton residents and are a voice for both young and old on current issues and future objectives. Their aim is to help shape positive outcomes for the city.

The Youth Council is made up of 15 young people aged between 15 and 25 years of age. Their role is to be the link between youth and Council to ensure the youth voice is heard. Their focus is promoting and representing Hamilton

youth in a positive ways to make Hamilton more youth friendly.

2009/10 HIGHLIGHTS

Submissions to External Organisations

Council represents the interests of the organisation and city through submissions to a range of external organisations on issues that have the potential to impact on Hamilton and/or Council's operations. This is seen as an important mechanism to raise the profile of Hamilton, protect the city's interests and ensure that the views of Council and Hamilton's residents are advocated at a city, regional and national level.

A total of 39 submissions were made to a range of organisations in 2009/10. These included submissions to various draft strategy documents from Environment Waikato and discussion documents and legislative reviews from central government Ministries, including:

- Land Transport Rule: Vehicle Dimensions and Mass Amendment 2009 (which primarily relates to the weight and length of vehicles allowed on roads).
- Safer Journeys - Road Safety Strategy Discussion Document.
- Review of the Building Act 2004.

Council also made a submission on the Local Government Act (LGA) 2002 Amendment Bill. The Bill's overall aim is to provide ratepayers and residents with better information about council costs, rates and activities, enabling them to better understand and influence planning and decision-making processes.







Annual Plan Expo

An Expo style information day was held in March 2010 for Council's Proposed 2010/11 Annual Plan, with over 200 people attending. This initiative (now in its fourth year) promotes greater awareness and community involvement in the Annual Plan and Long Term Plan process.

SERVICE DELIVERY PERFORMANCE

Performance against 2009/10 Targets

Council's Representation and Civic Affairs activity reports against the following seven performance measures. These measures focus around meeting statutory requirements for Council's key democratic processes, providing accurate and timely information and also include residents' satisfaction ratings.

REPRESENTATION AND CIVIC AFFAIRS (Key service attributes: quality, accessibility and reliability/responsiveness)				
PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
LEVEL OF SERVICE: Robust and transparent decision-making processes are used.				
Residents' satisfaction with processes used for Council decision-making.	Satisfaction score of 68 - 72	Satisfaction score of 62.9 	Satisfaction score of 63.2	Measured through Council's Residents Survey. The 2009/10 result indicates 'fair performance, needing improvement' for a 'no customer choice' service. The target was for a score of 68 — 72, which indicates 'good performance, with potential for improvement'.
LEVEL OF SERVICE: Legislative requirements are met.				
Legislative requirements for the LTCCP, Annual Plan and Annual Report are met and Council receives an unqualified audit.	Unqualified audit opinions received.	Unqualified audit opinions received. 	Unqualified audit opinions received.	
Council committee and subcommittee meetings are held in accordance with the provisions of the Local Government Official Information and Meetings Act 1987.	No successful challenges to meeting records.	No successful challenges to meeting records. 	No successful challenges to meeting records.	All meeting minutes were confirmed as accurate by Council and signed by the Chairperson of the committee.
LEVEL OF SERVICE: Opportunities are provided for community involvement in Council decision-making.				
Residents' satisfaction with opportunities provides for community involvement in decision-making.	Satisfaction score of 62 - 67	Satisfaction score of 62.8 	Satisfaction score of 60.5	Measured through Council's Residents Survey. A score of 62 — 67 indicates 'fair performance, needing improvement' for a 'no customer choice' service.
LEVEL OF SERVICE: Official information requests are responded to in a timely manner with accurate information.				
All Official Information requests are responded to within the statutory timeframe (20 working days).	All requests responded to within 20 working days	All requests responded to within 20 working days 	All requests responded to within 20 working days	
No complaints are upheld that are received under the Local Government Official Information Meeting Act 1987.	No complaints upheld.	No complaints upheld. 	No complaints upheld.	
LEVEL OF SERVICE: The community are informed about triennial election results in a timely manner.				
Timeframes for confirmation of triennial election results.	No target for 2009/10 (elections are in 2010/11)	Not applicable. No election during 2009/10.	Not applicable. No election during 2009/10.	The 2010 triennial elections for elected members of all local bodies throughout New Zealand will be held by postal vote. Election Day is Saturday 9 October 2010 and voting closes at midday on that day. The voting period starts on Friday 17 September 2010.

 = target achieved = within 5% of target = target not achieved

LOOKING AHEAD - PRIORITIES FOR THE NEXT TWO YEARS

Local Government Act 2002 Amendment

An amendment to the Local Government Act 2002 is currently being considered by Parliament. Council has been proactive on the proposals and made a submission to the Local Government Act 2002 Amendment Bill in June 2010. The proposed changes will impact on how councils make decisions with their communities and how performance is reported in relation to other councils.

Examples of proposed changes in the Amendment Bill include:

- Development of a mandatory set of inter-council performance measures assessing the non-financial performance of infrastructural services.
- Production of a Pre-election Report (including financial results from the first two years of the triennium) to inform and generate interest in local election campaigns.
- The amendment is anticipated to be in force in by December 2010. Council will continue to assess the impact of these new requirements and will introduce changes to how it operates as and when required.

Council's Consultation Policy

Council's Consultation Policy aims to ensure that the community has meaningful input into the development, consideration, and decision-making of any significant project, process or policy undertaken by Council. During 2010/11, Council will continue to make improvements to its consultation processes. The focus will be on developing best practice consultation procedures, focusing on encouraging online engagement opportunities and establishing staff training.

Local Body Elections

Triennial elections for elected members of all local authorities throughout New Zealand will be held by postal vote on Saturday 9 October 2010.

Elections will be required for the following positions on Hamilton City Council, Waikato Regional Council (Environment Waikato) and the Waikato District Health Board:

- Hamilton City Council:
 - Mayor (elected 'at large')
 - Councillors (East Ward (6); West Ward (6))
- Waikato Regional Council Members (4 members elected 'at-large')
- Waikato District Health Board Members (7 members elected 'at-large')

The elections will be conducted under the provisions of the Local Electoral Act 2001, the Local Electoral Regulations 2001 and the Local Government Act 2002.

PARTNERSHIP WITH MAAORI

Council maintains a relationship with the Waikato Raupatu Trustee Company (Tainui) as the iwi authority representing the views of Waikato-Tainui across the Waikato and King Country region. Council recognises Tainui's guardianship role over the Waikato River, which it shares with Hamilton City Council. The vision is for a future where a healthy Waikato River sustains abundant life and prosperous communities who, in turn, are all responsible for restoring and protecting the health and well-being of the Waikato River. Council continues to work with Waikato-Tainui to consider ways in which together we can realise this vision.

Council also has partnerships and service contracts with Ngāa Mana Toopu o Kirikiriroa (NaMTOK) and Te Runanga o Kirikiriroa (TeROK), who assist Council in ensuring Hamilton is a city where people from different cultures work together and respect each other's views, heritages, culture and strengths. These partnerships and agreements ensure mana whenua perspectives and maataa waka (urban Maaori/Pacific) views are represented in decisions about the city, its community capacity and natural and physical resources.

Council currently recognises NaMTOK as the representative of iwi and hapu (mana whenua) for the Kirikiriroa/Hamilton area. NaMTOK works with Council on natural and physical resource management issues under the Resource Management Act 1991 and contributes significantly to resource consent and planning processes.

Council's service partnership with TeROK embodies a commitment by both parties to work towards a stronger community for all people. TeROK provide services, support, advice and technical expertise to assist Council to better meet the needs of the Maaori community in Hamilton. The TeROK Trust Board played the role of funding allocation committee for Council's Maaori and Pacific Project Fund. This fund is used to support community initiatives that specifically seek to improve the social well-being in Maaori and Pacific Island communities in line with the Hamilton Social Well-being Strategy.

2009/10 HIGHLIGHTS




Establishment of Kai Takawaenga Role

In May 2010 Council established a Kai Takawaenga (Strategic Advisor - Maaori Relationships) position. The function of the Kai Takawaenga role is to assist Council in developing and strengthening the various relationships that Council has with the Maaori community. The role is also designed to provide a conduit between Council and the Maaori community on strategic, operational and political advice in regard to matters that have a Maaori focus.

SERVICE DELIVERY PERFORMANCE

Performance against 2009/10 Targets

This activity reports against the following three performance measures, which include monitoring opportunities for Maaori involvement in resource management matters and City Strategy leadership; and access to funding through the Maori/Pacific Project Fund.

PARTNERSHIP WITH MAAORI (Key service attribute: accessibility)				
PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
LEVEL OF SERVICE: Opportunities are provided for community involvement in Council decision-making.				
Advice is sought from tangata whenua on all notified resource consent applications.	100%	100% 	100%	Advice was sought from tangata whenua on seven notified resource consents.
Representation of Maaori organisations on City Strategy leadership forums.	Minimum of one Maaori organisation represented on each leadership forum.	There are five City Strategy Leadership Forums in total. Three of these forums include representation by at least one Maaori organisation. 	No result for 2008/09 as this a new measure.	Council has requested Maaori representation on the five City Strategy Leadership Forums. However, Maaori participation in leadership forum meetings has been affected in 2009/10 due to the availability of staff from Waikato-Tainui. Two strategies are currently without representation (Creativity and Identity and Active Communities). Some leadership forums have more than one Maaori representative. For example, the Social Well-Being strategy forum has three representatives and also two key agencies that work with a significant Maaori population.
LEVEL OF SERVICE: Access to funding is provided through the Maaori/Pacific Projects Fund.				
Percentage of projects allocated Maaori/Pacific project funding that align with the principles and objectives of the Social Well-being Strategy.	100%	100% 	No results for 2008/09 this is a new measure.	Funding criteria now requires alignment with the Social Well-being Strategy for successful allocation.

 = target achieved

 = within 5% of target

 = target not achieved

LOOKING AHEAD - PRIORITIES FOR THE NEXT TWO YEARS

Council will continue to enhance the relationships it has with the Waikato Raupatu Trustee Company (Tainui), Ngaa Mana Toopu o Kirikiriroa (NaMTOK) and Te Runanga o Kirikiriroa (TeROK).

EFFECTS ON COMMUNITY WELL-BEING

Council monitors the effects that its activities have on community well-being by focusing on the goals and aspirations that the community has identified as being the most important for Hamilton over the next 10 years and beyond.

Hamilton's Community Outcomes identify the community's priorities and goals for now and in the future - the aspects of well-being that are the most important for the city.

The Democracy Activities primarily contribute to the 'Working Together' Community Outcomes, in particular to the following goals:

WORKING TOGETHER

"Collaborative decision-making and planning are common place"

Hamilton people want a city that:

- Engages all local communities in planning and developing the city's future.
- Ensures Maaori are respected as a partner in decision-making and have a voice on issues that affect the city.

COMMUNITY OUTCOMES PROGRESS INDICATORS

Progress towards Hamilton's Community Outcomes is monitored through a selection of indicators. Indicators provide ways in which to measure, directly or indirectly, changes to social, environmental, economic and cultural well-being over time.

Council is one of many organisations whose actions assist in progressing the Community Outcomes and overall community well-being.

The following progress indicators are used to monitor the effect that the Democracy Activities have on progressing the Community Outcome goals.

KEY:

M	= Moderate contribution		= Improving/favourable
S	= Significant contribution		= Uncertain/no trend
O	= Council is the only provider		= Declining/unfavourable

REPORTING ON PROGRESS INDICATORS				
COMMUNITY OUTCOMES PROGRESS INDICATORS	LATEST RESULTS			TREND
O Community satisfaction with Council's provisions of opportunities for community involvement in decision-making (satisfaction score). <i>Source: Hamilton City Council</i>	2007/08 65.4	2008/09 60.5	2009/10 62.8	
S Residents' rating of the extent of public influence on Council decision-making (% of people who said a large influence or some influence). <i>Source: Quality of Life Survey</i>	2004 46%	2008/09 67%	2008 65.7%	
O Residents' agreement that decisions made by their council are in the best interest of the city (% of people who agreed or strongly agreed). <i>Source: Quality of Life Survey</i>	2004 42%	2006 67%	2008 57%	
M Percentage of voter turnout at general/local authority elections. <i>Source: www.elections.org.nz</i>	General Elections : Hamilton West Electorate			
	2002 67%	2005 80%	2008 79%	
M Percentage of voter turnout at general/local authority elections. <i>Source: www.elections.org.nz</i>	General Elections : Hamilton East Electorate			
	2002 71%	2005 83%	2008 80%	
M Percentage of voter turnout at general/local authority elections. <i>Source: www.elections.org.nz</i>	Hamilton City Council elections:			
	2001 46.9%	2004 45.1%	2007 33.9%	
O Maaori residents' agreement that decisions made by Council are in the best interest of the city (% of people who agreed or strongly agreed). <i>Source: Quality Of Life Survey</i>	2004 43%	2006 66%	2008 56%	

MONITORING NEGATIVE EFFECTS

Council's Democracy Activities provide important benefits to the community. However, the provision of this activity can have negative effects, which Council must manage and mitigate.

Council's 2009-19 LTCCP identifies the significant existing or potential negative effects for the Democracy Activities.

During 2009/10 there were no instances of negative effects that were considered significant.

COST OF SERVICE STATEMENT FOR THE YEAR ENDED 30 JUNE 2010

COST OF SERVICE STATEMENT FOR THE YEAR ENDED 30 JUNE 2010			
	ACTUAL 2009/10 (\$000)	BUDGET 2009/10 (\$000)	ACTUAL 2008/09 (\$000)
GROUP OF ACTIVITY - OPERATING STATEMENT			
OPERATING REVENUE			
Activity revenue - user charges and fees	33	34	28
General rates	4,812	4,806	4,529
Other general sources	-	-	-
Total operating revenue	4,845	4,840	4,557
OPERATING EXPENDITURE			
Representation and Civic Affairs	5,161	4,984	7,132
Partnership with Maaori	269	265	265
Total operating expenditure	5,430	5,249	7,397
Operating surplus/(deficit)	(585)	(409)	(2,840)
GROUP OF ACTIVITY - CAPITAL AND RESERVES FUNDING STATEMENT			
CAPITAL EXPENDITURE			
Growth	-	-	-
Increased level of service	671	168	297
Renewal	273	242	162
Total capital expenditure	944	410	459
Loan repayments	-	-	-
Transfers to reserves	74	74	17
Operating deficit	585	409	2,840
Total funding required	1,603	893	3,316
Funded by:			
Operating surplus	-	-	-
Funding from non-cash expenses	2	8	1
Loans raised	-	-	-
Proceeds from sale of assets	-	-	-
Transfers from reserves	4	2	3
Total funding applied	6	10	4
Funding surplus/(deficit)	(1,597)	(883)	(3,312)

4.5 EVENT AND CULTURAL VENUES

TAIWHANGA TIKANGA-A-IWI

A thriving events and cultural scene contributes to the identity and attraction of a city; creating a sense of energy and vibrancy and offering residents and visitors' entertainment and cultural experiences. It also raises the profile of the city and fosters a sense of pride and place for residents, creates economic benefits through jobs and visitors and enhances the lifestyle of residents.

Council has a strategic goal to promote the city through the support of events in Hamilton. This goal is based on positioning Hamilton as New Zealand's premier events destination staging high-quality events and developing, retaining and supporting strategically important events. To achieve this, the city needs to have the right venues that cater for a variety of events - sports, music, theatre, exhibitions, conferences and expos. They need to be at a standard that is fit for local, national and in some cases international events. Most importantly, they need to reflect the expectations that residents have for lifestyle opportunities in the city.

Council's Event and Cultural Activities include:

- Claudelands Events Centre
- Waikato Stadium
- Seddon Park
- Hamilton City Theatres
- Waikato Museum.

CLAUDELANDS EVENTS CENTRE

Claudeland is a versatile complex that caters for a variety of events and functions ranging from indoor and outdoor exhibitions, to cultural shows and festivals. Situated on 12 hectares of Claudelands Park, Claudelands is on the doorstep of Hamilton's CBD, just a short walk from major accommodation, restaurants and entertainment.

The redevelopment of Claudelands will include a new multi-purpose indoor arena for up to 5,000 spectators, conference facilities for up to 1,200 delegates and upgraded exhibition and show facilities. Claudelands will be able to offer a significant range of events and activities from conferences and banquets to indoor sporting events, music and entertainment and exhibitions and shows.

Due to open in early 2011, Claudelands is set to become an opportunity for Hamilton residents to see more quality shows and events as well as bringing positive economic benefits to the community.

2009/10 HIGHLIGHTS

Claudeland's Redevelopment Making Progresses

The first component of the Claudelands redevelopment - enhanced exhibition facilities, consisting of two 2,000m² exhibition halls - was completed.

Claudeland's continued to host events through out the construction, with shows like the Waikato Home and Garden Show, the Motor Home and Caravan Show, and others, having successfully worked around the build programme.

With an integrated indoor exhibition trade space of up to 6,000m² (comprising 4,000m² new and 2,000m² existing), complemented by an expansive outdoor hard surfaced exhibition space of up to 3,000m², the halls will provide an enhanced offering to the centre's existing exhibition business, while also enabling the venue to cater to a new range of events.

The establishment of the new 1,200 delegate conference facilities and a 5,000 capacity indoor arena continues. Work on both components is currently underway, with the conference facilities due for completion in March 2011 and the arena scheduled to be complete mid-2011.

The arena will provide opportunities to host music concerts, live performances, major sporting events, conference conventions, large presentation, award dinners and flat floor exhibitions.

Both the physical build and the financial budget are on track. \$32.5 million was spent in 2009/10. The total spend as at 30 June 2010 was \$35 million, of the budgeted \$68.4 million.



Events at Claudelands

During 2009/10 a range of national and local events were held at Claudelands Events Centre. Some of these events included the Waikato Home and Garden Show, Bamian Rug Show, Grand National Minature House Show, National Motorhome and Caravan Show, Womens Lifestyle Expo and the Waikato World Show.

SERVICE DELIVERY PERFORMANCE

Performance against 2009/10 Targets

Claudeland's reports against the following three performance measures. The priority for this activity for 2009/10 has been the ongoing redevelopment of Claudelands Events Centre. It has been a catalyst for change in the way the activity operates, and has resulted in the creation of a Business Development Team to proactively seek out event opportunities.

CLAUDELANDS EVENTS CENTRE (Key service attributes: quality accessibility and sustainability)				
PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
LEVEL OF SERVICE: The venues provide a quality experience for customers/patrons.				
Customer satisfaction with Claudelands.	No target for 2009/10. Survey not undertaken this year.	Survey not undertaken this year.	Survey not undertaken this year.	The customer satisfaction survey is not being conducted during the Claudelands redevelopment. It will commence again when the Claudelands upgrade is completed.
LEVEL OF SERVICE: The venues provide for a wide range of events and interests.				
Number of international events/shows held at Claudelands.	1 event	2 events 	1 event.	The two international events held in 2009/10 were a Craft and Quilt Fair (20 August 2009) and the Scott Mays Daredevil Stunt Show (26 December 2009).
Number of national/local events/shows held at Claudelands.	30 events	32 events 	45 events	
LEVEL OF SERVICE: The Claudelands redevelopment will incorporate sustainable design features.				
Equivalent Green Star rating for the upgraded facilities at Claudelands.	No target for 2009/10 (Construction still occurring in this year)	No results for 2009/10 (Construction occurring in this year).	Claudelands was not green star rated at this time.	The building design at Claudelands will be developed to the equivalent of an Office Green Star rating of 4 Stars. This represents 'best practice' in building standards, with particular emphasis placed on environmental measures.



= target achieved



= within 5% of target



= target not achieved

Additional Key Areas of Performance

Venue Utilisation

During the redevelopment, customer satisfaction surveys have been put on hold, however Council also uses internally reported measures such as utilisation of specific spaces, and weighing up the community benefits with the commercial returns when considering the range of events that the Claudelands Event Centre will offer.

Venue utilisation for 2009/10 was 83.25%. This measure is based on the number of days the venue is booked, out of the total number of days the venue is available to be hired (for the current available space, i.e. not including the space that is currently under construction).

Throughout the redevelopment Claudelands has remained open with the objective of maintaining as much existing business as possible. Most of this existing business is in the exhibition and show industries. Due to the large amount of land space at Claudelands most events have been able to proceed at the venue.

Green Star Rating

The Office Green Star equivalent rating of 4 Stars is being targeted for the Claudelands Events Centre when fully redeveloped.

The 4 Star rating covers both the construction phase and the operational management of the facility. In order to receive the rating, the construction, and once finished the

operation, of Claudelands Events Centre is rated against a number of measures including energy and CO² reduction, water usage/savings, materials used, land use and ecological measures, emissions, transport and connectivity, indoor environmental quality and management measures.

Some of the construction and infrastructure initiatives include:

- The crushing of concrete on site to reuse for base builds of the exhibition plaza and internal roading.
- Establishment of a holding pond to manage stormwater and runoff on site, with the added benefits of being able to filter the water into the local bush land, which required additional groundwater.
- Retention of water from the roof of the arena into a visible holding tank for reuse in toilet flushing to minimise incoming treated water demands.
- Use of the latest generation LED street and pedestrian lighting technologies. LED technology has advantages in terms of longer lamp life, zero mercury content and energy savings.

LOOKING AHEAD — PRIORITIES FOR THE NEXT TWO YEARS

The major priorities for Claudelands Events Centre over the next two years is the completion of the Claudelands Events Centre. The development of the new 1,200 delegate conference facilities and the 5,000 capacity

indoor Claudelands arena will continue, with the conference facilities due for completion in March 2011 and the arena scheduled to be complete mid-2011.

There are also currently a number of national or local events which are booked in to occur at Claudelands Events Centre in 2010/11, these include the Health and Disability Expo, Waikato Home and Garden Show, Waikato's World Show, and the Womens Lifestyle Expo. The international Craft and Quilt Fair is also being held at Claudelands Events Centre in 2010/11.

No new international or national events have been secured for Claudelands in 2010/11, as the construction phase is still underway.

WAIKATO STADIUM

Waikato Stadium has earned its reputation as one of New Zealand's premier venues for international and national sports, live performances and functions. It hosts a range of events including international rugby and rugby league, music concerts, cultural festivals and other sporting and cultural events.

The Stadium has a spectator capacity of 25,800 (including 10,000 covered seats) with the ability to extend the capacity in excess of 30,000 with 5,000 temporary additional seats. The stadium also has a number of lounges for corporate functions, private banquets, seminars, product launches and receptions.

2009/10 HIGHLIGHTS

Waikato Stadium hosts Super X first visit to NZ

The promoters of Super X, the Australasian Supercross Championship, brought their hugely successful series across the Tasman for the first time in 2009, with the Waikato Stadium hosting New Zealand's inaugural round in November 2009.

The New Zealand Open of Supercross saw the best riders from Australia and New Zealand, including two times World Supercross and defending Super X champion Chad Reed, battle it out in the penultimate round of the championship.

The event saw the Stadium arena turned into a full US specification Super X track, by trucking in over 6,000 tonnes of dirt. Over 13,000 patrons attended this event; the second largest crowd of the Australasian 2009 Super X tour (with the final in Sydney being the largest).

It provided residents with the opportunity to see the Super X live in their home town (a first for Hamilton and New Zealand) and to witness the agility and diversity of the Waikato Stadium as a venue.

Tri Nations match a first for Waikato Stadium

Hamilton played host to a Tri Nations match between New Zealand and South Africa in September 2009. It was the first time the two nations had met at the venue, and was Waikato Stadium's first category A test match. The event drew the largest crowd to date at Waikato Stadium, with 31,500 tickets sold.

The last time the Springboks were in Hamilton was in 1981, when their match against Waikato was cancelled after protesters invaded the pitch.

Wellington Phoenix vs Brisbane Roar

Waikato Stadium secured an 'A league' football match during 2009/10 - Wellington Phoenix vs Brisbane Roar.




It was the first time that the Phoenix had played in the city, and a rare appearance outside the capital, where the side enjoy a fanatical fan base.



The match, which was played on 10 July 2010, gave the many thousands of football fans in the Hamilton the opportunity to watch New Zealand's top football players at one of the top sporting venues in the country.

SERVICE DELIVERY PERFORMANCE

Performance against 2009/10 Targets

Waikato Stadium reports against the following three performance measures, which assess customer satisfaction with Waikato Stadium and the number of local, national and international events held at the stadium.

WAIKATO STADIUM (Key service attribute: quality)				
PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
LEVEL OF SERVICE: The venues provide a quality experience for customers/patrons.				
Customer satisfaction with Waikato Stadium.	Satisfaction score of 84 or above.	Satisfaction score of 83.9 	Satisfaction score of 71.0	Measured through the Customer Satisfaction survey of venue patrons. The result of a score of 83.9 indicates an 'Excellent performance'.
LEVEL OF SERVICE: The venues provide for a wide range of events and interests.				
Number of international events/shows held at Waikato Stadium/Seddon Park.	10 events.	19 events.  (14 events at Waikato Stadium)	19 events.  (14 events at Waikato Stadium)	

PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
Number of national/local events/shows held at Waikato Stadium.	25 events	26 events.  (16 events at Waikato Stadium)	19 events.  (11 events at Waikato Stadium)	

 = target achieved

 = within 5% of target

 = target not achieved

Additional Key Areas of Performance

Venue Utilisation

Venue utilisation for the 2009/10 year at Waikato Stadium was 47.75%. This measure is based on the number of days available for the venue to be hired and the percentage of capacity used on hired days.

Venue utilisation was down slightly when compared with the 2008/09 result of 54%. In part, this is due to the main users of the stadium being the Chiefs Super Rugby Franchise and the Waikato Rugby Union. Utilisation of the venue is affected by the ability of those teams to make home semi-finals and finals.

Additionally, the turf at Waikato Stadium was removed in December 2009 and replaced in January 2010 as part of the renewals programme. This meant that the playing surface was unable to be booked for two months.

LOOKING AHEAD — PRIORITIES FOR THE NEXT TWO YEARS

The major priority for Waikato Stadium over the next two years will be continuing with the ongoing work of securing a variety of events across sporting codes (Rugby Union, Football and Rugby League), Live Action Sport (Crusty Demons, Super X, Nitro Circus Live), and live music events.

In addition to the Super Rugby and National Provincial Championship Rugby matches that will be held at Waikato Stadium, three World Cup matches will also be held including the All Blacks vs Japan game on 16 September 2011.

SEDDON PARK

Seddon Park is a purpose-built international standard cricket facility in the heart of Hamilton, with a spectator capacity of 10,500. Seddon Park is home for Northern Districts Cricket and their flagship team the State Northern Knights. Although the venue is predominantly used for cricket, it has also been used for other sports events during

the cricket off-season. Within the pavilion, there are two lounges suitable for private and corporate functions.

2009/10 HIGHLIGHTS

Seddon Park Hosts Largest Number of International Cricket Games

The 2009/10 year was a big year for Seddon Park, with the venue hosting the greatest number of international cricket games of any venue in New Zealand. These included both a 20/20 and a Test match between New Zealand and Bangladesh, and a One Day International and a Test match between New Zealand and Australia.

Successful Disposal Programme and New Turf at Seddon Park

Patches of turf from Seddon Park outfield were dug up and sold off in May 2010 as part of the grass resowing programme. Over a three week period around 11,000m² of the old turf was sold, providing a good opportunity for Hamiltonians to own a piece of Seddon Park.

This initiative also helped to reduce the cost of disposing of the grass. The limited amount of unsold turf was incorporated as part of the fill for the development of Beetham Park.

The new seed has been sown at Seddon Park and the grass will be ready in time for the Northern District Knights' first home game in December 2010.

SERVICE DELIVERY PERFORMANCE

Performance against 2009/10 Targets

Seddon Park reports against the following three performance measures, which assess customer satisfaction and the number of local, national and international events held at Seddon Park. Customer satisfaction for Seddon Park has increased from the previous year, and is anticipated to increase further due to planned improvements to areas such as security processes, food and beverage services and beautification of the park.

SEDDON PARK (Key service attributes: quality and accessibility)

PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
LEVEL OF SERVICE: The venues provide a quality experience of customers/patrons.				
Customer satisfaction with Seddon Park.	Satisfaction score of 67 - 72	Satisfaction score of 79.8 	Satisfaction score of 70.8	Measured through the Customer Satisfaction survey of venue patrons. A score of 79.8 indicates 'Very good performance'.

PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
LEVEL OF SERVICE: The venues provide for a wide range of events and interests.				
Number of international events/shows held at Waikato Stadium/ Seddon Park.	10 events.	19 events.  (5 events at Seddon Park)	19 events.  (5 events at Seddon Park)	The high number of international events held at Seddon Park helps to boost the venues' international exposure, and increases tourism benefits for the city's economy.
Number of national/local events/shows held at Waikato Stadium/ Seddon Park.	25 events	26 events.  (10 events at Seddon Park)	19 events.  (8 events at Seddon Park)	

 = target achieved

 = within 5% of target

 = target not achieved

Additional Key Areas of Performance

Venue Utilisation

Venue utilisation for the 2009/10 year at Seddon Park was 58.25%. This measure is based on the number of days the venue is booked, out of the total number of days the venue is available to be hired.

The result is an improvement on the utilisation for 2008/09 of 55%. As Seddon Park is a purpose built cricket ground, there are limited opportunities for other sporting codes to use this facility.

In 2010/11 Pakistan will be the only international team to tour New Zealand, which is likely to affect venue utilisation at Seddon Park.

LOOKING AHEAD — PRIORITIES FOR THE NEXT TWO YEARS

The major priorities for Seddon Park over the next two years include continuing to secure domestic and international cricket fixtures at Seddon Park; and continuing to make improvements at Seddon Park, which will work toward making this New Zealand's preeminent cricket venue.

Seddon Park will host one of the three Twenty20 internationals, one of the two international test matches, and one of the six one-day internationals to be held in New Zealand. The allocation of these three international games out of the total number of 11 to be held in New Zealand is seen as a very good result.

The international fixtures will be supplemented by a number of domestic Twenty20, one day and test matches featuring the Northern District Knights and the Northern District Cricket Association.

HAMILTON CITY THEATRES

Hamilton City Theatres provide professional venue and event management at three theatrical venues in Hamilton: Founders Theatre (medium scale theatre with 1,249 capacity), Clarence St Theatre (smaller theatre with 550 capacity that can also be configured as a showroom with

reduced capacity) and The Meteor (a black box venue able to be configured in many ways with a capacity ranging from 100-500 patrons).

These three venues are managed as a single operation and are designed for live performing arts and entertainment events, conferences, seminars and social functions. Each is complemented with gallery/exhibition spaces and some rehearsal spaces. Together these venues provide a distinctive yet complementary range of performance facilities.

2009/10 HIGHLIGHTS

'Four Flat Whites in Italy' Production Comes to Hamilton

A joint venture between Hamilton City Theatres and Auckland Theatre Company brought the Roger Hall production of 'Four Flat Whites in Italy' to Clarence Street Theatre in July 2009.

The production sold out for five full nights. Hamilton City Theatres continues to develop an ongoing relationship with Auckland Theatre Company for joint ventures of this type.




'Comedy Convoy'

Hamilton City Theatres presented the show 'Comedy Convoy' in May 2010, with 92% of seats sold across two theatres. The Cadbury® Crunchie® Comedy Convoy brought five of the best local and international comedians to venues across New Zealand for a comedy showcase.

SERVICE DELIVERY PERFORMANCE

Performance against 2009/10 Targets

Hamilton City Theatres report against the following three performance targets, which assess customer satisfaction and the number of local, national and international events held at the theatres.

HAMILTON CITY THEATRES (Key service attributes: quality and accessibility)				
PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
LEVEL OF SERVICE: The venues provide a quality experience for customers/patrons.				
Customer satisfaction with Hamilton City Theatres.	Satisfaction score of 78 - 81	Satisfaction score of 86.2 	Satisfaction score of 73.2	Measured through the Theatre Patrons survey. A score of 86.2 indicates 'Exceptional Performance'. Whilst this is a significant increase on the previous years score of 73.2, it should be noted that the range of areas surveyed has changed from 2008/09, which will have had an effect on the score.
LEVEL OF SERVICE: The venues provide for a wide range of events and interests.				
Number of international events/shows held at Hamilton City Theatres.	10 events.	22 events. 	35 events	The high number of international events/shows is most likely attributed to the high exchange rate of the NZ Dollar this year compared to previous years. This has meant that it is cheaper for international events to travel to New Zealand.
Number of national/local events/shows held at Hamilton City Theatres.	150 events.	170 events. 	126 events	

 = target achieved

 = within 5% of target

 = target not achieved

Additional Key Areas of Performance

Venue Utilisation

As well as holding organised productions at the theatres, they are also used for a number of other activities, including dance classes, church services, wedding functions, private business launches and expo's and educational training sessions.

Venue utilisation for the 2009/10 year at Hamilton City Theatres was 36% for days hired. This is an average measures across all three venues for the number of days booked out of the total days the venues were available. Percentage of seats booked was 49% in 2009/10. This is an average measure across all three venues for the number of seats sold to or utilised by patrons at all events out of the total seats available at those events.

There are a number of events in the current portfolio which occur each year, this represents around 30% of all booking. The rest of the bookings are made up of one off or new productions and are subject to touring dates.

LOOKING AHEAD — PRIORITIES FOR THE NEXT TWO YEARS

Hamilton City Theatres will continue the development of programmes across Founders Theatre, Clarence Street Theatre, and the Meteor.

The three theatres will continue to provide professional venue and event management, so that events such as concerts, drama, dance and social events can be held at the venues. Events planned for the Hamilton City Theatres

in 2010/11 include: the Restyle 2010 Trash to Fashion show, the 2010 National Country Music Awards, Joseph and the Amazing Technicolour Dreamcoat presented by Hamilton Operatic Society, a musical adaption of the children's book The Gruffalo, and the New Zealand Symphony Orchestra Soloists.

WAIKATO MUSEUM

The Waikato Museum (Te Whare Taonga o Waikato), located at the southern end of Hamilton's Central Business District, is a showcase for the cultural, artistic, heritage and scientific stories of the people of Hamilton and the Waikato Region. The Museum's collections cover the four key areas of social history, visual arts, tangata whenua and sciences, constituting a major resource and asset for the city and region.

2009/10 HIGHLIGHTS

'Never a Dull Moment' Exhibition Opened

The Museum opened a major semi-permanent social history exhibition 'Never a Dull Moment: Hamilton Stories', featuring the settlement of militia in Hamilton in 1864 and the subsequent growth and development of the city. The Museum has received extremely positive feedback from visitors to the exhibition.

'Raupatu' Exhibition a Collaborative Effort

The 'Raupatu' exhibit is a pictorial timeline, incorporating a snapshot of the creation of the King Movement, the

confiscation of Waikato lands and the eventual Treaty settlement. The Raupatu exhibit was developed in collaboration with key iwi stakeholders and community support.

Taa Moko Demonstrations Support Photo Exhibition

Demonstrations of traditional Taa Moko by artists Mark Kopua and Tu Duley were held at the Museum to support the photographic exhibition 'Face Value'. Visitors were able to view this art form practised in-situ and ask questions of the artists.

Children's Day Event a Success at the Museum

A public event held in March 2010 combining a celebration of Children's Day and the restoration of the historic vessel PS Rangiriri, was attended by over 4,000 people. The restoration of the vessel will ensure that it is retained for future generations to learn about early

colonial settlement in Hamilton. Its interpretation will ensure that this historic vessel becomes a key point of interest for visitors and the community alike.






Brick Caravan Added to Public Art Collection



'Holidays in Huntly', a mobile piece of public art by artist Peter Lange was acquired for the city collection by Trust Waikato. 'Holidays in Huntly' is a brick caravan that was exhibited in front of the Museum in 2009/10, and has proved extremely popular with pedestrians and visitors.

SERVICE DELIVERY PERFORMANCE

Performance against 2009/10 Targets

The Museum reports against the following six performance measures, which assess customer satisfaction, the number and type of exhibitions held, the number of visitors and progress towards digitisation of the Museum's collection.

WAIKATO MUSEUM (Key service attributes: quality and accessibility)				
PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
LEVEL OF SERVICE: The venues provide a quality experience for customers/patrons.				
Customer satisfaction with Waikato Museum exhibitions.	Satisfaction score of 78 - 81	Satisfaction score of 81.7 	Satisfaction score of 78.2	Measured through the Waikato Museum Visitors Survey. A score of 78-81 indicated Very Good Performance for a 'customer choice' service.
LEVEL OF SERVICE: ArtsPost provides a channel to facilitate the promotion and development of local artists.				
Number of exhibitions by local artists in the galleries per annum.	Greater than 30 exhibitions.	30 	28	The Fieldays No. 8 Wire Art Award, featuring a number of local finalists, was extended to all three ArtsPost galleries during Fieldays bringing through record numbers this year.
LEVEL OF SERVICE: The venues provide for a wide range of events and interests.				
Equal percentage of Waikato Museum exhibitions for each of the following categories: <ul style="list-style-type: none"> • Visual arts • Social history • Tanagata Whenua • Sciences. 	25% balance for each category.	<ul style="list-style-type: none"> • 33% Visual arts  • 12% Social history • 26% Tanagata Whenua • 29% Sciences. 	<ul style="list-style-type: none"> • 36% Visual arts • 3% Social history • 28% Tanagata Whenua • 33% Sciences. 	There are very few touring history shows that are relevant to Hamilton or the Waikato, however the social history exhibition 'Never a Dull Moment' opened in 2009/10, which aims to recover the balance for the percentage of exhibitions in the social history categories.
Number of visitors to Waikato Museum and ArtsPost.	Waikato Museum: Minimum of 111,000 visitors.	114,094 visitors 	126,532 visitors	The target was exceeded, despite the fact that there was not a blockbuster exhibition this year.
	ArtsPost: Minimum of 38,000 visitors.	43,747 visitors 	40,462 visitors	The target was exceeded, with a further increase in numbers from the previous year.

PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
LEVEL OF SERVICE: The Waikato Museum collection is accessible to the community.				
Percentage of high value items in the collection digitised.	100%	100% 	100%	
Percentage of items in the total collection digitised.	50%	52.7% 	45.2%	



= target achieved



= within 5% of target



= target not achieved

Additional Key Areas of Performance

The Waikato Museum aims to ensure their offerings meet the needs of a wide demographic mix of residents.

A key priority for the Museum is to provide an equal balance of exhibitions for each of the four categories of Visual Arts, Social History, Tanagata Whenua, and Sciences. In the past, the category of Social History has been under-represented. However, the development of the semi-permanent social history exhibition 'Never a dull moment' has assisted in addressing this imbalance.

The key issue currently facing the Museum is one of physical space. As there is no separate art gallery, cultural centre or science museum in Hamilton, the Waikato Museum has to provide for all these distinct experiences within the one space. This requires a balance between the exhibits on display at all times. As the Museum develops its focus on providing excellent customer experiences, one of its ongoing challenges will be the lack of space for large groups of visitors and major events.

LOOKING AHEAD — PRIORITIES FOR THE NEXT TWO YEARS

The major priorities for the Waikato Museum over the next two years include the following exhibitions and public programmes:

- Nga Pou Whenua (Pillars of the Land) is an exhibition celebrating Tainui iwi through the four pou of Tainui waka — Waikato, Ngati Raukawa, Ngati Maniapoto and Hauraki. The exhibition will use multimedia story-telling techniques to provide a modern storyline. The exhibition is scheduled to open in November 2010 and is planned to run for at least 3 years.
- Hatching the Past: Dinosaur Eggs and Babies is the Museum's blockbuster exhibition for 2010. It will invite visitors to touch real dinosaur bones and reconstructed nests, dig for eggs, experience hands-on exploration stations and view animated video presentations featuring well known dinosaur experts.
- Red, Yellow, All Black: A Local Look at our National Game. This exhibition about rugby is being developed to coincide with the 2011 Rugby World Cup.
- Children's Day will continue to provide the opportunity for children of all ages to engage with our 'key stories of place' conveyed through the many exhibitions and activities of the Museum.

- The development and implementation of commissionable tours will be a key focus over the next 12 months. Whilst there are many major international events scheduled for the city and region, there is very little in the way of cultural commissionable tours that can be sold off-shore. Special tours providing insights into the unique stories and history of Hamilton will be developed for residents and visitors to experience and enjoy.

EFFECTS ON COMMUNITY WELL-BEING

Council monitors the effects that its Activities have on community well-being by focusing on the goals and aspirations that the community has identified as being the most important for Hamilton over the next 10 years and beyond.

Hamilton's Community Outcomes identify the community's priorities and goals for now and in the future - the aspects of well-being that are the most important for the city.

The Event and Cultural Activities primarily contribute to the 'Unique Identity' and 'Intelligent and Progressive City' Community Outcomes, in particular to the following goals:

VIBRANT AND CREATIVE COMMUNITY OUTCOME

"A city that encourages creativity for a vibrant lifestyle"

Hamilton people want a city that:

Is recognised for its wide range of events, activities and entertainment for everyone, including iconic events.

Has a vibrant arts and music scene and supports and celebrates its artists, festivals and facilities.

Acknowledges and celebrates the creativity of Maaori arts and culture.

Values and protects heritage sites, buildings and landmarks.

INTELLIGENT AND PROGRESSIVE CITY COMMUNITY OUTCOME

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

Hamilton people want a city that:

Is progressive and cosmopolitan, creating an environment for business success.

Attracts and retains people and investment and grows great ideas.




COMMUNITY OUTCOMES PROGRESS INDICATORS

Progress towards Hamilton's Community Outcomes is monitored through a selection of indicators. Indicators provide ways in which to measure, directly or indirectly, changes to social, environmental, economic and cultural well-being over time.





Council is one of many organisations whose actions assist in progressing the Community Outcomes and overall community well-being.

The following progress indicators are used to monitor the effect that the Event and Cultural Activities have on progressing the Community Outcome goals.

KEY:

M	= Moderate contribution		= Improving/favourable
S	= Significant contribution		= Uncertain/no trend
O	= Council is the only provider		= Declining/unfavourable

REPORTING ON PROGRESS INDICATORS

COMMUNITY OUTCOMES PROGRESS INDICATORS		LATEST RESULTS			TREND
O	Residents' use of Council's arts and culture facilities:	2007/08	2008/09	2009/10	
	<ul style="list-style-type: none">Founders TheatreClarence Street TheatreThe MeteorWaikato MuseumArtsPost	<ul style="list-style-type: none">55.326.78.341.821.3	<ul style="list-style-type: none">54.229.07.349.826.7	<ul style="list-style-type: none">50.630.512.346.221.7	
	Source: <i>Hamilton City Council Residents Survey</i>				
S	Residents' perception that their city is a place that has a culturally rich and diverse arts scene.	2004	2006	2008	
	Source: <i>Quality of Life Survey</i>	56%	59%	57%	
O	Residents' use of Council's sports and recreational facilities.	2007/08	2008/09	2009/10	
	<ul style="list-style-type: none">Waikato StadiumSeddon ParkClaudlands Events Centre	<ul style="list-style-type: none">40.514.757.6	<ul style="list-style-type: none">45.223.361.6	<ul style="list-style-type: none">39.418.650.3	
	Source: <i>Hamilton City Council Residents Survey</i>				
O	Residents' satisfaction with Councils sports and recreational facilities.	2007/08	2008/09	2009/10	
	Source: <i>Hamilton City Council Residents Survey</i>	72.1	70.7	70.9	

MONITORING NEGATIVE EFFECTS

Council's Event and Cultural Venues Activities provide many important benefits to the community and in some cases also contribute significantly to tourism and the local economy. However, the provision of events facilities can

have some negative effects, which Council must manage and mitigate.

Council's 2009-19 LTCCP identifies the significant existing or potential negative effects for the Event and Cultural Venues Activities. During 2009/10 no significant instances of these negative effects occurred.

SIGNIFICANT ACQUISITIONS OR REPLACEMENTS OF ASSETS

SIGNIFICANT ACQUISITIONS OR REPLACEMENTS OF ASSETS

	PROJECT REFERENCE NUMBER (SAP #)	ACTUAL 2009/10 (\$000)	BUDGET 2009/10 (\$000)	REASON
CLAUDLANDS EVENTS CENTRE				
Claudlands Events Centre	524.0	32,467	22,858	Design and construct an indoor stadium at Claudlands Events Centre and upgrade the existing facilities for events, exhibitions and conferences. There was additional budget carried forward from 2008/09. The project is due for completion in early 2011.

COST OF SERVICE STATEMENT FOR THE YEAR ENDED 30 JUNE 2010

COST OF SERVICE STATEMENT FOR THE YEAR ENDED 30 JUNE 2010			
	ACTUAL 2009/10 (\$000)	BUDGET 2009/10 (\$000)	ACTUAL 2008/09 (\$000)
GROUP OF ACTIVITY - OPERATING STATEMENT			
OPERATING REVENUE			
Activity revenue - user charges and fees	6,073	7,420	6,530
General rates	12,066	12,052	11,357
Other general sources	199	1	222
Total operating revenue	18,338	19,473	18,109
OPERATING EXPENDITURE			
Waikato Stadium	6,866	7,440	7,163
Claudeland Event Centre	5,020	2,475	2,011
Hamilton City Theatres	3,406	3,441	3,279
Seddon Park	1,418	1,396	1,261
Waikato Museum	5,291	5,230	5,660
Total operating expenditure	22,001	19,982	19,374
Operating surplus/(deficit)	(3,663)	(509)	(1,265)
GROUP OF ACTIVITY - CAPITAL AND RESERVES FUNDING STATEMENT			
CAPITAL EXPENDITURE			
Growth	6,197	1,601	357
Increased level of service	28,586	21,867	6,265
Renewal	2,069	2,130	2,328
Total capital expenditure	36,852	25,598	8,950
Loan repayments	146	194	153
Transfers to reserves	273	221	195
Operating deficit	3,663	509	1,265
Total funding required	40,934	26,522	10,563
Funded by:			
Operating surplus	-	-	-
Funding from non-cash expenses	859	413	950
Loans raised	33,746	24,078	6,179
Proceeds from sale of assets	-	-	-
Transfers from reserves	88	9	65
Total funding applied	34,693	24,500	7,194
Funding surplus/(deficit)	(6,241)	(2,022)	(3,369)

4.6 RECREATION

HAAKINAKINA

Recreation is an important component of a balanced and healthy lifestyle. It often involves physical activities such as sport, walking or cycling; and also includes passive leisure, which brings rest, relaxation and opportunities to enjoy nature. Both are equally important to people's physical and mental well-being.

Location, access to facilities and affordability are factors that impact on people's use and enjoyment of their recreation time. Council aims to provide open green spaces and facilities where residents of all ages and abilities can meet and participate in both active and passive recreation. Providing open green spaces for recreation purposes also has a wider benefit of contributing to the ecological health and visual appeal of the city.

Council's Recreation Activity Group includes:

- Parks and Gardens
- Sports Areas
- Hamilton Zoo
- Swimming Facilities.

PARKS AND GARDENS

Provides recreation open space, ranging from small neighbourhood parks to key city parks such as Hamilton Gardens, Hamilton Lake Domain and Claudelands Park. Parks and gardens enhance Hamilton's urban ecology through the development of a green network.

This activity also provides for city beautification by maintaining planting within open spaces, parks, streets and traffic islands, trees and fountains; and develops and maintains playgrounds in many parks.

2009/10 HIGHLIGHTS

Te Parapara Garden

Work on Te Parapara Garden, New Zealand's first and only traditional Maori garden, continued during 2009/10. Focusing on plants, techniques and culture associated with

pre-European Maori horticulture, food gathering and food preparation and storage, Te Parapara sits alongside the Sustainable Backyard, the Kitchen Gardens and the Herb Garden in Hamilton Gardens' Productive Garden Collection.

Te Parapara's design comprises traditional carvings created by artisan local carvers and plants with cultural significance. It tells the story of the establishment of cultivated food crops in the Waikato, from the landing of the Tainui waka to the era of the expansive plantations in which local Maori excelled as productive gardeners.

A joint project between the Te Parapara Garden Trust, Nga Mana Toopu of Kirikiriroa and Hamilton City Council, Te Parapara is due to re-open in late Spring 2010.

Continued Development of Waiwhakareke

Development has continued at Waiwhakareke Natural Heritage Park. About one third (16 hectares) of the plantable area will have been planted by the end of winter 2010. Tracks on the Brymer Road side of the park have been completed to an initial formation and metal stage to allow for maintenance and site access for further planting. These tracks will form the basis for the eventual circulation network.

New Facilities at Hamilton Gardens

A new vehicle barrier arm was installed at Hamilton Gardens to prevent vehicle access to the carparks at night. The installation was primarily to help with safety and reduce vandalism. A new toilet block was also installed to provide a better facility for visitors; and three sets of recycling bins were installed with provision to add more bins in the future.







SERVICE DELIVERY PERFORMANCE

Performance against 2009/10 Targets

Council's Parks and Gardens Activity reports against the following seven performance measures. These measures focus on the accessibility and quality of facilities, with a particular emphasis on residents' satisfaction ratings, which are determined through Council's Residents Survey.

PARKS AND GARDENS (Key service attributes: accessibility and quality)

PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
LEVEL OF SERVICE: Recreation facilities are accessible to everyone.				
Provide one neighbourhood playground within 500m of every home.	90% of homes within 500m of a playground.	81% of homes within 500m of a playground.	81% of homes within 500m of a playground.	The cost of under-surfacing for playground equipment (which is a health and safety requirement) has increased significantly over the last few years. These increased costs are impacting on Council's ability to provide the planned playground

PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
				programme. Council decided, as part of the 2010/11 Annual Plan process, to signal its intention to significantly review the current playgrounds programme, with a view to accelerating the development of new playgrounds. Staff will report to Council in early 2011 on future level of service options for the playgrounds programme.
Percentage of residents who use walkways per year.	70%	77.8% 	79.7%	Measured through Council's Residents Survey.
LEVEL OF SERVICE: Provide attractive and well-maintained parks, gardens and walkways.				
Residents' satisfaction with Hamilton Gardens.	Satisfaction score of 84 or above	Satisfaction score of 88.0 	Satisfaction score 87.4	Measured through Council's Residents Survey. A satisfaction score of 84 or above indicates 'exceptional performance' for a 'customer choice' service.
Residents' satisfaction with Parks and Gardens.	Satisfaction score of 79 or above	Satisfaction score of 78.9 	Satisfaction score of 79.0	Measured through Council's Residents Survey. A satisfaction score of 79 or above indicates 'exceptional performance' for a 'no customer choice' service.
Residents' satisfaction with walkways.	Satisfaction score of 78 - 81	Satisfaction score of 78.7 	Satisfaction score of 78.6	Measured through Council's Residents Survey. A satisfaction score of 78 — 81 indicates 'very good performance' for a 'customer choice' service.
Residents' satisfaction with Hamilton Lake Domain.	Satisfaction score of 78 - 81	Satisfaction score of 80.4 	Satisfaction score of 79.1	Measured through Council's Residents Survey. A satisfaction score of 78 — 81 indicates 'very good performance' for a 'customer choice' service.
LEVEL OF SERVICE: Playground equipment is fit for purpose.				
Residents' satisfaction with playground equipment.	Satisfaction score of 67 - 72	Satisfaction score of 68.8 	Satisfaction score of 62.2	Measured through Council's Residents Survey. A satisfaction score of 67 — 72 indicates 'fair performance, needing improvement' for a 'customer choice' service. As discussed in the first performance measure for this activity (neighbourhood playgrounds within 500m of every home), Council is planning to review the current playgrounds programme.



= target achieved



= within 5% of target



= target not achieved

Additional Key Areas of Performance

Review of Reserve Management Plans

During the 2009/10 year parks and gardens staff reviewed a number of Reserve Management Plans in consultation with the public and user groups. They included Minogue Park Management Plan, the Sports Park Management Plan and Hamilton Lake Domain Management Plan.

Reserve management plans outline the Council's general intentions for the use, development, maintenance, protection and preservation of its reserves, through a series of objectives and policies.

Dog Exercise Areas on Parks

The provision of non-exclusive dog exercise areas on parks has been identified as an ongoing issue. Currently, Council

provides designated off-leash dog exercise areas at 13 of the city's parks. These areas are identified through signs and publicity material, and where possible follow boundaries defined by topography, vegetation or the shape of the park.

Dog exercise areas are not fenced or marked, so as to avoid reducing the amenity of open spaces or excluding those who do not have a dog from using these areas. There would also be a high cost involved to fence these areas. The lack of fences can, however, cause issues around the definition of the exact areas on parks that are available for dog owners to use.

In an attempt to address this, Council is making the whole of four parks (Days Park, Porritt Stadium, Resthills Park and Till's Lookout) available for dog exercise on a trial basis

(1 August 2010 — 31 July 2011). Resthills Park and Porritt Stadium will have defined hours during the winter sports season, and will be available fulltime in summer. Days Park and Till's Lookout will be available fulltime for the whole trial period.

LOOKING AHEAD - PRIORITIES FOR THE NEXT TWO YEARS

The major priorities for parks and gardens over the next two years include:

- Looking at ways in which natural areas in and around the city can be linked to help increase biodiversity.
- Providing input into the review of Hamilton's District Plan. This also includes monitoring growth areas identified by the District Plan to make sure adequate parks are provided in areas where intensification is planned to occur, or demographics are changing.

SPORTS AREAS

Sports areas provide developed open spaces with facilities for specific active leisure and general public use. They cover three broad areas:

- National level venues such as Waikato Stadium and Seddon Park (refer to the Event and Cultural Venues Activity Group - Section 4.5).
- Senior code headquarters parks.
- Community parks, which cater predominantly for lower grade and junior sport.

Sports areas provide safe places to play and learn, as well as encouraging activities that promote health and well-

being. These facilities also play an integral role in providing opportunities for interacting with friends, family, work groups, neighbourhoods and communities.

Council's sports areas are complemented by participant and public facilities, such as grandstands, clubrooms, changing rooms and public toilets.

2009/10 HIGHLIGHTS

Review of the Sports Park Management Plan

Council carried out a minor review of the Sports Parks Management Plan during the 2009/10 year. The review resulted in three parks being removed from the general Sports Parks Management Plan. These parks were Minogue Park (which now has its own Management Plan), Foreman Park (which was no longer required for recreation and has been disposed of) and Willoughby Park (which is proposed to be included in the Stadium Management Plan).


Porritt Stadium Track Upgrade

The all weather artificial surface on the athletic track at Porritt Stadium was resurfaced in May 2010 as part of the renewal programme. The track upgrade was required to gain an International Association of Athletics Federations (IAAF) Class 2 certificate (which allows records/times recorded at the track to be official).

SERVICE DELIVERY PERFORMANCE

Performance against 2010/11 Targets

This activity reports against the following performance measure, which assesses residents' satisfaction with sports areas.

SPORTS AREAS (Key service attribute: quality)				
PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
LEVEL OF SERVICE: Sports areas are fit for purpose.				
Residents' satisfaction with sports areas.	Satisfaction score of 67 - 72	Satisfaction score of 70.9 	Satisfaction score of 70.7	Measured through Council's Residents Survey. A score of 67 - 72 indicates 'exceptional performance' for a 'no customer choice' service.

 = target achieved

 = within 5% of target

 = target not achieved

LOOKING AHEAD - PRIORITIES FOR THE NEXT TWO YEARS

The major priorities for Sports Areas over the next two years include:

- An upgrade of Beetham Park, including the introduction of a car/bus park, a training field and a walkway/cycleway linkage. Changing rooms and public toilets are under construction and a gymnasium may be constructed in the future by the Waikato Rugby Union as a lessee.
- The development of Mangaiti Sports Park Management Plan, which will outline how the park is to be developed in the future.
- The development, through a public consultative process, of the Waiwhakareke Natural Heritage Park Management Plan to guide the development of the park and ensure that the overall vision is maintained.

HAMILTON ZOO

Focuses on the delivery and development of a modern zoo that works to conserve wildlife in a natural environment and provide a recreational resource for local residents and visitors. The Zoo aims to fulfil this purpose through customer service, animal husbandry and education programmes, as well as by supporting appropriate scientific study and minimising the impact on the local environment.

Hamilton Zoo is situated within 20.3 hectares of landscaped grounds and is home to more than 600 exotic and native New Zealand animals. As well as being a tourism and recreational park, Hamilton Zoo is a contributor to international breeding and rehabilitation programmes for endangered species of animals. It works to conserve wildlife in its natural environment.

2009/10 HIGHLIGHTS

New president of the Zoo and Aquarium Association NZ

Hamilton Zoo Director Stephen Standley was elected as President of the Zoo and Aquarium Association New Zealand in June 2010. Election as president is a reflection of the high regard Stephen is held in by his peers which reflects well on him, Hamilton Zoo and Council.

Kea chick hatchings caught on camera at Hamilton Zoo

The hatching of two kea chicks at Hamilton Zoo was caught on camera in August 2009 as part of a project between Hamilton Zoo and the Kea Conservation Trust.

The project enabled 24-hour recordings of the kea nest box at Hamilton Zoo to be broadcast live at the facility and on www.keaconservation.co.nz, after state-of-the-art infrared and colour camera systems were installed at the facility early in 2009.

White Rhino Calf born at Hamilton Zoo




On 12 March 2010 Hamilton Zoo's nine year old Rhinoceros Kito gave birth to her first calf, Ubuntu. Ubuntu was the fifth baby rhino to be born at the facility and the seventh to ever to be born in New Zealand.

SERVICE DELIVERY PERFORMANCE

Performance against 2009/10 Targets

Hamilton Zoo reports against the following three performance measures, which assess how successful the Zoo was in attracting visitors, residents' satisfaction with the Zoo and compliance with the Ministry of Agriculture and Fisheries (MAF) Zoo License Standards.

HAMILTON ZOO (Key service attributes: accessibility, quality and safety)

PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
LEVEL OF SERVICE: Recreation facilities are accessible to everyone.				
Number of customer visits to Hamilton Zoo per year.	110,000 visits.	115,153 visits. 	119,018 visits.	The 2009/10 result demonstrated positive visitor numbers. This result was pleasing due to trend analysis within the Zoo industry reflecting a decline in patronage when no new exhibits are constructed. Exposure of the Zoo on TV programmes like 'The Zoo' and 'Wild Vets' has assisted in sustained patronage numbers.
LEVEL OF SERVICE: Hamilton Zoo provides a quality experience for customers/patrons.				
Residents' satisfaction with Hamilton Zoo.	Satisfaction score of 82 - 83	Satisfaction score of 84.0 	Satisfaction score of 82.8	Measured through Council's Residents Survey. The 2009/10 result of 84.0 indicates 'exceptional performance' for a 'customer choice' service. The target was for a score of 82 - 83, which indicates 'excellent performance'.
LEVEL OF SERVICE: Facilities comply with safety standards.				
Zoo operations comply with MAF Zoo License standards.	Standards met.	All standards complied with. Zoo licence re-issued in March 2010. 	All standards complied with. Zoo licence maintained.	The Zoo can only open to the public when a license has been issued by MAF. In order to gain a license, the facility has to have correct procedures and containment standards for the housing of animals.

 = target achieved

 = within 5% of target

 = target not achieved

Additional Key Areas of Performance

Hamilton Zoo has a large focus on conservation as well as recreation. As part of the conservation programme, in 2009/10 Hamilton Zoo bred 19 brown teal (pateke) that were released into the wild.

Hamilton Zoo complied with 42 out of the 43 recommendations for the transfer or attempted breeding of animals as part of the Zoo and Aquarium Association managed breeding programmes.

A new perimeter fence was constructed around Hamilton Zoo in 2009/10. The fence serves a two fold purpose, which includes acting as another containment element for the animals housed at the Zoo, and secondly to ensure that intruders can not access the Zoo.

In July 2002 Hamilton Zoo gained ISO 14001 accreditation for its environmental management systems and processes. Objectives and targets for the environmental management system have been established that are measurable and consistent with the organisation's relevant policies.

During 2009/10 an audit of the Environment Waikato Carbon Save initiative, including implementation of recommendations, and development of a draft stormwater management plan for the Zoo site was completed.

In January 2010 Telarc undertook its annual review of the Zoo's environmental management systems, which confirmed that the Zoo has maintained its compliance with the standard.

LOOKING AHEAD - PRIORITIES FOR THE NEXT TWO YEARS

The major priority for Hamilton Zoo over the next two years will be completion of the design for an education centre that will be situated at Whaiwhakareke Natural Heritage Park and be run in conjunction with Hamilton Zoo.

SWIMMING FACILITIES

Provision of swimming facilities encourages healthy lifestyles by providing people of all ages with opportunities to engage in social, sporting and recreational activities.

Council provides swimming facilities that cater to the needs of the community, clubs, sporting groups and schools. Council's two swimming complexes are Waterworld in the north of the city and Gallagher Aquatic Centre (a full indoor facility) in the south.

In addition, Council's Municipal Pool at the south end of Victoria Street is operated under contract to the Hamilton Amateur Swimming Club. Partner pool grants are also provided to the University of Waikato campus pool, Hillcrest Normal School, Te Rapa Primary School and Fairfield College.

2009/10 HIGHLIGHTS

Swimming facilities partnership with Ministry of Social Development

Swimming facilities partnered with the Ministry of Social Development to train and employ nine unemployed people aged 16 - 24 years. Swimming Facilities staff trained them in pool life-guarding duties and learn-to-swim teaching, to a point where they are qualified and have the ability to work anywhere in the New Zealand swimming pool industry.

Upgrade of Gallagher Aquatic Centre

A major internal upgrade of Gallagher Aquatic Centre was completed in 2009/10, with new flooring, new pool paint, changing room facility upgrades, new tiling and a new plant room. This work has received positive feedback from patrons that utilise this facility.

SERVICE DELIVERY PERFORMANCE





Performance against 2009/10 Targets

Swimming Facilities report against the following four performance measures. These measures assess the activity's success in attracting visitors to Waterworld and Gallagher Aquatic Centre; residents' satisfaction with these facilities; and the pools' compliance with Pool Safe Accreditation Standards.

Swimming Facilities are accredited to operate Pool Safe facilities and programmes. Pool Safe is a Water Safety New Zealand programme incorporating a range of initiatives aimed at reducing the number of water related injuries in and around New Zealand pools.

As part of complying with Pool Safe Accreditation, swimming pool staff test the water in the pools every three hours for 'Free Available Chlorine' (which tells them how much active disinfectant is available to destroy micro-organisms, organic and inorganic matter) and also 'Combined Available Chlorine' (staff need to make sure this doesn't get too high as it could cause odour at the facility and eye irritation for patrons). The water is also tested monthly for microbiological matter.

The standard for Pool Safe Accreditation states that water test records must meet standard requirements 85% of the time. Currently Council's swimming pools meet the standard requirements 94% of the time.

SWIMMING FACILITIES (Key service attributes: accessibility, quality and safety)				
PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
LEVEL OF SERVICE: Recreation facilities are accessible to everyone.				
Number of customer visits to Council owned and operated swimming pools each year.	600,000 - 630,000 visits	552,551 visits 	551,353 visits	During 2009/10 the number of visits to Waterworld and Gallagher Aquatic Centre was affected by closures of the facilities. The 25 metre pool at Waterworld was closed for three weeks for upgrades. Two of these weeks were during school holidays, which is one of the busiest times for the pools. Gallagher Aquatic Centre was also closed for two weeks for upgrades to the facility.
LEVEL OF SERVICE: Swimming facilities provide a quality experience for customers/patrons.				
Residents' satisfaction with Waterworld.	Satisfaction score of 73 - 77	Satisfaction score of 77.8 	Satisfaction score of 78.4	Measured through Council's Residents Survey. A score of 73 - 77 indicates 'good performance, with potential for improvement' for a 'customer choice' service.
Residents' satisfaction with Gallagher Aquatic Centre.	Satisfaction score of 67 - 72	Satisfaction score of 76.2 	Satisfaction score of 77.5	Measured through Council's Residents Survey. The 2009/10 result of 76.2 indicates 'good performance, with potential for improvement' for a 'customer choice' service. The target was for a score of 67 - 72, which indicates 'fair performance, needing improvement'.
LEVEL OF SERVICE: Facilities comply with safety standards.				
Council owned and operated swimming pools meet Pool Safe Accreditation standards.	Standards met.	Standards met 	Standards met	Pool Safe Accreditation is an industry based standard for all pools that are open to the public. The standard includes water quality, supervision and health and safety standards. More information about the Pool Safe can be found at www.poolsafe.org.nz .

 = target achieved

 = within 5% of target

 = target not achieved

LOOKING AHEAD - PRIORITIES FOR THE NEXT TWO YEARS

The major priorities for Swimming Facilities over the next two years include:

- Complete the construction of a hydrotherapy pool at Waterworld. A ceremony was held in February 2010 to mark the beginning of the construction process. The project is planned to be completed by March 2011 with Council's contribution being \$1.43 million.
- Design and commence construction of the North-East sector pool by 2013/14. This \$15.7 million project includes a ten lane 25 metre pool, leisure fun pool, learners pool, toddlers pool, café and gym facilities. The facility will also include two meeting rooms and offices for community use.
- Council currently runs a Swim Safe programme at Waterworld and the Gallagher Aquatic Centre, which involves teaching 40,000 children each year from various Hamilton schools water survival techniques. Due to the increasing costs of transporting children

to one of the facilities, Council is investigation having a Swim Safe teacher travel out to schools, to teach the programmes in school swimming pools.

EFFECTS ON COMMUNITY WELL-BEING

Council monitors the effects that its Activities have on community well-being by focusing on the goals and aspirations that the community has identified as being the most important for Hamilton over the next 10 years and beyond.

Hamilton's Community Outcomes identify the community's priorities and goals for now and in the future - the aspects of well-being that are the most important for the city.

The Recreation Activities primarily contribute to the 'Healthy and Happy' Community Outcome, in particular to the following goals:

HEALTHY AND HAPPY

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

Hamilton people want a city that:

- Provides opportunities for people of all ages and abilities to participate in sport and leisure activities that meet their diverse needs.
- Provides affordable, responsive and accessible activities and health care for people of all ages and abilities.
- Is an ideal place for family and whanau, with lots of activities and places for tamariki and rangatahi to enjoy.




COMMUNITY OUTCOMES PROGRESS INDICATORS





















Progress towards Hamilton's Community Outcomes is monitored through a selection of indicators. Indicators

provide ways in which to measure, directly or indirectly, changes to social, environmental, economic and cultural well-being over time. Council is one of many organisations whose actions assist in progressing the Community Outcomes and overall community well-being.

The following progress indicators are used to monitor the effect that the Recreation Activities have on progressing the Community Outcome goals.

KEY:

M	= Moderate contribution		= Improving/favourable
S	= Significant contribution		= Uncertain/no trend
O	= Council is the only provider		= Declining/unfavourable

REPORTING ON PROGRESS INDICATORS				
COMMUNITY OUTCOMES PROGRESS INDICATORS	LATEST RESULTS			TREND
 Area of green space (parks and gardens only) in the city per resident. Source: Hamilton City Council	2008 4.6 ha / 1,000 residents	2009 4.6 ha / 1,000 residents	2010 4.4 ha / 1,000 residents	
 Area of green space (sports areas only) in the city per resident. Source: Hamilton City Council	2008 3.2 ha / 1,000 residents	2009 3.1 ha / 1,000 residents	2010 3.1 ha / 1,000 residents	
 Residents' use of Council's sports and recreational facilities (Sports areas). Source: Hamilton City Council Residents Survey	2008 33.7%	2009 33.3%	2010 38.9%	
 Residents' use of Council's sports and recreational facilities (Waterworld). Source: Hamilton City Council Residents Survey	2007/08 49.1%	2008/09 51.2%	2009/10 54.1%	
 Residents' use of Council's sports and recreational facilities (Gallagher Aquatic Centre). Source: Hamilton City Council Residents Survey	2007/08 17.7%	2008/09 16.1%	2009/10 18.8%	
 Residents' use of Council's sports and recreational facilities (Hamilton Zoo). Source: Hamilton City Council Residents Survey	2007/08 57.6%	2008/09 54.0%	2009/10 53.3%	
 Total number of street trees in the city. Source: Hamilton City Council	2007/08 29,060	2008/09 28,051	2009/10 29,956	
 Residents' satisfaction with Council provided walkways. (Satisfaction Score) Source: Hamilton City Council Residents Survey	2007/08 81.6	2008/09 78.6	2009/10 78.7	
 Residents' satisfaction with Council provided cycling facilities. (Satisfaction Score) Source: Hamilton City Council Residents Survey	2007/08 67.7	2008/09 66.5	2009/10 62.6	
 Residents' rating of sense of pride in the way their city looks and feels (% of people who agreed or strongly agreed). Source: Quality of Life Survey	2004 70%	2006 69%	2008 68%	

MONITORING NEGATIVE EFFECTS

Council's Recreation Activities provide many important benefits to the community and in some cases, such as Hamilton Gardens, also contribute significantly to tourism and the local economy. However, the provision of

recreation and leisure facilities can have some negative effects, which Council must manage and mitigate. Council's 2009-19 LTCCP identifies the significant existing or potential negative effects for the Recreation Activities. During 2009/10 no significant instances of these negative effects occurred.

SIGNIFICANT ACQUISITIONS OR REPLACEMENTS OF ASSETS

SIGNIFICANT ACQUISITIONS OR REPLACEMENTS OF ASSETS				
	PROJECT REFERENCE NUMBER (SAP #)	ACTUAL 2009/10 (\$000)	BUDGET 2009/10 (\$000)	REASON
PARKS AND GARDENS				
Land purchased for reserves	118.0	4,469		This land is purchased to provide reserves for active recreation, neighbourhood parks and other purpose reserves in order to meet the structure plan objective contained in the District Plan. Budget was carried forward from 2008/09.
No. 2 Field — Beetham Park	1033.0	1,115	1,813	Upgrade of the Beetham Park sports field to replace Waikato Stadium training facilities. Includes the construction of changing and storage facilities, which are to be completed in 2010/11.

COST OF SERVICE STATEMENT FOR THE YEAR ENDED 30 JUNE 2010

COST OF SERVICE STATEMENT FOR THE YEAR ENDED 30 JUNE 2010			
	ACTUAL 2009/10 (\$000)	BUDGET 2009/10 (\$000)	ACTUAL 2008/09 (\$000)
GROUP OF ACTIVITY - OPERATING STATEMENT			
OPERATING REVENUE			
Activity revenue - user charges and fees	4,518	4,359	4,205
Activity revenue - subsidy for operating expenditure	500	85	110
Development and financial contributions	1,250	1,867	1,627
General rates	20,704	20,678	19,488
Other general sources	1,927	1,645	1,747
Total operating revenue	28,899	28,634	27,177
OPERATING EXPENDITURE			
Parks and Gardens	14,402	13,153	12,079
Sports Areas	4,867	5,015	3,979
Hamilton Zoo	3,044	3,094	2,892
Swimming Facilities	6,433	6,480	6,520
Total operating expenditure	28,746	27,742	25,470
Operating surplus/(deficit)	153	892	1,707
GROUP OF ACTIVITY - CAPITAL AND RESERVES FUNDING STATEMENT			
CAPITAL EXPENDITURE			
Growth	1,030	410	1,667
Increased level of service	9,979	5,091	2,831
Renewal	2,041	2,060	4,145
Total capital expenditure	13,050	7,561	8,643
Loan repayments	1,520	2,031	1,595
Transfers to reserves	3,700	3,800	3,440
Operating deficit	-	-	-
Total funding required	18,270	13,392	13,678
Funded by:			
Operating surplus	153	892	1,707
Funding from non-cash expenses	2,713	1,434	2,344
Loans raised	6,719	4,541	5,036
Proceeds from sale of assets	16	-	-
Transfers from reserves	6,100	3,122	3,323
Total funding applied	15,701	9,989	12,410
Funding surplus/(deficit)	(2,569)	(3,403)	(1,268)

4.7 TRANSPORTATION

HARIA I NGAA WAKA

We tend to take travelling in and around Hamilton for granted; expecting to get to and from where we need to go with ease. However, with traffic volumes rising and the city's population set to grow further, the number of cars on our roads and the travel issues we experience will undoubtedly get worse.

The city's Access Hamilton Strategy, developed in partnership with key transport agencies, identifies a vision for transport development and commits the city to integrated transport and land-use planning. The strategy's approach focuses on balance in the areas of transport planning, infrastructure provision, transport demand management and the ability to respond to a changing environment.

Council's Transportation Activities are about enabling good access around the city by providing and managing an efficient and well-planned transport system that is safe, fit for purpose, provides consistent travel times and carefully addresses parking issues. This ensures that there are good networks for all travellers whether they use cars, public transport, walk or cycle.

Council's Transportation Activity Group includes:

- Transportation Network
- Parking Enforcement.

TRANSPORTATION NETWORK

Focuses on providing and efficiently managing a safe, effective and sustainable transport system that integrates freight and private vehicles with other forms of transport such as buses, walking and cycling.

Services include the day-to-day operation and maintenance of the existing traffic network (carriageways, footpaths, traffic signals, verges, street lights, bus stops, etc.), planning for future development and growth of the network, developing and delivering network improvements and raising public awareness of the options and effects of travel behaviour and travel choices.

2009/10 HIGHLIGHTS

Access Hamilton Strategy Reviewed

During 2009/10 Council completed a full review of the revised Access Hamilton Strategy. A comprehensive framework for ongoing development of transport for the next 30 years was developed. The New Zealand Transport Agency gave this document strong support.

The Access Hamilton Strategy was adopted by Council in May 2010. It is a collaborative Strategy, involving a partnership approach from various organisations including

the NZ Police, Environment Waikato, the New Zealand Transport Agency, Ontrack, Kiwirail, tangata whenua, and Waipa and Waikato District Council. Its purpose is to meet the changing travel demands of the city by providing an affordable, safe, responsive and sustainable transport system that contributes to Hamilton's strategic vision and is aligned with national and regional legislative and strategic directions. The Strategy's approach is to fully integrate transport options allowing consideration and understanding of how walking, cycling, passenger transport, cars and freight interact with each other.

Transportation Model for Hamilton and the Region

The completion of the Waikato Regional Transportation Model (WRTM) in January 2010 was undertaken as a Local Authority Shared Services Ltd (LASS) project (the LASS is a Council Controlled Organisation whose objective is to provide local authorities in the Waikato Region with shared services). The project was led by Council, Environment Waikato, and the New Zealand Transport Agency (NZTA), with contributions from the Waikato, Waipa, Matamata-Piako, Taupo and Thames-Coromandel district councils.

The model can be used to consider the impact of current and predicted traffic flows on existing routes and for major projects such as the Waikato Expressway and the Te Rapa Bypass. The WRTM will also enable testing of land use policy (e.g. structure plans, major resource consents), and the assessment of roading schemes (e.g. Ring Road extension - Crosby to Cobham) and new bus services.

Input data for the WRTM will be updated when results from the 2011 Census of Population and Dwellings become available.

For additional information on the WRTM, go to www.ei.govt.nz/projects/Waikato-Regional-Transportation-Model/.

Downtown Plaza Underground Car Park Purchase

On 1 September 2009 Council purchased the Downtown Plaza 460-space underground car park for \$9 million. The car park will have a significant role in influencing the central city's overall parking strategy, with the purchase being a key response to challenges facing the central city with increased competition from outlying retail precincts. Once physical changes to the car park are complete and Council has implemented its Parking Management Plan, Council may consider divesting this asset.

This parking asset, combined with other significant Council sites including the Knox Street car park, River Road car park and parking spaces available at the Victoria on the River site (at the end of Collingwood Street) will provide Council the ability to shape how off-street parking

operates in the central city. Funding provision of \$2.4 million has been made in 2010/11 for detailed design and construction of physical works related to the reconfiguration of the car park. This work will include ingress/egress changes, including the relocation of the parking building entrances. Any changes will be designed to enable the best use to be made of existing spaces within the central city environs and be integrated with other works to be undertaken as part of the Garden Place upgrade.

Trialling of LED Street Lights

With the help of some progressive local companies, throughout 2009/10 Council undertook a trial of some innovative LED (light emitting diode) lighting options in four areas of Hamilton to assess potential energy and maintenance cost-savings. Compared to conventional lighting, LED streetlights use 44% less power while giving up to twice as much direct light. They are long-life (around 20 years), over 95% recyclable, and the white light improves driver visibility and pedestrian safety.

Over 90% of residents in the trial areas liked what they saw. This trial is one of the first LED installation in New Zealand which complies with the relevant performance standards for local roads. Other councils and Local Government New Zealand are looking to trials like these to forge a more energy efficient path for other centres around the country.

New Roundabout at Wairere Drive

The new roundabout being built on Wairere Drive (at the intersection with Tramway Road) commenced construction in 2010 as part of the Wairere Drive extension contract (Hukanui Road to Tramway Road). It will be a key feature of the Access Hamilton ring road transport corridor. The innovative design contains a spoked hub for pedestrians and cyclists within the roundabout, with underpasses under its mid-sections. The design also incorporates the provision for a fifth leg connection for a possible link to the Waikato Expressway and a corridor into the Ruakura area.

Prior to commencing the roundabout's construction, the contractors continued to construct the Wairere Drive extension while undertaking pavement works and relocating underground services. It is anticipated that the \$20 million project will be operational by the end of 2010. The Wairere Drive Roundabout concept plan can be viewed at www.hamilton.co.nz/waireredrive.

Continued Development of the City Ring Road

During 2009/10, Council took advantage of an advanced funding offer from the NZTA and accelerated the design of the Wairere Drive four-laning between Pukete Road and Resolution Drive, and also the Ring Road extension from the new roundabout at Tramway Road to Cobham Drive.

The construction funding has now been approved for both of these transportation projects and a contract is expected to be awarded early in 2010/11.

Advancement of the Waikato Expressway Development and the Te Rapa Bypass

Council is continuing to work with the New Zealand Transport Agency to deliver the Te Rapa Bypass. The

NZTA has awarded a design and build contract, with physical work expected to commence in the Avalon Drive area during the 2010/11 summer period. Council is working with the NZTA to include wastewater and water services within the bypass corridor, which will help the future development of the Rotokauri area. The phasing of costs will be determined by the contractor's programme and it is expected that the first costs will be incurred during 2010/11. The work is expected to be completed by 2013.

NZTA has tendered the designated Hamilton section of the Waikato Expressway for secondary investigation and this will commence in 2010/11. Council will be working with the NZTA in a key stakeholder role to ensure good integration with the city and its transport network.

Advancement of Investigation and Designation Phases of Southern Links

Tenders have been called for the investigation phase of the Southern Links transport corridors. The contract will be jointly funded by Council and the New Zealand Transport Agency, and is expected to be awarded early in 2010/11.

Completion of the Avalon Drive Bypass and transferring the former Alignment from NZTA to Council

The Avalon Drive Bypass was completed by the New Zealand Transport Agency (NZTA), including two large roundabouts for traffic management at each end of the bypass. The roundabouts contain underpasses under the roadways for pedestrians and cyclists. The ownership of the former section of Avalon Drive was transferred back to the city in May 2010.







SERVICE DELIVERY PERFORMANCE







Performance against 2009/10 Targets



The provision of transport infrastructure and services is a primary responsibility for Council. Nine out of the 11 Transportation Network performance targets for 2009/10 were 100% achieved, and two were within 5% of the target.

A particularly pleasing result for 2009/10 was exceeding the length of new cycle lanes constructed on city roads. At the end of 2009/10 the total length of cycle lanes on existing city roads was 114.3 km. The target for 2009/10 was 94.8 km.

TRANSPORTATION NETWORK (Key service attributes: quality, safety, accessibility and reliability)

PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
LEVEL OF SERVICE: The road network is in good condition and it fit for purpose.				
The percentage of roads defined as smooth by the New Zealand Transport Agency (NZTA).	85%	84.2% 	Survey not undertaken in 2008/09.	<p>The general public perception of a good road is one that provides a smooth ride. A road roughness survey is carried out every two years using the NZTA methodology. The survey measures the contour of the road and how even it is (rather than the type of seal used on the road).</p> <p>This measure is also a good indicator of the effectiveness of the road maintenance and reseal programme. If maintenance and reseals are kept up to date, there will be fewer potholes and irregularities in the road and it will be in better condition.</p> <p>There is no obvious reason for the slight decline from the previous survey. The decrease is consistent across all road groups (major/ minor arterials, collector roads and local roads). Detailed analysis of the results will be undertaken to identify road sections that justify improvements.</p>
Residents' satisfaction with streets in the city in general.	Satisfaction score of 68 — 72.	Satisfaction score of 73.4 	Satisfaction score of 73.5	<p>Measured through Council's Residents Survey. The 2009/10 result of 73.4 indicates 'very good performance' for a 'no customer choice' service.</p> <p>The target was for a score of 68 - 72, which indicates 'good performance, with potential for improvement'.</p>
Residents' satisfaction with cycling facilities.	Satisfaction score of 62 — 67	Satisfaction score of 62.6 	Satisfaction score of 66.5	<p>Measured through Council's Residents Survey. A satisfaction score of 62 - 67 indicates 'fair performance, needing improvement' for a 'no customer choice' service.</p>
Residents' satisfaction with pedestrian areas and facilities.	Satisfaction score of 68 — 72	Satisfaction score of 77.3 	Satisfaction score of 74.9	<p>Measured through Council's Residents Survey. The 2009/10 result of 77.3 indicates 'excellent performance' for a 'no customer choice' service.</p> <p>The target was for a score of 68 - 72, which indicates 'good performance, with potential for improvement'.</p>
LEVEL OF SERVICE: The pedestrian network feels safe to use.				
Residents' satisfaction with the safety of pedestrian areas.	Satisfaction score of 68 — 72	Satisfaction score of 75.4 	Satisfaction score of 74.1	<p>Measured through Council's Residents Survey. The 2009/10 result of 75.4 indicates 'very good performance' for a 'no customer choice' service.</p> <p>The target was for a score of 68 - 72, which indicates 'good performance, with potential for improvement'.</p>
LEVEL OF SERVICE: Traffic signs and markings are easy to see and understand.				
Residents' satisfaction with traffic management (e.g. road markings, lights, signs and traffic islands).	Satisfaction score of 73 — 76	Satisfaction score of 74.8 	Satisfaction score of 76.2	<p>Measured through Council's Residents Survey. A satisfaction score of 73 - 76 indicates 'very good performance' for a 'no customer choice' service.</p>

PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
LEVEL OF SERVICE: Lighting is provided to enhance safety for all road users and to aid navigation and security.				
Residents' satisfaction with street lighting in general.	Satisfaction score of 73 — 76	Satisfaction score of 77.7 	Satisfaction score of 76.5	Measured through Council's Residents Survey. The 2009/10 result of 77.7 indicates 'excellent performance' for a 'no customer choice' service. The target was for a score of 73 - 76, which indicates 'very good performance'.
LEVEL OF SERVICE: City streets and footpaths are easy to use and promote cycling and walking.				
Residents' satisfaction with the convenience of the location of pedestrian crossings, paths, access ways.	Satisfaction score of 68 — 72	Satisfaction score of 77.1 	Satisfaction score of 75.4	Measured through Council's Residents Survey. The 2009/10 result of 77.1 indicates 'excellent performance' for a 'no customer choice' service. The target was for a score of 68 - 72, which indicates 'good performance, with potential for improvement'.
Kilometres of cycle lanes on existing city roads.	94.8 km	114.3 km 	96.6 km	Advantage was made of advancing cycle projects where other roading projects provided the opportunity, resulting in the target for 2009/10 being exceeded by 19.5 km. The target of 94.8 km for 2009/10 is lower than the 96.6 km of cycle ways achieved in 2008/09. This is because targets were set based on 2007/08 baseline figures (the most recent figures available at the time), and in subsequent years Council has been able to achieve more than was originally anticipated when targets were set.
LEVEL OF SERVICE: Motor vehicle times are predictable.				
Average travel speed on five key routes.	Peak AM — 24 km per hour	23.3 km per hour 	22.3 km per hour	Travel speed is measured on five selected main arterial routes throughout the city in March and November each year. Surveys are carried out during week days in three time periods (peak AM, peak PM, non-peak) in each direction of the route. The five routes are: <ul style="list-style-type: none"> • Route 1 - Horsham Downs Road to Gate 1, Knighton Road. • Route 2 - Knox Street Carpark to Gate 1, Knighton Road. • Route 3 - Dominion Road to Radnor Street. • Route 4 - Tramway Road to Mill Street. • Route 5 - Mill Street to Whatawhata Road. The three average travel speed results for 2009/10 (peak am, peak pm and non-peak) are satisfactory given the continued increase in both the city's population and number of motor vehicles. Between 2006 and 2010 Hamilton's population increased from 134,400 to 143,900 (a 7.4% increase) and motor vehicles from 70,000 to 80,000 (a 14.3% increase). In addition, the peak 2009/10 am travel time and non-peak travel time both increased over the 2008/09 result.
	Peak PM — 24 km per hour	22.8 km per hour 	22.8 km per hour	
	Non-peak — 35 km per hour	35.9 km per hour 	35.4 km per hour	

PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
Residents' satisfaction with getting around in peak and non-peak traffic.	Peak traffic: satisfaction score of 45 — 61	Satisfaction score of 55.7 	Satisfaction score of 55.9	Peak traffic: Measured through Council's Residents Survey. A satisfaction score of 61 or lower indicates 'needing significant improvement for a 'no customer choice' service'. Residents' satisfaction with peak traffic traditionally scores low. These perception measures are also balanced with the previous measure of travel times on key routes. Non-peak traffic: The 2009/10 result of 81.7 for non-peak traffic indicates 'exceptional performance' for a 'no customer choice' service. The target was for a score of 73 - 76, which indicates 'very good performance'. As noted in the previous measure of travel speed on five key routes, the average travel speed for non-peak traffic increased between 2008/09 (36.5 km per hour) and 2009/10 (37.01 km per hour).
	Non-peak traffic: satisfaction score of 73 — 76	Satisfaction score of 81.7 	Satisfaction score of 80.6	

 = target achieved

 = within 5% of target

 = target not achieved

Additional Key Areas of Performance

Important areas of focus for the Transportation Network Activity in addition to the performance measures are road safety, travel planning and supporting public transport.

SAFER ROADS

Road safety has been identified by the government as a national priority, and it is also a priority for Hamilton.

Council is responsible for promoting and implementing road safety. This ensures that decisions around construction, maintenance and management of the city's road network consider safety and assist in achieving the relevant targets and goals identified in Safer Journeys (the national road safety strategy) and Access Hamilton.

The Transport Safety Action Plan is one of seven action plans that coordinate and prioritise the various activities developed to implement the Access Hamilton Strategy.

The aspiration of the Transport Safety Action Plan is for *"no-one to be killed or seriously injured on Hamilton's transport network"*. The action plan includes targets reviewed each year that reflect Hamilton's current transport issues. The Transport Safety Action Plan can be found on Council's website at www.hamilton.co.nz/accesshamilton.

One of the key means of ensuring safer roads is through the use of integrated planning. This approach is reflected through the Access Hamilton Strategy and takes account of and connects the planning of transport, urban development and land use to encourage coordination and make the best use of resources.

Making safety a focus of integrated planning ensures that safety is addressed as land is developed; urban design incorporates safety; unnecessary travel is discouraged through appropriate land-use planning, urban design and

travel planning; modes that are particularly unsafe together (e.g. pedestrians and heavy vehicles) are adequately separated; and travel demand management initiatives are aligned with safety interventions.

Road Safety Initiatives

During 2009/10, Council's road safety programme focused on: alcohol, speed, intersections, pedestrian safety and cyclist safety; with campaigns around each of these issues.

In June 2010 the Boundary Road/Victoria Street intersection became the city's first to be modified for cyclists to perform a 'hook turn'. It can be difficult to turn at busy intersections, so a 'hook turn' allows cyclists to turn right at an intersection in two stages, during two green light phases; making it safer to turn.

The Boundary Road/Victoria Street intersection upgrade is an addition to new on-road and shared path cycleways that have been constructed on Beerescourt Road, Forest Lake Road, Garnett Avenue, Massey/Hall Overbridge, Pukete Road, Ulster Street, Vardon Road and Victoria Street.

To support pedestrian safety, Council undertook Community Street Reviews in 2009/10. Members of the local community were invited to join Council staff on location at particular sites to give suggestions for how to improve pedestrian safety and access. Sites included Fairfield Bridge, Five Cross Roads and Collingwood/Tristram Street.

The information gathered will be used to look at how improvements can be made. Council has specific funding of \$2 million per year allocated over the next three years for physical works to improve pedestrian safety.

Road Safety Audits

When maintaining, upgrading or constructing new roads in Hamilton, Council adheres to various provisions that ensure the city has safe roads, particularly those contained in the NZTA "Safety Audit Procedures". Safety audits are carried out at various stages of a roading project to ensure the finished road is as safe as it can possibly be in regard to the overall project cost.

Examples of safety audits completed in 2009/10 include:

- Wairere Drive extension — Crosby to Cobham — preliminary design
- Wairere Drive 4 laning — Te Rapa to River — preliminary design
- Lyndon Court — pedestrian improvements — post construction
- Bader Street - concept design for Peacocke development
- Minor Traffic Improvements — post construction.

Travel Planning

Travel Planning is about considering all sustainable travel options and consciously choosing when to use your car. Sustainable travel options include walking, cycling, using the bus, car pooling, park and walk, or any combination of these.

In October 2010, a new webpage called THINK CHANGE GO was added to Council's website - www.hamilton.co.nz/thinkchange-go. The webpage provides information on the different 'smart transport' programmes supported by Council, including:

- School Travel Planning (inspiring children, staff and parents to sustainably travel to and from school).
- Walking School Bus (a component of School Travel Planning, which encourages a safe way for children to walk to and from school).
- Happy Feet (preschool programme to encourage learning about safety on the roads).
- Workplace Travel Planning (providing choices for staff to travel to and from work, reducing congestion on roads and encouraging alternative modes of travel).
- Neighbourhood Access (promotes the community programmes that are available to encourage sustainable travel).

Of note in 2009/10 was the increased uptake in School Travel Planning and Workplace Travel Planning. Eighteen Hamilton schools now have active School Travel Plans (compared to nine in 2008/09).

Workplace Travel Plans were also initiated with three of Hamilton's large employers in 2009/10 — The University of Waikato, Wintec and the Hospital.

Progress has also been made to increase the number of school speed zones. A further six 40 kph speed zones were installed providing coverage for an additional eight

schools. There are now 32 zones covering 39 schools (out of 55 schools) across the city.

Supporting Public Transport

Although Environment Waikato is responsible for providing passenger transport services in Hamilton and the region, Council provides the core infrastructure to ensure effective delivery of the bus service. This includes the Transport Centre (located on the corner of Bryce and Angelsea Streets), which is the central hub for bus passenger services in Hamilton.

Council provides Hamilton's bus stops (many having a full shelter or seats) that are an integral part of the city's extensive network of bus routes. During 2009/10, \$50,000 was spent on installing six new bus shelters in various suburbs, bringing the city's bus shelter total to 168 (out of approximately 900 bus stops).

Bus patronage has risen by 32% between 2007/08 and 2009/10, equating to an increase of over one million passenger trips.

LOOKING AHEAD - PRIORITIES FOR THE NEXT TWO YEARS

The major priorities for Transportation Network over the next two years include:

- Improving the efficiency of the existing transport network by looking at issues, such as how the traffic signals operate.
- Making best use of the government's Safer Journeys goal and the 'Safe System Approach' to road safety, which will influence the way Council improves the city's road network to achieve safety outcomes.

The ultimate goal of a 'Safe System Approach' is to prevent any road user being subjected to impacts sufficient enough to cause fatal or serious injury when inevitable errors of judgement result in crashes. It views road users as the weakest link in the transport chain.

- Completion of the Ring Road from Crosby Road to Ruakura Road.
- 4-laning Wairere Drive between Pukete Road and Resolution Drive.
- Physical works (\$2 million per year over the next three years) to improve pedestrian access and safety.
- Progressing seven additional 40kph speed zones.

PARKING ENFORCEMENT

Manages the turnover and availability of on-street and Council operated off-street parking spaces in Hamilton. Parking Officers enforce heavy motor vehicles parking regulations, abandoned vehicles removal, bus lanes and clearways, and give aid and assistance to the public in the course of their duties. This activity also helps to ensure that vehicles in the city are safe for the roads by monitoring warrants of fitness and vehicle licenses.

2009/10 HIGHLIGHTS

Parking Survey

In April 2010 Council began a two month survey of parking behaviour around the city, focussing on the central city. The survey collected quantitative information on where vehicles park and how long they park there for. The information was collected via temporary sensors in parking bays and vehicles designed to take automatic photographic records of cars throughout a set circuit at set times.

Data from the survey helped Council identify the areas of highest demand, understand how long vehicles are parked and show at what times of the day visitor numbers to the city centre are at their highest. This has provided Council with a better understanding of the city's parking situation and will assist in planning for future parking requirements and regulations. The Parking Management Plan will continue to be implemented in 2011.

As a result of the parking survey, Council developed a parking model for the city centre. A number of options were tested and based on this work, Council approved a

new parking trial on 11 August 2010. This will reduce the cost of parking in Council-owned off-street car parks to just \$1 an hour for the first four hours, effective from 1 September 2010. The trial is not intended to be the ultimate solution to parking issues in the central city, but will provide Council with further information on how pricing in particular influences parking behaviour.

Parking Officers also carried out a survey on clearways, working an extra hour and a half each day over a six month period to ensure they are being used appropriately and effectively. Parking Officers also worked through until 3am on Friday and Saturday night during December 2009 to survey the use of parking for taxis in the central city. The survey resulted in more taxi stands being provided to cover peak times.

SERVICE DELIVERY PERFORMANCE



Performance against 2009/10 Targets

Parking Enforcement reports against the following two performance measures for coverage of parking officer patrols and turnover of parking spaces.

In addition to these measures and the regulatory aspects of parking operations, Council also has a broader role in managing parking in the city. Some examples include:

- Managing parking during major events in the city for safety and convenience of the public.
- Monitoring of parking at schools for the safety of children.
- Assisting with sustainable travel through bus lane monitoring.

PARKING ENFORCEMENT (Key service attribute: accessibility)

PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
LEVEL OF SERVICE: Parking spaces are carefully managed to support the economic viability of the city and the promotion of alternative transport modes.				
Coverage of parking officer patrols on a continuous schedule basis through the central city and suburbs.	75% or greater.	85% 	79%	Coverage of the CBD also includes the monitoring of clearways on weekdays on Anglesea Street from 7.30am - 9.00am and on Bryce, Bridge and Anglesea Streets from 4.00pm - 4.30pm. The bus lanes on Hukanui Road and Anglesea Street are also monitored: Hukanui Road from 7.30am - 9.00am; and Anglesea Street from 4.00pm - 4.30pm. These patrols are carried out to keep the flow of traffic moving at peak times. Patrols of other clearways and schools out in the suburbs are also carried out daily for the safety of school children.
Turnover of parking spaces in the city that is equal to or less than the time limits set for those areas.	75% or greater.	85% 	80%	

 = target achieved

 = within 5% of target

 = target not achieved

LOOKING AHEAD — PRIORITIES FOR THE NEXT TWO YEARS

School safety patrols will remain a priority, as well as further development of parking initiatives in the central city to promote the vibrancy of this area. Council will also be implementing the Parking Management Plan in 2011.

EFFECTS ON COMMUNITY WELL-BEING

Council monitors the effects that its Activities have on community well-being by focusing on the goals and aspirations that the community has identified as being the most important for Hamilton over the next 10 years and beyond.

Hamilton's Community Outcomes identify the community's priorities and goals for now and in the future - the aspects of well-being that are the most important for the city.

The Transportation Activities primarily contribute to the 'Sustainable and Well-planned' Community Outcome, in particular to the following goals:

SUSTAINABLE AND WELL-PLANNED

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

Hamilton people want a city that:

- Is easy to get around so everybody can access services and facilities.
- Is safe and enjoyable for walking and cycling, encourages innovative transport options and has quality public transport.
- Has integrated transport systems that connect it to New Zealand and the world.

COMMUNITY OUTCOMES PROGRESS INDICATORS

Progress towards Hamilton's Community Outcomes is monitored through a selection of indicators. Indicators provide ways in which to measure, directly or indirectly, changes to social, environmental, economic and cultural well-being over time.






Council is one of many organisations whose actions assist in progressing the Community Outcomes and overall community well-being.

The following progress indicators are used to monitor the effect that the Transportation Activities have on progressing the Community Outcome goals.

KEY:

M	= Moderate contribution		= Improving/favourable
S	= Significant contribution		= Uncertain/no trend
O	= Council is the only provider		= Declining/unfavourable

REPORTING ON PROGRESS INDICATORS

COMMUNITY OUTCOMES PROGRESS INDICATORS		LATEST RESULTS			TREND
M	Resident's means of travel to work: Source: Census of Populations and Dwellings	1996	2001	2006	
	• Drove a car, van or truck.	60%	62.7%	64.6%	
	• Passenger in a motor vehicle.	5.5%	4.5%	5.0%	
	• Bus.	1.6%	1.5%	1.8%	
	• Motorcycle or bicycle.	7.4%	5.0%	3.4%	
	• Walked or jogged.	6.0%	5.4%	5.4%	

COMMUNITY OUTCOMES PROGRESS INDICATORS		LATEST RESULTS			TREND
M	Car ownership per household: <i>Source: Census of Populations and Dwellings</i>	1996	2001	2006	
	• Total number of motor vehicles.	51,678	59,079	70,098	
	• Average number of motor vehicles per household	1.38	1.44	1.53	
M	Total number of passengers using public transport. <i>Source: Environment Waikato</i>	2007/08 3,421,150	2008/09 4,242,416	2009/10 4,515,840	
O	Residents' satisfaction with Council provided cycling facilities (satisfaction score). <i>Source: Hamilton City Council Residents Survey</i>	2007/08 67.7	2008/09 66.5	2009/10 62.6	
O	Residents' satisfaction with Council provided footpaths (satisfaction score). <i>Source: Hamilton City Council Residents Survey</i>	2007/08 74.6	2008/09 75.5	2009/10 77.1	
M	Road crashes and casualties — estimated social cost of injuries from crashes on Hamilton's roads <i>Source: Ministry of Transport (Crash Analysis System)</i>	2007 \$78.0m	2008 \$66.3m	2009 \$88.7m	
M	Air pollution — particulate matter and Benzene levels <i>Source: Environment Waikato</i>	2007	2008	2009	
	• Particulate matter (PM10) — number of days per year exceeding the guideline.	0 days	0 days	3 days	
	• Benzene concentration in the air (µg/m³):				
	- Bridge Street	2.6	2.5	2.5	
	- Claudelands Road	3.0	2.8	2.4	
	- Peachgrove Road	1.6	1.5	1.6	
M	Residents' perception of air pollution as a problem. <i>Source: Quality of Life Survey.</i>	2004 20%	2006 13%	2008 13%	
M	Residents' perception of dangerous driving as a problem. <i>Source: Quality of Life Survey.</i>	2004 64%	2006 74%	2008 74%	
M	Road traffic volumes - vehicles per day crossing the city boundary cordon. <i>Source: Hamilton City Council</i>	2007 101,130	2008 104,600	2009 103,600	
M	Residents' satisfaction with the Hamilton City bus service (satisfaction score). <i>Source: Hamilton City Council Residents Survey</i>	2007/08 80.6	2008/09 77.1	2009/10 81.4	
M	Residents' perception of traffic congestion when driving on Hamilton roads (satisfaction score). <i>Source: Hamilton City Council Residents Survey</i>	2007/08	2008/09	2009/10	
	• During peak traffic.	48.3	55.9	55.7	
	• During non-peak traffic.	76.7	80.6	81.7	
S	Number of schools and children using walking school buses. <i>Source: Hamilton City Council</i>	2007/08 Schools = 8 Children = 222	2008/09 Schools = 10 Students = 286	2009/10 Schools = 8 Students = 371	

COMMUNITY OUTCOMES PROGRESS INDICATORS		LATEST RESULTS			TREND
M	Residents' perceptions of public transport (percentage strongly agree or agree). Source: <i>Quality of Life Survey</i>	2004	2006	2008	
	• Affordable.	62%	69%	67%	
	• Safe.	79%	82%	80%	
	• Easy to get to.	82%	72%	79%	
	• Frequent.	Not asked	Not asked	70%	
	• Reliable	Not asked	Not asked	70%	

MONITORING NEGATIVE EFFECTS

Although the Transportation Activities provide many vital and important benefits to the community and are a fundamental enabler of trade, commerce and personal travel, there are a number of negative effects arising from both the construction and maintenance of the road corridor and its use by motor vehicles. These negative effects can arise from:

- Construction of the road — noise, dust, etc.
- Use of land for roads instead of other activities.

- Noise from vehicles.
- Emissions — air and water pollution.
- Accident costs, both economic and social.
- Roads forming possible barriers between areas of the community.

Council's 2009-19 LTCCP identifies the significant existing or potential negative effects for the Transportation Activities. During 2009/10 no significant instances of these negative effects occurred.

SIGNIFICANT ACQUISITIONS OR REPLACEMENTS OF ASSETS

SIGNIFICANT ACQUISITIONS OR REPLACEMENTS OF ASSETS				
	PROJECT REFERENCE NUMBER (SAP #)	ACTUAL 2009/10 (\$000)	BUDGET 2009/10 (\$000)	REASON
TRANSPORTATION				
Carriageways				
Kerb and channel replacement	40.0	1,249	1,215	An ongoing programme that allows for the replacement of kerb and channel around the city to ensure the asset is maintained to an acceptable standard. The programme for 2009/10 was completed.
Area wide treatment	41.0	916	1,110	This programme enables the renewal/reconstruction of a road pavement where there are either high road maintenance costs or significant user costs from roughness. Each job must be justified by either savings in maintenance costs or road user benefits. Savings were realised this year through a reduction in the programme.
Carriageway reseals	44.0	2,104	2,076	This is an ongoing programme of road resurfacing work required to maintain the existing network in accordance with accepted asset management practices.
Rotokauri future growth	554.0	3,733		Some works within the Rotokauri growth cell are being undertaken ahead of plan. This includes the Ruffell Road work and the north/south arterial work. These works will be funded by bringing budget forward from a future year.
Rototuna roading growth	555.0	1,772	1,439	Substantially this expenditure was for the upgrade of Horsham Downs Road and River Road to urban standard.
Claudlands/Bryce/Victoria intersection	1005.0	1,246	500	This is part of the CityHeart project. Work to complete the Victoria Street elements (from Hood Street to the

	PROJECT REFERENCE NUMBER (SAP #)	ACTUAL 2009/10 (\$000)	BUDGET 2009/10 (\$000)	REASON
				Bryce Street intersection) has cost more than was allowed for this section. However, under the TOC (targeted outturn costs) the total cost will not exceed total budget.
O'Neil Street revitalisation	1026.0	319	1,500	This is part of the CityHeart project. The start has been delayed to better tie in with the redevelopment at Claudelands (including the arena). Works are now planned for 2011/12 and therefore the remaining budget will be carried forward.
Footpaths, Cycleways and Verges				
Footway and verge shape correction	92.0	1,451	1,429	Resurfacing and reconstruction of existing footpaths at the end of their economic life. The programme for 2009/10 was completed.
Access Hamilton				
E1 Arterial	375.0	1,401		The detailed design for the eastern arterial is now underway. Construction is expected to start in 2010/11 if funding can be arranged with the New Zealand Transport Agency. The project has been brought forward with funding in the 2009-19 LTCCP due to start in 2010/11.
Wairere Drive	544.0	5,093		This project enables the completion of Wairere Drive from Hukanui Road to Gordonton Road. Budget from 2008/09 carried over for the 2009/10 year.
Cycleway construction	545.0	2,186	2,093	This programme provides for the construction of a cycle network across the city, combining both on-road and off-road routes. Completion of this programme is planned for 2016 in line with commitments made in the 2009-19 LTCCP. The programme also includes localised improvements for pedestrians and all other road users where possible. This is in line with the Access Hamilton transport strategy and Active Travel Action Plan.

COST OF SERVICE STATEMENT FOR THE YEAR ENDED 30 JUNE 2010

FORECAST COST OF SERVICE FOR THE YEAR ENDING 30 JUNE 2011			
	ACTUAL 2009/10 (\$000)	BUDGET 2009/10 (\$000)	ACTUAL 2008/09 (\$000)
GROUP OF ACTIVITY - OPERATING STATEMENT			
OPERATING REVENUE			
Activity revenue - user charges and fees	7,720	7,830	7,504
Activity revenue - subsidy for operating expenditure	4,069	3,421	3,723
Targeted rates - Access Hamilton	2,855	2,850	4,001
Development and financial contributions	1,389	2,239	971
Subsidy for capital works	7,696	3,964	7,224
General rates	16,873	16,852	15,882
Other general sources	346	76	329
Total operating revenue	40,948	37,232	39,634
OPERATING EXPENDITURE			
Transportation Network	36,321	36,917	30,349
Parking Enforcement	3,281	3,732	3,695
Total operating expenditure	39,602	40,649	34,044
Operating surplus/(deficit)	1,346	(3,417)	5,590
GROUP OF ACTIVITY - CAPITAL AND RESERVES FUNDING STATEMENT			
CAPITAL EXPENDITURE			
Growth	4,014	1,078	4,575
Increased level of service	17,801	7,055	14,833
Renewal	7,195	7,297	6,461
Total capital expenditure	29,010	15,430	25,869
Loan repayments	2,902	3,613	2,933
Transfers to reserves	5,149	5,830	5,605
Operating deficit	-	3,417	-
Total funding required	37,061	28,290	34,407
Funded by:			
Operating surplus	1,346	-	5,590
Funding from non-cash expenses	12,017	13,310	9,956
Loans raised	17,566	6,827	14,345
Proceeds from sale of assets	315	-	8
Transfers from reserves	4,397	5,482	4,297
Total funding applied	35,641	25,619	34,196
Funding surplus/(deficit)	(1,420)	(2,671)	(211)

4.8 URBAN DEVELOPMENT

TAPU A-TE-TAONE

Hamilton has experienced rapid urban change in recent years and with this has come a renewed focus on how development takes place. Greater focus is now being placed on the quality of the urban growth that is occurring, how our design and land use affect the way we live our lives, the resources we use and the resulting effects on our natural environment.

It is Council's vision that Hamilton's evolving urban form and built environment will deliver positive social, economic and environmental outcomes that have sometimes been missing from ad-hoc development in the past.

Council's Urban Development Activities include:

- Building Control
- City Planning
- Planning Guidance
- Sustainable Environment.

BUILDING CONTROL

Building Control staff work closely with the community in advisory, education, compliance and enforcement roles to ensure that buildings are constructed to meet the requirements of the New Zealand Building Code and achieve acceptable standards for the health and safety of building users.

Council's Building Control Unit is an accredited Building Consent Authority, which is a requirement for any local authority carrying out building consent, inspections and approval work. The Unit also employs a full-time Eco-Design Advisor, who provides information and advice on sustainable design options.

2009/10 HIGHLIGHTS

Fast Track Consenting

In early 2010 the Building Unit introduced a 'fast track' building consent process for minor building consent applications. This is primarily aimed at speeding up the processing of smaller projects and cutting through 'red tape', with a goal of eventually turning all of these consents around within 48 hours of receiving the application.

So far the process has been a great success, with an average of 40% of these building consents being turned around within the 48 hour timeframe. The Unit is aiming for 100% and is working with other Council departments to achieve this.

Partnership Programme

The Building Unit has developed a partnership programme with key customers, to deliver a faster consenting timeframe and a reduction in the number of inspections. This is a joint initiative between Council and its high volume housing builders who undertake 80% of the work in Hamilton.

The programme is based on a model building and assessed quality assurance systems that give both parties confidence that construction will be carried out to a high standard. Builders will manage their own inspection regimes based on their build programme and Council staff are positioned to respond to the builder's needs. The Department of Building and Housing has shown interest in using this as a national model.

Increased Uptake of Eco-building Initiatives

Council's Eco-design Advisor provides free advice and covers the full range of building issues, from heating the home more efficiently, right through to water conservation and toxicity problems. The scheme is co-ordinated by the Building Research Association of New Zealand (BRANZ) and partially funded by the Ministry for the Environment and the Energy Efficiency and Conservation Authority (EECA).

The Building Unit aimed to increase the level of uptake of eco-building initiatives 2009/10. This has proven successful, with more people choosing to integrate eco-design elements into their new homes and additions, and into the retrofitting of existing homes. Council has received very positive feedback from customers about this free service.

Building Control Manager Elected as President of BOINZ

In May 2010 Building Control Unit Manager Phil Saunders was elected as President of the Building Officers Institute of New Zealand (BOINZ). This is a notable appointment given the level of change being contemplated in the sector by the government and will enable Council to have significant input into any proposed reforms.

SERVICE DELIVERY PERFORMANCE



Performance against 2009/10 Targets

This activity reports against the following two performance measures, which assess building customers' satisfaction with the services they receive, and performance against statutory processing timeframes for building consents.

Council has a target to issue 100% of building consents within 20 working days of receiving them. In 2009/10, ten consents went over this timeframe. Although the result for 2009/10 was still high, with 99.5% of consents processed within 20 working days, the Building Unit is still


looking for ways to improve. Building Unit staff are presently working with all Council units that have input

into the building consent process to improve performance against this target.

BUILDING CONTROL (Key service attributes: quality and responsiveness)				
PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
LEVEL OF SERVICE: A high standard of building control services is provided.				
Customer satisfaction with the Building Unit.	Satisfaction score of 73 — 76	Survey not undertaken in 2009/10 	Satisfaction score of 74.3	This is a survey of Building Control customers and is undertaken every two years. The survey timing has been incorrectly documented in the 2009/10 LTCCP and is not due to be undertaken until 2010/11.
LEVEL OF SERVICE: Building consents are processed within statutory timeframes.				
Percentage of building consents issued within 20 working days from receipt of the application.	100%	99.5% 	99%	This is a requirement of the Building Act 2004. A money back guarantee is offered if a consent is not issued within this timeframe. In 2009/10 ten consents went over the 20 working day timeframe. Consent processes are subject to rigorous quality control checks, including a mandatory two-yearly reaccreditation review of processes by International Accreditation New Zealand, an annual audit of processes by Telarc, as well as various internal audits. Building Control is also part of the Waikato Building Consent Group (comprising the five councils of Hamilton, Waikato, Waipa, Matamata- Piako and Otorohanga) which is also subject to a number of quality control checks.

 = target achieved

 = within 5% of target

 = target not achieved

Additional Key Areas of Performance

An additional important area of performance for Building Control has been raising community awareness around residential swimming pool fencing safety. A public education campaign has been successfully run for a number of years now and it appears, through inspections in the city during the summer season, that the awareness by the public of swimming pool fencing is much higher than it once was.

In-depth survey work associated with ongoing compliance will be implemented over the next couple of years, with a view to recording compliance and dealing with non-compliances with existing swimming pool fencing.

LOOKING AHEAD — PRIORITIES FOR THE NEXT TWO YEARS

Changes to the Building Act will be rolled out by the Department of Building and Housing in 2011, and the Building Unit will be ensuring that Council is prepared to meet the demands of any changes. Having the Building Control Manager in the role of the Building Officials of New Zealand President will assist in pre-empting and understanding important matters before they are officially launched.

Staff training and education will also be a priority. The Building Act requires that Building Review Officers and Inspectors either have a recognised industry qualification or are working towards a qualification before 2013. The Building Unit will be working to ensure that as many staff as possible meet this requirement early on, by implementing an education and training programme.

CITY PLANNING

City Planning comprises three teams, the District Plan Review Team, the Strategic Planning Team and the District Plan Management Team. These teams provide professional advice and leadership to Council, the community and the development industry on resource management matters to assist the planned and sustainable growth of the city.

2009/10 HIGHLIGHTS

'Fast Forward' - Review of the District Plan Commences

Fast Forward is the name of Hamilton's District Plan review; one of Council's most significant long-term

projects. The District Plan affects all Hamilton residents and organisations, as it sets out the rules and policies for how people can develop and use land in the city.

The two-year review of the Hamilton City District Plan commenced in 2009/10 and saw the publication of a discussion document for public feedback in November 2009. The discussion document was aimed at identifying the most significant resource management issues for the city, which will eventually be addressed by the District Plan. This was also followed up with a number of public exhibitions explaining the review process.

The existing District Plan is now over ten years old and much has changed in that time. The new District Plan will address issues such as:

- Residential intensification — how do we want our neighbourhoods to grow?
- City Heart vitality — how can we have a vibrant and successful central city?
- Character and heritage — how can we protect the things in Hamilton that are special and unique?
- Social well-being — ensuring residents have good access to social facilities.
- Transportation and accessibility — how can we get around more sustainably?
- Environmental sustainability — how should we protect our natural assets?
- The river — how can we make the most of the Waikato River?

Council Decisions on District Plan Variations

Variations 7, 13 and 14 to the existing District Plan were progressed to formal hearings of Council, where final decisions were made in respect of public submissions. A number of appeals have been lodged against these decisions and work is now underway to resolve these.

Variation 7: Temple View — brings the Temple View area of the city under the provisions of the Hamilton City Proposed District Plan, whereas previously it had been

administered under the provisions of the Waipa District Plan.

Variation 13: Residential Centres — controls the way in which residential centres and managed care facilities are able to establish in the city.

Variation 14: Peacocke Growth Cell — introduces a Structure Plan for the Peacocke growth cell into the Proposed District Plan. The Structure Plan provides the framework for controlling how urban development in the Peacocke area should occur over time.

Implementation of Future Proof

Formal implementation of the Sub-regional Growth Strategy — Future Proof — commenced in 2009/10, with Hamilton City Council being appointed as the administering authority for the first three years.

Future Proof covers the administrative areas of Hamilton City, Waikato and Waipa District Councils and the associated area of Environment Waikato. It sets out how these councils will manage growth and land use for the sub-region over the next 50 years.

An Implementation Committee has been established, comprising two elected members from each of the partner councils, along with two tangata whenua representatives.

Implementation of the strategy is occurring by way of a number of joint projects and initiatives, with the Future Proof partners also giving effect to the strategy through their own planning processes.


SERVICE DELIVERY PERFORMANCE

Performance against 2009/10 Targets

The review of Hamilton's District Plan is the main priority for City Planning. This activity reports against the following two performance targets, which are focused on making the existing District Plan operative, prior to notifying the new District Plan.


Progress towards the District Plan review is on track. Council is aiming to have the existing District Plan made operative in 2011/12.

CITY PLANNING (Key service attribute: quality)

PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
LEVEL OF SERVICE: Managing urban growth and planning for good outcomes around city planning.				
Existing District Plan made operative.	No target for 2009/10.	No target for 2009/10.	Not applicable. This was a new measure.	The existing District Plan needs to be made operative before Council can notify the new plan. The target is to have the existing District Plan made operative in 2011/12
Review of Hamilton City District Plan.	Commence review by July 2009.	Review commenced in June 2009. 	Not applicable. This was a new measure.	Council approved the project plan for the District Plan review in June 2009.

 = target achieved

 = within 5% of target

 = target not achieved

Additional Key Areas of Performance

Other significant areas of work for City Planning in 2009/10 included:

- In addition to decisions made on Variations 7, 13 and 14, significant progress was also made in resolving appeals on Variations 15 (regarding heritage matters) and 18 (the Structure Plan for the Rotokauri area of the city).
- A structure plan for the Rototuna area of the city has been substantially completed.
- Significant inputs into the review of the Regional Policy Statement.
- Administration of the Urban Design Panel and 'Mayoral Conversations' on urban design.
- Continued work on the Future Proof Sub-regional Growth Strategy.

In September 2009, Council publicly notified Variation 21 to the Proposed District Plan, a planning measure aimed at better managing retail and commercial activities in the city. The variation introduced new assessment criteria to maintain the central city as the principal office, retail and commercial hub of the Hamilton, in the face of increasing small office, retail and commercial growth in the northern part of the city.

A Judicial Review of the process was sought by Waikato Tainui, relating to Council's notification of Variation 21. At a court hearing at the High Court in Hamilton in late March 2010, Tainui lawyers claimed Council had an obligation under the Resource Management Act to consult with them, as local iwi, prior to the variation being signalled to other property owners.

Council argued that had it consulted Tainui, they would have gained commercial advantage over other property owners through the commercial arm Tainui Group Holdings, as they would have been in the position to lodge pre-emptive planning applications, thereby undermining the intent of the plan change.

The ruling, released on 3 June 2010, favoured Tainui. Council decided not to appeal the decision and has ceased its processing of Variation 21. Despite the outcome of the Judicial Review, Council is firmly committed to protecting the central city and will explore all options that remain open to achieve that goal.

LOOKING AHEAD — PRIORITIES FOR THE NEXT TWO YEARS

Progressing Fast Forward (the District Plan Review)

Following on from the November 2009 discussion document, which identified the issues to be addressed through the review, a summary flyer entitled 'Snapshot' was distributed to all Hamilton residents in late August 2010. Snapshot looks at how the city wants to address Hamilton's most pressing issues, and asks residents their opinion about Council's thinking so far.

Council will consider results of the consultation in February/March 2011 so that a final direction on options

to be taken forward can be confirmed. The new District Plan will be drafted during 2011 and is intended to be formally notified in early 2012.

Developing a Structure Plan for the Ruakura Area

A detailed plan for the Ruakura area of the city will be developed as part of the District Plan Review.

Investigatory work and consultation with key stakeholders will take place during the course of 2010/11 and the Structure Plan will be publicly notified as part of the District Plan Review in early 2012.

Continued Implementation of Future Proof

Key projects over the next three years include:

- A Southern Study, which will identify the long-term land-use options for the area to the south of Hamilton.
- A communication strategy to maintain high levels of awareness of growth management issues in the community.
- A plan to assist with the achievement of more intense forms of development within the sub-region.
- The development of a protocol for the management of cross-boundary water supply infrastructure.

Implementing the Requirements of the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act

Council is actively working with Waikato-Tainui to develop a Joint Management Agreement (JMA), which will provide for iwi involvement in various Resource Management Act processes that relate to the Waikato River, for example plan making, resource consenting and monitoring.

The JMA needs to be in place within 18 months of the River Settlement Act coming into force.

PLANNING GUIDANCE

The Planning Guidance Unit provides planning advice and processes applications for resource consents and subdivision consents. The unit also monitors and investigates compliance with resource consent conditions, the Prostitution Bylaw and the Gambling Venue Policies.

As part of CityScope (the urban design strategy), pre-application meetings are held with developers at the pre-design stage to foster greater collaboration between Council and developers, and to promote the principles of good urban design and sustainability.

2009/10 HIGHLIGHTS

Best Practice Case Study

Hamilton City Council (HCC) has been profiled alongside Thames-Coromandel District Council and Taranaki Regional Council in a series of case studies aimed at highlighting the 'best practice council Resource Management Act processing performance'.

The case study discusses the processes undertaken by the Planning Guidance Unit to ensure systems meet and exceed the customer's expectations of quality and timeliness.

The case study concludes by stating that "HCC has consistently processed almost all resource consent applications within statutory timelines. This success is down to:

- Consistent, clear leadership from the top.
- Close monitoring and reporting of performance and the relative impact of initiatives.
- Investment in pre-application engagement, with clear processes in place for this.
- A whole-Council culture of service excellence.
- Recognition for exemplary service among staff.
- Processing tracks designed to meet the needs of applications at different scales.
- A long-term commitment to continuous improvement."

A copy of the case study can be found on the Ministry for the Environment's website (www.mfe.govt.nz).

Urban Design Initiatives

Ninety-three proposals were assessed by Council's Urban Design Planners during 2009/10 as part of pre-application and pre-lodgement meetings. Eight of these proposals were presented to the Urban Design Panel for consideration.

The Urban Design Panel, which was established in 2008, advises on projects of a larger scale with significant public interest, or in locations that are key to the identity of the city. The Panel is an advisory body only. The core panel is made up of external peer representatives and experts from the following disciplines and industries: Urban Design; Architecture; Landscape Architecture; Property

Development and a Community Design Champion. Other expertise can be co-opted from associate members, as and when required.

Examples of projects that went through the Panel for advice in 2009/10 include redevelopment of the Braemar Hospital site for the Cancer Society; new purpose-built Rehabilitation Hub facility on the Waikato Hospital Campus; new multi-level parking commercial and retail facility on Pembroke Street; Te Rapa Bypass from State Highway 1 (south of Horotiu) to the Avalon Drive Bypass.

SERVICE DELIVERY PERFORMANCE

Performance against 2009/10 Targets



This activity reports against the following two performance measures, which assess customer satisfaction and performance against statutory processing timeframes for notified resource consents.

Planning Guidance continues to perform well against statutory processing timeframes for non-notified resource consents. The unit aims for 100% of these consents to be processed within the required 20 days - only one consent went over the timeframe in 2009/10.

Introduction of the Resource Management (Discount on Administrative Charges) Regulations 2010 means that Council is now also focusing on its timeframes for notified resource consent applications. From 31 July 2010, the Regulations set out a discount of 1% for each day an application is processed over the statutory timeframes, up to a limit of 50 working days. Therefore, for consent applications that take longer than 50 working days over statutory timeframes, the maximum discount that will apply is 50%. This applies to both notified and non-notified consents.

Council is no longer offering its 100% money back guarantee for applications not processed within statutory timelines, and will instead work under the requirements of the new Regulations.

PLANNING GUIDANCE (Key service attributes: quality and responsiveness)

PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
LEVEL OF SERVICE: A high standard of planning guidance services is provided.				
Customer satisfaction with the Planning Guidance Unit.	Satisfaction score of 73 — 76	Survey not undertaken in 2009/10 	Satisfaction score of 70.8	This is a survey of Planning Guidance customers and is undertaken every two years. The survey timing has been incorrectly documented in the 2009/19 LTCCP and is not due to be undertaken until 2010/11.
LEVEL OF SERVICE: Resource consents are processed within statutory timeframes.				
Percentage of non-notified resource consents issued within 20 working days from receipt of application.	100%	99.9% 	100%	This is a requirement of the Resource Management Act 1991. A money back guarantee is offered if a consent is not issued within this timeframe. In 2009/10 one consent was not processed within the 20 working day timeframe. In total, 475 non-notified consents were processed in 2009/10, compared to 490 in 2008/09.

PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
				Strict processes are in place to ensure that the quality of non-notified resource consents issued are of a consistently high standard. This includes use of standardised templates and checklists, review of the application by all relevant Council departments, internal peer review of the applications, and ensuring compliance with relevant provisions of the RMA.



= target achieved



= within 5% of target



= target not achieved

LOOKING AHEAD — PRIORITIES FOR THE NEXT TWO YEARS

Council will be encouraging more applicants to take advantage of the free pre-design, pre-application and lodgement meetings. Good quality applications benefit both Council and the community.

Further emphasis will also be placed on promoting and giving effect to the eight City Strategies through planning processes. For example, in keeping with the direction of the Access Hamilton Strategy, staff will be looking for ways to improve how traffic impact assessments are applied and trying to ensure that all Council departments with a role in consenting play their part in improving development outcomes.

SUSTAINABLE ENVIRONMENT

Staff who work as part of this activity provide advice and information within Council and also partner with the community; creating awareness about urban sustainability and behaviour change programmes.

Work is undertaken with Council staff to ensure they are well informed about current approaches towards environmentally sensitive urban growth and development. Support is also provided to different sectors of the community around sustainable living.

2009/10 HIGHLIGHTS

Gully Restoration Programme Initiatives

The Gully Restoration Programme is a partnership between Council and the community. The aim of this popular programme is to:

- Raise an awareness and appreciation of Hamilton's gully systems, and
- Actively promote and enable the physical restoration of this resource.

During 2009/10 2,500 eco-sourced native plants were allocated to gully owners and schools for gully restoration plantings, as part of the Plants for Gullies Scheme.

Seventeen schools attended a hands-on gully restoration education day, covering gully biodiversity, planting local eco-sourced plants, stream life, water quality, bird life, weeds, site preparation, access and long-term planning and management. As a follow-up, schools are able to

apply for a number of eco-sourced native plants to contribute to their school restoration or start a gully education garden on the school grounds.

Enviroschools Programme

Enviroschools, a programme aimed at creating sustainable schools, was launched in December 2001. Enviroschools has now developed into a national programme and is being implemented in schools through the country.

Enviroschools is a whole school approach, where staff, students and the wider schools community work together to integrate environmental education into key areas of school life. Each participating school is supported by an Enviroschools facilitator.

Council contributed \$28,000 to the Enviroschools programme in Hamilton in 2009/10, and as at July 2010, 34 of the city's schools (over 60%) are taking part in the programme. Five more schools have signed up to the programme since last year. Funding support for Enviroschools is also provided by Environment Waikato and corporate sponsors.

Earth Hour

In 2010, at 8.30pm on March 27, people around the world turned their lights off for one hour — Earth Hour.

In 2009 Hamilton took part in Earth Hour for the first time and the event switched off the world with over 4,000 towns and cities in over 80 countries switching off, all joining together in to show that its possible to take action on global warming.

Hamilton was the first New Zealand city to sign up for Earth Hour 2010 and marked the event in the central city with a market, entertainment, and an hour's darkness with Hood, Victoria and Garden Place all switching off. National polling shows Hamilton residents' participation in Earth Hour grew from 48% in 2009 to 60% in 2010. This is the highest participation rate amongst nearly 50 New Zealand councils.

SERVICE DELIVERY PERFORMANCE

Performance against 2009/10 Targets

This activity reports against the following two performance targets for the Gully Restoration Programme and the Envirofund. The performance targets for 2009/10 have been met, with the continued success of both of these initiatives.



During 2009/10, the focus for the Gully Restoration Programme was to work with schools, as well as to increase the number of gully database members.

The Envirofund was allocated to 22 projects covering a range of themes, for example:

- Xtreme Waste — to provide zero waste education and resource sustainability to school children.
- NZ Nappy Alliance — to encourage parents to use reusable nappy products.

- Te Kauri Waikuku Trust — to provide teaching resources to enable schools close to natural areas to explore biodiversity, biosecurity and restoration issues in these areas.
- Hamilton West School — to develop a large scale worm farm to sustainably manage food and paper waste.
- Waiwhakareke Natural Heritage Park — for continued planting on site.

SUSTAINABLE ENVIRONMENT (Key service attributes: accessibility and sustainability)

PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
LEVEL OF SERVICE: Opportunities are provided for the community to be involved in environmental education initiatives.				
Percentage of gully owners who are involved in the gully restoration programme.	25%	25% 	25%	25% equates to 770 owners involved in the gully restoration programme, out of an estimated total of 3,080 private gully land parcels in the city. A campaign is held each year to encourage people to join the programme.
LEVEL OF SERVICE: Funding support is provided for projects that benefit the environment.				
Provide annual funding of environmental projects through the Envirofund.	Funding allocated.	Funding was allocated to 22 projects 	Funding was allocated to 21 projects	Projects allocated funding in 2009/10 covered several theme areas: 10 projects involved some form of community gardening and organic composting; 8 were for native plantings or the restoration of natural areas; 2 focused on waste minimisation; 1 was for green building design; and 1 for sustainability education.

 = target achieved

 = within 5% of target

 = target not achieved

Additional Key Areas of Performance

Continuing to progress the Environmental Sustainability Strategy has also been a key focus of work for this activity, with support provided to a number of the strategy's flagship projects. Examples include:

- Input to the District Plan review project to ensure alignment with the theme of environmentally sensitive urban growth.
- Funding support for flagship projects through the Envirofund.
- Providing funding and event management for the Earth Hour project.
- Support for the WEL Energy Trust's Healthier Homes Programme, which aims to improve air-quality within the Hamilton airshed by retrofitting low income, pre 2000 homes with insulation and clean air devices.

LOOKING AHEAD — PRIORITIES FOR THE NEXT TWO YEARS

Key priorities include continuing to support and promote the Environmental Sustainability Strategy; developing an Environmental Policy for Council, which will cover aspects such as waste, energy, water use and 'green buildings'; and providing advice and support on 'event greening'

(environmental initiatives) for the Hamilton 400 and Rugby World Cup 2011.

EFFECTS ON COMMUNITY WELL-BEING

Council monitors the effects that its Activities have on community well-being by focusing on the goals and aspirations that the community has identified as being the most important for Hamilton over the next 10 years and beyond.

Hamilton's Community Outcomes identify the community's priorities and goals for now and in the future — the aspects of well-being that are the most important for the city.

The Urban Development Activities primarily contribute to the 'Sustainable and Well-planned' Community Outcome, in particular to the following goals:

SUSTAINABLE AND WELL-PLANNED

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

Hamilton people want a city that:

- Uses processes of sustainable urban design that enhance neighbourhood communities.
- Protects and enhances its green spaces and natural environments for people to value and enjoy.
- Sustainably manages resources such as water and energy.




COMMUNITY OUTCOMES PROGRESS INDICATORS

Progress towards Hamilton's Community Outcomes is monitored through a selection of indicators. Indicators provide ways in which to measure, directly or indirectly, changes to social, environmental, economic and cultural well-being over time.











Council is one of many organisations whose actions assist in progressing the Community Outcomes and overall community well-being.



The following progress indicators are used to monitor the effect that the Urban Development Activities have on progressing the Community Outcome goals.

KEY:

M	= Moderate contribution		= Improving/favourable
S	= Significant contribution		= Uncertain/no trend
O	= Council is the only provider		= Declining/unfavourable

REPORTING ON PROGRESS INDICATORS

COMMUNITY OUTCOMES PROGRESS INDICATORS		LATEST RESULTS			TREND
O	Area of green space in the city per resident (parks and gardens areas only, as at June) <i>Source: Hamilton City Council</i>	2008 4.6 ha / 1,000 residents	2009 4.6 ha / 1,000 residents	2010 4.4 ha / 1,000 residents	
O	Area of green space in the city per resident (sports areas only, as at June) <i>Source: Hamilton City Council</i>	2008 3.1 ha / 1,000 residents	2009 3.2 ha / 1,000 residents	2010 3.1 ha / 1,000 residents	
S	Ratio of greenfield to infill development. <i>Source: Hamilton City Council</i>	2007/08 50/50	2008/09 35/65	2009/10 66/34	
S	Percentage of resource consent applications that receive pre-application urban design comments and percentage of those comments actioned. <i>Source: Hamilton City Council</i>	% of consents that received pre-design urban design comments:			
		2007/08 12.5%	2008/09 18.6%	2009/10 12.2%	
		% of consents that received pre-application urban design comments:			
		2007/08 11.0%	2008/09 16.6%	2009/10 16.9%	
		% of these urban design comments actioned:			
	2007/08 10%	2008/09 80%	2009/10 25%		
S	Residents' rating of sense of pride in the way their city looks and feels (percentage of people who agreed or strongly agreed). <i>Source: Quality of Life Survey</i>	2004 70%	2006 69%	2008 68%	
M	Number of people living in the central city area. <i>Source: Statistics New Zealand (Census)</i>	1996 2,256	2001 2,103	2006 2,697	
S	Number of built heritage and sites of archaeological, historical and cultural significance in the current District Plan. <i>Source: Hamilton City Council.</i>	2008 105	2009 105	2010 132	
S	Number of schools participating in the Hamilton Enviroschools programme. <i>Source: Hamilton City Council</i>	2007/08 29	2008/09 33	2009/10 34	

COMMUNITY OUTCOMES PROGRESS INDICATORS		LATEST RESULTS			TREND
S	Residents' perceptions of safety in their neighbourhood (satisfaction score). <i>Source: Hamilton City Council Residents Survey</i>	2008 77.7	2009 79.5	2010 79.3	
	Residents' rating of feeling safe in Hamilton's central city at night. <i>Source: Hamilton City Council Residents Survey</i>	2008 56.7	2009 61.4	2010 63.3	

MONITORING NEGATIVE EFFECTS

Existing or potential negative effects on the current and future well-being of the community are an important consideration for Council when planning and carrying out its activities.

Council's 2009-19 LTCCP identifies the significant existing or potential negative effects for the Urban Development Activities, and how Council manages and mitigates these effects.

Negative effects often occur when there are competing priorities or objectives and high demand for resources. It is sometimes the case that activities permitted in Hamilton's District Plan are viewed as being incompatible with local surroundings; or alternatively, that the District Plan is considered too restrictive in what it allows.

One of the key issues faced by Council is ensuring that the District Plan sets the appropriate framework for achieving

a balance between individual property rights, city growth and development; versus the need to protect the city's character and the environment. A fundamental part of the review of the District Plan is ensuring that it reflects the objectives for Hamilton that have been established through the City Strategic Framework (comprising eight key city strategies).

Council also takes a proactive approach to the issuing of resource consents through the extensive use of pre-application meetings. People looking to make a resource consent application to Council are encouraged to attend pre-application meetings with Council staff from various departments. These meetings are designed to assist the potential applicants in complying with and providing the appropriate information as part of their formal written consent application. Over 90% of the resource consent applications approved in 2009/10 involved pre-application meetings.

COST OF SERVICE STATEMENT FOR THE YEAR ENDED 30 JUNE 2010

COST OF SERVICE STATEMENT FOR THE YEAR ENDED 30 JUNE 2010			
	ACTUAL 2009/10 (\$000)	BUDGET 2009/10 (\$000)	ACTUAL 2008/09 (\$000)
GROUP OF ACTIVITY - OPERATING STATEMENT			
OPERATING REVENUE			
Activity revenue - user charges and fees	5,616	4,856	3,756
General rates	4,545	4,539	4,278
Other general sources	-	-	-
Total operating revenue	10,161	9,395	8,034
OPERATING EXPENDITURE			
City Planning	3,601	2,983	1
Planning Guidance	1,995	2,048	2,275
Building Control	4,283	3,992	4,587
Sustainable Environment	638	708	627
Total operating expenditure	10,517	9,731	7,490
Operating surplus/(deficit)	(356)	(336)	544
GROUP OF ACTIVITY - CAPITAL AND RESERVES FUNDING STATEMENT			
CAPITAL EXPENDITURE			
Growth	-	-	-
Increased level of service	634	159	281
Renewal	258	228	153
Total capital expenditure	892	387	434
Loan repayments	-	-	-
Transfers to reserves	72	72	32
Operating deficit	356	336	-
Total funding required	1,320	795	466
Funded by:			
Operating surplus	-	-	544
Funding from non-cash expenses	2	7	1
Loans raised	-	-	-
Proceeds from sale of assets	-	-	-
Transfers from reserves	8	24	5
Total funding applied	10	31	550
Funding surplus/(deficit)	(1,310)	(764)	84

4.9 WASTE MINIMISATION

HE PARAWHAKAKINO

In recent years, the issue of what to do with our waste has been gaining prominence. Solid waste is material that is perceived to have no further use and which is disposed of in the environment.

A suitable waste collection and disposal system, along with a sustainable recycling service is essential for maintaining public health and minimising effects on the environment. Providing refuse and recycling services helps to create a healthy environment for people and contributes to keeping Hamilton's air, soil and water free from pollution.

If waste is not effectively managed it can create a range of adverse environmental and human effects, undermining our ability to live more sustainably.

By reducing our resource consumption and reusing products, we can minimise the amount we need to dispose of and ultimately the waste we generate. Hamilton residents responded positively to the introduction of kerbside recycling bins in 2002, with over 90% of households now regularly recycling. This is a good indication of people's desire to reduce their waste production; however there is still room for improvement.

Currently around 48% of Hamilton's residential waste and 26% of business waste is made up of organic matter, which could be disposed of in a more environmentally sustainable way.

Refuse and Recycling is the only activity in this Activity Group.

REFUSE AND RECYCLING

Council provides a weekly refuse and recycling service to over 50,000 residential properties within the city (this service is not provided to inner city apartments or the commercial and industrial sector). Refuse is disposed of outside the city boundaries to a landfill at Hampton Downs, as there are no landfills operating within the city. Council is also responsible for ensuring that closed landfill sites at Rototuna, Cobham Drive, Willoughby and Horotiu are managed to mitigate adverse effects on the environment and public health.

Recyclable materials collected are on-sold in the world market by Council's contractor to help offset the cost of the service.

The Refuse Transfer Station, Recycling Centre and the green waste composting facilities at the Hamilton Organic Centre are all owned by Council. The operations of these three facilities are contracted to privately-owned business.

As part of this activity, information is readily available (including pamphlets at the various centres and information on Council's website) to the public about ways in which they can reduce the waste they produce, re-use, recycle, and recover solid waste.

2009/10 HIGHLIGHTS

Willoughby Closed Landfill

During 2009/10 Council installed a new gas curtain at the Willoughby closed landfill to ensure compliance with resource consent conditions. The gas curtain will capture gas migrating from the closed landfill and manage the release of this to the atmosphere, minimising any adverse environmental effects.

New operator at Hamilton Organic Centre

In July 2009, Council engaged a new operator to run the Hamilton Organic Centre. The new operator will be looking at ways to minimise odour from the facility so as to reduce potential annoyance to neighbours.

Improvements at the Refuse Transfer Station


A range of upgrade and additional facilities were provided at the Refuse Transfer Station. A new pit floor was installed as part of the renewal programme. Judder bars and extra signage were also installed for health and safety reasons.





SERVICE DELIVERY PERFORMANCE

Performance against 2009/10 Targets

This activity reports against the following five performance measures, which assess residents' satisfaction with household refuse and recycling collections; response times for requests for service; and compliance with closed landfill resource consent conditions.

REFUSE AND RECYCLING (Key service attribute: quality, responsiveness and sustainability)

PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
LEVEL OF SERVICE: Household refuse and recycling collections are reliable.				
Residents' satisfaction with the household recycling collection	Satisfaction score of 79 or above	Satisfaction score of 84.6 	Satisfaction score of 84.6	Measured through Council's Residents Survey. A satisfaction score of 79 or above indicates 'exceptional performance' for a 'no customer choice' service.

PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
Residents' satisfaction with the household refuse collection.	Satisfaction score of 79 or above	Satisfaction score of 87.1 	Satisfaction score of 86.3	Measured through Council's Residents Survey. A satisfaction score of 79 or above indicates 'exceptional performance' for a 'no customer choice' service.
LEVEL OF SERVICE: Requests for service are responded to promptly.				
Percentage of requests relating to non-collection of household refuse are resolved within 24 hours.	95%	100% 	90.9%	These measures are important as the non-collection of refuse and recyclables may pose a health risk and be unsightly.
Percentage of requests relating to non-collection of household recyclables resolved within 24 hours.	90%	98.8% 	92.5%	These measures are important as the non-collection of refuse and recyclables may pose a health risk and be unsightly.
LEVEL OF SERVICE: Adverse effects of waste on the environment are managed.				
High level of compliance with resource consent conditions (closed landfills).	High level of compliance.	High level of compliance achieved. 	High level of compliance achieved.	The level of compliance is measured annually by Environment Waikato. A high level of compliance means that there has only been a low priority non-compliance, and/or there have been several minor technical non-compliances.

 = target achieved

 = within 5% of target

 = target not achieved

Additional Key Areas of Performance

Organic Waste

Organic waste has been identified as a key priority for this activity. Currently, 48% of the domestic refuse that goes to landfill is made up of organic material. This material would be better utilised at the Hamilton Organic Centre.

Council is applying for resource consent to enable the continued provision of organic waste recycling and composting at the Hamilton Organic Centre. The feasibility of a regional organic waste facility, capable of processing a wider range of organic wastes, is also being considered as part of the Environmental Sustainability flagship project 'Back to Earth'. The Back to Earth project is conducted in collaboration with Environment Waikato and industry partners.

Waste Education

Council also delivers waste education to the community through its sustainable living programme 'Know It? Live It!' and supports Environment Waikato's 'sustainabiz' programme.

The 'sustainabiz' programme supports local small businesses to work towards a sustainable business model, including waste minimisation.

Waste education is delivered to schools through the 'Enviroschools' programme which Council supports, and to the general community through sponsorship of the annual 'ReStyle' event which showcases waste minimisation issues and initiatives. Education has also been delivered around energy efficient light bulb recycling and e-waste. The

2009 eday event (held in September 2009) collected 71 tonnes of ewaste which potentially would have ended up in landfills.

LOOKING AHEAD - PRIORITIES FOR THE NEXT TWO YEARS

The major priorities for Refuse and Recycling over the next two years include obtaining new resource consents to continue operations at the Hamilton Organic Centre and to manage the closed landfill at Rototuna; and reviewing and updating Council's Waste Management and Waste Minimisation Plan (anticipated to be completed in June 2012).

The plan is legislative requirement, in order for Council to comply with the Waste Minimisation Act 2008 and to secure levy funds to undertake Waste Minimisations activities identified in the plan. The review will include looking at the diversion of solid waste from landfill by identifying opportunities for reduction, reuse and recycling of solid wastes generated within the city.

As part of the Waste Minimisation Act 2008, a levy is charged per tonne on all waste disposed of to landfill. 50% of the fund from the levy will be redistributed to local councils, whilst the remaining 50% (less administration costs) will be held as a contestable National Waste Levy Fund. All levy monies distributed are only to be used for the purpose of encouraging and achieving waste minimisation.

By July 2011 the waste levy must be reviewed at a national level. If the levy is changed, this will impact on both Council's income and expenditure for this activity.

EFFECTS ON COMMUNITY WELL-BEING

Council monitors the effects that its Activities have on community well-being by focusing on the goals and aspirations that the community has identified as being the most important for Hamilton over the next 10 years and beyond.

Hamilton's Community Outcomes identify the community's priorities and goals for now and in the future - the aspects of well-being that are the most important for the city.

The Waste Minimisation Activity primarily contributes to the 'Sustainable and Well-Planned' Community Outcome, in particular to the following goals:

SUSTAINABLE AND WELL-PLANNED

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

Hamilton people want a city that:

- Encourages and enables people to recycle and minimise waste.
- Protects and enhances its green spaces and natural environments for people to value and enjoy.




COMMUNITY OUTCOMES PROGRESS INDICATORS

Progress towards Hamilton's Community Outcomes is monitored through a selection of indicators. Indicators provide ways in which to measure, directly or indirectly, changes to social, environmental, economic and cultural well-being over time.





Council is one of many organisations whose actions assist in progressing the Community Outcomes and overall community well-being.

The following progress indicators are used to monitor the effect that the Waste Minimisation Activity has on progressing the Community Outcome goals.

KEY:

M	= Moderate contribution		= Improving/favourable
S	= Significant contribution		= Uncertain/no trend
O	= Council is the only provider		= Declining/unfavourable

REPORTING ON PROGRESS INDICATORS

COMMUNITY OUTCOMES PROGRESS INDICATORS		LATEST RESULTS			TREND
S	Waste per person from the household kerbside collection. Source: Hamilton City Council	2007/08 150.7 kg/year	2008/09 141.8 kg/year	2009/10 144.5 kg/year	
S	Recyclables per person from the household kerbside collection. Source: Hamilton City Council	2007/08 79.3 kg/year	2008/09 72.2 kg/year	2010 71.25 kg/year	
M	Materials collected for re-use/recycling at Hamilton's Refuse Transfer Station. Source: Hamilton City Council	2007/08 4,188.8 tonnes	2008/09 4,227.0 tonnes	2009/10 4,425.8 tonnes	
M	Waste diverted from landfill via the Hamilton Organic Centre. Source: Hamilton City Council	2007/08 150 kg per person	2008/09 158.19 kg per person	2009/10 109.75 kg per person	

MONITORING NEGATIVE EFFECTS

While uncollected refuse and recycling can have adverse effects on the community through being unsightly and potentially a health hazard, Council works to mitigate these effects by providing a high quality service, and resolves issues with uncollected waste promptly.

Council's 2009-19 LTCCP identifies the significant existing or potential negative effects for the Refuse and Recycling Activity. During 2009/10 no significant instances of these negative effects occurred.

COST OF SERVICE STATEMENT FOR THE YEAR ENDED 30 JUNE 2010

COST OF SERVICE STATEMENT FOR THE YEAR ENDED 30 JUNE 2010			
	ACTUAL 2009/10 (\$000)	BUDGET 2009/10 (\$000)	ACTUAL 2008/09 (\$000)
GROUP OF ACTIVITY - OPERATING STATEMENT			
OPERATING REVENUE			
Activity revenue - user charges and fees	672	919	873
General rates	4,449	4,443	4,187
Other general sources	306	501	16
Total operating revenue	5,427	5,863	5,076
OPERATING EXPENDITURE			
Refuse and Recycling	5,946	5,937	8,640
Total operating expenditure	5,946	5,937	8,640
Operating surplus/(deficit)	(519)	(74)	(3,564)
GROUP OF ACTIVITY - CAPITAL AND RESERVES FUNDING STATEMENT			
CAPITAL EXPENDITURE			
Growth	-	-	-
Increased level of service	695	279	410
Renewal	1,167	515	248
Total capital expenditure	1,862	794	658
Loan repayments	132	176	139
Transfers to reserves	369	569	19
Operating deficit	519	74	3,564
Total funding required	2,882	1,613	4,380
Funded by:			
Operating surplus	-	-	-
Funding from non-cash expenses	300	180	162
Loans raised	1,128	201	228
Proceeds from sale of assets	-	-	-
Transfers from reserves	308	480	3
Total funding applied	1,736	861	453
Funding surplus/(deficit)	(1,146)	(752)	(3,927)

4.10 WATER MANAGEMENT

WHAKAHAERE-WAI

As Hamilton's population continues to grow, issues of water availability and conservation are becoming more important. There are around 140,000 people living in Hamilton now, but by 2050 that number is expected to grow to around 240,000. This will have significant implications for how we manage our water resources.

Council's Water Management Activities are essential for the well-being of the community. Water Supply, wastewater collection and stormwater networks are necessary to maintain public health and safety, minimise impacts on the environment and protect property from flood damage. Reliable and high quality water services are a fundamental part of any modern city and a basic day-to-day necessity that is expected by residents and businesses.

However, despite the size of the Waikato River, allowable water supply is not infinite and the demand for water is increasing. The less effectively we use water as our population grows, the greater possibility of water shortages and negative environmental effects in the future. It is important to treat water as a valuable resource and conserve it as much as possible.

Council's Water Management Activities include:

- Water Supply
- Wastewater
- Stormwater.

WATER SUPPLY

Hamilton's water treatment, distribution and management systems ensure that when water reaches consumers it is safe to drink. Raw water is drawn from the Waikato River into the Water Treatment Station, where it is treated to provide a high standard of drinking water.

Every second of every day, the Water Treatment Station produces an average of 2,200 glasses of high quality water to residential properties and commercial/industrial premises. Only a very small percentage is used for drinking, the rest is used for bathing, toilet flushing, watering, swimming pools, etc.

2009/10 HIGHLIGHTS

Aa Grading for Temple View Water Supply

Temple View received an Aa grade for its water supply in October 2009, a year ahead of schedule. Previously, the Temple View water supply had been graded Ab and whilst this was still a high quality of water supply, it now matches the same low risk level water supplied to the rest of Hamilton, which has been graded Aa since the system started in the 1960s.

Drinking water supplies that receive an 'Aa' grade are described by the Ministry of Health as 'completely satisfactory with an extremely low level of risk'.

The result for Temple View is due to the combination of a \$1 million pipe upgrade, the use of best practice risk management planning and using the grading information to determine what upgrades and improvements may be required to ensure an extremely low level of risk.

The grades, which are awarded by the Waikato District Health Board's drinking-water assessor, take a number of potential risks into account such as bacteria, heavy metals and management of risks that may have the potential to contribute to the contamination of the water supply. The grades are a measure of risk to the water supply.

Implementation of New Water Take Consent

In February 2009 Council was granted a resource consent to take up to 146,000 cubic metres of water per day from the Waikato River for municipal supply purposes for 35 years. This new resource consent came into effect on 1 September 2009.

Council has received several awards for its work in securing this consent, including the Resource Management Law Award, Ingenium Excellence Award and ACENZ merit award.

Recent policy developments by Environment Waikato in relation to regional water management (namely Regional Policy Variation 6: Water Allocation) have had a significant impact on the rules around drawing and using water from the Waikato River. This has resulted in Council developing an entirely new management regime and approach to consent conditions to be able to secure a long-term water supply for Hamilton.

This new consent is subject to a large number of conditions, which place restrictions on the amount of water that Council may supply to industrial and commercial users and how water usage is managed. A Water Conservation and Demand Management Plan was developed to provide background information and an analysis of water management in Hamilton, and presents options for improved water demand management in the future.

Due to the extent of the influence that the water take consent conditions have across Council as a whole, a Water Advisory Group has been established to manage the implementation and ongoing compliance with the new consent conditions.

Successful 'Smart Water Use' Campaign

Water conservation and demand management initiatives made a significant impact on water use within the city during a particularly dry summer.

Water usage during the summer of 2009/10 was markedly lower than previous years. Communication of water alert levels, sprinkler monitors and increased public awareness all contributed to this reduction.

Smart Water Use is a region-wide campaign that aims to strengthen people's perceptions of water as being a limited and precious resource, and educate and encourage residents to conserve water in their day-to-day lives. The campaign is not intended to be a 'quick fix', but to promote long-term sustainable behavioural changes.

As part of Smart Water Use, Council uses four alert levels based around the city's water consumption. These alert levels come into effect in the city in the summer months, with changes in levels communicated through local newspapers, radio stations, signage and Council's website.

Growth Related Water Supply Projects

Council is working with the New Zealand Transport Agency (NZTA) to include provision for water and wastewater services within the Te Rapa bypass corridor, for future development of the Rotokauri area. The NZTA has awarded a design and build contract for the corridor, with physical work expected to commence in the 2010/11 summer period.

Installation of bulk water supply pipelines and the far western wastewater interceptor pipeline will be undertaken at the same time as the road corridor construction. Council is currently in contact with major developers to establish their broad needs for the future, to ensure that their plans include provision for trunk water supply and wastewater pipelines that meet capacity requirements.

Investigation and research has also been undertaken in 2009/10 regarding sub-regional water opportunities, including possible new Water Treatment Station sites to service future growth in the sub-region. Hamilton's water requirements cannot be considered in isolation of the needs of its neighbouring areas, as all rely on the Waikato and Waipa Rivers as primary water sources.

Any recommendations from this work will need to be considered as part of Council's 2012-22 Long-Term Plan.

Maintaining High Quality Water for Hamilton

Council's 2009-19 LTCCP includes a 10-year programme of capital, renewal and maintenance works to improve the reliability, security and effective operation of the existing Water Treatment Station, and to ensure continued compliance with public health requirements and drinking water standards.

The projects undertaken during 2009/10 addressed a range of different issues, including water quality maintenance, continuity of water supply, energy reduction, environmental impacts, general maintenance, and the health and safety of staff.

During 2009/10, Council also finalised a Public Health Risk Management Plan, which has been approved by the Ministry of Health. This plan includes list of actions that Council must undertake to ensure that its high quality Aa water grading is maintained into the future. These actions range from small tasks that can be undertaken immediately, to physical works that will be programmed into future budgets.



In addition, Council manages an extensive water reticulation renewal programme. The objective of this programme is to ensure that the city's pipe system is of a high standard so that water reaches customers without contamination. During 2009/10 renewal work totalling approximately \$1 million was carried out throughout the city.









Regular water sampling is also carried out at the Water Treatment Plant, reservoirs and network. This sampling ensures that the water supply is of an Aa quality at all times.


SERVICE DELIVERY PERFORMANCE


Performance against 2009/10 Targets

The provision of water is a primary responsibility of Council and 100% of the performance targets for 2009/10 have been achieved. Residents Survey results are indicating a high level of satisfaction with the quality and reliability of Hamilton's water supply.

WATER SUPPLY (Key service attributes: quality, reliability/responsiveness, sustainability)				
PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
LEVEL OF SERVICE: A high quality water supply is provided.				
Achieve a high rating from the Ministry of Health for the city's water supply.	Hamilton Zone: Aa grading	Aa grading 	Aa grading	<p>Water grades range from Aa to Ae. 'A' = the quality of the water treatment and 'a' = the quality of the pipe network.</p> <p>Water supplies that receive an Aa grading are described by the Ministry of Health as 'completely satisfactory with an extremely low level of risk'.</p> <p>Grading was carried out by the Waikato District Health Board in October 2009. The Temple View water supply received an Aa grade a year ahead of schedule.</p> <p>More information about water grading can be found at www.drinkingwater.co.nz.</p>
	Temple View Zone: Ab grading	Aa grading 	Ab grading	

PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
				Note: The LTCCP incorrectly stated that the existing grading and 2009/10 target for Temple View was an Ac grading. This should have been recorded as an Ab grading.
Residents' satisfaction with the taste and odour of the water supply.	Satisfaction score of 73 — 76	Satisfaction score of 79.4 	Satisfaction score of 74.3	Measured through Council's Residents Survey. A score of 79 or above result indicates 'exceptional performance' for a 'no customer choice' service.
Residents' satisfaction with clarity of the water supply.	Satisfaction score of 79 or above	Satisfaction score of 84.9 	Satisfaction score of 81.9	Measured through Council's Residents Survey. A score of 79 or above result indicates 'exceptional performance' for a 'no customer choice' service.
LEVEL OF SERVICE: Water pressure is appropriate for its intended use.				
Percentage of water flow and pressure tests that comply with set standards.	95% compliance	100% compliance 	100% compliance	Flow and pressure standards are technical standards that are contained in the Hamilton City Development Manual. More information and a copy of the manual are available on Council's website - www.hamilton.co.nz .
Residents' satisfaction with water pressure.	Satisfaction score of 79 or above	Satisfaction score of 85.3 	Satisfaction score of 84.6	Measured through Council's Residents Survey. A score of 79 or above result indicates 'exceptional performance' for a 'no customer choice' service.
LEVEL OF SERVICE: A reliable water supply network is provided.				
Average time for unplanned shutdowns per customer, per year.	Average of 7 minutes per customer connection	Average of 5 minutes per customer connection 	Average of 7 minutes per customer connection	In 2009/10 there was a total of 429 unplanned shutdowns. This compares to a total of 537 unplanned shutdowns in 2008/09. 5,424 customers were affected in 2009/10, with times ranging from 1 minute to 6 hours, with 58% of unplanned shutdowns being resolved within an hour.
Percentage of planned shutdowns within 4 hours.	90% of planned shutdowns completed within 4 hours	96.1% of planned shutdowns completed within 4 hours 	96.4% of planned shutdowns completed within 4 hours	In 2009/10, there were a total of 180 planned shutdowns. Seven of these exceeded 4 hours. This compares to a total of 183 planned shutdowns in 2008/09, with 14 of these exceeding 4 hours.
Residents' satisfaction with continuity of the water supply.	Satisfaction score of 79 or above	Satisfaction score of 88.5 	Satisfaction score of 88.5	Measured through Council's Residents Survey. A score of 79 or above result indicates 'exceptional performance' for a 'no customer choice' service.
LEVEL OF SERVICE: Water resources are used efficiently and sustainably.				
Level of compliance for the Water Treatment Plant's resource consents.	Achieve a high level of compliance	High level of compliance expected 	High level of compliance achieved	The Water Treatment Plant operates under resource consents issued by Environment Waikato (EW). These consents are required to extract water from the Waikato River. The level of compliance is measured by EW and is audited and reported annually. A high level of compliance means that there have only been a small number of non-significant non-compliances. Council's report for 2009/10 will be submitted to EW in August 2010. EW has not advised Council of any non-compliances with the conditions of these consents throughout the year. Based on this, and the quarterly and annual reports provided to EW, a minimum of a high level of compliance is expected to be achieved.

PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
Hamilton's maximum daily water take is within consented limits.	Maximum water take less than 105,000m ³ per day	Maximum water take in any one day was 79,620m ³ 	Maximum water take in any one day was 85,580 ³	The target is based on the Water Treatment Plant's new resource consent to extract water from the Waikato River, which became operative in September 2009. The maximum daily water take in 2009/10 occurred on 5 February 2010. In 2008/09, it occurred on 8 February 2009.

 = target achieved = within 5% of target = target not achieved

WASTEWATER

Wastewater is the liquid that drains from showers and baths, sinks, washing machines, toilets and commercial/ industrial premises to the reticulation network. In Hamilton, wastewater is transported through a network of pipes to the Wastewater Treatment Plant, where it is treated to a high standard prior to being discharged into the Waikato River. An average of 40 million litres of wastewater is treated on a daily basis.

2009/10 HIGHLIGHTS

Improvements to Wastewater Infrastructure

A number of projects to improve the wastewater network were undertaken during 2009/10.

The Temple View pump station upgrade was completed. This work involved the replacement of the existing pump station due to insufficient capacity and the removal of a second pump station, which was no longer required. The risk to the community of wastewater overflows has been reduced significantly through this project.

Re-lining of the Kahikatea wastewater interceptor commenced in June 2010 and is due for completion in August 2010. This project will reduce the risk of disruption to the collection and conveyance of wastewater.

Council also has an ongoing programme to assess the condition of the wastewater pipe network. This programme reduces the risk of pipe failures due to structural inadequacies, which can result in overflows and associated risks to public health and damage to property.

Year 2 of the Wastewater Treatment Plant Upgrade

In 2008/09 Council embarked on a 5-year, \$25 million upgrade of the Wastewater Treatment Plant at Pukete. The overall project is aimed at increasing the Plant's capacity to cater for city growth, as well as increasing treatment potential to cater for new, more stringent discharge consent conditions.

In 2009/10, construction of the bioreactor and clarifier tanks was completed. In 2010/11 the project will continue with major works focused on upgrading the solids treatment stream of the plant. This work will involve the installation of new technologies to enhance solids quality, minimise solids volume and increase gas production for use in the onsite electrical generation facility.

Wastewater Solutions for Stage 1 Peacocke


Physical works to increase capacity in the wastewater network in the southern part of the city to enable the Peacocke Stage 1 residential development to progress are almost complete. The works have included the upgrade of the trunk wastewater pump stations and associated pipelines between Dixon Road and Lorne Street.



SERVICE DELIVERY PERFORMANCE

Performance against 2009/10 Targets

This activity reports against the following three performance measures. Residents' satisfaction with the wastewater network is tracking well, and Council is meeting its targets around wastewater network blockages and achieving a high level of compliance with the Wastewater Treatment Plant's resource consent conditions.

WASTEWATER (Key service attributes: reliability/responsiveness, health and safety)

PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
LEVEL OF SERVICE: A reliable wastewater network is provided.				
Annual number of wastewater blockages per 100km of the network.	No more than 60 blockages per 100km	53 blockages per 100km 	59 blockages per 100km	Council primarily manages wastewater network blockages through an ongoing programme of renewal works and through its Trade Waste Bylaw. If blockages are recurring in a particular section of pipe, that pipe is prioritised for renewal. Trade waste that is discharged directly into the wastewater system without pre-

PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
				treatment can cause blockages and overflows, as well as other negative effects. A trade waste consent must be obtained from Council before trade waste is discharged into the wastewater system.
Residents' satisfaction with the wastewater network.	Satisfaction score of 79 or above	Satisfaction score of 82.2 	Satisfaction score of 82.9	Measured through Council's Residents Survey. A score of 79 or above result indicates 'exceptional performance' for a 'no customer choice' service.
LEVEL OF SERVICE: Wastewater is managed without risk to public health.				
Level of compliance for the Wastewater Treatment Plant's resource consents.	Achieve a high level of compliance	High level of compliance expected 	High level of compliance achieved	<p>The Wastewater Treatment Plant operates under resource consents issued by Environment Waikato (EW). These consents require that the plant monitor its wastewater treatment discharge to ensure no detrimental impact on the Waikato River.</p> <p>The level of compliance is measured by EW and is audited and reported annually. A high level of compliance means that there have only been a small number of non-significant non-compliances.</p> <p>Council's report for 2009/10 will be submitted to EW for auditing in September 2010. Based on the monthly reports provided to EW during 2009/10 and the monitoring of resource consent compliance completed by Council's City Waters Compliance Team, a high level of compliance is expected to be achieved.</p>

 = target achieved

 = within 5% of target

 = target not achieved

Additional Key Areas of Performance

In addition to these performance measures, Council is also closely monitoring and managing incidents of untreated wastewater overflows. In 2009/10 there were approximately 170 accidental discharges of untreated wastewater into the Waikato River and its tributaries from pump stations and the Wastewater Treatment Plant. There were also a small number of minor contamination events in 2009/10, where untreated wastewater was discharged onto properties.

It is important to note that these incidents were not on a large scale, with the exception of one significant event at the Wastewater Treatment Plant, and were managed to limit the effect on the environment and properties. Environment Waikato and the Public Health Unit were informed in all instances and all resource consent requirements for managing spill events were met.

The main environmental effect from wastewater spills in 2009/10 was the contamination of waterways. Council responds immediately to isolate, contain and clean up spills. The spills that occurred during 2009/10 have not led to ongoing environmental impacts, as they were isolated incidents and were dealt with immediately.

The Wastewater Treatment Plant incident occurred in April 2010. A pipe failure resulted in untreated wastewater being discharged into a containment area, as it is designed to do. This occurred at the same time a stormwater pipe

running through the containment area was being repaired. As a result, untreated wastewater entered the stormwater system and was discharged into the Waikato River. The incident was investigated by Environment Waikato, who concluded that the failure of the pipe was a mechanical failure and was beyond Council's control and that the effects of the event were adequately remedied after it occurred.

Council is aiming to improve performance in this area. All pump stations are monitored 24 hours per day. Preventative maintenance programmes, stormwater infiltration and inflow detection programmes and business continuity plans are in place for both the wastewater network and Treatment Plant.

Council's 2009-19 LTCCP includes funding of \$3m from 2012/13 — 2018/19 for a dedicated programme of works to increase pump station storage in key areas across the city, which will further minimise the risk of wastewater overflows. The timing and budget provided for this work will be reviewed as part of the 2012 — 22 LTCCP.

STORMWATER

Urban development, such as roads, buildings, car parks and recreation facilities create large areas of hard surfaces that rainwater cannot penetrate. The water that collects and runs off these surfaces is called stormwater. The stormwater network drains stormwater runoff from the roadways, private and public land through pipes and open watercourses to the city's streams, lakes and the Waikato River.

2009/10 HIGHLIGHTS

Stormwater Discharge Consent Application

Council has progressed its Comprehensive Stormwater Discharge Resource Consent application to Environment Waikato (EW) during 2009/10.

Council currently has many separate stormwater discharge consents, all with different conditions and expiry dates. The comprehensive resource consent will amalgamate all of these consents into one, making it easier to manage.

In anticipation of consent requirements, a Memorandum of Understanding with EW was actioned in 2009/10. This has resulted in staff responding to potential stormwater contamination events. This proactive response ensures

potential water quality issues are minimised and public education is maximised.

A citywide Stormwater Management Plan has also been drafted in preparation for the consent hearing planned for late 2010 / early 2011.

Council has been developing a framework for Catchment Management Plans (CMPs). CMPs provide a high level framework to developers and subdividers, on how Council expects development to occur in an area and what considerations must be taken to ensure the protection of natural habitats.



Significant consultation with Iwi and affected parties has also been occurring.

SERVICE DELIVERY PERFORMANCE

Performance against 2009/10 Targets

This activity reports against the following two performance measures. Council has met its residents' satisfaction and resource consent compliance targets for stormwater in 2009/10. The Comprehensive Stormwater Discharge Consent, currently anticipated to be operative in 2011, will include new measuring and reporting requirements.

STORMWATER (Key service attributes: reliability/responsiveness and sustainability)

PERFORMANCE MEASURES	2009/10 TARGETS	2009/10 RESULTS	2008/09 RESULTS	ADDITIONAL INFORMATION
LEVEL OF SERVICE: A reliable stormwater network is provided.				
Residents' satisfaction with the stormwater network	Satisfaction score of 73 — 76	Customer satisfaction score of 77.7 	Customer satisfaction score of 74.7	Measured through Council's Residents Survey. The 2009/10 result of 77.7 indicates 'excellent performance' for a 'no customer choice' service. The target was for a score of 73 - 76, which indicates 'very good performance'.
LEVEL OF SERVICE: Effects on the natural environment are minimised.				
Level of compliance for the Stormwater Resource Consents.	Achieve a high level of compliance	High level of compliance expected 	High level of compliance not achieved.	Council operates under resource consents issued by Environment Waikato. These consents promote the discharge of the best quality of stormwater possible into the Waikato River, to protect the environment. The level of compliance is measured by Environment Waikato and is audited annually. A high level of compliance means that there have only been a small number of non-significant non-compliances. Council has not been advised by EW of any non-compliances with resource consent conditions. Based on performance throughout 2009/10, a high level of compliance is expected to be achieved. In 2008/09 EW raised three compliance issues, of which one was significantly non-compliant. This non-compliance related to the placement of a culvert which was smaller in diameter than that specified in consent conditions. The issue has been addressed.

 = target achieved

 = within 5% of target

 = target not achieved

Additional Key Areas of Performance

Flooding and erosion issues are also managed as part of the Stormwater Activity. Council becomes aware of flooding and erosion via a proactive condition assessment programme and customer complaints. When erosion or flooding occurs, an operational investigation is undertaken and actions taken to remedy the issue. Where major infrastructure works are required, the issues are prioritised and added to the capital/renewal works programmes.

There were no serious flooding events in the city during 2009/10.

Major erosion has been investigated where the Kirikiriroa Stream meets the Waikato River, on the east bank of the river just before Pukete Bridge. This is affecting the banks of the stream and river, public reserve land and some private property. Works are programmed for 2010/11 to address this issue, subject to partial funding from Environment Waikato.

As part of Project Watershed (an initiative that seeks to deal with soil erosion, river management and flood protection problems across the Waikato River catchment area), Council has worked with Environment Waikato to develop a Management Plan for the Waikato River and its four major tributaries. The Management Plan identifies erosion sites in the city and an associated programme of works (which includes the Kirikiriroa Stream site).

LOOKING AHEAD — PRIORITIES FOR THE 'THREE WATERS' OVER THE NEXT TWO YEARS

The 'three waters' — water supply, stormwater and wastewater — are all inextricably linked. Many of the key issues for the coming years impact on all three of these activities. Priorities that will impact across all three waters include:

- Completion of a Three Waters Management Plan, which will provide an overall framework for integrated delivery of the Water Management Activities.
- Progressing the development of a Sub-regional Water Strategy, as part of the Future Proof Sub-regional Growth Strategy. The Sub-regional Water Strategy will consider strategic, long-term water needs and security of supply across the sub-region.
- The Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act and associated actions. Council acknowledges the iconic status of the Waikato River and the great significance that it holds both culturally and spiritually for Tainui. The River is a very important resource for the city and Council has a high level of interest in its sustainable management and supports the co-management approach advocated through the Act.
- Inputting into the review of the Hamilton City District Plan, ensuring that water activities are embedded into this review.

- Creation of a three-waters computerised model to manage growth, identify over-land stormwater flows and optimise operations of the networks.

Other priorities for the individual Water Management Activities include:

- Continuing the upgrade of the Wastewater Treatment Plant (scheduled for completion in June 2012).
- Progressing Council's Comprehensive Stormwater Discharge Consent application.
- Responding to regional policy changes (Environment Waikato's recent variation to the Waikato Regional Plan) for the way in which water is allocated and can be utilised.
- Ensuring the ongoing effective and efficient use of the water resource, through the Water Demand and Conservation Plan and Activity Management Plans.
- Digitisation of the water supply network onto GIS to the same standard as the wastewater and stormwater networks.
- Completing a public health and safety risk assessment for all of the stormwater devices throughout the city.
- Continuing to manage and prevent wastewater pump station overflows through ongoing renewal and preventative maintenance programmes.

EFFECTS ON COMMUNITY WELL-BEING

Council monitors the effects that its Activities have on community well-being by focusing on the goals and aspirations that the community has identified as being the most important for Hamilton over the next 10 years and beyond.

Hamilton's Community Outcomes identify the community's priorities and goals for now and in the future — the aspects of well-being that are the most important for the city.

The Water Management Activities primarily contribute to the 'Sustainable and Well-planned' Community Outcome, in particular to the following goals:

SUSTAINABLE AND WELL-PLANNED

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

Hamilton people want a city that:

- Protects and enhances its green spaces and natural environments for people to value and enjoy.
- Sustainably manages resources such as water and energy.

COMMUNITY OUTCOMES PROGRESS INDICATORS

Progress towards Hamilton's Community Outcomes is monitored through a selection of indicators. Indicators provide ways in which to measure, directly or indirectly,

changes to social, environmental, economic and cultural well-being over time.





Council is one of many organisations whose actions assist in progressing the Community Outcomes and overall community well-being.

The following progress indicators are used to monitor the effect that the Water Management Activities have on progressing the Community Outcome goals.

KEY:

M	= Moderate contribution
S	= Significant contribution
O	= Council is the only provider

	= Improving/favourable
	= Uncertain/no trend
	= Declining/unfavourable

REPORTING ON PROGRESS INDICATORS										
COMMUNITY OUTCOMES PROGRESS INDICATORS		LATEST RESULTS			TREND					
<div>O</div>	Drinking water standards. Source: <i>Drinking Water for NZ website — www.drinkingwater.co.nz</i>	2007/08 Hamilton City: Aa Temple View: Ab	2008/09 Hamilton City: Aa Temple View Ab	2009/10 Hamilton City: Aa Temple View Aa						
<div>M</div>	Average daily water usage per person. Source: <i>Hamilton City Council</i>	2007/08 227.0 litres	2008/09 224.4 litres	2009/10 224.9 litres						
<div>M</div>	Ecological health of Lake Rotoroa (Trophic Level Index (TLi), June to May). Source: <i>Environment Waikato</i>	2007/08 4.67 TLi	2008/09 4.66 TLi	2009/10 4.48 TLi						
<div>S</div>	Ecological and recreational health of the Waikato River Source: <i>Environment Waikato</i>									
<p>Environment Waikato measures water quality every month at ten sites along the length of the Waikato River, including two sites that are indicative of the stretch of water running through Hamilton i.e. the Narrows at the southern end of the city, and Horotiu at the northern end. Water quality at each site is assessed against national standards for both human uses (such as swimming) and ecological health (plants and animals living in the river). Overall, the ten indicators show there has been no marked change in the Waikato River's ecological health and suitability for recreation activities throughout the 1990-2009 period, with the river still being generally suitable for contact recreation in the Hamilton reach.</p>										
WATER QUALITY TRENDS IN THE WAIKATO RIVER BETWEEN 1990 AND 2009										
(Based on methods in Environment Waikato Technical Report 2008/33)										
<div>☺ Improving trend</div> <div>☹ Deteriorating trend</div> <div>— No change</div>	Taupo	Ohaaki	Ohakuri	Whakamaru	Waipapa	Narrows	Horotiu	Huntly	Mercer	Taukau
Temperature	☹	—	—	—	—	—	—	—	—	—
Dissolved Oxygen	☺	☺	—	—	☹	☹	—	—	☹	—
Biochemical oxygen demand	☺	☺	☺	—	☺	☺	☺	☺	☺	—
Dissolved colour	☺	—	—	—	☺	☺	☺	☺	☺	—
Turbidity*	—	—	☹	—	—	—	—	☹	☹	—
Arsenic	☹	☺	—	—	—	—	—	☺	☺	☺
Nitrate	☺	☺	☹	☹	☹	☹	☹	☹	☹	☹
Total phosphorus	☺	—	☹	☹	☹	☹	☹	—	☹	—
Chlorophyll a	—	—	☹	—	—	☺	☺	☺	☺	—
Enterococci	—	☺	—	☹	—	—	—	—	☹	☹

*Note: Turbidity data is for the period from 1995.

MONITORING NEGATIVE EFFECTS

Existing or potential negative effects on the current and future well-being of the community are an important consideration for Council when planning and carrying out its activities.

The extraction and treatment of water and the disposal of stormwater and treated wastewater are vital for community well-being and provide a significant public good. However, there are existing and potential negative effects that need to be managed or mitigated. Some of these negative effects are beyond the control of Council, but in many cases measures can be taken to alleviate effects.

Council's 2009-19 LTCCP identifies the significant existing or potential negative effects for the Water Management Activities, and how Council manages and mitigates these effects.

As discussed in the previous Wastewater section, Council is experiencing some issues with wastewater overflows and spills. These issues are being managed through ongoing preventative maintenance works.

In terms of the other negative effects identified in the 2009-19 LTCCP, during 2009/10 no significant instances of these effects occurred.

SIGNIFICANT ACQUISITIONS OR REPLACEMENTS OF ASSETS

SIGNIFICANT ACQUISITIONS OR REPLACEMENTS OF ASSETS				
	PROJECT REFERENCE NUMBER (SAP #)	ACTUAL 2009/10 (\$000)	BUDGET 2009/10 (\$000)	REASON
WATER MANAGEMENT				
Water Reticulation				
Water network mains renewal	269.0	1,091	1,203	The purpose of this programme is to maintain and operate the water supply network by replacing existing 'at risk' mains. The programme was completed for 2009/10.
Wastewater Reticulation				
Peacockes trunkmain	797.0	950	3,200	This programme of works provides for investigation, design and implementation of works needed to upgrade the trunk wastewater pump stations and associated pipelines between Dixon Road and Lorne Street so they can provide an appropriate level of service for wastewater drainage of Peacocke Stage 1. Work started on the Te Anau pipeline replacement. However, the remainder of the programme is still subject to investigation and design.
Wastewater renewals	877.0	188	1,313	This project covers renewal of the wastewater pipe network and rehabilitation of wastewater trunk and interceptor mains. An annual programme of works is undertaken, as determined by risk assessment and criticality. The programme was reduced by Council during the year by \$600,000 and the balance of work relates to the Kahikatea trunkmain (which was in progress) but the work will not be completed until 2010/11.
Wastewater Treatment Plant				
Pukete wastewater secondary treatment	238.0	4,463	7,220	This project will ensure compliance with Council's resource consents for discharging to air, water and land. The project also includes a capacity increase to accommodate future growth in the city. The project started later than was originally reported in the 2009-19 LTCCP and the budget is being carried forward from earlier years.
Wastewater Treatment Plant outfall repairs	878.0	1,042	1,500	This project involves the repair on the wastewater outfall from the Treatment Plant. The outfall pipe runs across the river bed and erosion has seen the pipe open at the joints, thereby allowing silts and other materials to enter causing blockages.

COST OF SERVICE STATEMENT FOR THE YEAR ENDED 30 JUNE 2010

COST OF SERVICE STATEMENT FOR THE YEAR ENDED 30 JUNE 2010			
	ACTUAL 2009/10 (\$000)	BUDGET 2009/10 (\$000)	ACTUAL 2008/09 (\$000)
GROUP OF ACTIVITY - OPERATING STATEMENT			
OPERATING REVENUE			
Activity revenue - user charges and fees	3,050	3,396	3,340
Targeted rates - water by meter	5,933	6,335	5,437
Development and financial contributions	3,077	5,356	3,809
General rates	18,596	18,573	17,504
Other general sources	1,300	1,302	1,763
Total operating revenue	31,956	34,962	31,853
OPERATING EXPENDITURE			
Water Supply	15,525	14,972	14,940
Wastewater	17,285	17,004	18,018
Stormwater	7,359	7,616	8,256
Total operating expenditure	40,169	39,592	41,214
Operating surplus/(deficit)	(8,213)	(4,630)	(9,361)
GROUP OF ACTIVITY - CAPITAL AND RESERVES FUNDING STATEMENT			
CAPITAL EXPENDITURE			
Growth	5,511	7,593	6,503
Increased level of service	8,797	13,995*	5,981
Renewal	6,350	1,825**	3,680
Total capital expenditure	20,658	23,413	16,164
Loan repayments	3,329	4,380	3,439
Transfers to reserves	3,989	6,043	4,410
Operating deficit	8,213	4,630	9,361
Total funding required	36,189	38,466	33,374
Funded by:			
Operating surplus	-	-	-
Funding from non-cash expenses	10,296	12,188	7,083
Loans raised	19,146	17,591	11,738
Proceeds from sale of assets	-	-	-
Transfers from reserves	3,690	5,798	4,076
Total funding applied	33,132	35,577	22,897
Funding surplus/(deficit)	(3,057)	(2,889)	(10,477)

* The published 2009-19 LTCCP contained an unadjusted figure for the category 'increased level of service'. The revised figure for 2009/10 is \$7.6 million.

** The published 2009-19 LTCCP contained an unadjusted figure for the category 'renewal'. The revised figure for 2009/10 is \$8.2 million.

Note: The two adjustments referred to above do not impact on the total capital expenditure of \$23.4 million for 2009/10.

5.0 FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

HE PURONGO PUTEA MO TE MUTUNGA O TE TAU 30 O HUNE 2010

FINANCIAL OVERVIEW

Council and its group of entities has reported a deficit after tax of \$20.9m for the 2009/10 financial year (2008/09 \$16.8m deficit).

The significant variances to the financial result for 2009/10 included:

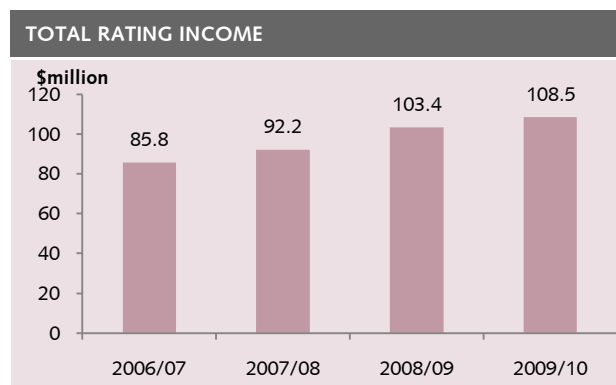
- Net rates revenue was \$108.5m (after penalties and remissions), an increase of \$5.1m over last year (2008/09 \$103.4m).
- Other revenue was \$70.1m, a decrease of \$6.0m over last year (2008/09 \$76.1m). This was due to a lower value of assets being vested to Council compared to the previous year.
- Other gains was \$1.1m up from nil in 2008/09.
- Total finance costs have increased by \$2.1m to \$18.1m due to Council's increased level of debt funding.
- Other losses were \$11.6m (\$21.1m in 2008/09).

Interest cost incurred in servicing debt (excluding internal borrowing interest) increased to \$17.0m (2008/09 \$15.3m). Overall net debt (including internal borrowing) increased to \$338.5m (2008/09 \$264.3m) due to further loan funded capital expenditure.

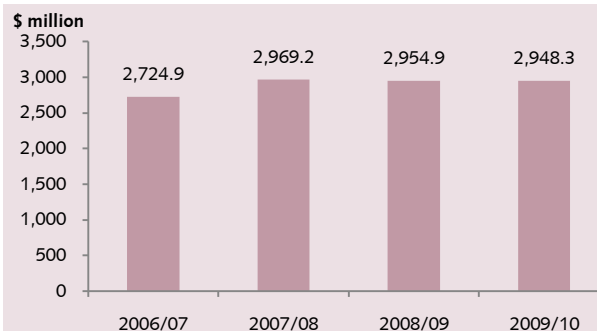
Capital expenditure for the 2009/10 financial year was \$109.1m (2008/09 \$67.2m). A number of significant projects were undertaken during the 2009/10 financial year. These include work associated with upgrading Claudelands Event Centre (\$32.4m), Pukete wastewater secondary treatment plant (\$4.5m), CBD improvements (\$3.3m), Property management (\$3.7m), major roading projects at Wairere Drive (\$5.0m), Rototuna (\$1.7m) and Rotokauri (\$3.7m), strategic property purchases (\$12.0m), land purchases for reserves (\$5.6m), cycleway construction (\$2.1m), and Access to Hamilton E1 Arterial (\$1.4m).

FINANCIAL SUMMARY

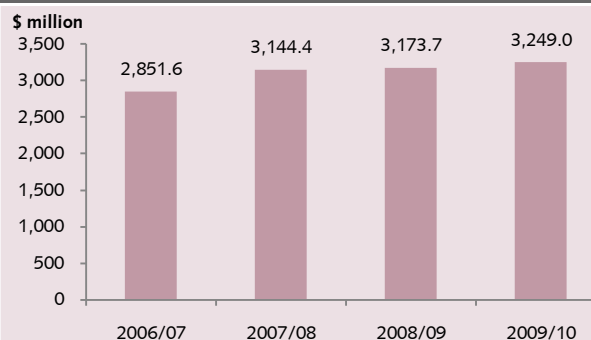
The financial summary of key items from June 2006/07 to June 2009/10 is shown as follows:



RATEPAYERS EQUITY



TOTAL FIXED ASSETS (INCLUDES INVESTMENT PROPERTIES)



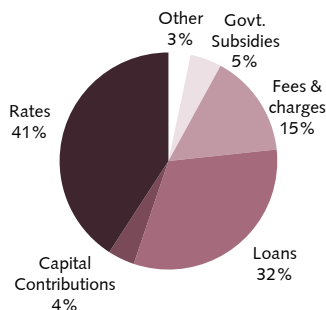
CAPITAL EXPENDITURE



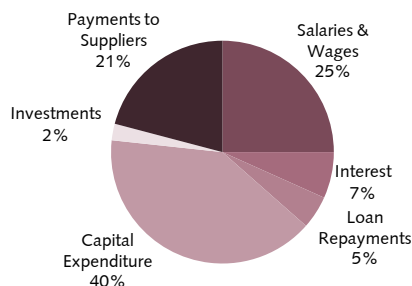
CASH FLOW

The sources and uses of cash for the year ended 30 June 2010 is summarised as follows:

SOURCES OF CASH (\$263.7M)



USES OF CASH (\$255.2M)



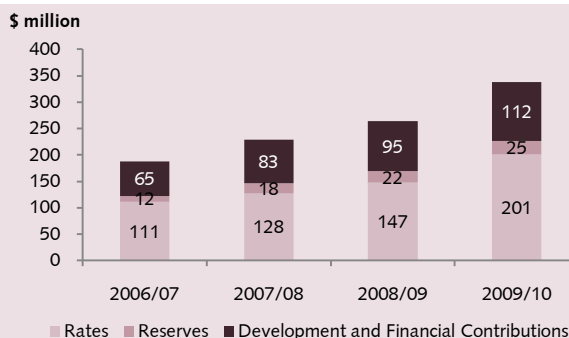
CITY DEBT

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 provided 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 2010 and how it is funded in subsequent years.

NET DEBT FUNDING SOURCES



DEBT SERVICING PERFORMANCE TARGETS

POLICY LIMITS - COUNCIL NET DEBT (EXCLUDING DC DEBT)

1. **Interest on Council debt (excluding interest on Development and Financial Contributions Levy (DC debt)) shall not exceed 20% of total rating income.**

Interest on Council's debt for the year ended 30 June 2010 was \$11.74 million, with rating income of \$108.9 million (before remissions and penalties).

■ The target has been met at 10.8%.

2. **Net debt (Council) shall not exceed 180% of total income (excluding total DC contributions received per annum in income).**

(Total income excludes vested assets)

Council's net debt as at 30 June 2010 was \$226.4 million, with total income of \$164.8 million.

■ The target has been met at 137%.

3. **Net debt (Council) per capita shall not exceed \$2,000.**

Council's net debt as at 30 June 2010 was \$226.4 million, with the estimated population of Hamilton of 144,000.

■ The target has been met at \$1,574.

POLICY LIMITS - TOTAL NET DEBT (INCLUDING DC DEBT)

1. **Net debt shall not exceed 25% of total assets.**

Total net debt as at 30 June was \$338.5 million, with total assets of \$3,322.2 million.

■ The target has been met at 10.2%.

2. **Net debt shall not exceed 300% of total income (including total DC contributions received per annum in income).**

Total net debt as at 30 June 2010 was \$338.5 million, with total income of \$170.5 million (total income excludes vested assets).

■ The target has been met at 198.5%.

3. **Interest (total) shall not exceed 20% of total income (including total DC contributions received per annum in income).**

Total interest as at 30 June 2010 was \$17.9 million, with total income of \$170.5 million.

■ The target has been met at 10.5%.

4. **Liquidity (on total net debt and working capital) will be at least 110%.**

■ The target has been met at 114.4%.

SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED

	NOTE	GROUP			COMMENTS
		ACTUAL 2009/10 \$000	BUDGET 2009/10 \$000	ACTUAL 2008/09 \$000	
FINANCIAL PERFORMANCE TO 30 JUNE					
Rates revenue		108,462	108,870	103,474	Includes all rates and rates penalties received.
Other revenue		70,187	73,273	76,170	Includes operating revenue, capital contributions, and sundry other income.
Other gains		1,109	-	-	Includes gains on reversal of prior year revaluation.
Total revenue		179,758	182,143	179,644	
Personnel benefit expenses		53,494	53,964	52,087	Includes salaries, wages and any other employee benefits.
Depreciation and amortisation		47,067	46,526	42,924	
Other expenses	(1)	65,508	59,697	63,982	All other operating expenses.
Finance costs	(2)	18,139	19,287	16,029	Interest on borrowings.
Other losses	(3)	11,629	-	21,184	Includes losses on disposal of assets, loss in value of investment properties, fair value losses on interest rate swaps.
Total expenditure		195,837	179,474	196,206	
Surplus/(deficit) before taxation		(16,079)	2,669	(16,562)	
Taxation		-	-	-	
Share of associate's retained surplus/(deficit)		(4,857)	-	(272)	Includes Hamilton Riverview Hotel Ltd, Waikato Regional Airport Ltd and Hamilton Fibre Network Ltd.
Surplus/(deficit) after tax		(20,936)	(2,669)	(16,834)	
Other comprehensive income		14,310	93,971	2,571	Includes gains on property revaluations and share of associates comprehensive income.
Total comprehensive income		(6,626)	96,640	(14,263)	
STATEMENT OF CHANGES IN EQUITY TO 30 JUNE 2010					
Total comprehensive income		(6,626)	96,640	(14,263)	
Total recognised revenues and expenses for the year		(6,626)	96,640	(14,263)	
Equity at the beginning of the year		2,954,967	2,953,428	2,969,230	
Equity at the end of the year		2,948,341	3,050,068	2,954,967	Represents the net value of assets owned by the city.
FINANCIAL POSITION AT 30 JUNE					
Current assets		28,038	13,850	18,783	Assets expected to be converted to cash over the next 12 months, e.g. cash, accounts receivable.
Non-current assets		3,294,192	3,412,772	3,226,792	Assets expected to be held for longer than 1 year.
Total Assets		3,322,230	3,426,622	3,245,575	
Current liabilities		122,808	115,484	137,689	Due for repayment within 12 months, e.g. payables, current portion of loan repayments.
Non-current liabilities		251,081	261,070	152,919	Due for repayment after 12 months, e.g. term debt.
Equity		2,948,341	3,050,068	2,954,967	Represents the net value of assets owned by the city.
Total equity and liabilities		3,322,230	3,426,622	3,245,575	
CASH FLOWS TO 30 JUNE					
Opening cash balance at 1 July		478	-	1,289	
Net cash inflows/(outflows) from operating activities		37,123	38,195	36,372	Includes rates, subsidies, receipts from customers, capital contributions, payments to suppliers, employees, and interest on loans.
Net cash inflows/(outflows) from investing activities		(100,903)	(131,576)	(80,343)	Includes capital expenditure and investments.
Net cash inflows/(outflows) from financing activities		72,203	93,631	43,160)	Includes loans uplifted and repaid.
Closing cash balance at 30 June		8,901	250	478	

Notes

1. Other expenses were \$5.8 million greater than budget due mainly to increased expenditure including the allocation of corporate overheads to City Profile.
2. Finance costs were \$1.1 million less than budget due to the later timing of borrowings required for various capital projects.
3. Other losses totalling \$11.6 million were not budgeted for as they were unexpected, such as losses on disposal of assets of \$4.8 million, or not yet realised such as revaluation losses on investment properties of \$0.9 million, and fair value losses on interest rate swaps of \$5.8 million.

Accounting policies

Hamilton City Council is a territorial authority governed by the Local Government Act 2002. The financial statements cover all the activities of Hamilton City

Council and its 100 per cent owned Council Controlled Organisation (CCO), Hamilton Properties Ltd. This company is not trading at present.

Hamilton City Council's 50% share in the Waikato Regional Airport Ltd, 41.38% share in Hamilton Riverview Hotel Ltd (Novotel) and 34.67% share of Hamilton Fibre Networks Ltd is equity accounted in the group results.

Hamilton City Council has complied with New Zealand equivalents to the International Financial Reporting Standards as applicable for public benefit entities in its full Financial Statements. This Summary complies with FRS 43 and this Standard includes a requirement to comply with New Zealand GAAP or NZ IFRS.

All amounts are shown in NZ\$000's and as such are rounded to the nearest \$1,000.

Capital commitments and contingent liabilities

Council has contracts committing it to spend \$54.3 million (2009 \$69.9 million) on capital works. In addition, Council has authorised a further \$64 million (2009 \$67.1 million) for expenditure on capital projects that are as yet unstarted.

Contingent liabilities, which are dependent on other future events, are \$6.7 million (2009 \$8.0 million).

Subsequent Events after Balance Date

On the 11 August 2010 Council accepted a shareholding offer in Innovation Waikato Limited from The Katolyst Group to convert the existing \$2.4m loan into a 19.8% equity share in the company. It is expected the share issue will be completed by 30 September 2010. There will be 2 shareholders in Innovation Waikato Limited - Council 19.8%, and The Katolyst Group 80.2%.

Disclaimer

The specific disclosures included in this summary annual report have been extracted from the full annual report and was authorised for issue by the Chief Executive on the 24th September 2010.

This summary can not be expected to provide as complete an understanding as provided by the full annual report of the financial and service performance, financial position and cash flows of Hamilton City Council.

The summary has been examined for consistency with the full annual report and was audited by Audit New Zealand on behalf of the Office of the Auditor-General. The full annual report and summary received an unqualified audit opinion on the 24th September 2010.

The full annual report can be obtained from the website- www.hamilton.co.nz or from the Hamilton City Council main office.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010						
	NOTE	COUNCIL			GROUP	
		ACTUAL 2009/10 \$000	BUDGET 2009/10 \$000	ACTUAL 2008/09 \$000	ACTUAL 2009/10 \$000	ACTUAL 2008/09 \$000
INCOME						
Rates revenue	2	108,462	108,870	103,474	108,462	103,474
Other revenue	3	70,187	73,273	76,170	70,187	76,170
Other gains	4	1,109	-	-	1,109	-
Total operating revenue		179,758	182,143	179,644	179,758	179,644
EXPENDITURE						
Personnel expenses	5	53,494	53,964	52,087	53,494	52,087
Depreciation and amortisation	14/15	47,067	46,526	42,924	47,067	42,924
Other expenses	6	65,508	59,697	63,982	65,508	63,982
Finance costs	7	18,139	19,287	16,029	18,139	16,029
Other losses	4	11,629	-	21,184	11,629	21,184
Total operating expenditure		195,837	179,474	196,206	195,837	196,206
Share of associate's surplus/(deficit)	17	-	-	-	(4,857)	(272)
Surplus/(deficit) before tax		(16,079)	2,669	(16,562)	(20,936)	(16,834)
Income tax expense	8	-	-	-	-	-
Surplus/(deficit) after tax		(16,079)	2,669	(16,562)	(20,936)	(16,834)
Surplus/(deficit) attributable to:						
Hamilton City Council		(16,079)	2,669	(16,562)	(20,936)	(16,834)
Other Comprehensive Income						
Gain on property revaluations	22	18,087	93,971	2,670	18,087	2,670
Financial assets at fair value through other comprehensive income	22	8	-	2	8	2
Share of associate's comprehensive income	17	-	-	-	(3,785)	(101)
Total other comprehensive income		18,095	93,971	2,672	14,310	2,571
Total comprehensive income		2,016	96,640	(13,890)	(6,626)	(14,263)
Total comprehensive income attributed to:						
Hamilton City Council		2,016	96,640	(13,890)	(6,626)	(14,263)

Explanations of major variances against budget are provided in note 32.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2010						
	NOTE	COUNCIL			GROUP	
		ACTUAL 2009/10 \$000	BUDGET 2009/10 \$000	ACTUAL 2008/09 \$000	ACTUAL 2009/10 \$000	ACTUAL 2008/09 \$000
BALANCE AT 1 JULY		2,921,687	2,953,428	2,935,577	2,954,967	2,969,230
Total comprehensive income previously reported		2,016	96,640	(13,890)	(6,626)	(14,263)
Total comprehensive income as restated		2,016	96,640	(13,890)	(6,626)	(14,263)
Balance at 30 June	22	2,923,703	3,050,068	2,921,687	2,948,341	2,954,967
<i>Total comprehensive income attributable to:</i>						
Hamilton City Council		2,016	96,640	(13,890)	(6,626)	(14,263)
Total comprehensive income		2,016	96,640	(13,890)	(6,626)	(14,263)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010						
	NOTE	COUNCIL			GROUP	
		ACTUAL 2009/10 \$000	BUDGET 2009/10 \$000	ACTUAL 2008/09 \$000	ACTUAL 2009/10 \$000	ACTUAL 2008/09 \$000
ASSETS						
Current assets						
Cash and cash equivalents	9	8,901	250	478	8,901	478
Debtors and other receivables	10	17,836	13,000	15,611	17,836	15,611
Inventory	11	584	600	861	584	861
Other financial assets	12	600	-	1,833	600	1,833
Derivative financial instruments	13	117	-	-	117	-
Total current assets		28,038	13,850	18,783	28,038	18,783
Non-current assets						
Property, plant and equipment	14	3,192,375	3,325,429	3,116,710	3,192,375	3,116,710
Intangible assets	15	5,906	7,105	4,975	5,906	4,975
Investment property	16	50,780	64,194	52,081	50,780	52,081
Investment in associates	17	14,884	13,697	13,697	39,523	46,978
Other financial assets	12	5,609	2,347	6,049	5,608	6,048
Derivative financial instruments	13	-	-	-	-	-
Total non-current assets		3,269,554	3,412,772	3,193,512	3,294,192	3,226,792
Total assets		3,297,592	3,426,622	3,212,295	3,322,230	3,245,575
LIABILITIES						
Current liabilities						
Creditors and other payables	18	31,502	25,000	28,208	31,502	28,208
Provisions	19	2,175	355	2,033	2,175	2,033
Employee entitlements	20	5,810	5,000	5,489	5,810	5,489
Borrowings	21	83,321	85,149	100,868	83,321	100,868
Derivative financial instruments	13	-	-	1,091	-	1,091
Total current liabilities		122,808	115,484	137,689	122,808	137,689
Non-current liabilities						
Provisions	19	7,842	4,566	7,782	7,842	7,782
Employee entitlements	20	1,701	1,500	1,799	1,701	1,799
Borrowings	21	229,210	255,004	138,079	229,210	138,079
Derivative financial instruments	13	12,328	-	5,259	12,328	5,259
Total non-current liabilities		251,081	261,070	152,919	251,081	152,919
Total liabilities		373,889	376,554	290,608	373,889	290,608
Net assets		2,923,703	3,050,068	2,921,687	2,948,341	2,954,967
EQUITY						
Accumulated funds	22	1,568,671	1,606,946	1,581,254	1,579,451	1,596,891
Other reserves	22	1,355,032	1,443,122	1,340,433	1,368,890	1,358,076
Total equity attributed to Hamilton City Council		2,923,703	3,050,068	2,921,687	2,948,341	2,954,967
Non-controlling interest						
Total equity		2,923,703	3,050,068	2,921,687	2,948,341	2,954,967

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2010						
	NOTE	COUNCIL			GROUP	
		ACTUAL 2009/10 \$000	BUDGET 2009/10 \$000	ACTUAL 2008/09 \$000	ACTUAL 2009/10 \$000	ACTUAL 2008/09 \$000
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash was provided from:						
Rates revenue		107,976	108,870	102,630	107,976	102,630
Fees, rents and charges		40,740	42,321	40,265	40,740	40,265
Government operating subsidies and grants		4,706	3,511	3,847	4,706	3,847
Government capital subsidies and grants		7,696	3,964	7,224	7,696	7,224
Other capital contributions		9,472	12,432	10,416	9,472	10,416
Interest received		638	20	20	638	20
Dividends received		15	25	235	15	235
Net GST received		-	-	2,321	-	2,321
		171,243	171,143	166,958	171,243	166,958
Cash was applied to:						
Salaries and wages		53,271	53,964	51,470	53,271	51,470
Payments for supplies and services		62,193	58,197	63,986	62,193	63,986
Interest paid		17,045	19,287	15,130	17,045	15,130
Net GST paid		1,611	1,500	-	1,611	-
		134,120	132,948	130,586	134,120	130,586
Net cash from operating activities	23	37,123	38,195	36,372	37,123	36,372
CASH FLOW FROM INVESTING ACTIVITIES						
Cash was provided from:						
Proceeds from sale of investment property		371	-	-	371	-
Proceeds from sale of property, plant and equipment		6,968	2,250	420	6,968	420
Proceeds from sale of investments		827	-	2,716	827	2,716
		8,166	2,250	3,136	8,166	3,136
Cash was applied to:						
Acquisition of investments		6,152	-	3,659	6,152	3,659
Purchase of investment property		37	-	239	37	239
Purchase of intangible assets		1,371	-	76	1,371	76
Purchase of property, plant and equipment		101,509	133,826	79,505	101,509	79,505
		109,069	133,826	83,479	109,069	83,479
Net cash from investing activities		(100,903)	(131,576)	(80,343)	(100,903)	(80,343)
CASH FLOWS FROM FINANCING ACTIVITIES						
Cash was provided from:						
Loan raised		83,871	106,636	50,350	83,871	50,350
Finance leases raised		643	-	1,423	643	1,423
		84,514	106,636	51,773	84,514	51,773
Cash was applied to:						
Loan repayments		11,100	13,005	7,353	11,100	7,353
Finance lease repayments		1,211	-	1,260	1,211	1,260
		12,311	13,005	8,613	12,311	8,613
Net cash from financing activities		72,203	93,631	43,160	72,203	43,160
Net increase/(decrease) in cash held		8,423	250	(811)	8,423	(811)
Opening cash and cash equivalents balance		478	-	1,289	478	1,289
Closing cash and cash equivalents balance	9	8,901	250	478	8,901	478

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

Hamilton City Council (the Council) is a territorial local authority governed by the Local Government Act 2002 and is domiciled in New Zealand.

The primary objective of Council is to provide goods or services for the community or social benefit rather than making a financial return.

Accordingly, the Council has designated itself and the group as a public benefit entities as defined under New Zealand International Financial Reporting Standards (NZ IFRS).

The group consists of the ultimate parent, Council, and its subsidiary, Hamilton Properties Ltd (100% owned). The following associates Waikato Regional Airport Ltd, Hamilton Riverview Hotel Ltd and Hamilton Fibre Network Ltd are equity accounted.

The financial statements of the Council and group are for the year ended 30 June 2010. The financial statements were authorised for issue by Council on the 24 September 2010.

Basis of Preparation

Statement of Compliance

The financial statements of the Council and group have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

Measurement Base

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructure assets, investment property and financial instruments (including derivative instruments).

Functional and Presentation Currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000). The functional currency of the Council and its subsidiary and associates is New Zealand dollars.

Changes in Accounting Policies

There have been no changes in accounting policies during the financial year.

The Council and group have adopted the following revisions to accounting standards during the financial year, which have had only a presentational or disclosure effect:

- NZ IAS 1 Presentation of Financial Accounts (Revised 2007) replaces NZ IAS Presentation of Financial statements (Issued 2004). The revised standard requires information in financial statements to be

aggregated on the basis of shared characteristics and introduces a statement of comprehensive income. The statement of comprehensive income will enable readers to analyse changes in equity resulting from non-owner changes separately from transactions with owners. The Council and group have decided to prepare a single statement of comprehensive income for the year ended 30 June 2010 under the revised standard. Financial statement information for the year ended 30 June 2009 has been restated accordingly. Items of other comprehensive income presented in the statement of comprehensive income were previously recognised directly in the statement of changes in equity.

- Amendments to NZ IFRS 7 Financial Instruments: Disclosures. The amendments introduce a three-level fair value disclosure hierarchy that distinguishes fair value measurements by the significance of valuation inputs used. A maturity analysis of financial assets is also required to be prepared if this information is necessary to enable users of the financial statements to evaluate the nature and extent of liquidity risk. The transitional provisions of the amendment do not require disclosure of comparative information in the first year of application. The Council and group have elected to disclose comparative information.
- NZ IAS 24 Related Party Disclosures (Revised 2009) replaces NZ IAS 24 Related Party Disclosures (Issued 2004). The revised standard simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition. The Council and group have elected to early adopt the revised standard and its effect has been to disclose further information about commitments between related parties.

Standards, amendments, and Interpretation issued that are not yet effective and have not been early adopted.

Standards, amendments, and interpretations issued but not yet effective and have not been early adopted, and which are relevant to the Council and group, are:

- NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following three main phases: Phase 1 Classification and Measurement, Phase 2 Impairment methodology, and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised costs or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the many different impairment methods in NZ IAS 39. The new standard is required to be adopted for the year ended 20 June 2014. Council has not yet assessed the

effect of the new standard and expects it will not be early adopted.

Significant Accounting Policies

Basis of Consolidation

Subsidiaries

Subsidiaries are those entities in which Council has control. Hamilton Properties Ltd is Council's only subsidiary, and has been exempted as Council Controlled Organisation. The company is inactive.

The parent financial statements show the investment in this subsidiary at cost.

Associate Companies

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

The results of Waikato Regional Airport Ltd, Hamilton Riverview Hotel Ltd, and Hamilton Fibre Network Ltd have been reflected in the group financial statements on an equity accounting basis. The method shows the share of surplus/deficits in the group financial statement of comprehensive income and the original investment updated for the share of post-acquisition changes in net assets of associates in the group statement of financial position.

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Rates Revenue

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

Water billing revenue is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year-end, is accrued on an average usage basis.

Other Revenue

Traffic and parking infringements are recognised when tickets are issued.

New Zealand Transport Agency 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.

Interest income is recognised as it accrues, using the effective interest method. The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this rate to the principal outstanding to determine interest income each period.

Dividend income is recognised when the right to receive payment is established.

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

Borrowing Costs

The Council and group have elected to defer the adoption of NZ IAS 23 Borrowing Costs (revised 2007) in accordance with its transitional provisions that are applicable to public benefit entities.

Consequently, all borrowing costs are recognised as an expense in the period in which they are incurred.

Grant Expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of Council's decision.

Foreign Currency Transactions

Foreign currency transactions (including those for which foreign exchange contract are held) are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the surplus/deficit.

Goods and Services Tax (GST)

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

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income Tax

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantially enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, using tax rates that have been enacted or substantially enacted by balance date.

Current tax and deferred tax is recognised against the surplus or deficit for the period, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

Property, Plant and Equipment

Property, plant and equipment consist of:

Operational Assets

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

Zoo Animals

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

Restricted Assets

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

Heritage Assets

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

Infrastructure Assets

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

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

Additions

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

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

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

Subsequent Costs

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

Valuation

Unless stated, valuations are carried out or reviewed by independent qualified valuers and are carried out with sufficient regularity to ensure that the carrying value does not differ materially from that which would be determined using fair value at balance date.

Revaluation increases and decreases relating to individual assets within a class of assets are offset. Revaluation increases and decreases in respect of assets in different classes are not offset.

The net revaluation results are credited or debited to other comprehensive income and are accumulated to an asset revaluation reserve in equity for that class of asset. Where the result is a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive income but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive income.

Depreciation

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

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

ASSETS	USEFUL LIFE	DEPRECIATION RATE
Buildings - structure/fit out/services	40-100yrs	1%-2.5%
Plant and Vehicles	3-15 yrs	6.6%-33.3%
Furniture, Fittings and Equipment	5-10 yrs	10%-20%
Library Books	14 yrs	7.1%
Zoo Animal (acquisition costs)	10 yrs	10%
Roads and Traffic Network:		
• Top surface (seal)	6 - 18 yrs	5.5% - 16.6%
• Pavement (basecourse)	25 - 50 yrs	2% - 4%
• Catchpits	50 yrs	2%
• Culverts	60 - 80 yrs	1.25% - 1.6%
• Footpaths	50 - 70 yrs	1.4% - 2%
• Kerbs and traffic islands	70 yrs	1.4%
• Signs	12 yrs	8.3%
• Street lights	25 yrs	4%
• Bridges	150 yrs	0.6%
• Traffic signals	15 yrs	6.6%
• Barriers	25 - 40 yrs	2.5% - 4%
• Bus shelters and parking meters	4 - 10 yrs	10% - 25%
• Verge, embankment and retaining walls	60 yrs	1.6%
Wastewater Reticulation:		
• Pipes	60 - 100 yrs	1% - 1.6%
• Manholes	75 years	1.3%
• Treatment Plant	5 - 100 yrs	1% - 20%
• Bridges	75 - 100 yrs	1% - 1.3%
• Pump stations	15 - 100 yrs	1% - 6.6%
Stormwater System:		
• Pipes	100 yrs	1%
• Manholes, cesspits	100 yrs	1%
• Service connections and outlets	30 - 100 yrs	1% - 3.3%
Water Reticulation:		
• Pipes	60 - 80 yrs	1.25% - 1.6%
• Butterfly valves	50 - 75 yrs	1.3% - 2%
• Treatment plant	10 - 120 yrs	0.8% - 10%
• Meters	20 yrs	5%
• Hydrants	50 yrs	2%
• Reservoirs	30 - 80 yrs	1.25% - 3.3%

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
- Non-current asset held for resale
- Work in progress and assets under construction

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

Investment Properties

Investment properties, which are held to earn rental income and/or for capital appreciation, are stated at fair value. 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.

Gains or losses arising from changes in the fair value of investment property are included in the surplus/deficit for the period in which they arise.

Non-Current Assets Held for Sale

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

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

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Intangible Assets

Intangible assets comprise:

Computer software licences are capitalised at historic cost and are amortised on a straight-line basis over their estimated useful lives (5 years). Costs associated with maintaining computer software are recognised as an expense when incurred.

Resource consents which are not attributed to a specific asset They are capitalised at historic cost and are amortised on a straight-line basis over their estimated useful lives (7 to 35 years).

Impairment of Non-Financial Assets

The carrying amount of the Council's assets, other than investment property and inventories are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Council estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where the future economic benefits of an asset are not primarily dependant on the asset's ability to generate net cash flows, and where the Council would, if deprived of the asset, replace its remaining future economic benefits, value in use shall be determined as the depreciated replacement cost of the asset.

Where the Council accounts for revaluations of property, plant and equipment on a class of asset basis, an impairment loss on a revalued asset is recognised directly against any revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation reserve for that same class of asset.

Where the Council accounts for revaluations of property, plant and equipment on a class of asset basis, a reversal of an impairment loss on a revalued asset is credited directly to the revaluation reserve. However, to the extent that an impairment loss on the same class of asset was previously recognised in the surplus or deficit, a reversal of that impairment loss is also recognised in the surplus or deficit.

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less any estimated costs of completion and selling expenses.

The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

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

Financial Instruments

Financial assets and liabilities are recognised on the Council's statement of financial position when the Council becomes a party to the contractual provisions of the instrument.

Financial Assets

- *Trade and Other Receivables*

Trade and other receivables are measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

- *Investments*

The Council classifies its investments in the following categories:

Loans and Receivables

Loans and receivables, such as general and community loans, mortgages, deposits and term deposits, are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are measured at initial recognition, at fair value, and subsequently carried at amortised cost less impairment losses.

Held-to-Maturity Investments

Held-to-maturity investments, such as the Sinking Fund, are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity. They are measured at initial recognition at fair value, and subsequently carried at amortised cost less impairment losses.

Other Investments

Investments other than held-to-maturity are classed as either investments held-for-trading or as available-for-sale and are stated at cost less the annual test for impairment. For assets designated as held-for-trading, any resultant gain or loss from changes in the value are recognised in the surplus or deficit. For assets designated as available-for-sale, which are measured at fair value, any resultant gain or loss from changes in the fair value is recognised in other comprehensive income e.g. shares in Local Authority Shared Services Ltd and NZ Local Government Insurance Co Ltd.

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

- *Impairment of Financial Assets*

Financial assets are assessed for objective evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

Loans and other receivables, and held-to-maturity investments.

Impairment is established when there is objective evidence that Council and group will not be able to collect amounts due according to the original terms of the debt. Significant financial difficulties of the debtor, probability that the debtors will enter into bankruptcy, and default payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectable, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

Financial assets at fair value through other comprehensive income.

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt instruments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through the other comprehensive income, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive income is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

Financial Liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Council after deducting all of its liabilities.

- **Bank Borrowings**

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Finance charges, premiums payable on settlement or redemption and direct costs are accounted for on an accrual basis to the surplus or deficit using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

- **Debt**

Debt is categorised as follows:

Total Debt includes all external and internal borrowing

Net Debt is equal to total debt less internal borrowing

Total Council Debt is equal to total debt less debt funded by development contributions

Note that internal borrowing is eliminated in the financial statements.

- **Trade and Other Payables**

Trade and other payables are initially measured at fair value, and where appropriate are subsequently measured at amortised cost, using the effective interest rate method.

- **Derivative Financial Instruments**

The Council's activities expose it primarily to the financial risks of changes in foreign exchange rates and interest rates. Council uses foreign exchange forward contracts and interest rate swaps to manage their foreign currency and interest rate exposure. Derivative financial instruments are recognised initially at fair

value. The Council has elected not to hedge account for these derivative financial instruments.

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

Employee Benefits

Provision is made in respect of the liability for annual leave, retirement gratuities and short-term compensated absences.

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 twelve months after balance date.

Payments to defined contribution superannuation schemes are recognised as an expense in the financial statements as incurred.

The provision for short-term compensated absences (e.g. sick leave) has been measured as the amount of unused entitlement accumulated at the pay period ending immediately prior to the balance date that the entity anticipates employees will use in future periods, in excess of the days that they will be entitled to in each of those periods.

Superannuation Schemes

Defined contribution schemes

Obligations for contributions to defined contribution schemes are recognised as an expense in the surplus or deficit as incurred.

Leases

Leases consist of:

Finance Leases

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

At the commencement of the lease term, Council recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

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

Operating Leases

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

Provisions

Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

Landfill Post-Closure Costs

Council, as operator of the Horotiu landfill, which was closed on 31 December 2006, 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.

All subsequent changes in the liability shall be recognised in the surplus /deficit and the periodic unwinding of the discount will also be recognised in the surplus/deficit as a finance cost as it occurs.

Equity

Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- *Accumulated funds*
- *Revaluation reserves*
- *Restricted reserves*
- *Council created reserves*

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.

Contingent Assets and Contingent Liabilities

Contingent assets and contingent liabilities are recorded at the point at which the contingency is evident and if the possibility that they will materialise is not remote.

Contingent assets are disclosed if it is probable that the benefits will be realised.

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.

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.

Critical Accounting Estimates and Assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumption may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk if causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Infrastructural assets

Note 14, provides information about the estimates and assumptions applied in determining the fair value of infrastructural assets.

Landfill aftercare provision

Note 19, provides information about the estimates and assumptions surrounding the landfill aftercare provision.

Critical Judgement in Applying Accounting Policies

Management has exercised the following critical judgements in applying accounting policies for the year ended 30 June 2010:

Classification of property

The Council owns a number of properties held to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of the Council's social housing policy. The properties are accounted for as property, plant and equipment.

Budget Figures

The budget figures are those approved by the Council in its 2009-2019 Long-term Council Community Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

NOTE 2: RATES REVENUE

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
General rates	99,041	93,484	99,041	93,484
Targeted rates attributed to activities:				
Access Hamilton	2,855	4,001	2,855	4,001
Water by meter	5,933	5,435	5,933	5,435
100% non-rateable land	784	742	784	742
50% non-rateable land	107	102	107	102
Business improvement district	198	-	198	-
Total targeted rates	108,918	103,764	108,918	103,764
Rates penalties	740	670	740	670
Less rates remission				
Hardship	(184)	(189)	(184)	(189)
Special values	(178)	(202)	(178)	(202)
Less rates charges to Council properties	(834)	(569)	(834)	(569)
Total rates revenue	108,462	103,474	108,462	103,474

Rates Remission

Rates revenue is shown net of rates remissions. The Council's rates remission policy allows rates to be remitted on condition of a ratepayer's extreme financial hardship, and land protected for historical or cultural purposes. Commercial and residential properties in rural areas where services are not available are also covered under the rates remission policy.

Non-rateable land

Under the Local Government (Rating) Act 2002 certain properties cannot be rated for general rates. These properties include schools, places of religious worship, public gardens and reserves. These non-rateable properties may be subject to targeted rates in respect of sewage, water, refuse and sanitation. Non-rateable land does not constitute a remission under the Council's rates remission policy.

NOTE 3: OTHER REVENUE

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Revenue				
City profile	7,790	9,095	7,790	9,095
City safety	1,617	1,806	1,617	1,806
Community development and amenities	4,285	3,928	4,285	3,928
Democracy	33	28	33	28
Event and cultural venues	6,073	6,530	6,073	6,530
Recreation	5,018	4,315	5,018	4,315
Transportation	11,789	11,227	11,789	11,227
Urban development	5,616	3,756	5,616	3,756
Waste minimisation	672	873	672	873
Water management	3,050	3,340	3,050	3,340
	45,943*	44,898*	45,943*	44,898*
Less internal revenue	(1,456)	(1,843)	(1,456)	(1,843)
	44,487	43,055	44,487	43,055
Capital contributions				
Capital subsidies	7,696	7,224	7,696	7,224
Vested assets	7,892	14,581	7,892	14,581
Contributed to project watershed reserve	657	641	657	641
Contribution to development contribution reserves	5,716	6,570	5,716	6,570
Contribution for bus shelter (adshel) reserve	15	44	15	44
Other contributions/grants	3,084	3,161	3,084	3,161
Total capital contributions	25,060	32,221	25,060	32,221
Sundry revenue				
Dividends	15	235	15	235
Investment income	215	232	215	232
Other sundry revenue	410	427	410	427
Total sundry revenue	640	894	640	894
Total other revenue	70,187	76,170	70,187	76,170

*Refer to cost of service statements in Section 4.1 - 4.10

Comparative figures for 2009 have been restated to reflect changes in the classification of petrol tax from sundry revenue in 2009 to transportation revenue.

Revenue items included in the Cost of Service Statements are noted below:

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
User charges	20,462	19,318	20,462	19,318
Infringements and fines	2,783	3,304	2,783	3,304
Rental income from investment properties	4,761	3,959	4,761	3,959
Other rental income	3,790	4,530	3,790	4,530
Internal revenue	1,456	1,843	1,456	1,843
Other	12,691	11,944	12,691	11,944
	45,943	44,898	45,943	44,898

NOTE 4: OTHER GAINS/(LOSSES)

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Loss on disposal of property, plant and equipment	(4,805)	(2,804)	(4,805)	(2,804)
Loss in changes in fair value of investment properties	(963)	(8,718)	(963)	(8,718)
Loss in changes in fair value of interest rate swaps	(5,861)	(9,662)	(5,861)	(9,662)
Total losses	(11,629)	(21,184)	(11,629)	(21,184)
Gain recognised on reversal of prior years revaluation of property, plant and equipment (note 14)	1,109	-	1,109	-
Total other gains/(losses)	(10,520)	(21,184)	(10,520)	(21,184)

NOTE 5: PERSONNEL COSTS

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Salaries and wages	52,759	51,634	52,759	51,634
Defined contribution plan employer contributions*	414	156	414	156
Increase/(decrease) in employee benefits liabilities	321	297	321	297
Total employee benefit expenses	53,494	52,087	53,494	52,087

*Employer contributions to defined contribution plans include contributions to Kiwisaver and the DBP Contributions Scheme.

NOTE 6: OTHER EXPENSES

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
City profile*	16,815	14,492	16,815	14,492
City safety*	3,798	4,264	3,798	4,264
Community development and amenities*	18,844	18,145	18,844	18,145
Democracy*	5,430	7,397	5,430	7,397
Event and cultural venues*	22,001	19,374	22,001	19,374
Recreation*	28,746	25,470	28,746	25,470
Transportation*	39,602	34,044	39,602	34,044
Urban development*	10,517	7,490	10,517	7,490
Waste minimisation*	5,946	8,640	5,946	8,640
Water management*	40,169	41,214	40,169	41,214
	191,868	180,530	191,868	180,530
Less internal expenses	(1,456)	(1,843)	(1,456)	(1,843)
Less rates charges to Council properties	(834)	(569)	(834)	(569)
Less (loss)/gain on disposal of property, plant and equipment**	(4,805)	(2,804)	(4,805)	(2,804)
Less interest on internal borrowing	(920)	(685)	(920)	(685)
	183,853	174,629	183,853	174,629
Sundry expenditure	(26)	143	(26)	143
	183,827	174,772	183,827	174,772
Less personnel expenses	(53,494)	(52,087)	(53,494)	(52,087)
Less depreciation and amortisation	(47,067)	(42,924)	(47,067)	(42,924)
Less finance expenses	(17,758)	(15,779)	(17,758)	(15,779)
Total other expenses	65,508	63,982	65,508	63,982

*Refer to Cost of Service Statements in Sections 4.1 -4.10

**Reclassified to other gains/(losses) - see note 4.

Items included in other expenses are noted below:

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Fees to principal auditor:				
Audit fees for annual report	156	153	156	153
Audit fees for Long Term Council Community Plan (LTCCP)	-	117	-	117
Audit fees for Council's amendment to the LTCCP	9	-	9	-
Fees for assurance services*	9	20	9	20
ACC partnership programme	425	494	425	494
Inventories	562	607	562	607
Impairment of receivables (note 10)	2,452	1,299	2,452	1,299
Minimum lease payments under operating leases	699	661	699	661
Insurance premiums	926	1,024	926	1,024
Other operating expenses	60,270	59,607	60,270	59,607
Total other expenses	65,508	63,982	65,508	63,982

*Fees for the 2010 year were for quality assurance services in relation to Project Pheonix. Fees for the 2009 year were for assurance services in relation to a review of the processes for procuring consultants and contractors for the City Heart Revitalisation project.

NOTE 7: FINANCE COSTS

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Interest expense				
Interest on bank borrowings	17,051	15,257	17,051	15,257
Interest on leased assets	129	154	129	154
Provision - discount unwinding (note 19)	578	368	578	368
Total interest expense	17,758	15,779	17,758	15,779
Fair value losses/(gains)				
Fair value adjusted for bank borrowings	381	250	381	250
Total fair value losses/(gains)	381	250	381	250
Total finance costs	18,139	16,029	18,139	16,029

NOTE 8: TAX

COMPONENTS OF TAX EXPENSE	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Current tax expense	-	-	-	-
Deferred tax expense	-	-	-	-
Income tax expense	-	-	-	-

RELATIONSHIP BETWEEN TAX EXPENSE AND ACCOUNTING PROFIT	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Surplus/(deficit) before tax	(16,079)	(16,562)	(20,936)	(16,834)
Tax at 30%	(4,824)	(4,969)	(5,050)	(5,050)
Effect of tax exempt income	4,823	4,957	4,957	4,957
Taxation loss not recognised	1	12	12	12
Equity accounted earnings of associates (less dividends)	-	-	81	81
Tax expense	-	-	-	-

Income tax recognised directly in equity

The amount of current and deferred tax charges or credited to equity during the period was \$nil (2009 \$nil).

Unrecognised deferred tax liabilities

As at 30 June 2010 Council had an unrecognised deferred tax liability of \$nil (2009 \$nil).

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Tax losses - Council	34	33	34	33
Tax losses - Hamilton Properties Limited	-	-	144	144
	34	33	178	177

Under current income tax legislation the tax losses do not expire. Deferred tax assets have not been recognised in respect of these items, as it is not probable that future taxable profits will be available against which the benefit of the losses can be utilised.

MOVEMENT IN UNRECOGNISED DEFERRED TAX ASSETS AND LIABILITIES DURING THE YEAR	TAX LOSSES \$000
Balance as at 1 July 2008	167
Prior period adjustment	(2)
Additions/(reductions) during the year	12
Recognised during the year	-
Balance as at 30 June 2009	177
Additions/(reductions) during the year	1
Recognised during the year	-
Balance as at 30 June 2010	178

NOTE 9: CASH AND CASH EQUIVALENTS

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Cash at bank and in hand	776	478	776	478
Term deposit maturing 3 months or less from date of acquisition	8,125	-	8,125	-
Total cash and cash equivalents	8,901	478	8,901	478

Council has a bank overdraft facility on the daily trading account that is secured by way of debenture trust deed over general rates. The facility totals \$500,000. At 30 June 2010 the interest rate on the facility was 6.5 per cent per annum, (2009, 6.5 per cent per annum).

Council has a bank overdraft facility on the direct fees account that is also secured by way of debenture trust deed over general rates. The facility totals \$10,000. At 30 June 2010 the interest rate was 6.5 per cent per annum, (2009, 6.5 percent per annum).

The carrying value of cash at bank and term deposits with maturities less than three months approximate their fair value.

Total cash and cash equivalents include cash at bank and in hand along with term deposits with maturities less than three months. These are included in the Statement of Cash Flows.

NOTE 10: DEBTORS AND OTHER RECEIVABLES

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Rates receivables	3,077	2,562	3,077	2,562
New Zealand Transport Agency	2,187	2,334	2,187	2,334
Water by meter	1,204	1,165	1,204	1,165
GST refund due	2,983	1,197	2,983	1,197
Sundry debtors	13,684	11,349	13,684	11,349
Prepayments	588	439	588	439
Gross debtors and other receivables	23,723	19,046	23,723	19,046
Less provision for impairment of receivables	(5,887)	(3,435)	(5,887)	(3,435)
Total debtors and other receivables	17,836	15,611	17,836	15,611

Fair Value

Debtors and other receivables are non-interest bearing and receipt is normally on 30 day terms, therefore the carrying value of debtors and other receivables approximates their fair value.

There is no concentration of credit risk with respect to receivables outside the group, as the group has a large number of customers.

Impairment

Council does not provide for any impairment on rates receivables as it have various powers under the Local Government (Rating) Act 2002 to recover outstanding debts. These powers allow Council to commence legal proceedings to recover any rates that remain unpaid 4 months after the due date for payment. If payment has not been made within 3 months of the Court's judgement, then Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

The provision for impairment of receivables includes \$3,985,114 for parking fines being recovered through the Courts (2009 \$3,206,000). Recovery of these debts is not certain and if recoverable may take several years to collect.

The age of rates receivable overdue, whose payment terms have been renegotiated, but not impaired are as follows:

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
0 to 3 months	2,008	1,694	2,008	1,694
3 to 6 months	432	450	432	450
6 to 9 months	315	240	315	240
9 to 12 months	305	168	305	168
> 12 months	17	10	17	10
Carrying amount	3,077	2,562	3,077	2,562

As at 30 June 2010 and 2009, all overdue receivables, except for rates receivable, have been assessed for impairment and appropriate provisions applied. Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

The impairment provision has been calculated based on expected losses for Council's pool of debtors. Expected losses have been determined based on an analysis of Council's losses in previous periods, and review of specific debtors as detailed below:

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Individual impairment	1,843	171	1,843	171
Collective impairment	4,044	3,264	4,044	3,264
Total provision for impairment	5,887	3,435	5,887	3,435

Individually impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor. An analysis of these individually impaired debtors are as follows:

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
0 to 3 months	-	9	-	9
3 to 6 months	63	8	63	8
6 to 9 months	25	9	25	9
9 to 12 months	9	12	9	12
> 12 months	1,746	133	1,746	133
Total individual impairment	1,843	171	1,843	171

Movements in the provision for impairment of receivables are as follows:

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
At 1 July	3,435	2,136	3,435	2,136
Additional provisions made during the year	2,465	1,344	2,465	1,344
Receivables written off during the period	(13)	(45)	(13)	(45)
At 30 June	5,887	3,435	5,887	3,435

The aging profile of receivables at year end is detailed below:

	2010			2009		
	GROSS \$000	IMPAIRMENT \$000	NET \$000	GROSS \$000	IMPAIRMENT \$000	NET \$000
Council						
Not past due	14,637	(3,690)	10,947	13,798	(2,661)	11,137
Past due 1-60 days	4,829	(105)	4,724	2,327	(133)	2,194
Past due 61-120 days	2,218	(287)	1,931	1,742	(224)	1,518
Past due > 120 days	2,039	(1,805)	234	1,179	(417)	762
Total	23,723	(5,887)	17,836	19,046	(3,435)	15,611
Group						
Not past due	14,637	(3,690)	10,947	13,798	(2,661)	11,137
Past due 1-60 days	4,829	(105)	4,724	2,327	(133)	2,194
Past due 61-120 days	2,218	(287)	1,931	1,742	(224)	1,518
Past due > 120 days	2,039	(1,805)	234	1,179	(417)	762
Total	23,723	(5,887)	17,836	19,046	(3,435)	15,611

NOTE 11: INVENTORY

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Held for distribution inventory:				
Nursery	324	374	324	374
Utilities	176	271	176	271
Other	84	216	84	216
Total inventory	584	861	584	861

No inventories are pledged as security for liabilities (2009 \$nil).

Held for distribution inventory

The carrying amount of inventory held for distribution that are measured at current replacement cost as at 30 June 2010 amounted to \$nil. (2009 \$nil).

The write-down of inventories held for distribution amounted to \$85,735 (2009 \$28,000). There were no reversals of write-downs. (2009 \$nil).

NOTE 12: OTHER FINANCIAL ASSETS

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Current portion:				
Loans and receivables				
Loan to CTC Aviation Training (NZ) Ltd	600	827	600	827
Loan to Hamilton Fibre Network Ltd	-	1,006	-	1,006
Total current portion	600	1,833	600	1,833
Non-current portion:				
Loans and receivables				
Loan to CTC Aviation Training (NZ) Ltd	832	1,432	832	1,432
Loan to Hamilton Fibre Network Ltd	1,030	878	1,030	878
Loan to Innovation Waikato Ltd	2,400	2,400	2,400	2,400
Fair value through equity				
Unlisted shares in subsidiary — Hamilton Properties Ltd (cost)	1	1	-	-
Unlisted shares in Local Authority Shared Services Ltd	728	728	728	728
Unlisted shares in NZ Local Government Insurance Co Ltd	618	610	618	610
Total non-current portion	5,609	6,049	5,608	6,048
Total other financial assets	6,209	7,882	6,208	7,881

There were no impairment provisions for other financial assets. None of the financial assets are either past due or impaired.

The carrying amount of other financial assets approximates their fair value.

The investment in Council's subsidiary Hamilton Properties Ltd is recorded at cost. This company is currently inactive and is exempted as a Council Controlled Organisation.

Investments in unlisted shares are initially recognised at cost with any movements in fair value recognised directly in equity.

Council's share of the surplus for NZ Local Government Insurance Co Ltd for 2010 was \$8,109 (2009 \$2,027) and has been recognised directly in equity.

UNLISTED SHARES	NUMBER OF SHARES	% HOLDING	COUNCIL		GROUP	
			2010 \$000	2009 \$000	2010 \$000	2009 \$000
Hamilton Properties Ltd	1,000	100.00	1	1		
Local Authority Shared Service Ltd						
• Ordinary	1	7.69	1	1	1	1
• Shared Valuation Data	220,514	13.72	221	221	221	221
• Waikato Regional Transport Model	50,625	37.50	506	506	506	506
NZ Local Government Insurance Co Ltd	202,729	3.17	618	610	618	610
Total unlisted shares			1,347	1,339	1,346	1,338

The weighted average interest rates for financial assets (current and non-current) were as follows:

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Loans to CTC Aviation Training (NZ) Ltd	6.38%	7.98%	6.38%	7.98%

Council has an outstanding amount of \$1,432,000 loaned to CTC Training (NZ) Ltd as at 30 June 2010. This loan has been used to construct an aviation training facility at Hamilton International Airport. The loan is secured by a first mortgage over the building including fixtures, partitions and fittings included in the original construction. During the 12 months to 30 June 2010, CTC repaid \$827,135 of the principal balance.

A variation of the loan agreement was reached with CTC, with interest and principal to be paid on a monthly basis and to be fully repaid by October 2012.

Council loaned Innovation Waikato Ltd \$2,400,000 in March 2009 as a contribution towards a new building at Ruakura that was completed in September 2009. This loan is secured by second mortgage over the property. The loan is interest free and repayable on demand pending the finalisation of the specific investment for Council to utilise with Innovation Waikato Limited. This loan will be converted into shares during 2010/11, once the new structure for Innovation Waikato is finalised.

Council's non-current loan to Hamilton Fibre Network Ltd has increased by \$152,768 during the year to \$1,030,443 as at 30 June 2010, as a result of a further contribution of assets by Council to the company.

Council's current loan to Hamilton Fibre Network Ltd of \$1,005,791 as at 30 June 2009 for the sale of assets was converted to 2,905 B shares in Hamilton Fibre Network Ltd on 28 October 2009 - refer note 17 Investments in Associates.

Based on Hamilton Fibre Network Ltd shareholder agreement, interest may be payable on demand by holders of the debts as agreed by the principal parties by special resolution. The interest rate will be based on a specific premium to the risk free rate or such other market rate method as adopted. The principal may not be repaid to Council unless agreed to by the principal parties by special resolution.

NOTE 13: DERIVATIVE FINANCIAL INSTRUMENTS

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Current asset portion				
Interest rate swaps - fair value hedge	114	-	114	-
Foreign currency forward exchange contracts	3	-	3	-
Total current asset portion	117	-	117	-
Non-current asset portion				
Interest rate swaps - fair value hedge	-	-	-	-
Total non-current asset portion	-	-	-	-
Current liability portion				
Interest rate swaps - fair value hedge	-	1,091	-	1,091
Total current liability portion	-	1,091	-	1,091
Non-current liability portion				
Interest rate swaps - fair value hedge	12,328	5,259	12,328	5,259
Total non-current liability portion	12,328	5,259	12,328	5,259

Fair value*Interest rate swaps*

The fair values of the interest rate swaps at the reporting date is determined by discounting the future cash flows using the yield curves at the reporting date.

Forward foreign exchange contracts

The fair values of forward foreign exchange contracts have been determined using a discounted cash flows valuation technique based on the quoted market prices.

Interest rate swaps

The revaluation of interest rate swaps held by Council shows an unrealised mark-to-market revaluation loss for 2010 of \$5,864,000 (2009 loss \$9,622,000). This non-cash revaluation loss is brought about by comparison of the swap fixed rate with the interest yield curve and is recognised in the surplus/(deficit).

The notional principal amounts of outstanding interest rate swap contracts at 30 June 2010 were \$302,500,000 (2009 \$287,259,000). This includes \$nil (2009 \$61,000,000) of forward start swaps, leaving \$302,500,000 (2009 \$226,259,000) in actual committed swaps at 30 June 2010.

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Payable no later than one year	15,000	29,759	15,000	29,759
Later than one, not later than five years	133,500	108,500	133,500	108,500
Later than five years	154,000	149,000	154,000	149,000
Total interest rate swaps	302,500	287,259	302,500	287,259

Foreign currency forward exchange contracts

Council held \$89,000 foreign currency forward exchange contracts at 30 June 2010 (2009 \$nil).

NOTE 14: PROPERTY, PLANT AND EQUIPMENT

Council and Group 2010 (\$'000)

	COST/ REVALUATION 1-JUL-09	ACCUMULATED DEPRECIATION & IMPAIRMENT CHARGES 1-JUL-09	CARRYING AMOUNT 1-JUL-09	CURRENT YEAR ADDITIONS	CURRENT YEAR DISPOSALS AT COST	CURRENT YEAR IMPAIRMENT CHARGES OR WRITE OFFS	CURRENT YEAR DEPRECIATION	REVALUATION	COST/ REVALUATION 30-JUN-10	ACCUMULATED DEPRECIATION & IMPAIRMENT CHARGES 30-JUN-10	CARRYING AMOUNT 30-JUN-10
Operational Assets											
Land	63,489	-	63,489	21	(4,835)	-	-	-	58,675	-	58,675
Buildings	224,130	(23,397)	200,733	17,384	(7,282)	-	(8,458)	-	234,232	(30,762)	203,470
Land - parks and gardens	663,574	-	663,574	5,084	-	-	-	-	668,658	-	668,658
Improvements - parks and gardens	38,972	(4,884)	34,088	5,644	(29)	-	(1,815)	-	44,587	(6,690)	37,897
Plant and equipment	33,934	(14,275)	19,659	2,605	(1,086)	-	(3,114)	-	35,453	(17,080)	18,373
Vehicles	5,893	(3,152)	2,741	841	(489)	-	(587)	-	6,245	(3,341)	2,904
Library books	14,172	(6,641)	7,531	1,497	-	-	(1,047)	-	15,669	(7,688)	7,981
Zoo animals	1,092	(776)	316	-	(4)	-	(110)	-	1,088	(885)	203
Finance lease	4,288	(2,637)	1,651	661	-	-	(1,083)	-	4,949	(3,720)	1,229
Total operating assets	1,049,544	(55,762)	993,782	33,737	(13,725)	-	(16,214)	-	1,069,556	(70,166)	999,390
Restricted assets											
Land	26,255	-	26,255	807	-	-	-	-	27,062	-	27,062
Heritage assets											
Museum and library	28,433	(122)	28,311	429	-	-	122	-	28,862	-	28,862
Infrastructure assets											
Land	17,695	-	17,695	3,000	-	-	-	-	20,695	-	20,695
Refuse	52,955	(251)	52,704	829	(11)	-	(207)	-	53,773	(458)	53,315
Roads and traffic network	1,201,867	(24,645)	1,177,222	40,454	(208)	-	(14,441)	15,371	1,232,800	(14,441)	1,218,359
Stormwater system	267,690	(7,869)	259,821	8,916	(117)	-	(4,172)	-	276,489	(12,037)	264,452
Wastewater system	188,521	(8100)	180,421	7,989	(429)	-	(4,208)	-	196,081	(12,215)	183,866
Wastewater treatment plant	52,016	(4,234)	47,782	1,668	(717)	-	(1,761)	(4,179)	44,594	(1,678)	42,916
Water system	192,237	(8,786)	183,451	10,887	(556)	-	(4,514)	-	202,568	(13,233)	189,335
Water treatment station	49,402	(3,468)	45,934	1,227	(64)	-	(1,232)	8,444	55,588	(1,232)	54,356
Total infrastructure assets	2,022,383	(57,353)	1,965,030	74,970	(2,102)	-	(30,535)	19,636	2,082,588	(55,294)	2,027,294
Work in progress	103,332	-	103,332	6,435	-	-	-	-	109,767	-	109,767
Total property, plant and equipment	3,229,947	(113,237)	3,116,710	116,378	(15,827)	-	(46,627)	19,636	3,317,835	(125,460)	3,192,375

Council and Group 2009 (\$'000)

	COST/ REVALUATION 1-JUL-08	ACCUMULATED DEPRECIATION & IMPAIRMENT CHARGES 1-JUL-08	CARRYING AMOUNT 1-JUL-08	CURRENT YEAR ADDITIONS	CURRENT YEAR DISPOSALS AT COST	CURRENT YEAR IMPAIRMENT CHARGES OR WRITE OFFS	CURRENT YEAR DEPRECIATION	REVALUATION	COST/ REVALUATION 30-JUN-09	ACCUMULATED DEPRECIATION & IMPAIRMENT CHARGES 30-JUN-09	CARRYING AMOUNT 30-JUN-09
Operational Assets											
Land	63,970	-	63,970	21	(502)	-	-	-	63,489	-	63,489
Buildings	222,189	(15,101)	207,088	2,983	(1,042)	-	(8,474)	-	224,130	(23,397)	200,733
Land - parks and gardens	657,200	-	657,200	6,385	(11)	-	-	-	663,574	-	663,574
Improvements - parks and gardens	31,780	(2,771)	29,009	7,248	(41)	(15)	(2,124)	-	38,972	(4,884)	34,088
Plant and equipment	28,546	(10,957)	17,589	5,853	(465)	-	(3,686)	-	33,934	(14,275)	19,659
Vehicles	5,666	(2,782)	2,884	517	(290)	-	(597)	-	5,893	(3,152)	2,741
Library books	13,155	(5,699)	7,456	1,017	-	-	(942)	-	14,172	(6,641)	7,531
Zoo animals	954	(667)	287	139	(1)	-	(109)	-	1,092	(776)	316
Finance lease	3,306	(1,502)	1,804	982	-	-	(1,136)	-	4,288	(2,637)	1,651
Total operating assets	1,026,766	(39,479)	987,287	25,145	(2,352)	(15)	(17,068)	-	1,049,544	(55,762)	993,782
Restricted assets											
Land	25,637	-	25,637	618	-	-	-	-	26,255	-	26,255
Heritage assets											
Museum and library	28,287	(34)	28,253	146	-	-	(89)	-	28,433	(122)	28,311
Infrastructure assets											
Land	17,978	-	17,978	-	(283)	-	-	-	17,695	-	17,695
Refuse	52,950	(129)	52,821	5	-	-	(122)	-	52,955	(251)	52,704
Roads and traffic network	1,164,080	(16,051)	1,148,029	39,986	(2,199)	-	(9,358)	-	1,201,867	(24,645)	1,177,222
Stormwater system	263,498	(3,644)	259,854	4,241	(49)	-	(4,226)	-	267,690	(7,869)	259,821
Wastewater system	182,327	(3,657)	178,670	6,276	(82)	-	(4,444)	-	188,521	(8,100)	180,421
Wastewater treatment plant	52,016	(2,772)	49,244	-	-	-	(1,463)	-	52,016	(4,234)	47,782
Water system	190,038	(4,414)	185,624	2,322	(123)	-	(4,400)	-	192,237	(8,786)	183,451
Water treatment station	49,402	(2,249)	47,153	-	-	-	(1,220)	-	49,402	(3,468)	45,934
Total infrastructure assets	1,972,289	(32,916)	1,939,373	52,830	(2,736)	-	(25,233)	-	2,022,383	(57,353)	1,965,030
Work in progress	97,853	-	97,853	5,479			-	-	103,332	-	103,332
Total property, plant and equipment	3,150,832	(72,429)	3,078,403	84,218	(5,088)	(15)	(42,390)	-	3,229,947	(113,237)	3,116,710

Valuation

Land (Operational, Restricted, Infrastructural and Parks and Gardens)

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to the "unencumbered" land value where there is a designation against the land or the use of the land is restricted because of reserve or endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensively.

The most recent valuation was performed by K Stewart Val Prof Urb, PG Dip Eng Audit, MBA, of Quotable Value Ltd, and the valuation was effective as at 1 July 2006.

Buildings (Operational)

Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions include:

- The replacement asset is based on the reproduction cost of the specific assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity.
- The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.
- The remaining useful life of assets is estimated.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Non-specialised buildings (for example residential buildings) are valued at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect fair value.

The most recent valuation was performed by G Petersen B Com Ag (VFM) of SPM Consultants Ltd and K Stewart Val Prof of Quotable Value Ltd, and the valuation was effective as at 1 July 2006.

Heritage Assets

Library Heritage collection (Central Library Reference Collection) is valued at fair value. Major collection items have been valued separately or by formulae based on quantity measurements. Determining the values to be assigned to individual items has largely been undertaken by the Libraries' own staff using in-house records, published values and judgement of specialist staff. Some guidelines have been taken from procedures adopted by Auckland City Libraries (who drew on methodologies used at the Alexander Turnbull and Hocken Libraries.)

The most recent valuation for the Library Reference Collection was performed by the Collections Leader, J Downs, and the Heritage Manager, M Caunter, and are subject to an independent review by Dr R J Watt. The last revaluation was effective as at 1 July 2006.

Museum Heritage Collection is valued at fair value using various methods as follows:

1. Current market values: For items which appear on the open market there are a number of authoritative references that provide guides to current market values. Reference was made to price guides such as Carter's Price Guide to Antiques in Australasia and for direct New Zealand reference, the realised sales lists of auction houses such as Peter Webb's (Auckland) and Dunbar Sloane's (Wellington and Auckland). Fine Arts values were based on realised sales of items in auction catalogues such as those of Peter Webb (Auckland) and Dunbar Sloane (Wellington and Auckland) together with the Australian Art Auction Records and Australian Sales Digest and the internet.
2. Known values: When an established value exists, it can be used as the basis for a current value.
3. Local dealer values: A number of items (silver) were valued with reference to a local licensed dealer.
4. Sampling: Given the large number of items in any moderately sized museum, it would be an unwarranted expense of time and money to try and value each individual collection item. This fact is recognised by the New Zealand Auditor General's office and it is deemed appropriate to sample for valuation provided that (a) all items in each group sampled were of a similar type, and (b) the values arrived at were a fair reflection of all the other items in the sampled group. Large numbers of items such as books, photographs, toki and mahe lend themselves to this method of valuation.
5. Replacement value: For items which are modern a replacement value can often be calculated. Replacement values can also be used for items which have no intrinsic value in themselves e.g. audio-cassette tapes. Collection items, such as the latter, are often museum initiated, specifically collected as part of local history, and are most unlikely to reach the open market. However, like other archival material they form an important part of many museums' collections.
6. Comparative values: In some cases it is not always possible to obtain an exact correspondence between a certain item and a catalogue value. When this occurs the value of a similar item, made about the same time and of similar materials, is used to help estimate a comparative value.
7. Comparative institutional values: In a few instances when it was not possible to identify any current market value or a replacement value, reference was made to the valuations of the National Library of New Zealand, The New Zealand National Archive and the Museum of New Zealand Te Papa Tongarewa. These institutions, by statute, must also value their collections for Government audit purposes. Once the New Zealand Auditor General's office has accepted the collection values presented by these institutions, it was deemed acceptable that other museums in New Zealand could apply the same valuation method, where appropriate, to their own holdings. Items such as bound volumes of old newspapers and shelves of books and archives were valued in this way.

8. Archaeological Material: The Waikato Museum of Art and History holds in its care one of the most important of the earlier archaeological excavations in New Zealand. This excavation, at Kauri Point, resulted in a wealth of important prehistoric material. It was valued on the basis of archaeologically excavated material held and valued by the Museum of New Zealand Te Papa Tongarewa. The most recent valuation for the Museum Heritage Collection was performed by Dr R J Watt MA (First Class Hons) PhD of RJ Watt & Associates, and the valuation was effective from 1 July 2006.

Parks and Gardens Improvements

Parks and gardens improvements are valued at fair value using depreciated replacement cost because no reliable market data is available for such assets.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions include:

- The replacement asset is based on the reproduction cost of the specific assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity.
- In arriving at the value, it is assumed that modern construction techniques and modern equivalent materials are used, but that the physical asset replaces the asset as it exists.
- The replacement cost is derived from recent construction contracts of similar assets and Rawlinsons (2006) unit rate information.
- The remaining useful life of assets is estimated.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

The most recent valuation was performed by E Botje MBA, Btech Env Ag, of MWH New Zealand Ltd, and the valuation was effective as at 1 July 2006.

Infrastructural Asset Classes: Water Reticulation, Wastewater Reticulation and Pump Stations, Stormwater, Refuse, Water and Wastewater Treatment Plants, Water Reservoirs and Roding Assets (excluding Land)
Water reticulation, wastewater reticulation and pump stations, stormwater, refuse, water and wastewater treatment plants, water reservoirs and roding assets (excluding land) are valued at fair value using depreciated replacement cost.

There are a number of estimates and assumptions exercised when valuing infrastructural assets using the depreciated replacement cost method. These include:

Estimating any obsolescence or surplus capacity of the asset.

Estimating the replacement cost of the asset. The replacement cost is derived from recent construction contracts in the region for similar assets.

Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be

affected by the local conditions, for example weather patterns, soil types and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then HCC could be over- or under-estimating the annual depreciation charge recognised as an expense in the statement of comprehensive income. To minimise this risk, infrastructural asset lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition-modelling are also carried out regularly as part of asset management planning activities, which provides further assurance over useful life estimates.

The most recent valuation for water reticulation, wastewater reticulation and pump stations, stormwater and refuse was performed by E Botje MBA, Btech Env Ag, of MWH New Zealand Ltd, and the valuation was effective as at 1 July 2006.

The most recent valuation for water and wastewater treatment plants, water reservoirs and minor roding assets (excluding land) was performed by C McCormack BE (Natural Resources), of MWH New Zealand Ltd, and the valuation was effective as at 1 July 2009.

The most recent valuation for major roding assets (excluding land) was performed by M Clough BE (Engineering), of Beca Valuation Ltd (New Zealand), and the valuation was effective as at 1 July 2009.

Operational Plant and Equipment, Zoo Animals, and Land Under Roads

These asset classes were last revalued effective 1 July 2001. On transition to NZ IFRS Council elected to use the fair value of these assets as deemed cost.

Operational Vehicles, Library Books and Finance Leases

These asset classes are not revalued, and are held at cost.

Total value of property, plant and equipment valued by each valuer:

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
C McCormack of MWH New Zealand Ltd	163,510	-	163,510	-
M Clough of Beca Valuations Ltd (New Zealand)	506,334	-	506,334	-

Impairment

There is no impairment losses for 2010 (2009 \$14,874).

NOTE 15: INTANGIBLE ASSETS

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

None of these intangible assets have been internally generated.

	COUNCIL AND GROUP		
	COMPUTER SOFTWARE \$000	RESOURCE CONSENTS \$000	TOTAL \$000
Cost			
Balance as at 1 July 2009	3,345	5,431	8,776
Additions	200	584	784
Disposals	-	-	-
Change in WIP	948	(361)	587
Balance as at 30 June 2010	4,493	5,654	10,147
Balance as at 1 July 2008	3,869	4,831	8,700
Additions	175	-	175
Disposals	-	-	-
Change in WIP	(699)	600	(99)
Balance as at 30 June 2009	3,345	5,431	8,776
Accumulated amortisation and impairment			
Balance as at 1 July 2009	(3,131)	(670)	(3,801)
Amortisation charge	(165)	(275)	(440)
Balance as at 30 June 2010	(3,296)	(945)	(4,241)
Balance as at 1 July 2008	(2,834)	(432)	(3,266)
Amortisation charge	(297)	(238)	(535)
Balance as at 30 June 2009	(3,131)	(670)	(3,801)
Carrying amounts			
Balance as at 1 July 2008	1,035	4,399	5,434
Balance as at 30 June and 1 July 2009	214	4,761	4,975
Balance as at 30 June 2010	1,197	4,709	5,906

Restrictions over Title

There are no restrictions over the title of intangible assets. No assets are pledged for security for liabilities.

Impairment

There are no impairment losses for 2010 (2009 \$nil).

NOTE 16: INVESTMENT PROPERTY

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Balance at 1 July	52,081	60,560	52,081	60,560
Additions	37	239	37	239
Disposals	(375)	-	(375)	-
Fai value gains/(losses) on valuation (note 4)	(963)	(8,718)	(963)	(8,718)
Balance at 30 June	50,780	52,081	50,780	52,081

Investment properties are valued annually at fair value effective 30 June. All investment properties were valued based on open market evidence. The valuations were performed by Telfer Young (Waikato) Ltd and Darroch Valuations, registered valuers and property consultants. Both Telfer Young (Waikato) Ltd and Darroch Valuations are experienced valuers with extensive market knowledge in the types and locations of investment properties owned by HCC.

The methodology for determining the fair value of investment property is as follows:

Commercial and Industrial Investment Properties — have been determined using the capitalisation of net income and discounted cash flow methods. These methods are based upon assumptions including future rental income, anticipated maintenance costs and appropriate discount rates.

Commercial Leasehold Land and Residential Leasehold Land — have been determined using the direct comparison approach, which has regard to sales of other vacant sites. This method makes allowances for factors such as the size of holdings, its position, zoning, surrounding values and the type of the surrounding development.

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Rental income	4,761	4,019	4,761	4,019
Expenses from investment property generating income	943	684	943	684
Expenses from investment property not generating income	-	-	-	-
Contractual obligations for capital expenditure	-	-	-	-
Contractual obligations for operating expenditure	-	-	-	-

NOTE 17: INVESTMENT IN ASSOCIATES

COUNCIL	2009/10 \$000	2008/09 \$000
Hamilton Fibre Network Ltd (HFN)	1,454	267
Hamilton Riverview Hotel Ltd (HRH)	6,000	6,000
Waikato Regional Airport Ltd (WRAL)	7,430	7,430
Total investments in associates	14,884	13,697

On 27 April 2009 the Directors of WRAL issued a formal call on shareholder capital for a total sum of \$12,000,017 to be payable by shareholders as at 30 June 2009. Council's share of the call is \$6,000,009 and was paid on 14 July 2009.

GROUP	HAMILTON FIBRE NETWORK \$000	HAMILTON RIVERVIEW HOTEL \$000	WAIKATO REGIONAL AIRPORT \$000	TOTAL \$000
MOVEMENTS IN THE CARRYING AMOUNT OF INVESTMENTS IN ASSOCIATES:				
2010				
Balance at 1 July 2009	57	11,103	35,818	46,978
Acquisition of shares	1,187	-	-	1,187
Share of surplus/(deficit) before tax	(143)	196	(793)	(740)
Deferred tax adjustment	-	(2,108)	(2,009)	(4,117)
Share of increase/(decrease) in asset revaluation reserve	-	-	(3,785)	(3,785)
Balance at 30 June 2010	1,101	9,191	29,231	39,523

2009	HAMILTON FIBRE NETWORK \$000	HAMILTON RIVERVIEW HOTEL \$000	WAIKATO REGIONAL AIRPORT \$000	TOTAL \$000
Balance at 1 July 2008	188	11,018	30,145	41,351
Acquisition of shares	-	-	6,000	6,000
Share of surplus/(deficit) before tax	(131)	85	(226)	(272)
Share of increase/(decrease) in asset revaluation reserve	-	-	(101)	(101)
Balance at 30 June 2009	57	11,103	35,818	46,978

Hamilton Riverview Hotel has a balance date different to that of Council of more than three months. In order to comply with NZ IAS 28, Council has included the interim financial results of Hamilton Riverview Hotel for the six months to 30 June 2010 (which have been reviewed but not audited) and the annual audited results for the year to 31 December 2009 adjusted to reflect only the final six months of the year.

Summary financial information of associate companies presented on a gross basis:

2010	HAMILTON FIBRE NETWORK \$000	HAMILTON RIVERVIEW HOTEL \$000	WAIKATO REGIONAL AIRPORT \$000
Assets	5,704	48,350	78,610
Liabilities	2,498	26,139	20,148
Revenue	87	14,054	6,654
Surplus/(deficit)	(414)	473	(5,608)
Group's interest	34.67%	41.38%	50.00%
Number of shares	6,975	6,000,000	2,486,802
Balance date	30 June	31 Dec	30 June

2009	HAMILTON FIBRE NETWORK \$000	HAMILTON RIVERVIEW HOTEL \$000	WAIKATO REGIONAL AIRPORT \$000
Assets	5,194	49,588	94,870
Liabilities	4,182	22,758	23,231
Revenue	84	14,946	5,848
Surplus/(deficit)	(380)	485	(479)
Group's interest	34.85%	41.38%	50.00%
Number of shares	3,485	6,000,000	2,486,802
Balance date	30 June	31 Dec	30 June

Associates contingencies

Detail of any contingent liabilities arising from the group's involvement in an associate are disclosed separately in note 25.

NOTE 18: TRADE CREDITORS AND OTHER PAYABLES

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Trade payables	10,252	12,226	10,252	12,226
Deposits and bonds	819	855	819	855
Accrued expenses	17,048	6,389	17,048	6,389
Agency funds	46	83	46	83
Income in advance	3,265	2,593	3,265	2,593
Amounts due to related parties (note 26)	72	6,062	72	6,062
Total trade and other payables	31,502	28,208	31,502	28,208

Creditors and other payables are non interest bearing and are normally settled on 30 day terms, therefore the carrying value of creditors and other payables approximates their fair value.

NOTE 19: PROVISIONS

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Current provisions				
ACC Partnership programme	358	447	358	447
Weathertight homes resolution services claims	1,332	1,108	1,332	1,108
Landfill aftercare	485	478	485	478
Total current provisions	2,175	2,033	2,175	2,033
Non-current provisions				
Landfill aftercare	7,842	7,782	7,842	7,782
Total non-current provisions	7,842	7,782	7,842	7,782
Total provisions	10,017	9,815	10,017	9,815

Weathertight homes resolution services claims provision

At 30 June 2010 there are 24 claims (2009, 20 claims), lodged with the Weathertight Homes Resolution Service outstanding with an estimated exposure of \$1,175,000, (2009 \$1,000,000) being an increase of \$175,000 for the year. Council's provision recognises insurance excesses potentially payable on each claim and the fact that the insurer (RiskPool) will pay out a maximum of \$500,000 in anyone year. Only claims notified to RiskPool before 1 July 2009 are covered, claims after this date are not.

Additional provision of \$246,007 has been included for the Call from RiskPool for contributions to the shortfall in the mutual pool's funds, predominantly caused by WHRS claims. This was paid in July 2010.

STATEMENT OF MOVEMENTS IN WEATHERTIGHT HOMES RESOLUTION SERVICE PROVISION	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Opening balance	1,108	860	1,108	860
Additional provision made	175	490	175	490
Additional provision for RiskPool Call	138	108	138	108
Amounts resolved	(89)	(350)	(89)	(350)
Closing balance	1,332	1,108	1,332	1,108

Landfill aftercare provision

Hamilton City Council was granted 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 was closed on 31 December 2006. There are post-closure responsibilities such as the following:

- 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

The cash outflows for the 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 following significant assumptions have been made in calculating the provision:

- a discount rate of 7.0% (2009:7.0%);
- the estimated remaining life is 46 years;

STATEMENT OF MOVEMENTS IN LANDFILL AFTERCARE PROVISION	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Opening balance	8,260	5,259	8,260	5,259
Actual closure and aftercare costs	(430)	(341)	(430)	(341)
Increase/(decrease) due to aftercare cost assumption	(81)	2,974	(81)	2,974
Discount unwinding (note 7)	578	368	578	368
Closing balance	8,327	8,260	8,327	8,260

ACC partnership programme

Hamilton City Council belongs to the ACC Employer Reimbursement Agreement whereby Council accepts the financial responsibility of work related illnesses and accidents of employees. Under this Agreement Council is effectively providing accident insurance to employees for work related accidents equal to 80% of the first week of absence from work. No provision has been made for any outstanding liability at balanced date as the liability is not material for Council's financial statements based on payments made in prior years.

Council manages its exposure arising from the programme by promoting a safe and healthy working environment by:

- Implementing and monitoring health and safety policies
- Induction training on health and safety
- Actively managing injuries to ensure employees return to work as soon as practical
- Recording and monitoring work place injuries and near misses to identify risk areas and implanting.

NOTE 20: EMPLOYEE ENTITLEMENTS

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Current employee entitlements				
Accrued pay	1,585	1,320	1,585	1,320
Annual leave	4,015	3,965	4,015	3,965
Retiring gratuities	146	140	146	140
Sick leave	64	64	64	64
Total current employee entitlements	5,810	5,489	5,810	5,489
Non-current employee entitlements				
Retiring gratuities	1,701	1,799	1,701	1,799
Total non-current employee entitlements	1,701	1,799	1,701	1,799
Total employee entitlements	7,511	7,288	7,511	7,288

NOTE 21: BORROWINGS

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Current				
Secured loans	82,215	99,204	82,215	99,204
EECA loans	-	25	-	25
Lease liabilities	1,106	1,639	1,106	1,639
Total current borrowings	83,321	100,868	83,321	100,868
Non-current				
Secured loans	228,721	137,555	228,721	137,555
EECA loans	-	-	-	-
Lease liabilities	489	524	489	524
Total non-current borrowings	229,210	138,079	229,210	138,079
Total borrowings	312,531	289,947	312,531	238,947
Less lease liabilities	(1,595)	(2,163)	(1,595)	(2,163)
Total borrowings (excluding lease liabilities)	310,936	236,784	310,936	236,784

Fixed rate debt

Council has \$45,723,000 of its total secured debt of \$310,936,000 issued at fixed rates of interest (2009 \$5,351,000 of \$236,759,000).

Floating rate debt

The remainder of Council's secured debt, \$265,204,000 (2009 \$231,408,000), is at a floating interest rate. Council uses synthetic instruments (swaps and FRAs) to manage its interest rate risk profile based on independent professional advice (see note 13).

Interest Rate Swaps

The interest rate swaps as at 30 June 2010, excluding forward start swaps \$nil (2009 \$61,000,000), totalled \$302,500,000 (2009 \$226,259,000).

Weighted average interest rate

The weighted average interest rate for secured loans (including hedges and margin) is 5.66% (2009 4.84%).

Security

Council's secured loans have been issued in accordance with the Local Government Act 2002. The loans are secured through the debenture trust deed over all rates with two exceptions. The \$5,204,000 loan used to purchase Claudelands Park is secured by way of mortgage over the Claudelands Park property. The \$1,000,000 loan used to purchase Victoria on the River Property is secured by first registered mortgage over the property.

Finance lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

Fair value

Adjustment have been made to increase current secured loans by \$215,000 (2009 decrease \$113,000) and increase non-current secured loans by \$166,000 (2009 increase \$363,000) to reflect the fair value of the loans (refer note 7).

The fair values are based on cash flows discounted using a rate based on the borrowing rates ranging from 5.15% to 6.86% (2009 6.86%).

	CARRYING AMOUNTS		FAIR VALUE	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Secured loans - current	82,000	99,204	82,000	99,204
Secured loans - non-current	228,204	137,204	228,204	137,204
Total secured loans	310,204	236,408	310,204	236,408
Unsecured loans - EECA	-	25	-	25
Fair value debt adjustments	732	351	732	351
Total loans	310,936	236,784	310,936	236,784

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 borrowings 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 and forward funding arrangements.

Internal borrowing from cash held for special funds and working capital as at 30 June 2010 is \$27,566,000 (2009 \$27,553,000). If this is added to Council's net debt of \$310,936,000 (2009 \$236,759,000) the overall total debt (excluding EECA) at 30 June 2010 is \$338,502,000 (2009 \$264,312,000).

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 the sources of funding used to repay the principal and interest cost for subsequent financial years as outlined below:

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Total borrowings (excluding lease liabilities)	310,936	236,784	310,936	236,784
Less EECA loans	-	(25)	-	(25)
Net debt (excluding internal borrowings)	310,936	236,759	310,936	236,759
Add internal borrowings	27,566	27,553	27,566	27,553
Net Debt (including internal borrowing)	338,502	264,312	338,502	264,312
Overall net debt will be funded in subsequent years as follows:				
Rates	201,270	147,280	201,270	147,280
Reserves	25,126	21,837	25,126	21,837
Development and financial contributions	112,106	95,195	112,106	95,195
Net debt (including internal borrowing)	338,502	264,312	338,502	264,312

The statement of comprehensive income, reflects a net off of internal borrowing interest of \$920,000 (2009 \$685,000) to eliminate the internal interest charged to the groups of activities.

ANALYSIS OF LEASE LIABILITIES	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Total minimum finance lease payments are payable:				
Not later than one year	905	1,216	905	1,216
Later than one, not later than five years	835	910	835	910
Later than five years	-	253	-	253
Total minimum finance lease payments	1,740	2,379	1,740	2,379
Future finance charges	(145)	(216)	(145)	(216)
Present value of minimum finance lease payments	1,595	2,163	1,595	2,163

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Present value of minimum finance lease payments are payable:				
Not later than one year	823	1,100	823	1,100
Later than one, not later than five years	772	813	772	813
Later than five year	-	250	-	250
Total minimum finance lease payments	1,595	2,163	1,595	2,163
Current portion	1,106	1,639	1,106	1,639
Non-current portion	489	524	489	524
Total finance lease liability	1,595	2,163	1,595	2,163

Interest rate

The interest rates applying to lease liabilities for 2010 range from 5.50% to 6.70% (2009 range from 4.80% to 8.80%).

Description of material leasing arrangements

Council has entered into finance leases for various plant and equipment. The net carrying amount of leased items within each class of property, plant and equipment is included in the numbers disclosed in note 14.

The finance leases can be renewed at Council's option, with rents set by reference to current market rates for items of equivalent age and condition. Council does have the option to purchase the asset at the end of the lease term.

There are no restrictions placed on Council by any of the finance leasing agreements.

NOTE 22: EQUITY

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Accumulated funds				
Balance 1 July	1,581,254	1,593,391	1,596,891	1,607,747
Surplus/(deficit) for the year	(16,079)	(16,562)	(20,936)	(16,834)
Transfer from property revaluation reserve on disposal	4,673	6,782	4,673	8,335
Transfers from restricted and Council created reserves	17,244	6,040	17,244	6,040
Transfers to restricted and Council created reserves	(18,421)	(8,397)	(18,421)	(8,397)
Balance at 30 June	1,568,671	1,581,254	1,579,451	1,596,891
Property revaluation reserve				
Balance at 1 July	1,326,208	1,330,320	1,343,851	1,349,617
Transfer to accumulated funds on disposal of assets	(4,673)	(6,782)	(4,673)	(8,335)
Impairment	-	(15)	-	(15)
Revaluation gains - property, plant and equipment	18,087	-	18,087	-
Other movements	-	2,685	-	2,685
Revaluation gains/(losses) - shareholdings	-	-	(3,785)	(101)
Balance at 30 June	1,339,622	1,326,208	1,353,480	1,343,851

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
PROPERTY REVALUATION RESERVES FOR EACH CLASS CONSIST OF:				
Operational assets				
Buildings	73,088	76,397	73,088	76,397
Heritage assets	6,336	6,336	6,336	6,336
Land	33,458	34,259	33,458	34,259
Parks and gardens improvement	4,856	4,871	4,856	4,871
Parks and gardens land	534,312	534,388	534,312	534,388
Restricted assets				
Land	18,954	18,954	18,954	18,954
Infrastructure assets				
Land	14,772	14,772	14,772	14,772
Refuse	40,416	40,418	40,416	40,418
Roads and streets	281,057	265,710	281,057	265,710
Stormwater	119,091	119,135	119,091	119,135
Wastewater	101,538	101,897	101,538	101,897
Wastewater treatment station	11,966	16,145	11,966	16,145
Water treatment station	7,335	-	7,335	-
Water supply	92,443	92,926	92,443	92,926
Share of associates' reserves	-	-	13,858	17,643
Total revaluation reserves	1,339,622	1,326,208	1,353,480	1,343,851

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Restricted reserves				
Cemetery plot maintenance in perpetuity	1,851	1,750	1,851	1,750
Domain sales endowment reserve	2,813	2,497	2,813	2,497
Municipal crown endowment reserve	765	765	765	765
Waikato art gallery endowment reserve	7	6	7	6
Balance at 30 June	5,436	5,018	5,436	5,018

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Council created reserves				
Access Hamilton reserve	5,987	5,466	5,987	5,466
Asset renewal reserve	1,539	-	1,539	-
Berm levy reserve	76	50	76	50
Bus shelter (Adshel) reserve	51	61	51	61
Dame Hilda Ross library memorial	1	1	1	1
Disaster recovery fund	5,089	4,469	5,089	4,469
Development contributions	(111)		(111)	
EECA loans	17	16	17	16
Hotel dividend equalisation reserve	-	207	-	207
Housing upgrade reserve	2,785	29	2,785	29
Museum collection reserve	196	174	196	174
Peachgrove lounge site development	-	42	-	42
Municipal Camping Ground	44	-	44	-
Project watershed - Environment Waikato	1,077	943	1,077	943
Public art reserve	51	-	51	-
Reserve contributions fund	2,328	1,590	2,328	1,590
Retirement Gratuity Reserve	467	508	467	508
Roman catholic schools library fund	2	2	2	2
Rotokauri land sale reserve	1,334	4,633	1,334	4,633
Septic tank reserve	14	43	14	43
Storm damage reserve	54	242	54	242
V8 Reserve	(10,967)	(9,224)	(10,967)	(9,224)
Waikato Stadium Events Reserve	54	100	54	100
Waiwhakareke Reserve	-	(378)	-	(378)
Water reticulation reserve	13	4	13	4
Wintec recreation area development	-	(2)	-	(2)
WRAL capital reserve	(400)	-	(400)	-
Zoo animal purchases reserve	119	85	119	85
Balance at 30 June	9,820	9,061	9,820	9,061
Total restricted and Council created reserves	15,256	14,079	15,256	14,079
Fair value through equity reserve				
Balance at 1 July	146	144	146	144
Net revaluation gains/(losses)	8	2	8	2
Balance at 30 June	154	146	154	146
Total other reserves	1,355,032	1,340,433	1,368,890	1,358,076
Total equity	2,923,703	2,921,687	2,948,341	2,954,967

NOTE 23: RECONCILIATION OF NET SURPLUS/(DEFICIT) AFTER TAX TO NET CASH FLOW FROM OPERATING ACTIVITIES

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Net surplus/(deficit) after tax	(16,079)	(16,562)	(20,936)	(16,834)
Add/(less) non-cash items:				
(Gains)/losses in fair value of investment properties	963	8,718	963	8,718
Gains)/losses in fair value on bank borrowings	381	250	381	250
(Gains)/losses in fair value on forward exchange contracts	(3)	-	(3)	-
(Gains)/losses in fair value on interest swaps	5,861	9,662	5,861	9,662
Depreciation and amortisation	47,067	42,924	47,067	42,924
Landfill aftercare interest	578	368	578	368
Landfill aftercare provision	511	2,633	511	2,633
Share of associates deficit/(surplus)	-	-	4,857	272
Vested assets	(7,892)	(14,581)	(7,892)	(14,581)
Weathertight homes resolution services claims provision	313	248	313	248
Total non-cash items	47,779	50,222	52,636	50,494
Add/(less) items classified as investing or financing activities:				
Change in capital expenditure accruals	(5,753)	12,836	(5,753)	12,836
Change in investment accruals	-	(6,000)	-	(6,000)
(Gains)/losses on disposal of property, plant and equipment	4,805	2,804	4,805	2,804
(Gains)/losses recognised on prior years revaluation	(1,109)	-	(1,109)	-
Total items classified as investing or financing activities	(2,057)	9,640	(2,057)	9,640
Add/(less) movements in working capital				
Trade debtors and other receivables	(2,225)	2,009	(2,225)	2,009
Inventory	277	(255)	277	(255)
Trade creditors and other payables	9,294	(9,299)	9,294	(9,299)
Employee entitlements	223	617	223	617
ACC provision	(89)	-	(89)	-
Total movements in working capital	7,480	(6,928)	7,480	(6,928)
Net cash inflows from operating activities	37,123	36,372	37,123	36,372

NOTE 24: CAPITAL COMMITMENTS AND OPERATING LEASES

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Capital commitments				
Approved and committed	54,391	69,860	54,391	69,860
Total commitments	52,705	69,860	52,705	69,860

Capital commitment movements

Substantial progress has been made on various high value projects in 2010, resulting in a decrease of \$15.5m. Some of the major contracts being, the Claudelands conference centre, arena, and entry plaza for 2010 of \$25.1m (2009 \$38.5m), City Heart revitalisation 2010 12.5m (2009 \$8.2m), and various programmed roading works of \$4.2m (2009 \$9.7m).

Refer to note 16 for capital commitments for investment properties.

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

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Roads	24,427	29,687	24,427	29,687
Stormwater	7,979	8,292	7,979	8,292
Wastewater	10,554	4,037	10,554	4,037
Water supply	2,363	3,771	2,363	3,771
Parks and gardens	10,430	13,167	10,430	13,167
Other activities	8,308	8,122	8,308	8,122
Total authorised capital projects	64,061	67,076	64,061	67,076

Operating leases as lessee

Council leases property, plant and equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 36 months. The future aggregate minimum lease payments to be made under non-cancellable operating leases are as follows:

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Not later than one year	570	622	570	622
Later than one year and not later than five years	1,229	1,242	1,229	1,242
Later than five years	126	280	126	280
Total non-cancellable operating lease commitments	1,925	2,144	1,925	2,144

The total minimum future sublease payments expected to be received under subleases at balance date is \$694,000 (2009 \$878,877).

Leases can be renewed at Council's option, with rents set by reference to current market rates for items of equivalent age and condition. Council has the option to purchase the asset at the end of the lease term except where Council is leasing land or buildings. There are no restrictions places on Council by any of the leasing arrangements.

Operating leases as lessor

Council leases its investment property under operating leases.

The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Not later than one year	3,954	4,105	3,954	4,105
Later than one year and not later than five years	11,469	14,901	11,469	14,901
Later than five years	11,975	21,907	11,975	21,907
Total non-cancellable operating leases as a lessor	27,398	40,913	27,398	40,913

No contingent rents have been recognised in the statement of financial performance during the period.

NOTE 25: CONTINGENCIES

Contingent liabilities

Financial guarantees

Council is at times requested to act as guarantor to loans raised by community organisations and sports clubs to construct facilities on Council reserve land. These structures form part of the reserve but are not included in the fixed asset figures. No provision has been made because Council do not consider it likely that these loans will require settlement. Council's potential liability under the guarantees is as follows:

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Lending institution:				
ASB Bank	94	116	94	116
Bank of New Zealand	-	36	-	36
Westpac	130	150	130	150
Total loans guaranteed	224	302	224	302

Insurance and liability claims

Council was involved as defendant in various public liability and professional indemnity claims at 30 June 2010. Council's potential liability, if at all, would be its insurance excess. Council has also estimated its other liability claims.

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Insurance claim excess	587	416	587	416
Other liability claims	1,150	2,468	1,150	2,468
Total insurance and liability claims	1,737	2,884	1,737	2,884

Unqualified claims

The Council is also exposed to potential future claims which have not yet been advised until the statutory limitation period expires. The amount of potential future claims are not able to be reliably measured and is therefore unquantifiable.

Uncalled capital or loans

During May 2004, the shareholders of Waikato Regional Airport Ltd (WRAL) of which Hamilton City Council has a 50% shareholding, authorised the company issuing further shares totalling \$21.6m to existing shareholders. This capital restructure was part of the WRAL airport development and allowed WRAL to borrow at commercially favourable interest rates. At that time there

was no plan to call up the capital, so Council recognised a contingent liability of \$10.8m for uncalled capital.

With the loss of Air New Zealand as the international carrier during 2009, there was a significant impact on operating revenues, and the requirement to meet banking covenants, WRAL made a call for a portion of this uncalled capital in May 2009, with payments made in July 2009 from all five shareholders. Hamilton City Council's share of this call was \$6m with the contingent liability reduced to \$4.8 million at 30 June 2009.

The five shareholders may consider in the future a partial investment by a third party organisation to the airport company to assist with future capital funding and expansion of the airport, and return some capital to the five shareholders.

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Uncalled capital - Waikato Regional Airport Ltd	4,800	4,800	4,800	4,800
Total uncalled capital or loans	4,800	4,800	4,800	4,800

Associate's contingencies

There are no contingent liabilities arising from Council's involvement in its associates (2009 \$nil), except in relation to WRAL. WRAL is disputing charges from New Zealand Customs from passengers clearance services through judicial review proceedings. As at 30 June the total of invoices issued by Customs is \$369,075.

Weathertight homes resolution services claims

A provision for potential liability for the 24 claims that are outstanding with the weathertight homes resolution service has been made per note 19. There may be further claims in future, but there are unable to be quantified at this point in time.

Defined benefit superannuation schemes

Hamilton City Council is a participating employer in the DBP Contributions Scheme ('the Scheme') which is a multi-employer defined scheme. If the other participating employers cease to participate in the Scheme, Council could be responsible for the entire deficit of the scheme. Similarly, if a number of employers ceased to participate in the Scheme, Hamilton City Council could be responsible for an increase share of the deficit.

Insufficient information is available to use defined accounting as it is not possible to determine from the terms of the Scheme the extent to which the deficit will affect future contributions by employers, as there is no prescribed basis for allocation.

As at 31 March 2010, the Scheme had a past service surplus of \$15.3 million (5.7% of the liabilities). This amount is exclusive of Employer Superannuation Contribution Tax. This surplus was calculated using a discount rate equal to the expected return on the assets, but otherwise the assumptions and methodology were consistent with the requirements of NZ IAS 19. The Actuary to the Scheme has recommended the employer contribution continues at 1.0 times contributors' contributions. This 1.0 is inclusive of Specified Superannuation Contribution Tax.

Contingent assets - 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 26: RELATED PARTY TRANSACTIONS

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 between the two entities included in these accounts. Hamilton City Council has significant influence over Waikato Regional Airport Ltd, Hamilton Riverview Hotel Ltd (Novotel) and Hamilton Fibre Network Ltd as associates.

The following transactions were carried out with related parties:

	2009/10 \$000	2008/09 \$000
Waikato Regional Airport Ltd		
Services provided by Council	-	4
Receivables from Council - share capital	-	6,000
Hamilton Riverview Hotel Ltd (Novotel)		
Services provided to Council	2	15
Services provided by Council	49	42
Rates paid to Council	105	101
Accounts payable to Council - current	2	-
Hamilton Fibre Network Ltd		
Service provided by Council	334	1,011
Accounts receivable from Council	71	67
Accounts payable to Council - current	54	1,060
Accounts payable to Council - non-current	1,030	877

Key management personnel

During the year Councillors and key management, as part of a normal customer relationship, were involved in minor transactions with Council (such as payment of rates, use of Council facilities, etc).

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties.

KEY MANAGEMENT PERSONNEL COMPENSATION	2009/10 \$000	2008/09 \$000
Salaries and other short term employee benefits	2,306	2,484
Post employment benefits	-	-
Other long term benefits	-	-
Termination benefits	-	-
Total key management personnel compensation	2,306	2,484

Key management personnel include the Mayor, Councillors, Chief Executive and other senior management personnel.

Michael Redman (CEO) is a director of:

- Local Authority Shared Service Ltd (LASS), and Council made total payments of \$118,885 to this entity for the year,
- Hamilton Riverview Hotel (HRH) and transactions between Council and HRH for the year are noted above, and
- Innovation Waikato Ltd (IWL), and no transactions have occurred between Council and IWL during the year.

Bob Simcock (Mayor) is a director of Karapiro 2010 Ltd and Council made total payments of \$100,000 to this entity for the year.

Gordon Chesterman (Councillor) is the Chair at Wintec and Council made total payments of \$40,315 to this entity for the year.

Maria Westphal (Councillor) is a Trustee of:

- The Fuel Festival Trust, and Council made total payments of \$60,000 to this entity for the year, and
- Hamilton Boys High Board and Council made total payments of \$4,000 to this entity for the year.

David Macpherson (Councillor) has declared an interest in:

- Waikato Community Broadcasting, and Council made total payments of \$1,000 to this entity for the year.
- Waikato Regional Volleyball Association, and Council made total payments of \$500 to this entity for the year, and
- Western Community Centre, and Council made total payments of \$123,660 to this entity for the year.

NOTE 27: REMUNERATION OF MAYOR, COUNCILLORS AND CHIEF EXECUTIVE**Mayor and Councillors**

The following people held office as elected members of Council during the year ended 30 June 2010. The total remuneration received by elected members during the year totalled \$1,021,928 (2009 \$982,311) which includes statutory meeting allowances, motor vehicle allowances and other taxable allowances. The remuneration amount of \$1,013,391 after excluding taxable allowances, was within the allowable pool determined by the Remuneration Authority for the year ended 30 June 2010.

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Mayor				
Bob Simcock				
Salary	127,363	121,826	127,363	121,826
Motor Vehicle	5,193	5,193	5,193	5,193
Councillors				
Daphne Bell	77,541	74,054	77,541	74,054
Peter Bos	71,001	68,940	71,001	68,940
Gordon Chesterman	70,202	66,747	70,202	66,747
Joe Di Maio	70,202	66,747	70,202	66,747
John Gower	78,286	76,609	78,286	76,609
Kay Gregory	70,538	68,493	70,538	68,493
Roger Hennebry	70,883	66,742	70,883	66,742
Dave Macpherson	78,807	74,855	78,807	74,855
Pippa Mahood	77,627	74,924	77,627	74,924
Angela O'Leary	71,228	68,459	71,228	68,459
Glenda Saunders	78,658	76,388	78,658	76,388
Maria Westphal	74,399	72,294	74,399	72,294
Total Mayor and Councillors remuneration	1,021,928	982,311	1,021,928	982,311

Councillor Peter Bos is a director of Hamilton Riverview Hotel for which he received directors fees of \$7,000 (2009 \$7,000). Directors fees have been excluded from the above table.

Chief Executive

Michael Redman was appointed under section 42(1) of the Local Government Act 2002 and commenced on 2 July 2007. For the year ended June 2010, the total annual cost to Hamilton City Council of the remuneration package received by Michael Redman was \$299,250 (2009 \$299,250).

Michael Redman was also a Director of Hamilton Riverview Hotel Limited (appointed by Hamilton City Council on 1 July 2007). Hamilton City Council received directors fees of \$12,600 (2009 \$12,600) for Michael Redman's role as director.

KEY MANAGEMENT PERSONNEL COMPENSATION	2009/10 \$000	2008/09 \$000
Michael Redman		
Salary	280,598	280,598
Motor vehicle	18,652	18,652
Total Chief Executive remuneration	299,250	299,250

NOTE 28: SEVERANCE PAYMENTS

For the year ended 30 June 2010 the Council made severance payments to seven employees totalling \$120,866 (2009: one employee \$2,000).

The value of each of the severance payments was \$60,000, \$25,000, \$13,000, \$9,415, \$6,800, \$3,551 and \$3,100.

NOTE 29: EVENTS AFTER BALANCE DATE

On the 11 August 2010 Council accepted a shareholding offer in Innovation Waikato Limited from The Katolyst Group to convert the existing \$2.4m loan into a 19.8% equity share in the company. It is expected the share issue will be completed by 30 September 2010. There will be 2 shareholders in Innovation Waikato Limited - Council 19.8%, and The Katolyst Group 80.2%.

NOTE 30: FINANCIAL INSTRUMENTS

FINANCIAL INSTRUMENTS CATEGORIES	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Financial assets				
Fair value through profit and loss				
Derivative financial instrument assets	117	-	117	-
Loans and receivables				
Cash and cash equivalents	8,901	478	8,901	478
Debtors and other receivables	17,836	15,611	17,836	15,611
Other financial assets:				
Community loans	1,432	2,259	1,432	2,259
Loans to related parties	3,430	4,284	-	-
Total loans and receivables	31,599	22,632	28,169	18,348
Fair value through other comprehensive income				
Other financial assets:				
Unlisted shares	1,346	1,339	1,346	1,339
Total fair value through other comprehensive income	1,346	1,339	1,346	1,339
Financial liabilities				
Fair value through profit loss				
Derivative financial instrument liabilities	12,328	6,350	12,328	6,350
Financial liabilities amortised cost				
Creditors and other payables	31,502	22,614	31,502	22,614
Borrowings:				
Secured loans	310,936	236,759	310,936	236,759
EECA loans	-	25	-	25
Total financial liabilities at amortised cost	342,438	259,398	342,438	259,398

Fair Value Hierarchy Disclosures

For those instruments recognised at fair value in the statement of financial position, fair value are determined according to the following hierarchy:

Quoted market price (level 1) - Financial instruments with quoted process for identical instruments in active markets.

Valuation technique using observable inputs (level 2) - Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Valuation techniques with significant non-observable inputs (level 3) - Financial instruments valued using models where one or more significant inputs are not observable.

The following table analysis the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position.

	TOTAL \$000	QUOTED MARKET PRICE INPUTS \$000	VALUATION TECHNIQUE OBSERVABLE INPUTS \$000	SIGNIFICANT NON- OBSERVABLE INPUTS \$000
30 June 2010 - Council				
Financial assets				
Derivatives	117	-	117	-
Shares	1,347	-	-	1,347
Financial liabilities				
Derivatives	12,328	-	12,328	-
Total	13,792	-	13,792	1,347

	TOTAL \$000	QUOTED MARKET PRICE INPUTS \$000	VALUATION TECHNIQUE OBSERVABLE INPUTS \$000	SIGNIFICANT NON- OBSERVABLE INPUTS \$000
30 June 2010 — Group				
Financial assets				
Derivatives	117	-	117	-
Shares	1,346	-	-	1,346
Financial liabilities				
Derivatives	12,328	-	12,328	-
Total	13,791	-	12,445	1,346

	TOTAL \$000	QUOTED MARKET PRICE INPUTS \$000	VALUATION TECHNIQUE OBSERVABLE INPUTS \$000	SIGNIFICANT NON- OBSERVABLE INPUTS \$000
30 June 2009 — Council				
Financial assets				
Derivatives	-	-	-	-
Shares	1,339	-	-	1,339
Financial liabilities				
Derivatives	6,350	-	6,350	-
Total	7,689	-	6,350	1,339

	TOTAL \$000	QUOTED MARKET PRICE INPUTS \$000	VALUATION TECHNIQUE OBSERVABLE INPUTS \$000	SIGNIFICANT NON- OBSERVABLE INPUTS \$000
30 June 2009 — Group				
Financial assets				
Derivatives	-	-	-	-
Shares	1,338	-	-	1,338
Financial liabilities				
Derivatives	6,350	-	6,350	-
Total	7,688	-	6,350	1,338

There were no transfers between the different levels of the fair value hierarchy.

Valuation techniques with significant non-observable inputs (level 3).

The table below provided a reconciliation from the opening balance to the closing balance for the level 3 fair value measurements:

	2009/10 \$000	2008/09 \$000
Balance at 1 July	1,338	1,336
Gain and losses recognised in the surplus or deficit	-	-
Gain and losses recognised in other comprehensive income	8	2
Purchases	-	-
Sales	-	-
Transfers into level 3	-	-
Transfers out of level 3	-	-
Balance at 30 June	1,346	1,338

Financial Instrument Risks

Hamilton City Council has a series of policies to manage risks associated with financial instruments. Council is risk averse and seeks to minimise exposure from its treasury activities. Council has established Council approved liability management and investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

Market risk

Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result changes in market prices. Equity securities price risk arises on listed share investments, which are classified as financial assets held at fair value through other comprehensive income. This price risk arises due to market movements in listed shares.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Council uses foreign currency forward exchange contracts to manage its 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 (refer note 13).

Interest rate risk

The interest rates on Council's investment are disclosed in note 12, and on borrowings in note 21.

Fair value interest rate risk

Fair value interest rate risk is that risks that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowing issued at fixed rates expose Hamilton City Council to fair value interest rate risk. Council's Liability Management policy outlines the level of borrowing that is to be secured using fixed interest rate instruments.

In addition, investments at fixed interest rates expose Council to fair value rate risk.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowing and

Investments issues at variable interest rates expose Council to cash flow interest rate risk.

Council manages its cash flow interest rate risk on borrowings by using floating-to-fixed interest rate swaps. Such interest rate swaps have the effect of converting borrowings at floating rates and swaps them into fixed rates that are known and therefore assist with forecasting future interest costs. Under the interest rate swaps, Council agrees with other parties to exchange, at specific intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

Fixed to floating interest rate swaps are entered into to hedge the fair value interest rate risk where Council has borrowed at fixed rates.

Credit risk

Credit risk is the risk that a third party will default on its obligation to Hamilton City Council, causing Council to incur a loss. Council has no significant concentrations of credit risk, as it has a large number of credit customers, mainly ratepayers, and Council has powers under the Local Government (Rating) Act 2002 to recover debts from ratepayers.

Council invests funds in mortgages, short term deposits with registered banks, a loan to CTC Aviation Training NZ Ltd, a loan to Innovation Waikato Limited.

Mortgages are secured by charges over property, the CTC loan is secured by a charge over assets and the Innovation Waikato Limited loan is secured by a second mortgage over property.

Council may by specific resolution, make investments (or sell or dispose of such investments) in accordance with the provisions outlined in 4.2.7 of Council's Investment Policy.

Maximum exposure to credit risk

Council's maximum exposure to credit risk for each class of financial instrument is as follows:

	COUNCIL		GROUP	
	2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Cash and cash equivalents	8,901	478	8,901	478
Debtors and other receivables	17,836	15,611	17,836	15,611
Community and related party loans and mortgages	4,862	6,543	4,862	6,543
Derivative financial instrument assets	3	-	3	-
Derivative financial instrument liabilities	12,328	6,350	12,328	6,350
Total credit risk	44,044	28,982	44,044	28,982

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to credit ratings (if available) or to historical information about counterparty default rates:

	RATING	COUNCIL		GROUP	
		2009/10 \$000	2008/09 \$000	2009/10 \$000	2008/09 \$000
Counterparties with credit ratings					
Cash and cash equivalents	AA	8,901	478	8,901	478
Derivative financial instrument assets	AA	117	-	117	-
Counterparties without credit ratings					
Community and related party loans and mortgages					
Existing counterparty with no defaults in the past		4,862	6,543	4,862	6,543

Settlement Risk

Settlement risk is the risk that a counterparty fails to transfer funds or equities as agreed in a borrowing or investment contract. To manage this risk Council has become an associate member of Austraclear (a Reserve Bank operated facility to ensure simultaneous transfer of cash and securities at settlement) and only uses counterparties on the approved counterparty list disclosed in Council's Liability Management Policy.

Liquidity risk

Liquidity risk is the risk that Hamilton City Council will encounter difficulty liquid funds to meet commitments as they fall due. Prudent liquidity management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Council aims to maintain flexibility in funding by keeping credit lines available.

Council manages its borrowings in accordance with its funding and financial policies, which includes a liability management policy. These policies have been adopted as part of Council's Long Term Council Community Plan.

Council has a maximum amount that can be drawn down against its overdraft facility of \$500,000 (2009 \$500,000). These are no restrictions on the use of this facility. Council also has \$362,204,000 of committed borrowing facilities, with available headroom of \$53,000,000 at balance date.

Contractual maturity analysis of financial liabilities

The table below analysis Council's financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt is based on the floating rate on the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows.

	CARRYING AMOUNT \$000	CONTRACTUAL CASH FLOWS \$000	LESS THAN 1 YEAR \$000	1-5 YEARS \$000	MORE THAN 5 YEARS \$000
Council 2010					
Creditors and other payables	31,502	31,502	31,502	-	-
Secured loans	310,936	361,870	95,404	188,535	77,931
Finance leases	1,595	1,740	905	835	-
Derivative financial instrument liabilities	12,328	12,328	-	4,436	7,892
Total	356,361	407,440	127,811	193,806	85,823

	CARRYING AMOUNT \$000	CONTRACTUAL CASH FLOWS \$000	LESS THAN 1 YEAR \$000	1-5 YEARS \$000	MORE THAN 5 YEARS \$000
Group 2010					
Creditors and other payables	31,502	31,502	31,502	-	-
Secured loans	310,936	361,870	95,404	188,535	77,931
Finance leases	1,595	1,740	905	835	-
Derivative financial instrument liabilities	12,328	12,328	-	4,436	7,892
Total	356,361	407,410	127,811	193,806	85,823

	CARRYING AMOUNT \$000	CONTRACTUAL CASH FLOWS \$000	LESS THAN 1 YEAR \$000	1-5 YEARS \$000	MORE THAN 5 YEARS \$000
Council 2009					
Creditors and other payables	22,614	22,614	22,614	-	-
Secured loans	236,759	278,386	107,542	93,592	77,252
EECA loans	25	25	25	-	-
Finance leases	2,163	2,379	1,216	909	254
Derivative financial instrument liabilities	6,350	6,350	1,091	593	4,666
Financial guarantees	302	302	302	-	-
Total	268,213	310,056	132,790	95,094	82,172

	CARRYING AMOUNT \$000	CONTRACTUAL CASH FLOWS \$000	LESS THAN 1 YEAR \$000	1-5 YEARS \$000	MORE THAN 5 YEARS \$000
Group 2009					
Creditors and other payables	22,614	22,614	22,614	-	-
Secured loans	236,759	278,386	107,542	93,592	77,252
EECA loans	25	25	25	-	-
Finance leases	2,163	2,379	1,216	909	254
Derivative financial instrument liabilities	6,350	6,350	1,091	593	4,666
Financial guarantees	302	302	302	-	-
Total	268,213	310,056	132,790	95,094	82,172

Contractual maturity analysis of financial assets

The table below analyses Council's financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date.

	CARRYING AMOUNT \$000	CONTRACTUAL CASH FLOWS \$000	LESS THAN 1 YEAR \$000	1-5 YEARS \$000	MORE THAN 5 YEARS \$000
Council 2010					
Cash and cash equivalents	8,901	8,901	8,901	-	-
Debtors and other receivables	17,836	17,836	17,836	-	-
Community and related party loans	4,862	4,973	3,073	870	1,030
Net settled derivate assets	117	117	117	-	-
Total	31,716	31,827	29,927	870	1,030

	CARRYING AMOUNT \$000	CONTRACTUAL CASH FLOWS \$000	LESS THAN 1 YEAR \$000	1-5 YEARS \$000	MORE THAN 5 YEARS \$000
Group 2010					
Cash and cash equivalents	8,901	8,901	8,901	-	-
Debtors and other receivables	17,836	17,836	17,836	-	-
Community and related party loans	3,832	3,943	3,073	870	-
Net settled derivate assets	117	117	117	-	-
Total	30,686	30,797	29,927	870	-

	CARRYING AMOUNT \$000	CONTRACTUAL CASH FLOWS \$000	LESS THAN 1 YEAR \$000	1-5 YEARS \$000	MORE THAN 5 YEARS \$000
Council 2009					
Cash and cash equivalents	478	478	478	-	-
Debtors and other receivables	15,611	15,611	15,611	-	-
Community and related party loans	6,543	6,749	4,338	2,411	-
Total	22,632	22,838	20,427	2,411	-

	CARRYING AMOUNT \$000	CONTRACTUAL CASH FLOWS \$000	LESS THAN 1 YEAR \$000	1-5 YEARS \$000	MORE THAN 5 YEARS \$000
Group 2009					
Cash and cash equivalents	478	478	478	-	-
Debtors and other receivables	15,611	15,611	15,611	-	-
Community and related party loans	4,659	4,865	3,332	1,533	-
Total	20,748	20,954	19,421	1,533	-

Sensitivity analysis

The table below illustrates the potential profile and loss and equity (excluding retained earnings) impact for reasonably possible market movements, with all other variables held constant, based on Council's financial instrument exposures at balance date. We have determined that a 100 basis point (bps) movement is reasonably possible.

INTEREST RATE RISK	NOTE	-100 BPS		+100 BPS	
		PROFIT/ (LOSS) \$000	EQUITY \$000	PROFIT/ (LOSS) \$000	EQUITY \$000
Council 2010					
Financial Assets					
Cash and cash equivalents	1	(89)	-	89	-
Financial Liabilities					
Borrowings - secured loans	2	77	-	(77)	-
Derivative financial instruments	3	11,747	-	(10,971)	-
Total sensitivity to interest rate risk		11,735	-	(10,959)	-

INTEREST RATE RISK	NOTE	-100 BPS		+100 BPS	
		PROFIT/ (LOSS) \$000	EQUITY \$000	PROFIT/ (LOSS) \$000	EQUITY \$000
Group 2010					
Financial Assets					
Cash and cash equivalents	1	(89)	-	89	-
Financial Liabilities					
Borrowings - secured loans	2	77	-	(77)	-
Derivative financial instruments	3	11,747	-	(10,971)	-
Total sensitivity to interest rate risk		11,735	-	(10,959)	-

INTEREST RATE RISK	NOTE	-100 BPS		+100 BPS	
		PROFIT/ (LOSS) \$000	EQUITY \$000	PROFIT/ (LOSS) \$000	EQUITY \$000
Council 2009					
Financial Assets					
Cash and cash equivalents		(5)	-	5	-
Financial Liabilities					
Borrowings - secured loans		2,314	-	(2,314)	-
Derivative financial instruments		12,982	-	(12,072)	-
Total sensitivity to interest rate risk		15,291	-	(14,381)	-

INTEREST RATE RISK	NOTE	-100 BPS		+100 BPS	
		PROFIT/ (LOSS) \$000	EQUITY \$000	PROFIT/ (LOSS) \$000	EQUITY \$000
Group 2009					
Financial Assets					
Cash and cash equivalents		(5)	-	5	-
Financial Liabilities					
Borrowings - secured loans		2,314	-	(2,314)	-
Derivative financial instruments		12,982	-	(12,072)	-
Total sensitivity to interest rate risk		15,291	-	(14,381)	-

Explanation of sensitivity analysis:

1. Cash and cash equivalents include bank balances at call totalling \$8,901,000 (2009 \$478,000) which are at floating rates. A movement in interest rates of plus or minus 100bps (1%) has an effect on \$89,010 interest expense of (2009 \$4,780).
2. Council has floating rate debt which is not hedged against a derivative financial instrument with a principal amount totalling \$7,704,000 (2009 \$231,408,000). A movement in interest rates of plus or minus 100bps (1%) has an effect on interest on the floating rate debt of \$77,000 (2009 \$2,314,000). The borrowings of secured loans are hedged against derivative financial instruments and when doing a sensitivity analysis it should be represented in this year's figures.
3. Derivative financial instruments liabilities include interest rate swaps with a fair value totalling \$12,214,000 (2009 \$6,350,000). A movement in interest rates of plus 100bps (1%) an effect on the unrealised value of the derivative of \$10,971,000 (2009 \$12,072,000). A movement in interest rates of minus 100bps (1%) has an effect on the unrealised value of the derivative of \$11,747,000 (2009 \$12,982,000).

NOTE 31: CAPITAL MANAGEMENT

The Council's capital is its equity (or ratepayers' funds), which comprise accumulated funds and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires Council to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principal promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the cost of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long Term Council Community Plan (LTCCP) and its annual plan (where applicable) to meet the expenditure needs identified in those plans. The Act also sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTCCP.

Hamilton City Council has the following Council created reserves:

- reserves for different areas of benefit;
- self-insurance reserves;
- trust and bequest reserves; and
- other reserves.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Self-insurance reserves are built up annually from general rates and are made available for particular unforeseen events. The release of these funds generally can only be approved by Council.

Trust and bequest reserves are set up where Council has been donated funds that are restricted for particular purposes. Deductions are made where funds have been used for the purpose they were donated.

Other reserves are created to set aside funding from general rates for future expenditure on specific projects or activities as approved by Council.

Council uses funds from reserves to reduce external borrowing requirements and reduce financing costs. An internal interest rate is paid to all reserves and provision for the repayment of internal borrowing is covered via committed external bank funding facilities.

NOTE 32: EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Explanations for major variances from Council's estimated figures in the 2009/10 Annual Plan are as follows.

Statement of comprehensive income

The Council result of a net deficit of \$16.1m is a variance of \$18.7m below the budgeted net surplus of \$2.6m.

Major unfavourable variances were: other expenses of \$5.8m greater than budget due to additional expenditure.

Unbudgeted items included losses on disposal of assets of \$4.8m and revaluation losses on investment properties of \$0.9m and fair value losses on interest rate swaps of \$5.8m with additional unbudgeted depreciation of \$0.5m.

Offsetting these unfavourable variances were finance costs of \$1.1m less than budget due to delayed timing of loan funding due to the later timing of borrowings required for various capital projects.

Statement of changes in equity

The level of equity as at 30 June 2010 was \$126.4m less than budget. This was mainly due to property revaluation of \$18m compared to budget of \$93.9m and the net deficit of \$16m compared to the budgeted net surplus of \$2.6m.

Statement of financial position

Total assets as at 30 June 2010 were \$129m less than budget. There was an unfavourable variance for property, plant and equipment \$133.0m and \$14m of investment property.

Total liabilities as at 30 June 2010 were \$2.7m lower than budget.

Statement of cash flows

The overall movement in cash held was \$8.2m more than budget.

Net cash inflows from operating activities was \$1.1m lower than budget. The main unfavourable variance was for increased payments to suppliers during the year. There were large favourable variances for interest paid due to lower borrowings, and other capital contributions which includes development contributions received that were less than budget due to a slow down in city growth.

Net cash outflows from investing activities was \$30.7m lower than budget. This was due to some capital expenditure for the 2009/10 year being deferred to future financial years.

Net cash inflows from financing activities was \$21.4m lower than budget. Net borrowings were less than budget due to capital expenditure being lower than budgeted.

INFORMATION ON COUNCIL CONTROLLED ORGANISATIONS AND COUNCIL ORGANISATIONS

Council has an interest in three Council Controlled Organisations (CCOs), these being Hamilton Properties Ltd, Waikato Regional Airport Ltd and Local Authority Shared Services Ltd.

Council also has interests in Council Organisations (CO's) including a shareholding in Hamilton Fibre Network Ltd, a shareholding in a Joint Venture in Hamilton Riverview Hotel Ltd, and a minor shareholding in NZ Local Government Insurance Co. Ltd (Civic Assurance). Civic Assurance and Hamilton Properties Ltd are organisations have been specifically exempted as a CCO in accordance with section 6(4)(f) of the Local Government Act 2002.

The following explains what these organisations do and their performance:

Hamilton Properties LTD

Hamilton Properties Ltd is no longer trading and is 100% owned by Council. Council has retained Hamilton Properties Ltd as a non-operating company, with the view to utilising its tax losses in the future.

For more information on the activities of Hamilton Properties Ltd, contact Blair Bowcott, Deputy Chief

Executive, Hamilton City Council, Private Bag 3010, Hamilton.

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% 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 deficit of \$5,608,000 for the year ended 30 June 2010 (2009 net deficit \$479,263).

No dividend was paid in 2010 (2009 nil).

Refer to Note 17 of the financial statements for investment details and Council's share of the net surplus/ (deficit).

A comparison of the company's financial and performance measures for the year ended 30 June 2010 is shown below.

	ACTUAL	STATEMENT OF CORPORATE INTENT TARGETS
Net surplus before tax/interest to average shareholders' funds	-1.58%	-0.45%
Net surplus after tax to average shareholders' funds	-8.26%	-1.24%
Net surplus before tax/interest to total assets	-1.30%	-0.30%
Net surplus after tax to total assets	-7.13%	-0.83%
Percentage of non-landing charges revenue to total revenue	79.90%	73.11%
Earnings before interest, taxation and depreciation	\$545,384	\$1,200,000
Interest rate cover	2.94:1	2.49:1
Total liabilities to shareholders' fund (Debt/Equity ratio)	34:66	20:80

Net loss before taxation includes the impact of a \$356,000 write down to the value of investment property and \$672,000 write down of development property. Neither item was included in the Statement of Corporate Intent target. Net loss after taxation also includes the impact of a \$4 million tax expense as result of Government's legislative change to depreciation deductibility on buildings.

EBITDA is also impacted by above noted write downs in property. The debt /equity ratio shows a higher debt ratio because of shareholders funds reducing with a reduction in the valuation of non-investment land as well as the substantial impact from the tax expense noted above

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

Local Authority Shared Services Ltd

Council became a shareholder, along with all other local authorities within the Waikato Region, in a CCO called Local Authority Shared Services Ltd, to provide local authorities within the region with shared services. The first

shared initiative of this company has been the establishment and operation of a Shared Valuation Database Service (SVDS).

Council holds 7.69% of the ordinary shares in Local Authority Shared Services Ltd. The remaining shares are owned by Environment Waikato, Franklin, Hauraki, Matamata-Piako, Otorohanga, Rotorua, South Waikato, Taupo, Thames-Coromandel, Waikato, Waipa, and Waitomo District Councils.

Council has contributed \$220,500 of capital (by way of its contribution to the capital cost development of SVDS), which represents 13.72% of the services shares in the SVDS.

Council has contributed \$506,250 of capital for services shares in Waikato Regional Transport Model (WRTM), which represents 37.5% of the service shares in WRTM).

Local Authority Shared Services Ltd reported a net surplus of \$1,260 for the year ended 30 June 2010 (2009 net surplus \$451,264).

The performance measures for Local Authority Shared Services Ltd for the year ended 30 June 2010 are shown

below.

PERFORMANCE MEASURE	ACTUAL OUTCOME
Positive cash flow will be maintained so that the equity ratio is maintained at a minimum of 40%.	Positive cash flow has been maintained, and a positive bank balance at the end of each month has allowed LASS accounts to be paid on time. No loan balance is held at balance date. Equity ratio at 30 June 2010 is 98%.
The company will carry out an annual survey of shareholders to assist Directors in developing improvements on behalf of the shareholders, and to receive a majority shareholder approval of the service provided.	A shareholder survey was forwarded to all 13 shareholders, with a total of 9 survey forms being completed and returned. The results show 100% satisfaction has been received from the respondents with the LASS structure, reporting and service operations. Several shareholders requested that the LASS directors be more proactive in pursuing possible further shared services.
Expenditure shall not exceed that budgeted by more than 5% unless prior approval is obtained from the Directors.	Total expenditure was under budget. All administration costs in LASS were below budget, with savings being made in external audit fees.
The Directors will provide a written report on the business operations and financial position of LASS as a minimum on a six monthly basis.	Six monthly reports were provided.

For more information on the activities of Local Authority Shared Services Ltd, contact Blair Bowcott, Deputy Chief Executive, Hamilton City Council, Private Bag 3010, Hamilton.

Hamilton Fibre Network Ltd

Hamilton Fibre Network Ltd commenced 28 March 2008. The company controls a high speed urban broadband network which is currently under development.

Council currently holds 34.67% of the shares in Hamilton Fibre Network Ltd, which is represented by 3602 A class shares and 3373 B class shares in Hamilton Fibre Network Ltd. The remaining 6,755 A shares and 6,390 B shares are owned by Environment Waikato, University of Waikato, Waikato Institute of Technology, Velocity Infrastructure Ltd and Communication Infrastructure Ltd

Hamilton Fibre Network Ltd reported a net deficit of \$413,965 for the period ending 30 June 2010 (2009 net deficit \$380,466)

Refer to Note 17 of the financial statements for investment details and Council's share of the net deficit.

For more information on the activities of Hamilton Fibre Network Ltd, contact Blair Bowcott, Deputy Chief Executive, Hamilton City Council, Private Bag 3010, Hamilton.

Hamilton Riverview Hotel Ltd

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

Hamilton Riverview Hotel has a balance date of 31 December, which is different to that of Council of more than three months. In order to comply with NZ IAS 28, Council has included the interim financial results for the 6 months to 30 June 2010, and the annual results for the 12 months to 31 December 2009 for Hamilton Riverview Hotel (adjusted to reflect only the last six months to 31 December 2009).

Hamilton Riverview Hotel Ltd reported a net surplus after tax of \$914,164 for the year ended 31 December 2009 (2008 net deficit after tax \$177,141), and a net surplus after tax of \$282,922 for the six months ended 30 June 2010 (2009 net surplus \$723,559). These results exclude deferred tax.

When equity accounting for Hamilton Riverview Hotel Ltd, Council is required to reflect a deferred tax adjustment to the above noted results, so that Hamilton Riverview Hotel Ltd's accounting policies conform to those of Council. Council has recognised a deferred tax adjustment (i.e. tax expense of \$2.107 million- Council's share) at 30 June 2010 as a result of the Government's legislative changes to depreciation deductibility on buildings.

For the year ended 30 June 2010, Council did not receive any dividends as the Hamilton Riverview Hotel Ltd Board made decision to fund planned refurbishments at the Novotel from the operating surplus (2009 net dividend of \$206,896).

Refer to Note 17 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 Blair Bowcott, Deputy Chief Executive, Hamilton City Council, Private Bag 3010, Hamilton.

NZ Local Government Insurance Co. Ltd (Civic Assurance)

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% 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 after tax of \$737,276 for the year ended 31 December 2009 (2008 net surplus after tax of \$926,978).

For the year ended 30 June 2010, Council received a net dividend of \$15,407 (2009 \$28,179).

Refer to Note 12 of the financial statements for investment details and Council's share of the net surplus.

For more information on the activities of NZ Local Government Insurance Co. Ltd, contact Blair Bowcott, Deputy Chief Executive, Hamilton City Council, Private Bag 3010, Hamilton.

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 also in close proximity to the University of Waikato Campus.

Council has invested \$2.4 million in Innovation Park in March 2009 to enable development of a new building on the site, that was completed in August 2009. This

investment is also supported by funding contributions from the Ministry of Economic Development's Enterprise Partnership Fund (\$2m towards the new building and \$2m towards operating expenditure) as well as debt funding from Innovation Waikato. This total investment injection 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.

Council's investment in Innovation Park is being treated as an advance until a proposed restructure of the ownership of Innovation Park is completed, at which time the advance will be converted to equity. It is anticipated this restructure will be completed during 2010/11.

REPORT ON FUNDING AND FINANCIAL POLICIES

Introduction

Each local authority is required to prepare and adopt a Revenue and Financing Policy, Funding Impact Statement, Investment Policy, and Liability Management Policy as part of its Long-Term Council Community Plan (LTCCP).

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 LTCCP for the financial year, and
- the actual achievement of those objectives and policies.

Overview

During 2009/10 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 LTCCP relating to its Revenue and Financing 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

Background

The Long-Term Council Community Plan (LTCCP) identifies significant activities of Council and provides for the associated estimated future expenses, revenues, cashflows and other movements in the Statement of Comprehensive Income and Statement of Financial Position. The general aim of the LTCCP 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 Liability Management Policy, and
- operating revenue to cover all projected operating expenses.

Overall Performance

The net deficit for the 2009/10 year was \$20.9m, which is \$23.6m less than the surplus outlined in the LTCCP of \$2.669m.

Major variations to year 1 of the 2009-19 LTCCP are noted below:

- Other Revenue - \$3.130m below LTCCP. This included lower levels of vested assets and development contributions received.
- Other losses - \$11.6m above LTCCP. This included the loss on changes in fair value of Investment Properties \$0.963m, a loss on Property Plant & Equipment disposals of \$4.805m and fair value loss on interest rate swaps of \$5.86m.
- Depreciation/amortisation - \$0.54m above LTCCP, due to additional work in progress unbudgeted.
- Other Expenditure - \$5.812 above LTCCP (due to city profile, transport, event and cultural venues and recreation related costs in the cost of services statements)

Specific Objectives and Targets

OBJECTIVE	2009/10 TARGETS	PERFORMANCE	SIGNIFICANT VARIATIONS, COMMENTS
To maintain the direction specified in the LTCCP	Achieve the budgeted figures specified in the LTCCP	Not Achieved. Net deficit of \$20.9m against a LTCCP net surplus of \$2.669m	Refer to comments noted above for explanation of major variances
To manage the level of contingencies	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 1.8% of the general rate levied for the 2009/10 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 25 of the financial statements.	No significant variation
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 25.6% of total revenue	No significant variation
	Differentials on property sectors maintained to achieve the rate recovery specified in the LTCCP	Achieved	No significant variation

2. FUNDING IMPACT STATEMENT

Background

The Revenue and Financing Policy, as outlined in the LTCCP, 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 LTCCP outlines the funding and rating mechanisms of Council for the following year, in accordance with the policies outlined in the Revenue and Financing Policy.

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 LTCCP.

3. INVESTMENT POLICY

Background

Council delegates responsibility for management, monitoring and reporting of Council's investments and activities to its Finance and Audit Committee, and its Finance Unit.

The investment policy document sets out the parameters for the operation of the Finance 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. Refer to the LTCCP for detailed outline of the policy.

Overall Performance

There are no significant variations or material departures from Council's Investment Policy as reported in the LTCCP or as revised by Council during the year.

Specific Objectives and Targets

OBJECTIVE	2009/10 TARGETS	PERFORMANCE	SIGNIFICANT VARIATIONS, COMMENTS
To manage risks associated with the investments	Investment policy Section 4.3 complied with	Council has been a net borrower during the reporting period. Any operating cashflow surpluses have been managed on a prudent cash management basis.	No significant variation
To use the proceeds from the sale of assets to reduce the overall level of public debt	Investment policy Section 4.7 complied with	Proceeds from the sale of assets have been used to reduce the overall debt of Council	No significant variation

4. LIABILITY MANAGEMENT POLICY

Background

Council delegates responsibility for the management, monitoring and reporting of Council's debt and associated risks to its Finance and Audit Committee and its Finance Unit.

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 LTCCP 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 LTCCP or as revised by Council during the year.

Specific Objectives and Targets

OBJECTIVE	2009/10 TARGETS	PERFORMANCE	SIGNIFICANT VARIATIONS, COMMENTS
To manage interest rate risk exposure.	Minimum (50%) and maximum (95%) levels of fixed borrowing is not exceeded.	Achieved	No significant variations
To maintain debt within specified limits and ensure adequate provision for repayments to maintain adequate liquidity.	For: Council Debt Net debt interest payments on Council debt (excluding interest on DCL debt) do not exceed 20% of the total rating income for the year.	Achieved: 10.8%	
	Net debt (Council) does not exceed 180% of total income (excluding total DCL contributions received p.a. in income) for the year.	Achieved: 137.0%	
	For: Total Net Debt (excluding DCL) Net debt does not exceed 25% of total assets	Achieved: 10.2%	
	Net debt does not exceed 300% of total income for the year.	Achieved: 198.5%	
	Net debt interest payments on total debt do not exceed 20% of the total income for the year (including total DCL contributions received p.a. in income).	Achieved: 10.5%.	
	Liquidity ratio to exceed 110%. Liquidity ratio defined as: Term debt and committed borrowing facilities is not less than 110% of the existing net debt, including working capital requirements.	Achieved. 114.4%.	
To report annually Council net debt against the population of the city	For: Council Net Debt (including DCL) Net debt (Council) does not exceed \$1,800 per capita.	Achieved - \$1,574 per capita	
To maintain security for public debt by way of a charge over rates through the Debenture Trust Deed, or registered mortgage over specific assets	Security documentation is reviewed to ensure compliance.	Achieved	
To ensure that transactions involving foreign currency exceeding \$25,000 in value are hedged by way of forward cover contracts	Compliance with this policy is monitored by reviewing payments in foreign currency	Achieved. All known foreign currency payments hedged.	

STATEMENT OF COMPLIANCE

COMPLIANCE

The Council of Hamilton City Council confirms that all statutory requirements in relation to the annual report, as outlined in the Local Government Act 2002, 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 and International Financial Reporting Standards.

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 reasonably judgements and estimates, and that all relevant financial reporting and accounting standards have been followed and non financial reporting.

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 2010, and the results of its operations and cash flows and the service performance achievements for the year ended on that date.



Bob Simcock
MAYOR

24 September 2010



Michael Redman
CHIEF EXECUTIVE

24 September 2010

6.0 COUNCIL'S GOVERNANCE AND MANAGEMENT

KO TE KAUNIHERA POARI WHAKAHAERE ME TA ROOPU WHAKAHAERE

GOVERNANCE STRUCTURE

Hamilton's Mayor Bob Simcock and the 12 Hamilton City Councillors are members of the community who have been elected by the city's residents and given responsibility for the overall governance of Hamilton. This includes planning and deciding on Hamilton's long-term direction and ensuring that Council acts in the best interests of the community.

With the Mayor elected 'at large' from across the city, six councillors represent the West Ward and six councillors represent the East Ward, with the two wards divided by the Waikato River.

The following table shows the elected members and which Council committees and subcommittees they sit on.

ELECTED MEMBERS			
MAYOR		KEY TO COUNCIL COMMITTEES	
	<p>BOB SIMCOCK Phone: 838 6976 Home: 838 0661 Mobile: 021991071 Email: mayor@hcc.govt.nz Council Committees/ Subcommittees: His Worship the Mayor is an ex-officio member of all committees. He is specifically appointed to Subcommittee 7 (Chief Executive's Performance Assessment Panel).</p>	<p>1. City Development Committee 2. Community and Environment Committee 3. Finance and Audit Committee 4. Statutory Management Committee 5. Transport Committee 6. Applications Subcommittee 7. Chief Executive's Performance Assessment Panel 8. Community Well-being Grant Allocation Subcommittee 9. Contracts Subcommittee 10. Event Sponsorship Subcommittee 11. Passenger Transport Subcommittee</p>	<p>12. Parking Management Subcommittee 13. Active Transport Subcommittee 14. Road Safety Subcommittee 15. Te Runanga o Kirikiriroa Subcommittee</p> <ul style="list-style-type: none">• Committees 1, 2 and 5 meet every six weeks• Committee 3 meets quarterly• Committee 4 meets as and when required• Subcommittees meet as and when required <p>(C) = Chairperson (DC) = Deputy Chairperson</p>
WEST WARD COUNCILLORS			
	<p>JOE DI MAIO Phone: 838 6653 Home: 849 3472 Mobile: 021493472 Email: joe.dimaio@council.hcc.govt.nz Council Committees/ Subcommittees: 2, 3, 5, 12</p>		<p>JOHN GOWER Phone 838 6450: Home: 847 7465 Mobile: 021 318 789 Email: john.gower@council.hcc.govt.nz Council Committees/ Subcommittees: 1, 4 (C), 5 (DC), 6, 11, 14 (C), 15</p>
	<p>DAVE MACPHERSON Phone: 838 6438 Home: 824 5992 Mobile: 021 477 388 Email: dave.macpherson@council.hcc.govt.nz Council Committees/ Subcommittees: 2, 3, 5 (C), 11</p>		<p>ANGELA O'LEARY Phone: 838 5981 Home: 847 1574 Mobile: 021 343 774 Email: angela.oleary@council.hcc.govt.nz Council Committees/ Subcommittees: 1 (DC), 4, 5, 9, 10, 14</p>
	<p>KAY GREGORY Phone: 838 6982 Home: 849 6583 Mobile: 021 529 511 Email: kay.gregory@council.hcc.govt.nz Council Committees/ Subcommittees: 2 (DC), 4, 5, 8, 9, 10, 14</p>		<p>MARIA WESTPHAL Phone: 838 6657 Home: 849 6803 Mobile: 021 341 782 Email: maria.westphal@council.hcc.govt.nz Council Committees/ Subcommittees: 1, 2, 3 (C), 4, 7, 9 (C), 11</p>
EAST WARD COUNCILLORS			
	<p>DAPHNE BELL Phone: 838 6859 Home: 854 5555 Mobile: 021 341 767 Email: daphne.bell@council.hcc.govt.nz Council Committees/ Subcommittees: 2 (C), 3, 5, 8, 11 (C), 15, 13</p>		<p>PETER BOS Phone: 838 6986 Home: 854 0621 Mobile: 021 2857019 Email: peter.bos@council.hcc.govt.nz Council Committees/ Subcommittees: 2, 3 (DC), 4 (DC)</p>
	<p>ROGER HENNEBRY Phone: 838 6519 Home: 854 0223 Mobile: 021 318 439 Email: roger.hennebry@council.hcc.govt.nz Council Committees/ Subcommittees: 1, 3, 5, 13 (C)</p>		<p>PIPPA MAHOOD Phone: 838 6662 Home: 856 3218 Mobile: 021 809 964 Email: pippa.mahood@council.hcc.govt.nz Council Committees/ Subcommittees: DEPUTY MAYOR, 1, 2, 4, 7, 15</p>
	<p>GORDON CHESTERMAN Phone: 838 6766 Home: 854 9851 Mobile: 021 922 927 Email: gordon.chesterman@council.hcc.govt.nz Council Committees/ Subcommittees: 1, 2, 5, 7, 12 (C)</p>		<p>GLENDA SAUNDERS Phone: 838 6980 Home: 839 7165 Mobile: 021 733 191 Email: glenda.saunders@council.hcc.govt.nz Council Committees/ Subcommittees: 1 (C), 3, 4, 7</p>

COUNCIL COMMITTEES

Council's committees and their roles are outlined below.

COUNCIL COMMITTEES	
COMMITTEE	ROLE
1. City Development Committee	Considers and recommends policy to Council on relevant strategic matters that relate to the economic development of the city.
2. Community and Environment Committee	Considers and recommends policy to Council for the community and environmental areas of Council's activities and monitors the implementation of that policy.
3. Finance and Audit Committee	Monitors the financial performance of Council against the LTCCP and Annual Plan. Monitors the non-financial performance measures and significant projects specified by Council.
4. Statutory Management Committee	Hears and considers applications and objections to applications under various Acts and Bylaws. Considers and makes recommendations to Council on regulatory matters.
5. Transport Committee	Considers and recommends policy to Council and monitors the implementation of that policy in the area of integrated transport.

COUNCIL SUBCOMMITTEES	
SUBCOMMITTEE	ROLE
6. Applications Subcommittee	Reports to the Statutory Management Committee. Considers and resolves minor planning matters.
7. Chief Executive's Performance Assessment Panel	Reports to Council. Maintains an overview of the performance of the Chief Executive.
8. Community Well-being Grant Allocation Subcommittee	Reports to the Community and Environment Committee. Disburses community well-being grants on behalf of Council.
9. Contracts Subcommittee	Reports to the Finance and Audit Committee. Approves contracts for supply and services and revenue generating contracts in excess of the \$500,000 (GST excluded) and when the amount of work involved in a decision not to go to tender exceeds \$100,000 (GST excluded).

SUBCOMMITTEE	ROLE
10. Events Sponsorship Subcommittee	Reports to the City Development Committee. Evaluates and makes decisions on which events should receive Event Sponsorship Funding and to what value.
11. Passenger Transport Subcommittee	Reports to the Transport Committee and makes recommendations on: <ul style="list-style-type: none"> • New and altered Hamilton passenger transport routes, timetables and related issues. • Passenger transport infrastructure provision, promotional campaigns, and policy issues. • Makes recommendations following comments and complaints received about Hamilton passenger transport. • Advocacy of the Hamilton passenger transport strategy.
12. Parking Management Subcommittee	Reports to the Transport Committee and makes recommendations to the Committee and Council on parking management issues.
13. Active Transport Subcommittee	Reports to the Transport Committee. Examines the ways in which cycling and walking can be promoted as travel choices within Hamilton.
14. Transport Safety Subcommittee	Reports to the Transport Committee. Recommends policy relating to speed limits, traffic calming measures and other road safety matters.
15. Te Runanga o Kirikiriroa (TeRok) Subcommittee	Reports to the Community and Environment Committee. Promotes the partnership between Council and TeRok and oversees administration of the Maaori and Pacific Project Fund. Receives reports relating to the service contract between the two organisations and works to promote the wellbeing of Maaori and Pacific people in Hamilton.

Further detail on Council's committees and subcommittees, as well as elected member representation on external organisations, joint committees, Council Controlled Organisations and Council Organisations can be found at the website www.hamilton.co.nz/representation.

COUNCIL'S STRATEGY MANAGEMENT TEAM

Council is supported by a corporate organisation, led by Chief Executive Michael Redman and five General Managers who comprise the Strategy Management Team.

COUNCIL'S OPERATIONAL GROUPS	
GROUP	GENERAL MANAGER
Communication and Marketing	Michelle Smith (Acting)
City Planning and Environmental Services	Brian Croad
Community Services	Philip Burton (Acting)
Programme and Finance	Blair Bowcott (Deputy Chief Executive)
Works and Services	Chris Allen

For more details on Council's organisational structure, refer to the website www.hamilton.co.nz/managementteam.

RELATIONSHIP OF THE SENIOR MANAGEMENT TEAM TO THE ELECTED MEMBERS

The Strategy Management Team manages organisation-wide issues and liaises between the elected members and staff. They are responsible for monitoring operational performance, giving policy advice, implementing policy, strategic planning and service delivery. By working collaboratively, the Strategy Management Team ensures that actions undertaken within the various operational groups are consistent with Council's vision, mission, values and the City Strategic Framework (including the Long-Term Council Community Plan and the Annual Plan).

Council's elected members and management and staff work together at different levels to decide what activities should be undertaken to enable progress towards Council's vision for the city, and to plan how these activities can best be delivered. This takes place within a framework of consultation with the community and affected parties, competing priorities, timeframes, resources, affordability and decisions of Council. It occurs within the overall framework of growing and developing the city in a way that enhances its social, economic, environmental and cultural well-being.

7.0 PROFILE OF HAMILTON

HE WHAKAATURANGA MO TE TAAONE NUI O KIRIKIRIROA

PROFILE OF HAMILTON

The table below provides a selection of comparisons as at 30 June.

PROFILE OF HAMILTON			
GENERAL	2008	2009	2010
Population ¹	138,735	141,288	143,886
City Area	9,860 hectares	9,860 hectares	9,860 hectares
Businesses ²	2007 = 12,984	2008 = 13,258	2009 = 13,319
Employees ³	2007 = 77,480	2008 = 77,730	2009 = 75,530
ENVIRONMENT			
Number/area of parks and gardens ⁴	144 (646.4 ha)	145 (636.4 ha)	145 (630.3 ha)
Number/area of sports areas ⁵	61 (445.5 ha)	63 (446.4 ha)	64 (446.7 ha)
Number of play areas	90	95	95
Number of swimming pools ⁶	3	3	3
Walkways in parks and reserves	58.0 km	58.8 km	58.8 km
Number of street trees	29,060	28,051	29,956
INFRASTRUCTURE			
Traffic bridges over the Waikato River	6	6	6
Number of bridges ⁷	59	59	59
Length of streets (road centreline length)	597.9 km	605.3 km	606.4 km
Length of footpaths	918 km	919.9 km	937.4 km
Length of cycleways ⁸	91 km	96.6 km	114.3 km
Length of wastewater pipes	775 km	778 km	780 km
Length of stormwater pipes	631 km	635 km	640 km
Length of open stormwater drains and natural water courses	86 km	90 km	90 km
Length of water pipes	1,051 km	1,065 km	1,075 km
REFUSE DISPOSAL			
Hamilton's residential and industrial/commercial waste sent to landfill	20,024 tonnes (kerbside)	20,063 tonnes (kerbside)	20,343 tonnes (kerbside)
	11,362 tonnes (Wastewater Treatment Plant biosolids)	11,292 tonnes (Wastewater Treatment Plan biosolids)	12,319 tonnes (Wastewater Treatment Plant biosolids)
Waste recycled through kerbside recycling, recycling centre operations and greenwaste composting at the Hamilton Organic Centre ⁹	35,549 tonnes	36,353 tonnes	29,892 tonnes
RATING DATA			
Rating system	Land value	Land value	Land value
Rateable properties (all excluding not-rated)	51,120	52,228	53,287
Rateable land value (all excluding not-rated)	\$10,005m	\$10,124m	9,817m
Rateable capital value (all excluding not-rated)	\$21,170m	\$21,773m	21,495m
Date of city revaluation	1 Sept 2006	1 Sept 2006	1 Sept 2009
Years of rate revenue to repay city debt	2.36 years	2.56 years	2.62 years
Rates revenue (net)	\$97.2m	\$103.2m	\$107.2m
Net city debt (including internal borrowing)	\$229.0m	\$264.0m	\$338.0m

1 University of Waikato Population Studies Centre Projections.

2 Statistics New Zealand (Business Frame Survey).

3 Employee count includes all part-time and full-time workers.

4 Parks and Gardens — areas are defined as being available wholly/principally as recreational public open space.

5 Sports Area — areas are defined as providing a sports venue for the public.

6 In addition, Council has partner pool relationships and provides funding to the University of Waikato Campus Pool, Hillcrest Normal School, Te Rapa Primary School and Fairfield College.

7 Includes traffic bridges, large culverts, and pedestrian bridges/underpasses.

8 Includes on-road cycle lanes and off-road cycle paths.

9 Since February 2010, green waste received at the Hamilton Organic Centre has decreased. This decrease is primarily due to operational changes at the Centre resulting in commercial operators sourcing alternative disposal facilities.

8.0 AUDIT REPORT**TE RIPOATA OOTITATANGA****AUDIT NEW ZEALAND**

Mana Arotake Aotearoa

Audit Report

**To the readers of
Hamilton City Council and group's
financial statements and service provision information
for the year ended 30 June 2010**

The Auditor-General is the auditor of Hamilton City Council (the City Council) and group. The Auditor-General has appointed me, Karen MacKenzie, using the staff and resources of Audit New Zealand, to carry out the audit on her behalf. The audit covers the financial statements, the service provision information and the City Council's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that are included in the annual report of the City Council and group for the year ended 30 June 2010.

Unqualified opinion

In our opinion:

- The financial statements of the City Council and group on pages 109 to 162:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the City Council and group's financial position as at 30 June 2010; and
 - the results of operations and cash flows for the year ended on that date.
- The service provision information of the City Council on pages 19 to 108:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the City Council's levels of service provision for the year ended 30 June 2010, including:
 - the levels of service provision as measured against the intended levels of service provision adopted in the long-term council community plan; and
 - the reasons for any significant variances between the actual service provision and the expected service provision.
- The City Council and group have complied with the other requirements of Schedule 10 of the Local Government Act 2002 that are applicable to the annual report, and that are included in the City Council and group's financial statements and service provision information.

The audit was completed on 24 September 2010, and is the date at which our opinion is expressed.

The basis of our 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 the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements, the service provision information and the other requirements 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, the service provision information and the other requirements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements, the service provision information and the other requirements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether the significant management and system 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 financial and service provision data;
- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied;
- determining the appropriateness of the reported service provision information within the Council's framework for reporting performance; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements, the service provision information and the other requirements.

We evaluated the overall adequacy of the presentation of information in the financial statements, the service provision information and the other requirements. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing financial statements and service provision information in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the City Council and group as at 30 June 2010. They must also fairly reflect the results of operations and cash flows for the year ended on that date. The service provision information must fairly reflect the City Council's levels of service provision for the year ended 30 June 2010.

The Council is also responsible for meeting the other requirements of Schedule 10 of the Local Government Act 2002 and including that information in the annual report. The Council's responsibilities arise from section 98 and Schedule 10 of the Local Government Act 2002.

We are responsible for expressing an independent opinion on the financial statements, the service provision information and the other requirements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

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

In addition to the audit we have carried out an assignment to provide quality assurance over the City Council's system replacement project (Project Phoenix) and have conducted the audit of the Long Term Council Community Plan and subsequent amendments to this 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.



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

