



2021-22 Annual Report

2021-22 Puurongo-aa-Tau



**Hamilton
City Council**
Te kaunihera o Kirikiriroa



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Introduction

Koorero whakataki

From the Mayor and Chief Executive

This financial year Council managed to deliver on a significant number of Long-Term Plan commitments addressing both the city's growth and maintenance of assets amid many challenges and unexpected changes.

COVID-19 disruptions continued, but what we didn't anticipate was the curveball of inflation, the war on Ukraine by Russia, and the increased cost of goods and labour that followed in the latter part of the year. We had to balance community wellbeing and affordability alongside aspirational city plans.

Council ended the financial year with a net debt balance of \$593 million versus the Long Term-Plan projection of \$731 million. Net debt is defined as money we owe the lender, less cash.

There was a balancing the books deficit of \$5.2 million, compared

to the forecast deficit of \$2.9 million. This is due to movement in revenue and expenditure listed on page 23 of this report.

Council met 41 out of the 58 set Performance Measures and did not achieve 16 of the year-end targets. 11 measures were not met due to COVID-19 impacts, including staff shortages. One measure relating to voter participation is not reported on due to no local government elections during the 2021-22 year.

Growth

The city's population is expected to be more than 260,000 by 2050, an increase of over 50% since the 2018 census.

To support this growth, there was significant progress in opening up the Peakcocke area with Council's largest ever programme of transport and wastewater investment.

The three-year citywide property rating values were released in April 2022. Hamilton City Council's new property rating valuations show the city is now worth \$71.4 billion as of September 2021.

Environment

We now have a Climate Change action plan and strategy to help us rethink how we live, work, and play in our city now and in the future.

In its first year, the Nature in the City programme hit several milestones and launched with the restoration of Donny Park/Kukutaaruhe Gully in May 2022.

Highlights

Council has delivered unprecedented levels of service and activity across the city. A record \$252 million worth of capital projects was delivered.

Some of the work included about \$4 million of walking and cycle improvements, the completion of the Hamilton Ring Road project, FMG Stadium Waikato's East Stand was reopened after seismic strengthening and Mahoe Park playground was finished.

The Ancient Egyptian Garden and Palm Court at the Hamilton Gardens were opened in May 2022.

The completion of the new Hamilton Zoo and Waiwhakareke Arrival Centre, launch of Everyday Cafe and enhanced retail and ticketing and saw record visitation in April 2022 holidays.

Waikato Museum provided a range of exciting exhibitions including the Moon exhibition attracting over 30,000 visits.

Council was accepted into the Welcoming Communities

Te Waharoa ki ngaa Hapori programme in late 2021 to see the city become more inclusive and supportive for new migrants.

In January 2022, Te Huia restarted its service after regional lockdowns lifted, connecting the heart of Hamilton to new stations including The Strand in central Auckland.

Seddon Park hosted seven ICC Women's Cricket World Cup 2022 matches.

Recognition

Council's Transport Data Analytics Platform (TDAP) won the 'Outstanding Smart City Project' award within the category of Transportation - Connected and Autonomous Vehicles, Public Transit, Ride-Hailing/Ride-Sharing.

Claudeland's Oval was named Best Venue 2021 by the New Zealand Events Association (NZEA). This comes after Claudeland's Oval had an impressive debut as a concert

venue in February 2021 when it hosted a 25,000-strong crowd for Six60 Saturdays.

Employee wellbeing

Safety is first in all we do. As part of Council's commitment to providing a healthy and supportive workplace for our people, we introduced several initiatives last year.

This included a refreshed Safety Management System, to provide a consistent approach to managing health and safety across Council. New software was implemented to improve work related event and hazard reporting as it happens, along with better contractor management procedures.

Council decision making

Partnering with iwi and continuing to honour the principles in The Treaty of Waitangi continues to be important to us. Part of this is working to foster opportunities for Maaori to be involved in decision-making and in 2021 Council resolved to establish

a Maaori Ward for the 2022 elections.

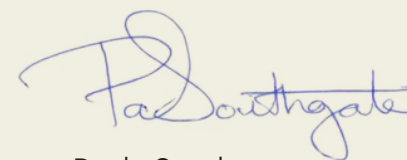
The two citywide Maaori Ward seats have been included in Hamilton City Council's local 2022 elections.

Our commitment to He Pou Manawa Ora - Pou (Pillars) of Wellbeing - has welcomed the increase of te reo Maaori, art, stories and celebration, such as Matariki, into the development of our city.

Council created the Safest City Taskforce, co-chaired by the Mayor and Police Area Commander. This initiative involves the two organisations working closely with the University of Waikato and Waikato Tainui to bring together partners and stakeholders with a role and interest in keeping our city safe.

In September 2021, Lance Vervoort moved into the position of Chief Executive, having been Council's General Manager - Community for the past decade.

Everything achieved within this financial year has been driven by what the community have told us what they want in Hamilton Kirikiriroa to make it a great place live, work and play. It wouldn't have been possible without the huge effort of 1300 Council staff who keep our city running and deliver on our purpose of improving the wellbeing of Hamiltonians every day. We thank each and every staff member for their dedication and commitment to their city.



Paula Southgate
Mayor



Lance Vervoort
Chief Executive

He kupu naa te Koromatua me te Tumu Whakahaere

I tenei tau putea i aahei te Kaunihera te whakatutuki i eetahi herenga maha tonu o te Mahere Waa-Roa e paa ana ki te tipu o te taaone me te tiaki i ngaa rawa i roto i ngaa wero nunui me eetahi panoni kaaore i manakohia.

I haere tonu ngaa raruraru KOWHEORI-19, engari i puta ohorere ki a taatou te pupuhitanga utunga rawa (te hekenga o te kaha o te moni), te whakaekenga a Ruuhia ki Ukaraina, me te piki o ngaa utu taonga, utu mahi i whai mai i te waa toomuri o te tau. Me whaarite i a maatou te oranga o te haporu me ngaa utu ka taea ki te taha o ngaa kaupapa o te taaone wawata.

I mutu te tau puutea o te Kaunihera me te tapeke toenga nama o te \$593 miriona whakataurite ki te matapae Mahere-Waa Roa o te \$731 miriona. Ko te toenga nama ko ngaa moni e nama ai taatou ki te kaituku moni, tangohia ai te moni uka.

Teeraa he nama hemihemi \$5.2 miriona i te whaaritenga o nga pukapuka, whakataurite ki te nama matapae \$2.9 miriona. He peenei naa te whiwhinga puutea nui ake noo ngaa utu me ngaa utu kaiwhakamahi, hua mai ai ko ngaa utu puutea me ngaa utu huamoni iti ake i te mea me taurewa e taatou he iti ake.

I tutuki i te Kaunihera e 41 o te 58 Paearu Mahinga, kaaore ia

i tutuki te 16 o ngaa whaainga moo te mutunga o te tau. Kaaore i tutuki eetahi paearu naa ngaa paanga KOWHEORI-19 tae ki te korenga o ngaa kaimahi.

Tiputanga

E kiia ana, tae ki te tau 2050 ka hipa te taupori o te taaone i te 260,000, he piki neke atu i te 50% o te tatauranga 2018.

Hei tautoko i teenei tiputanga, he neke whakamua nui tonu te tuwheratanga o te takiwaa o Peacocke me te haumitanga nui rawa a te Kaunihera ki te kaupapa o te ikiiki me te wai para.

I whakaputaina i Paengawhaawhaa 2022 ngaa

waariu reeti toru-tau o ngaa whare o te taaone whaanui. E ai ki aa te Kaunihera o Kirikiriroa waariu reeti hoou o ngaa whare, ko \$71.4 piriona te uara o te taaone mai o Mahuru 2021.

Taiao

He mahere mahi me te rautaki Huringa Aahuarangi taa taatou inaaiane ki whaiwhakaaro anoo e taatou me pehea te ora, te mahi, te taakaro i too taatou taaone aaiane, aapoopoo hoki.

I toona tau tuatahi, i tutuki i te kaupapa Te Aoturoa i te Taaone (Nature in the City) etahi tohu nui, i whakarewa hoki me te whakahokinga mai o Donny Park/Kukutaaruhe Gully i Haratua/Mei 2022.

Ngaa Mea Nui

Kua whakarato te Kaunihera i ngaa taumata o ngaa ratonga me ngaa mahi puta noa i te taaone kaaore i kitea i mua. He reekoata \$252 miriona te nui o ngaa kaupapa whakapaipai kapewhiti i tutuki.

I roto i ngaa mahi ko te \$4 miriona pea o ngaa whakapaipai moo te hiikoi me te eke paihikara, i oti te Ara Tawhio Kirikiriroa, i whakatuwhera anoo too FMG Stadium Waikato East Stand i muri i te whakakahatanga moo te ruu, i oti hoki te papa taakaro o Mahoe Park.

I te marama o Haratua/Mei 2022 i whakatuwheratia ngaa te Kaari o Ihpa me te Marae Nikau i Ngaa Kaari o Kirikiriroa.

I oti too Kirikiriroa Rawhi Kararehe hoo me te Pokapuu Whakatauranga o Waiwhakareke, te uakinga o Everyday Cafe, otiraa ngaa whakapai hokohoko me te tukunga tiikiti, aa i kitea he reekoata haerenga mai i ngaa

hararei o Paengawhaawhaa/Aaperira 2022.

I te Whare Tongarewa o Waikato eetahi whakaaturanga whakahiamo whaanui tae ki te teeraa moo te Marama i 30,000 neke atu ngaa kaitoro.

I whakaaetia te kaunihera ki te hootaka Welcoming Communities Te Waharoa ki ngaa Hapori i te mutunga o 2021 kia kitea te wairua maioha o te taone, te tautoko moo ngaa manene hoo.

I Kohitaatea/Haanuere 2022, i tiimatatia ano e Te Huia taana ratonga i muri i te hikinga o ngaa kati-iho aa-rohe, hono ana te puu o Kirikiriroa ki ngaa teihana hoo tae ki The Strand i waengapuu o Tamaki Makaurau.

I taurimatia e Seddon Park etahi whakataetae o te ICC Women's Cricket World Cup 2022.

Te Aahukahuka

I riro i taa te Kaunihera Puuhara Taataringa Raraunga Ikiiki/

Transport Data Analytics Platform (TDAP) te tohu 'Kaupapa Taaone Atamai Koohure' i roto i te kaawai Ikiiki - Ngaa Waka Honohono me ngaa Waka Takitahi, Waka Aa-lwi, Waka-Karanga/Waka-Tiri.

I tapaina e te New Zealand Events Association (NZEa) ko Claudelands Oval te Papa Taakaro Pai Rawa o 2021. Noo muri teenei i te tiimata whakamiiharo a Claudelands Oval hei takiwaa koonohete i Huitanguru/Peepuere o teeraa tau i taana taurima i te whakaminenga 25,000 moo ngaa Raahoroi Six60.

Hauora Kaimahi

Manawa titikaha te hauora o te kaimahi ki a maatou te kaunihera. He maha ngaa kaupapa hauora hou kua puta I teeraa tau hei whakatinanana I te oati he waahi mahi haapai, tautoko hoki I te hauora o aa maatou kaimahi. Anoo ia te Whakahaeretanga Punaha Haumarua hou kia rata te whakahaeretanga haoura me te haumarua puta noa I te kaunihera.

Kua whakauu teetehi taupanga hou hei wahakamaamaahia, whakatere hoki te ripoatatanga o ngaa whara me ngaa aitua mahi, taapiri atu te whakatika anoo I ngaa taunga whakahaere o ngaa kaikirimana.

Te whakatakoto whakatau a te Kaunihera

He nui tonu ki a maatou te mahi tahi me ngaa iwi me te whakahoonore tonu i ngaa maataapono o Te Tiriti o Waitangi. Ko teetahi waahi o teeei ko te atawhai i ngaa ara e whai waahi ai te Maaori ki te whakatakotoranga whakatau, otiraa i te tau 2021 i whakatau te Kaunihera kia whakatuuria he Tuuru Maaori mo te pootitanga 2022.

Kua whakaurua ngaa Tuuru Maaori e rua o te taaone whaanui ki ngaa pootitanga 2022 aa-rohe o te Kaunihera o Kirikiriroa.

Naa too maatou uukanga ki He Pou Manawa Ora - Pillars of Wellbeing - kua maiohatia

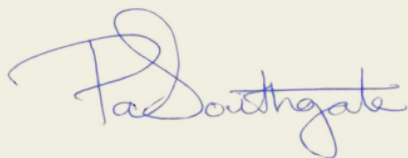
te pikitanga o te reo Maaori,
te toi, ngaa koorero me ngaa
whakanuinga, peeraa i a
Matariki, ki te whanaketanga o
too taatou taaone.

I hangaa e te Kaunihera te
Kapatuumahi Taaone Tino
Haumarū, ko te Koromatua me
te Kaihautuu Pirihimana Aa-Rohe
ngaa heamana. Moo teenei
kaupapa kei te mahi ngaatahi
ngaa umanga e rua me Te
Whare Waananga o Waikato me
Waikato Tainui ki te whakamine
i ngaa hoa paatui me nga
kaiwhaiwaahi whai tuuranga,
whai hiahia kia haumarū ai too
taatou taaone.

I te marama o Mahuru/
Hepetema 2021, i neke a Lance
Vervoort ki te tuuranga o Tumu
Whakarae, kua noho raa hei
Kaiwhakahaere Matua moo te
Kaunihera - Hapori moo ngaa
tau ngahuru kua hipa.

Ko ngaa mea katoa i tutuki i
teenei tau puutea he mea akiaki
naa ngaa koorero a te hapori
ki a maatou moo a raatou
hiahia moo Kirikiriroa Hamilton

kia pai ai hei noho, hei mahi,
hei taakaro. Kua kore e taea
ki te kaahore te kaha o ngaa
kaimahi 1300 a te Kaunihera naa
raatou i whakahaere too taatou
taaone, i whakatutuki i too
taatou kaupapa kia whakapai
i te oranga o ngaa taangata o
Kirikiriroa i ia raa. E whakawhetai
ana maatou ki teenaa, ki teenaa
kaimahi moo toona ngaakau nui
me toona uukanga ki too raatou
taaone.



Paula Southgate
Koromatua



Lance Vervoort
Tumu Whakarae

Your Council

Ko taa taatou Kaunihera

Maangai Maaori



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Lance Vervoort – Chief Executive

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Bruce Robertson

Strategic Risk and
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What is the Annual Report?

He aha te Puurongo-aa-Tau?

The Annual Report is a key document in Council's planning and reporting process, with its contents directed by the Local Government Act 2002.

Our planning cycle starts with an extensive and deliberate community engagement process developed alongside the people of Hamilton Kirikiriroa to understand the aspirations they have for their city. These are captured in our vision and five priorities and provide the focus for what Council will work on for the next decade.

Then Council prepares a Long-Term Plan. This sets out the work programmes, budgets and rates needed to deliver the vision and priorities. Each Long-Term Plan covers the next decade, with a

focus on the first three years.

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

When we aren't producing a Long-Term Plan, we produce an Annual Plan. The Annual Plan gives Council the chance to review the work programme set out in the Long-Term Plan and consider where any changes are necessary. Council's current Annual Plan is the 2022-23 Annual Plan, which identifies any differences between what we said we would do in 2022-23 in the Long-Term Plan, and what we are doing.

The Annual Report is produced to review our performance and tell you, the community, how well we did on delivering to the Long-Term Plan.

This 2021-22 Annual Report is provided to compare Hamilton City Council's actual performance for the 2021-22 year against what was forecast in the 2021-31 Long-Term Plan.

The Report considers, against the Long-Term Plan:

- did we deliver the level of service we said we would?
- did we deliver on the capital projects we said we would?
- did we deliver to the operating budget we set?

Audit

Council's external auditor, Audit New Zealand, is required to audit the Annual Report. The Annual Report is then adopted by Council on the recommendation of staff and the Strategic Risk and Assurance

Committee. This ensures that both the management and governance functions across Council share responsibility for the report's accuracy and accountability.

Intended audience

This Report is intended to provide this important information to a range of stakeholders including local businesses, Council partners, government departments and agencies, non-government organisations, and the community of Hamilton Kirikiriroa. It is also an opportunity for our teams to look back on and celebrate the successes of the year and to highlight the amazing work delivered to the community of Hamilton Kirikiriroa.

Piecing it all together:

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

1 July 2022:
Council's 2022-23 Annual
Plan (we are here)

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

1 July 2023:
Council's 2023-24
Annual Plan

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

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

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



*pursuant to section 98(7)(b) of the Local Government Act 2002, this Annual Report must be completed and adopted no later than the close of 31 December 2022, an extension of two months due to the ongoing impacts of COVID-19.

Our vision for Hamilton

Kirikiroa ka hua. Ka puaawai. Ka ora

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

Our priorities

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

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

The five priorities for our city are:

- A city that's easy to live in | He taaone e ngaawari noa iho ana te noho
- A city where our people thrive | He taaone e tipu matomato ai te tangata
- A central city where people love to be | He pokapuu taaone e ngaakautia ana e te marea
- A fun city with lots to do | He taaone kua kikii ki ngaa tini kaupapa
- A green city | He taaone tiaki taiao

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

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

Our community outcome measures

These four measures show how well we are delivering to our community outcomes.

You can expect Our city is easy to live in, explore and connect.		KEY: Achieved Not achieved	
Measure	2021-22 target	2021-22 result	2020-21 result
Percentage of residents who think Hamilton is a great place to live.	At least 79%	77%	88%
What's behind the results			
<p>We ask our communities this question in our two-yearly Quality of Life Survey, a survey of metro councils to gain an understanding of communities' perception of their quality of life. The most recent survey was undertaken between March - June 2022.</p> <p>The 2022 Quality of Life Survey result of 77% is the same as the result received in the December 2021 pulse survey but is a decrease on the 2020 Quality of Life result of 88%. It is important to note that the 2020 Quality of Life Survey was conducted between September 2020 - November 2020, after the first COVID-19 lockdown and elimination of COVID-19 in the community. Since then, we have seen a number of disruptions due to COVID-19 Alert Levels, Lockdowns and COVID-19 Protection Framework. Between July 2021 - June 2022 Hamilton has experienced a Level 4 Lockdown, Alert Level 3 and the Red Traffic Light setting of the COVID-19 Protection Framework. Hamiltonian's are now living with and experiencing COVID-19 in the community.</p> <p>All eight cities in the Quality of Life Survey have experienced a decrease in the percentage of residents who feel their city or local area is a great place to live with the eight-city average has decreasing to 77% from 83% in 2020.</p> <p>In Hamilton, the main change is more respondents selected the 'neither agree or disagree' option (an increase of 11%) with the percent who stated that disagree and strongly disagree that Hamilton is a great place to live only increasing by 2% to 6% from 4%.</p> <p>Since 2020 we have seen an increase of those who feel Hamilton has good or improved amenities such as libraries, shops and doctors, roads, and recreational facilities/things to do. Continuing to deliver on the projects outlined in the Long-Term Plan will help build on Hamilton being a great place to live and build pride in the city.</p> <p>Crime, feeling unsafe and an increase in undesirable elements received the most negative comments. 43% of respondents mentioned an increase in crime compared to the average of 28% in the 2020 Quality of Life Survey. Respondents also mentioned the cost of living as impacting negatively on their perception of Hamilton.</p>			

* NielsenIQ conducted the Quality of Life Survey from 28 March 2022 to 13 June 2022 across eight metro councils, and one regional council. A stratified probabilistic sample of 2650 Hamiltonians were selected from the New Zealand Electoral Roll, with hard-to-reach groups being oversampled. Of those who were sent an invitation to participate, 546 responded (a response rate of 20.6%) providing data pertaining to their perception of quality of life within Hamilton. Responses were weighted according to the 2018 Census population data. The sample size and methodology allow for a maximum margin of error of 4.2% (with a 95% confidence interval).

You can expect Our city is easy to live in, explore and connect.

KEY: **Achieved** | **Not achieved**

Measure	2021-22 target	2021-22 result	2020-21 result
Percentage of residents who are proud of how Hamilton looks and feels.	At least 60%	53%	64%
What's behind the results			

We ask our communities this question in our two-yearly Quality of Life Survey, a survey of metro councils to gain an understanding of communities' perception of their quality of life. The most recent survey was undertaken between March - June 2022.

Those who have pride in Hamilton has increased since the December 2021 pulse survey (50%) but has decreased from 64% in 2020 Quality of Life Survey undertaken November 2020.

The eight-city average has decreased from 63% in the 2020 survey to 55% in this survey and all eight cities have experienced a decrease in the percentage of residents who have pride in the look and feel of their city or local area.

Continuing to deliver on the projects outlined in the Long-Term Plan will help build on Hamilton being a great place to live and build pride in the city.

You can expect We will make decisions that improve the wellbeing of Hamiltonians.

KEY: **Achieved** | **Not achieved**

Measure	2021-22 target	2021-22 result	2020-21 result
The percentage of residents who believe we make decisions that are in the best interests of the city.	At least 32%	33%	41%
What's behind the results			

We ask our communities this question in our two-yearly Quality of Life Survey, a survey of metro councils to gain an understanding of communities' perception of their quality of life. The most recent survey was undertaken between March - June 2022.

The result is a 10% decrease from the December 2021 pulse survey result of 43% and a decrease of 8% from the 2020 Quality of Life Survey of 41%.

Our result of 33% is the second highest out of the seven cities surveyed and above the seven-city average of 27%.

In the Quality-of-Life Survey we also ask respondents their perception of public's influence on council decision-making, 72% believe public have a level of influence on council decision making.

You can expect We'll reduce the carbon footprint of the city and build a city that is resilient to the effects of climate change.

KEY: **Achieved** | **Not achieved**

Measure	2021-22 target	2021-22 result	2020-21 result
Reduction in greenhouse emissions footprint for Hamilton City Council.	Decrease in greenhouse emissions per head of population from previous year	0.059 tonnes per head of population	0.065 tonnes per head of population
What's behind the results			

Council's greenhouse gas emissions for 2021-22 were 10,482 tonnes, and the population used was 178,500. In 2020-21 Council's greenhouse gas emissions were 11,507 tonnes, and the population used was 176,900.

Maaori contribution to the decision-making process

Te Waahi o te Maaori ki te Whakatakotoranga Whakataau

We are committed to meeting our Treaty and legislative responsibilities.

We acknowledge the role and contribution that iwi, hapuu and maataawaka make towards our great city of Kirikiriroa as Treaty partners. Valued support and advice is received from our iwi, hapuu and maataawaka partners and we are committed to working together on the social, cultural, economic, and environmental sustainability and wellbeing of the city and its residents.

He Pou Manawa Ora - Pillars of Wellbeing

This strategy, adopted in August 2021, outlines Council's vision

for a city that celebrates its whole history, including its unique Maaori heritage, and ensures everyone has a voice in developing its future.

Developed in consultation with Waikato-Tainui, Te Rūnanga Ō Kirikiriroa and mana whenua, this strategy discusses how Council will use the pillars (pou) of History, Unity, Prosperity, and Restoration to build a proud and inclusive city for the wellbeing of all its people. We will need to work together with our Maaori partners and the whole community to deliver the outcomes in He Pou Manawa Ora.

The principles of the Te Tiriti o Waitangi (The Treaty of Waitangi) will help guide this

partnership on its journey towards creating a more socially, economically, and environmentally diverse city for future generations to be proud of.

Maaori Wards

Hamilton Kirikiriroa will have a Maaori Ward for local government elections from 2022, with two Maaori seats as representative of the Maaori Electoral Population of Hamilton Kirikiriroa.

Maangai Maaori

Maangai Maaori, meaning the voice of Maaori, were first appointed to Council committees with full voting rights in 2018. It is an

initiative to give effect to Te Tiriti O Waitangi. Maangai Maaori currently sit on eight committees and an advisory group. The Maangai Maaori represent and are chosen by iwi (Waikato-Tainui) and maataawaka (urban Maaori) organisation Te Rūnanga Ō Kirikiriroa. Maangai Maaori are selected based on skill, knowledge, and experience.

Council Kaumatua

Hamilton City Council's Kaumatua is appointed by the Office of the Maaori King to give support and advice to Hamilton's Mayor and its elected members. The kaumatua gives spiritual guidance to council in line with Tainui tikanga and protocols.

Amorangi Maaori

Amorangi means to lead, or to provide leadership. Amorangi Maaori provides leadership and advice across Hamilton City Council on matters related to Maaori. Amorangi Maaori leads:

- Maaori relationship guidance and enhancement
- Maaori engagement and consultation advice and support
- cultural capacity building and development
- strategy development
- policy and bylaw planning, review, development, and advice
- project and contract management.

Partnerships with Maaori

Waikato-Tainui

Te Whakakitenga o Waikato-Tainui is the local iwi (tribe) focussed on the economic, social, cultural, and environmental wellbeing of its 75,000 tribal members.

Hamilton City Council and Waikato-Tainui have a strong and mutually beneficial partnership to promote better wellbeing outcomes through agreed projects and meet obligations to restore and protect the Waikato River. This partnership is governed through the Waikato-Tainui / Hamilton City Council Co-Governance Forum.

Mana Whenua o Kirikiriroa

Traditionally there were a number of hapuu (sub-tribes) that occupied that landscape of Kirikiriroa. Many of these traditional hapuu are no longer active, but are represented today by existing hapuu Ngaati Maahanga, Ngaati Tamainupoo, Ngaati Wairere, Ngaati Korokii Kahukura and Ngaati Hauaa. We work with these hapuu to ensure their role as kaitiaki and mana whenua is reflected in decision making relating to the management of the natural and physical resources of Hamilton Kirikiriroa.

Te Rūnanga o Kirikiriroa (TeROK)

Formally established in 1988 and under the direction of the late Maaori Queen, Te Atairangikaahu, and the Mayor of the time, the late Sir Ross Jansen, TeROK represents maataawaka and Pasifika peoples living in Hamilton Kirikiriroa. TeROK provides information and advice and represent the views of maataawaka in the development of Council strategies, policies, and plans

Climate change reporting

Te Puurongo i te Huringa o te Aahuarangi

We have an important role in responding to climate change here in Hamilton Kirikiriroa. Without action, climate change could impact on the wellbeing of our community. With oversight from the Environment Committee, we have implemented our Climate Change Action Plan, approved a Climate Change Policy, and developed our draft climate change strategy, Our Climate Future: Te Pae Tawhiti o Kirikiriroa.

Our Climate Change Action Plan for 2021-2022 set 45 priority actions for delivery, focussing on developing our long-term

climate change response, reducing Council's operational emissions, and transitioning to a low carbon and resilient city. With transport making up 64% of Hamilton's emissions¹ the action plan included many actions that focused on improving public transport, cycling, and walking.

Council's greenhouse gas emissions were 10,482 tonnes. We saw a reduction in emissions as we moved away from natural gas use and reduced our travel. We also set a new target for our fleet emissions: we are aiming for a 44% reduction by 2030.

In June 2022, we approved the Climate Change Policy, which will ensure climate change is part of the decision-making process across Council. It provides the framework for considering the operational and embodied emissions associated with projects and decisions, and the potential climate change risks.

Over 2021-22 we have been developing Our Climate Future: Te Pae Tawhiti o Kirikiriroa, our strategy to respond to climate change. We ran social media campaigns seeking community views on low emissions travel, water sustainability, improving

biodiversity and low carbon growth. We also ran workshops with the Voice of Hamilton Kirikiriroa panel, community groups and businesses.

We met with iwi and key stakeholders like the University of Waikato and Waikato Regional Council, to ensure their views were reflected in the strategy. All this feedback helped to shape the strategy and will guide our future action on climate change.

It is important that we have a strong voice on climate change and that we advocate strongly to central government on things

¹ In 2018-19

within their control. We submitted on both the Emissions Reduction Plan and the National Adaptation Plan, seeking strong action that is supported by funding. We have been actively involved in the climate change work led by the Waikato Plan, which included providing funding for the first Climathon in the Waikato. It was held here in Hamilton Kirikiriroa and had more than 60 attendees who worked to develop solutions for local climate change challenges.



Our Financial Strategy

Too Maatou Rautaki Puutea

Our 2021-31 Long-Term Plan includes a financial strategy that aims to enable us to respond sustainably to growth in a way that is cost effective for existing ratepayers. The Financial Strategy's guiding principles are:

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

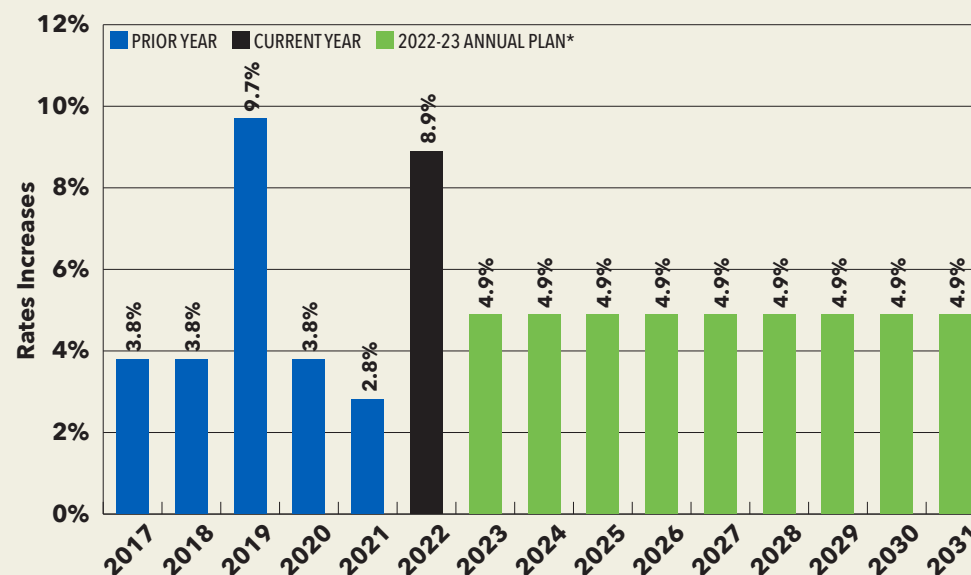
The Financial Strategy can be read in full in the 2021-31 Long-Term Plan or on our website. It sets limits on the amount of debt we can take on compared to revenue (debt to revenue), forecasts net debt (the money we owe lenders, less cash) and forecasts when we will balance the books. The Council books are balanced when everyday revenue pays for everyday expenses.

Against the strategy, we did not achieve the balancing the books target for 2021-22 by \$2.3 million and ended the financial year with a net debt balance \$138 million lower than projected.

Rates

The Long-Term Plan sets the limits on average rate increases to existing ratepayers. Under the plan, rates increases were limited to 8.9% in 2021-22 and 4.9% from 2022-23 onwards. We have stayed within these limits, the actual average rate increase for 2021-22 was 8.9%.

Total rates increases to existing ratepayers



*The figures for 2023 to 2031 have been reforecast as part of the 2022-23 Annual Plan process.

Balancing the books

The balancing the books measure is a way of assessing our operating performance. You can see how our balancing the books measure is calculated on page 151. There are other ways to measure operating performance, including the Government's balanced budget measure, which we report against in the Disclosure Statement section of this report on page 248.

The main differences between the two measures are:

- Our measure removes capital revenue (NZ Transport Agency subsidies for capital expenditure and other capital contributions). These revenue items are included in the Government measure. We exclude this revenue as it funds specific capital items and is therefore not available to fund everyday costs.
- The Government measure removes all revenue from development contributions (fees charged for new developments). Our measure only removes a portion of development contributions revenue (the portion retained is to cover interest costs on development contributions-funded growth assets).
- Our measure removes certain revenue not considered everyday (such as the fair value benefit on the Housing Infrastructure Fund loan from Central Government). It also removes certain expenditure not considered everyday (such as grants for the Waikato Regional Theatre and the discount unwind on the Housing Infrastructure Fund loan). These are not adjusted for in the Government measure.

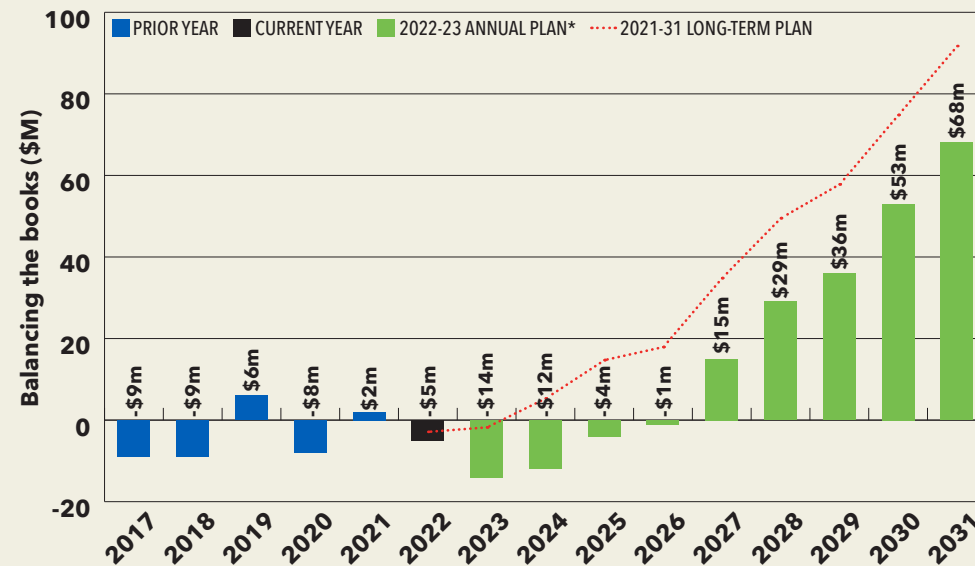
We did not achieve the balancing the books target in 2021-22, with an adjusted operating deficit of \$5.2 million against a target of a \$2.9 million deficit. Using the Government's balanced budget

measure, we are reporting a surplus of \$66.5 million against a budgeted surplus of \$17.5 million.

The significant revenue and expenditure variances that contributed to Council's balancing the books result include:

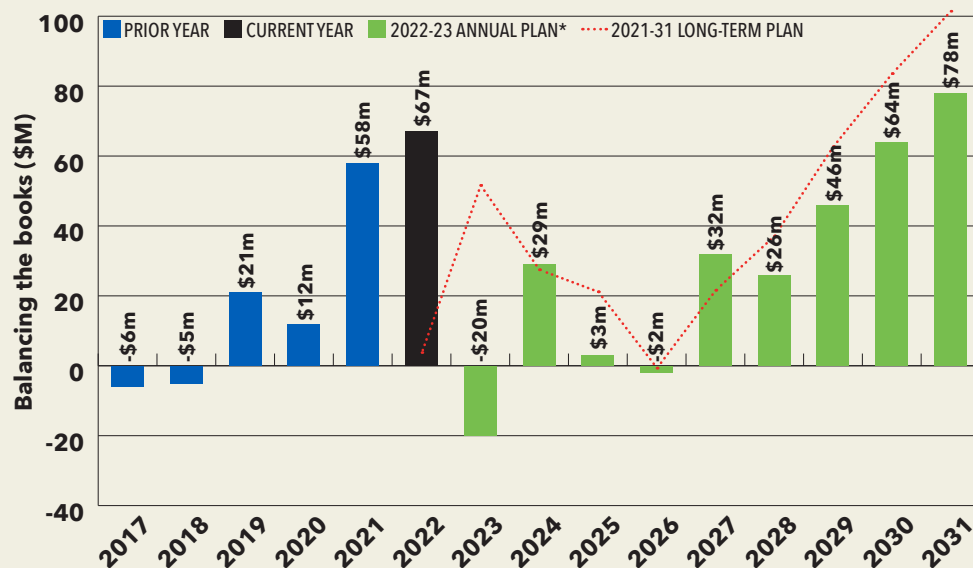
- Subsidies and grants were higher than budgeted due to the allocation of Central Government grant funding for the delivery of the Water Reform Stimulus Programme.
- Depreciation was higher than budgeted due to the 2021 revaluation on buildings, as well as asset revaluations taking place in April 2022.
- Operating and maintenance costs were higher than budgeted mainly due to the write off of Software as a Service related intangible asset costs.

Balancing the books - Hamilton City Council measure



*The figures for 2023 to 2031 have been reforecast as part of the 2022-23 Annual Plan process.

Balancing the books - Government measure



Debt

The definition we use for debt is money we owe the bank, less cash. We refer to this as a net debt. To see the details of how this figure is calculated, see note 30 to the financial statements on page 218.

We ended the financial year with a net debt balance of \$593 million, which was lower than the projected target of \$731 million. Our debt is now 153% of revenue against a performance target of 193%.

The main reasons for this favourable result are:

- Higher than budgeted revenue from subsidies and grants.
- Total deferrals of \$94.8 million, being the net position between projects moved out to future years and projects brought forward into 2021-22.

The 2021-22 approved capital budget was \$328.7 million, an increase on the previous 2020-21 budget of \$302.8 million. Actual spend for the capital portfolio was \$252.2 million, representing a 2.8% increase on the prior year spend of \$245.3 million.

Project deferrals have a favourable impact on our financial result. However, it is only a timing impact as the expenditure will still be incurred, although later than originally planned.

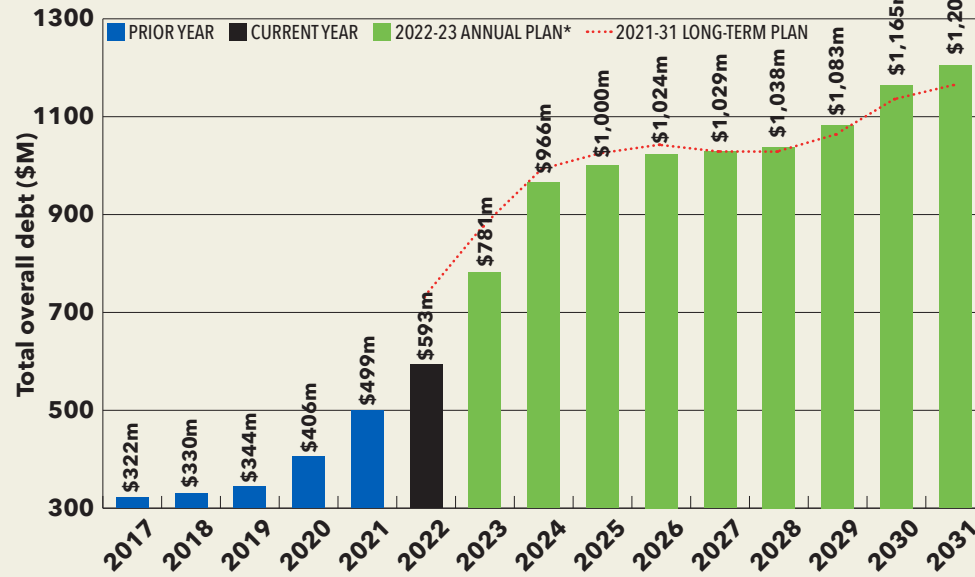
Projects were deferred due to:

- third party delays e.g. infrastructure that is dependent on developers;
- contractual delays e.g. a design issue or delay in the tender process;
- delays due to change in project scope or change in prioritisation by Council.

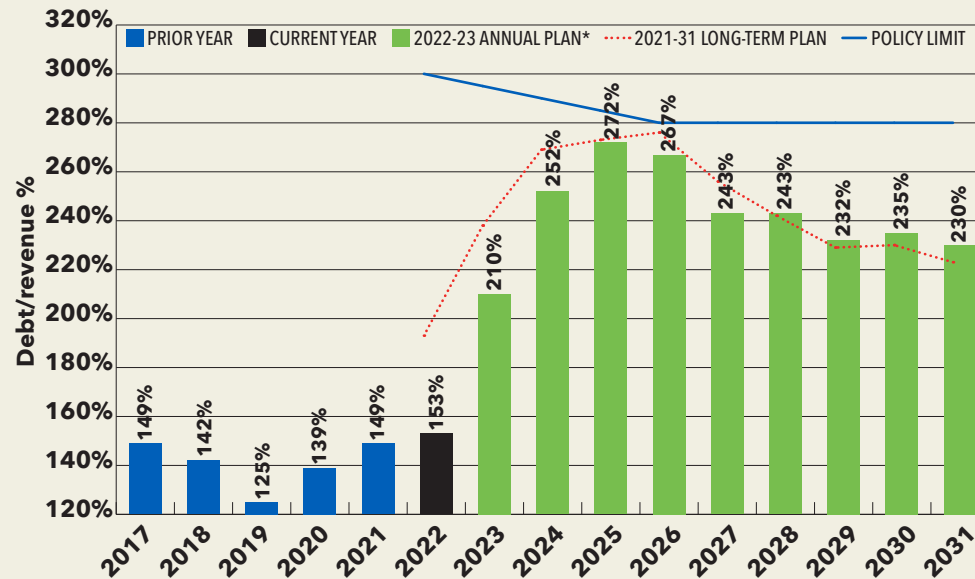
To keep debt at manageable levels, the financial strategy caps debt to revenue at 300%. This ratio will taper back to 280% by 2026.

**The figures for 2023 to 2031 have been reforecast as part of the 2022-23 Annual Plan process.*

Total overall debt



Debt-to-revenue ratio

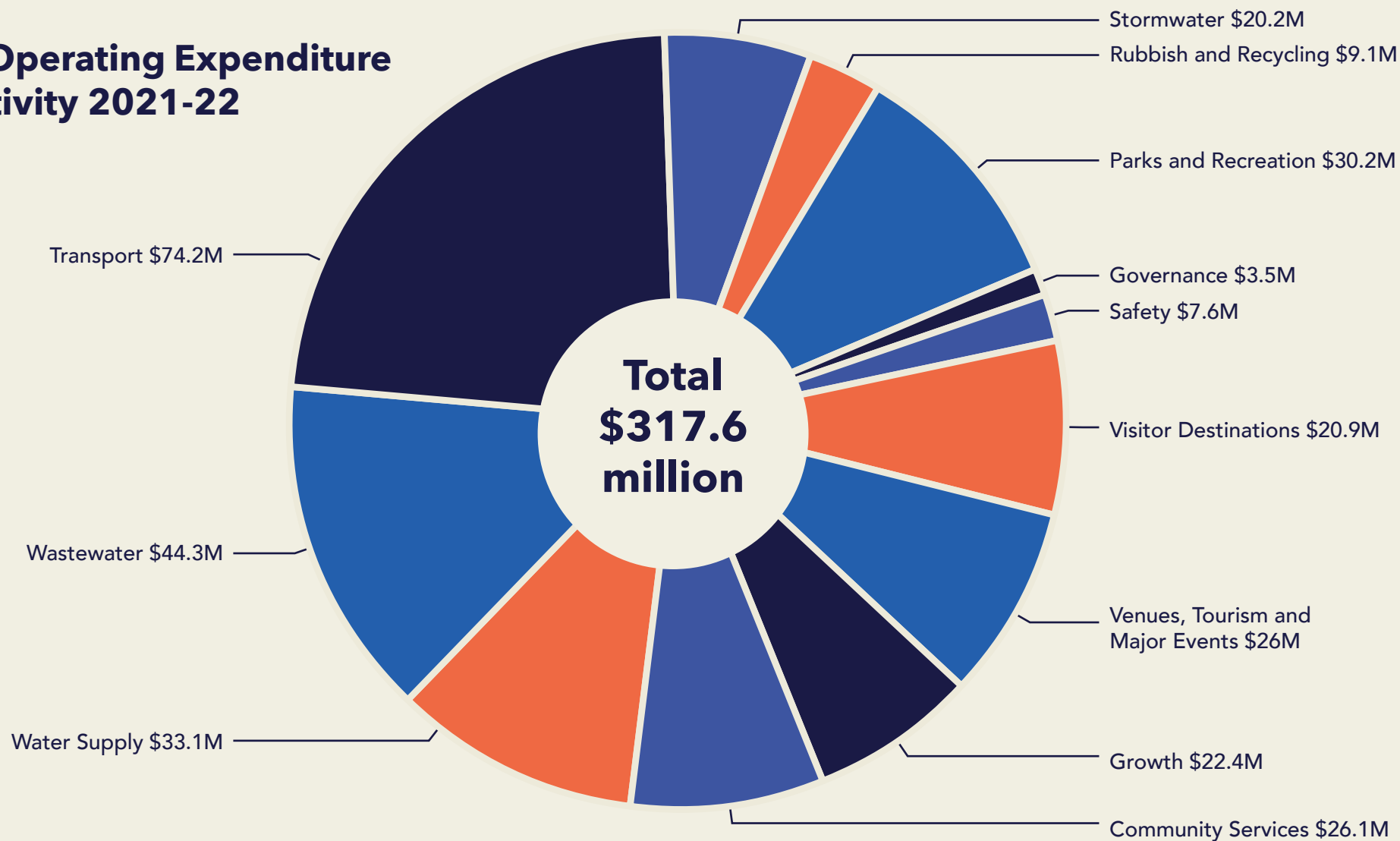


*The figures for 2023 to 2031 have been reforecast as part of the 2022-23 Annual Plan process.

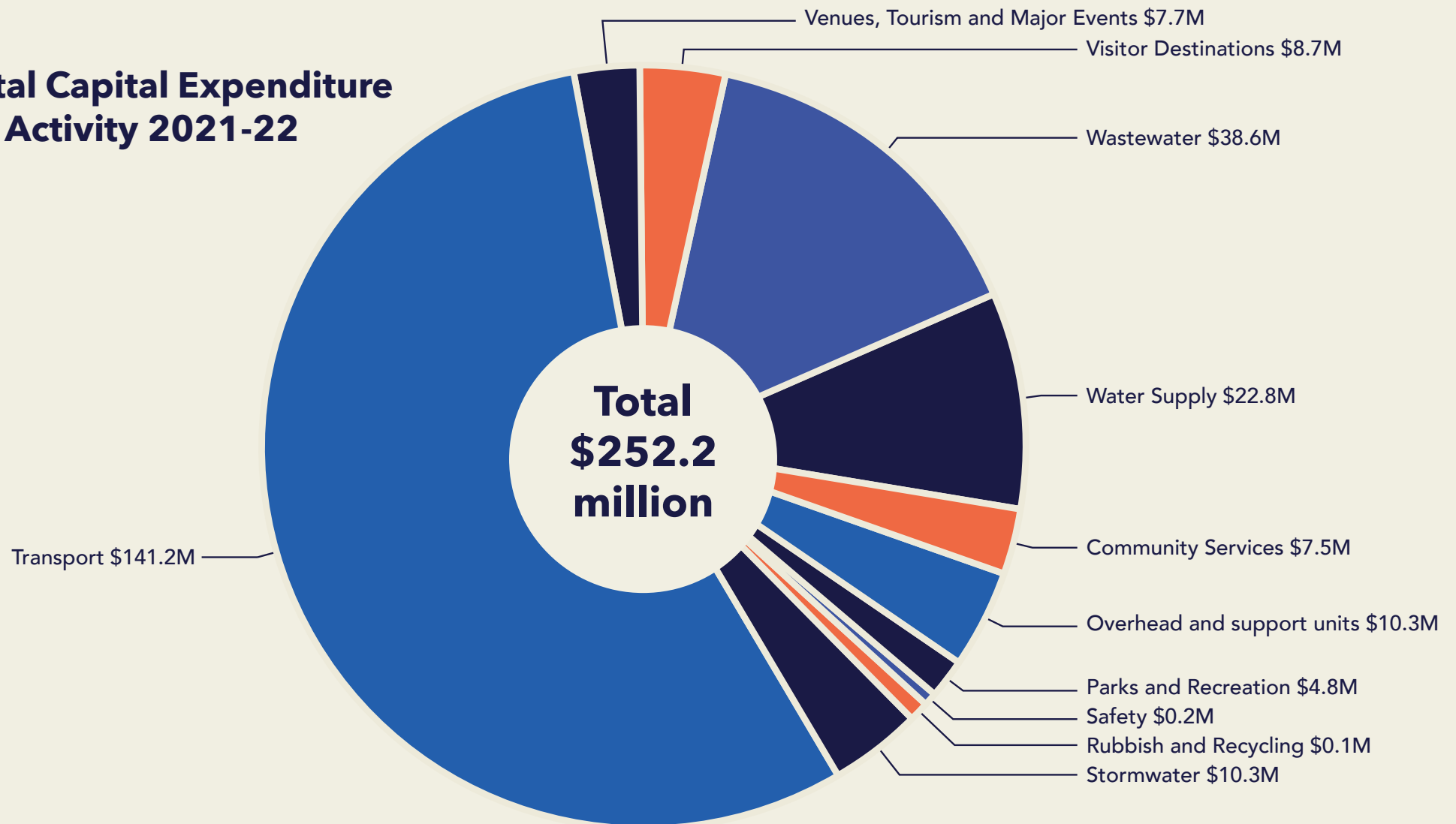
Overview of our 2021-22 finances

Tirowhaanui moo Ngaa Puutea 2021-22

Total Operating Expenditure by Activity 2021-22



Total Capital Expenditure by Activity 2021-22



Capital projects delivery

Kaupapa haupuu rawa whakatinanatanga

Everything we do is about improving the wellbeing of Hamiltonians and making our city one of the best places to live, work, and raise families.

Our capital projects portfolio helps Council look after the assets we already have and allows us to support growth throughout the city. From improving the safety of busy intersections and upgrading the Hamilton Zoo entrance, to building strategic infrastructure in new residential areas, our staff delivered \$252.2 million worth of capital projects in 2021-22.

In our 2021-31 Long-Term Plan, we forecasted to deliver \$328.7

million worth of capital projects in 2021-22.

We can't always stick to the plan, for a variety of reasons. As a result, we defer funding allocated to projects to such a time as the projects are able to be undertaken and completed.

Our challenges in delivering our capital projects

Some of the challenges we faced across the capital projects portfolio included:

COVID-19

The impact of the pandemic on the construction industry has been unprecedented, with material and labour shortages,

lockdowns and alert level restrictions, and increased costs affecting the delivery of some of our projects.

Developer agreements

Funding growth is a massive challenge because we cannot afford to do everything, or as quickly as we would like. To help fund growth, Council may enter into a Private Developer Agreement (PDA) with a private developer, which gives developers the certainty and flexibility to proceed with development. However, this may not always align with Council's provisional timeline, which means we work with developers and their timings to get the best outcome.

A change in the original plan

Before we start any project, we ensure that what we planned is still going to deliver the best outcomes for the community. If the outcomes shift, we may need to rescope or reprioritise the project to ensure we have the right things in place at the right time.

Central government pressures

Hamilton Kirikiriroa, like many other growth cities, is facing mammoth costs in relation to new standards and compliance from central government direction, which has led us to reprioritise project timings or scope. These pressures also include staff time in responding

to central government policy changes and proposals.

Funding

Waka Kotahi NZTA funding and other government funding can be anticipated or requested but not granted, or our timing needs to be modified in alignment with Waka Kotahi NZTA timings.

Skills shortages

Hiring and retaining staff can be difficult in times of low unemployment and when competition for skilled staff and consultants is stiff. Losing key staff and bringing new staff onto projects can impact on timing and delivery too.

Even with these challenges, staff across all areas of Council have continued to deliver great outcomes for Hamilton Kirikiriroa, which will be felt for generations to come.

Activity Area	Total Capital Spend \$million
Community Services	7.5
Parks and Recreation	4.8
Rubbish and Recycling	0.1
Safety	0.2
Stormwater	10.3
Transport	141.2
Venues, Tourism and Major Events	7.7
Visitor Destinations	8.7
Wastewater	38.6
Water Supply	22.8
Overhead and support units	10.3
TOTAL	252.2

Highlights of 2021-22

Ngaa Mea Hirahira 2021-22

Here's some of what went on...

July 2021

New central
jetty and
revetment wall
completed



FMG Stadium Waikato hosted
All Blacks - Fiji test match

Council's rubbish
and recycling
**service won an
environmental
excellence award**



**Libraries
dropped
late fees**
for children
and teenagers

Council registered
13,582 dogs
in the 2021-22 year

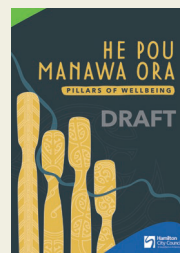


August 2021

First **lizard restoration**
site completed in Peacocke



Council adopted
**He Pou
Manawa Ora
- Pillars of
Wellbeing
strategy**



September 2021

Global credit agency
Standard & Poor's
maintained Council's

**positive
credit rating**

AA-



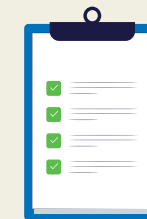
Cherry grove planted to honour
the late **Margaret Forsyth**

October 2021



**Riff Raff
statue relocated
outside Waikato
Museum**

Rent relief
offered to Council
tenants impacted
by COVID-19
lockdowns



Resource consent for
**Peacocke's
Amberfield
subdivision
approved**

November 2021

Sod turning ceremony for
Waikato Regional Theatre

Maeroa Reservoir roof
replacement completed

Hamilton's
beloved long-
tailed bat wins
bird of the
year



Representation review **adds
two citywide Maaori
ward seats** to Council

Council granted resource consent for the **Te Awa Lakes development**



December 2021

New Hamilton Zoo entrance was opened



Bryce Street upgraded with **new bus stop, cycle lanes and raised zebra crossing**

Council granted **1688 consents for new homes** in the 2021 calendar year



January 2022

World's second oldest Sumatran tiger, **Mencari, turned 22**



Central Library's **passenger lift replaced**

New tuatara house opened at Hamilton Zoo



Te Huia train service restarted, giving Hamilton passengers direct access to central Auckland

February 2022

Construction started on **Te Kete Aronui Rotorua Library**



Council established **Voice of Hamilton Kirikiriroa**, a new way for the community to share their ideas

March 2022

Council **temporarily reduced food safety fees** for hospitality businesses



Waikato Museum **hosted Our Moon exhibition**

April 2022

FMG Stadium Waikato's East Stand reopened after seismic strengthening

Upgraded **Ruakura Road reopened**

Council launched the **Welcoming Plan** - an initiative aimed at helping new residents feel more supported - with a commitment signing event

May 2022

V-shaped pier installed at new river bridge to Peacocke

First tree planting for Nature in the City - a 30-year programme to restore Hamilton's native vegetation



Ancient Egyptian Garden

opened at the Hamilton Gardens



June 2022

Climate Change Policy adopted

About **14,000 native species planted** at Waiwhakareke Natural Heritage Park during Arbor Day week

Council co-hosted a range of events honouring **Matariki**



Delivering on our Priorities

Te whai kia tutukihia
aa maatou Kawatau

A city that's easy to live in

Activity Groups	Activities	Page
Community Services	• Libraries	41
	• Aquatic facilities	43
	• Community development	45
Transport	• Transport network	50
	• Parking management	50



A city where our people thrive

Activity Groups	Activities	Page
Governance	• Governance and public affairs	63
	• Partnership with Maaori	63
Growth	• City planning	67
	• Planning guidance	69
	• Building control	70
Safety	• Public safety	75
	• Animal education and control	75
	• Environmental health and alcohol licencing	75
	• Civil Defence	76



A central city where people love to be

This Priority does not have a separate capital programme or funding impact statement as the costs are already reflected in other activity statements.

All our activities (such as safety and transport) contribute to creating a central city where people love to be.



A city that's easy to live in

Activity Groups	Activities	Page
Visitor Destinations	• Hamilton Gardens	85
	• Hamilton Zoo and Waiwhakareke Natural Heritage Park	86
	• Waikato Museum	87
	• I-SITE Visitor Information Centre	87
Venues, Tourism and Major Events	• Claudelands Events Centre, FMG Stadium Waikato and Seddon Park	94
	• Tourism and events funding	95
	• Theatres	96
Parks and Recreation	• Parks (including community parks, natural areas, sports parks, streetscapes, and playgrounds)	100
	• Indoor recreation	100
	• Community facilities	101
	• Cemeteries and crematorium	104



A green city

Activity Groups	Activities	Page
Water Supply	• Water treatment and storage	111
	• Water distribution	111
Wastewater	• Wastewater collection	122
	• Wastewater treatment and disposal	122
Stormwater	• Stormwater network	131
Rubbish and Recycling	• Refuse collection	138
	• Landfill site management	138
	• Waste minimisation	138



Summary of our delivery

Whakaraapopoto o te Whakatinanatanga

Guide to this section of the Annual Report

'Delivering on our Priorities' reports on how well Council's activity groups performed during 2021-22 against the performance measures and targets set out in the 2021-31 Long-Term Plan.

The following sections provide more detail for each of these activity groups, including an overview of the year that has been and a description of what sits behind the results.

In May 2019, the purpose of local government in the Local

Government Act 2002 was amended to reintroduce the 'four wellbeings', requiring councils across the motu to play a broad role in promoting the social, economic, environmental, and cultural wellbeing of their communities, taking a sustainable development approach.

For each activity group, we present the identified effects of our activities on the four dimensions of wellbeing. Some of our activities affect all four dimensions, while others may

only touch on one. Effects can be positive or negative and are described in more detail within each activity.

Service Performance

All the activities we carry out contribute to the achievement of our community outcomes, our five Priorities. Each activity has performance measures that show how well we are delivering our services to the community.

The performance measures and targets are from Year One

(2021-22) of our 2021-31 Long-Term Plan, which you can find on our website hamilton.govt.nz/long-term-plan/

Of the 58 measures that we use to track performance:

- we have met the targets for 41 measures
- we have not met the targets for 16 measures
- one measure relating to voter participation is not reported on due to no local government elections during the 2021-22 year.

How to read the following sections

An annual report must identify the community outcomes to which the group of activities primarily contributes

A green city

Activity Groups	Activities	Page
Water Supply	• Water treatment and storage	111
	• Water distribution	111
Wastewater	• Wastewater collection	122
	• Wastewater treatment and disposal	122
Stormwater	• Stormwater network	131
Rubbish and Recycling	• Refuse collection	138
	• Landfill site management	138
	• Waste minimisation	138

An annual report must identify the activities within the group of activities

Effects on the wellbeing of the community

SOCIAL We care for, and about, all our people	Libraries and aquatic facilities provide hubs for community interaction and are an important part of what makes Hamilton Kiriakiroa a great place with an attractive lifestyle, providing health, social and leisure benefits. Community Development enables local organisations and private providers to deliver services and activities to meet the wellbeing needs of local communities.
ECONOMIC Our economy provides opportunities to prosper	No identified effect.
ENVIRONMENTAL We love and protect our environment	No identified effect.
CULTURAL Our unique and diverse culture is celebrated	Our community facilities are welcoming and inclusive of all members of our diverse community and contribute to people's sense of pride in our city and provide hubs for community interaction. We support communities to be more connected and resilient and express themselves in ways that help build their identity.

An annual report must describe any identified effects that any activity within the group of activities has had on the social, economic, environmental, or cultural wellbeing of the community

An annual report must include statements that compare the level of service achieved with the performance target, state whether any intended changes to the level of service were achieved, and provide reasons for any significant variation between the achieved and the intended performance target

Service performance measures:

You can expect We will work with the community to sustainably manage the supply and use of water. **KEY:** **Achieved** | **Not achieved**

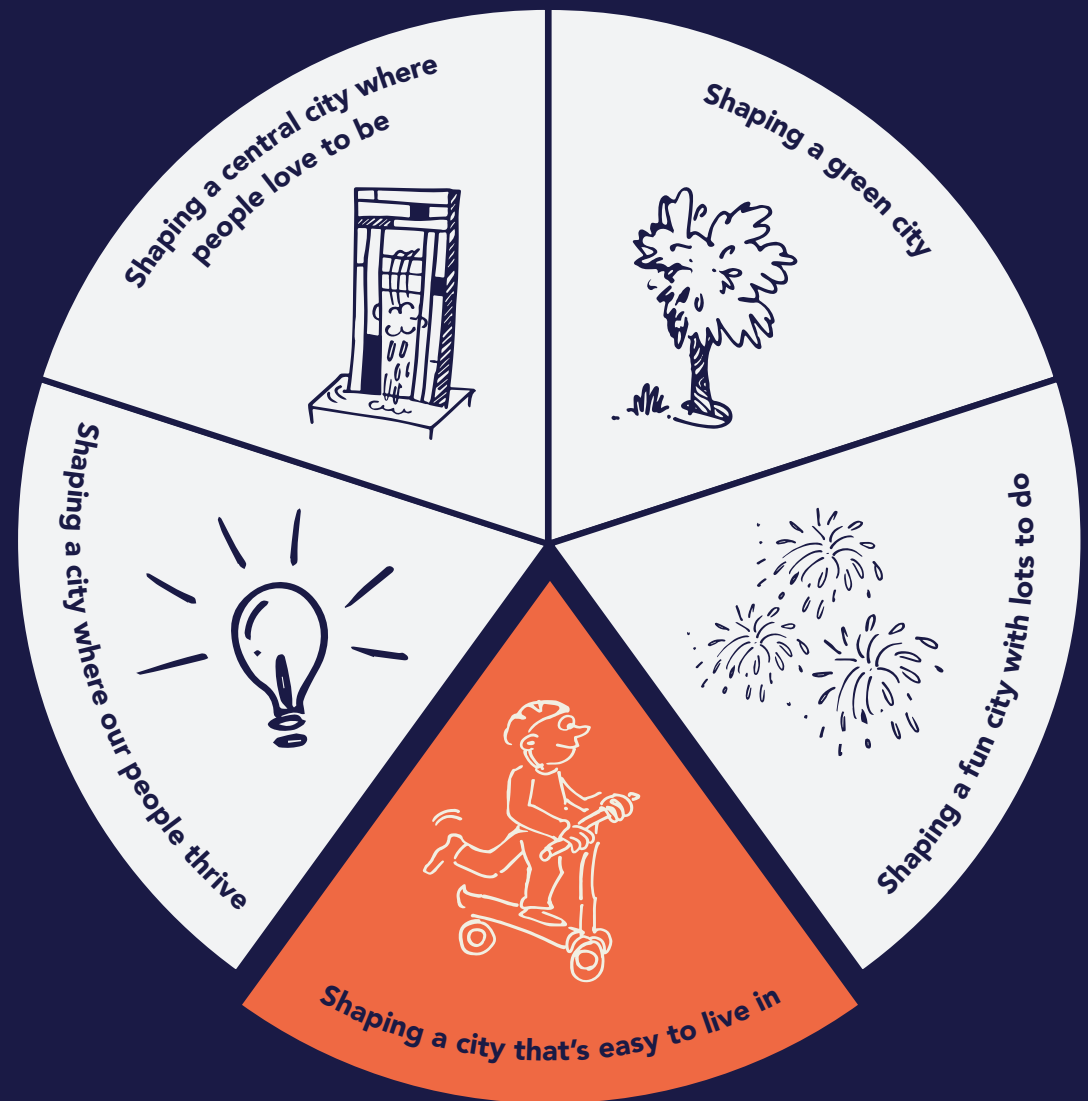
Measure	2021-22 target	2021-22 result	2020-21 result
The average use of drinking water per Hamilton resident, per day.	No more than 400 litres per resident, per day	338 litres	331 litres

What's behind the results

We provide a sustainable water supply, and this is achieved through efficient management of the water network and water conservation campaigns that educate the community on sustainable water use.

A city that's easy to live in

He taaone e ngaawari noa iho ana te noho



We want a city that's easy to live in, explore and connect.

People in our city want to live in lively, safe communities with shared identities and public facilities such as libraries, playgrounds, and community hubs accessible to everyone. And we're focusing on delivering the amenities and services that build strong communities, both in our existing neighbourhoods and for our new ones.

As we continue to evolve into a metropolitan centre, we have the game-changing opportunity to become a 20-minute city. A 20-minute city is about creating liveable neighbourhoods with local access to amenity

that is important to residents. It's also about linking existing destinations, facilities, places of work and education with safe walking, biking and public transport connections so our residents can safely access most of the things they need within 20 minutes.

We want our children to be able to cycle safely to school and for people of all ages and abilities to easily access different neighbourhoods, from one side of the Waikato River to the other – by whatever transport option we choose. By investing in cyclepaths and accessways, and utilising our

beautiful gully network, we will create a city

that our people can easily enjoy and explore. But we'll also need improvements in public transport – so we're working with partners like Waikato Regional Council to get better bus services.

To deliver a city that's easy to live in we invest in the following:

- Community services
 - Libraries
 - Aquatic facilities
 - Community development
- Transport
 - Transport network
 - Parking management

Community Services

*Providing this
activity helps
create a city that's
easy to live in*



Learn to swim at Waterworld

Council's investment in libraries, aquatic facilities and community development contributes to strong communities that are proud to call Hamilton Kirikiriroa home. Our community services foster the social and cultural wellbeing of Hamiltonians through spaces, places, services, and support that are inclusive and accessible to all.

Delivering on our Long-Term Plan

Libraries

Hamilton City Libraries provide access to information, knowledge, and welcoming spaces for all members of our community through a network of six libraries and online offerings. Libraries are continuously evolving and adapting to meet the changing needs of communities by finding innovative ways to support and encourage literacy. Hamilton's library facilities are dynamic community hubs where people come to connect, create, share, and learn in a social space.

2021-22 Highlights

The COVID-19 Alert Levels 3 and 4, and the associated lockdowns meant that our physical libraries were closed for much of the 2021-22 financial year, and the staff shifted to working from home. The Libraries team has become very agile in their ability to move into supporting customers remotely.

- Members of the St Andrews Library team helped the Salvation Army packaging food and secondments supported Civil Defence.
- Libraries staff supported the community to access their My Vaccine Pass.

- Libraries staff were delighted to be inundated with Click and Collect orders and continue to receive overwhelming amounts of positive feedback around the service and selection choices. The service has also been used as a basis by other libraries across New Zealand to implement their own offerings.
- The Whakaahu/Innovation team enabled most of their programmes in digital format, with virtual programming proving to be popular. A \$7000 grant from the New Zealand Libraries Partnership Programme supported access to these programmes through the provision of take-home packs for online participation.
- Take-home packs to successfully support remote participation were utilised by programmes in addition to the Summer Reading Programme, including Children's Day and Art Classes.

In May, the Libraries team launched the exhibition '2 Years On - Life in Lockdown'. After the 2020 lockdown, Libraries staff collected photographs from Hamiltonians taken during that time to preserve for future generations and remind us just how extraordinary that first lockdown was.

We received industry recognition when the Library team's Summer Reading Programme email campaign was used by the Patron Point platform vendor as an exemplar of best practice for customer engagement, in recent international webinars.

Our Heritage and Archives team worked alongside our Waikato Museum staff to collect stories in recognition of the 40th anniversary of the Springbok Tour and to capture images and video from the protest anniversary walk.

The Whakaputu/Archives team are collecting oral history accounts to capture stories and memories of those who remember the Municipal Pools. The stories collected will help to inform the redevelopment of the site.

Auaha/Makerspace, our self-directed learning space where the community can come to upskill and innovate using emerging technology, continues to grow by word of mouth. In July 2021, we recorded the highest customer month with 300 customers.

Service performance measures

You can expect Our libraries provide quality customer experiences.

KEY: **Achieved** | **Not achieved**

Measure	2021-22 target	2021-22 result	2020-21 result
The percentage of library customers surveyed who are satisfied with their overall experience.	At least 85%	93%	93%
What's behind the results			

The purpose of the survey is to understand and hear our customer's views of our services close to the time of the interaction. Measured through a combination of iPad surveys at the libraries and randomly generated email surveys to library customers, with 3863 people providing their views. Customers continue to demonstrate a high level of satisfaction with our library services, with overwhelmingly positive feedback received from our customers. Satisfaction comments are around the variety/selection of books, excellent customer service and approachability of staff.

You can expect Our libraries are well used.

KEY: **Achieved** | **Not achieved**

Measure	2021-22 target	2021-22 result	2020-21 result
The number of physical and online issues by Hamilton City Libraries each year.	1% increase on previous year	1,042,698 11% decrease on previous year	1,172,057
The number of physical and online visits to Hamilton Libraries each year.	1% increase on previous year	1,210,039 0.2% decrease on previous year	1,212,242
What's behind the results			

We offer a diverse range of quality, relevant programmes, resources, and experiences. The year has seen several disruptions to physical visits with Libraries closed across the city at COVID-19 Alert Level 3 and 4, capacity restrictions and temporary branch closures due to staff shortages related to illness.

The online activity continues to show increases at times when physical access is restricted. Whilst some programming has recommenced, key programmes such as Storytime and Wriggle & Rhyme are still on hold during the COVID-19 Traffic Light Framework Orange setting.

Aquatic facilities

We are a key provider of public aquatic facilities in Hamilton Kirikiriroa, catering for diverse community needs with affordable entry. Council's aquatic facilities at Waterworld and Gallagher Aquatic Centre are dedicated to promoting health, recreation and rehabilitation through swimming and water-related activities. These facilities offer many recreational programmes and activities, including lane and leisure swimming, water education and a health and fitness centre.

Over the period of the 2021-31 Long-Term Plan, we will increase recreational swim space by putting a seasonal dome over the outdoor pool at Waterworld.

2021-22 Highlights

Improvements and renewals at Waterworld were undertaken during the July 2021 school holidays, including the renewal of the 45-year-old original roof at the front of the building, the installation of handrails across the grandstand seating, the renewal of tiles in the 25-metre pool, and the replacement of the pool liner in the hydrotherapy pool. These works were completed in time and within budget. The replacement of the dive pool filter and upgrade of the dive tower to ensure compliance were also undertaken and completed prior to Christmas.

Our team successfully transitioned to working under Alert Level 3 and 4 conditions, with the robust planning ensuring that the welfare of staff and customers was of the highest priority. The Aquatics team used lockdown to recruit the summer lifeguard team and to upskill on the new Learn to Swim water safety programme.

With the New Zealand and Australia travel bubble closing, and flying to Australia to train no longer an option, Paralympics New Zealand requested to use the 50-metre pool at Waterworld over a 10-day period for the athletes going to the Tokyo Paralympics. We worked together with our bookings and customers to make this happen.

We launched the new Hamilton Pools website in October, www.hamiltonpools.co.nz, providing an improved experience for our customers.

To support the summer season at our Aquatic facilities, the lifeguard roster was revised to separate lifeguard duties from general aquatics duties. Increasing the lifeguard-to-patron ratio enables more fun activities with the hydrosides, speedsides, inflatables, volleyball in the lido, paddle boats and dive boards through the school holidays.

The Hamilton Pools' Learn to Swim programme is now continuous, no longer stopping for school holidays. This provides the opportunity for kids to receive an additional seven weeks of lessons every year. The focus has expanded to include water safety, taking the swimming stroke skills the kids have learned during term time and preparing them for swimming in our rivers, lakes, and the sea.

In June 2022 Council signed off on a river safety initiative for summer 2022-23 that sees Hamilton Pools partner with stakeholders including City Safe and Parks. Partially funded by Council, the focus areas will be understanding the risks, river user behaviours, and river infrastructure, engaging with communities to trial river safety education, investigating access to aquatic facilities, as well as increased riverside presence from City Safe and improved signage.

Increasingly, Hamilton Pools are diversifying the range of programming, introducing new offerings to better meet the needs of our community. Waahine in the Water is the first of these initiatives providing a dedicated, private pool space for women on the last Sunday of every month.

Service performance measures:

You can expect Our aquatic facilities provide quality customer experiences.

KEY: **Achieved** | **Not achieved**

Measure	2021-22 target	2021-22 result	2020-21 result
The percentage of aquatic facilities customers surveyed who are satisfied with their overall experience.	At least 83%	84%	New Annual Report measure – no comparative data.
What's behind the results			

The purpose of the survey is to understand and hear customer's view of our services close to the time of the interaction. Measured through iPad surveys, with 871 people providing their views.

Customers continue to demonstrate a high level of satisfaction with our aquatic facilities, with positive feedback received from our customers. Satisfaction comments are around the friendly customer service received from staff and the activities and classes available, and accessibility of facilities at the pools.

You can expect Our aquatic facilities are well used.

Measure	2021-22 target	2021-22 result	2020-21 result
The number of visits to Council owned aquatic facilities each year.	At least 500,000 visits each year	217,078	New Annual Report measure – no comparative data.
What's behind the results			

We offer a diverse range of quality relevant programmes and experiences. The year has seen several disruptions to Hamilton Pools with a planned closure at Waterworld in July 2021 followed by COVID-19 Alert Level 3 and 4, capacity restrictions and the temporary closure of Gallaghers Aquatic Centre to focus on maintaining services at Waterworld due to staff shortages related to illness. Recently, the community has enjoyed a return to regular swimming and fitness activities at Hamilton Pools. The return to routines, opportunity to socialise and partake in an aquatic programme is welcome after many months of COVID disruptions.

Community development

Our Community Development team supports the wellbeing of Hamiltonians by enabling local organisations and private providers to deliver a variety of services and activities to meet the needs of local communities.

Our work includes advisory services and grants through a community assistance fund. Council's Community Advisors work with organisations and agencies throughout the city to increase the ability of the community to meet its own needs. Their work focuses on building greater social cohesion and inclusion, creating a better city for all people who live here.

2021-22 Highlights

The continuing impact on economic and social wellbeing from COVID-19 has seen the Community and Social Development team provide targeted support within the community to assist with the efforts of the former Waikato District Health Board (DHB)

to vaccinate as many of our community as possible. Through strong community relationships, staff supported groups to work alongside the DHB and other providers in adapting vaccinations services to suit specific suburbs.

Council is part of the Waikato Kai Collective, facilitating the network of emergency food providers. The response to the COVID-19 lockdown saw the establishment of a food production hub that created over 4000 additional food packs to meet the emergency needs of our community. Council supported this with staff assistance and liaised with funders to make it happen.

Following Council's acceptance into the Welcoming Communities Te Waharoa ki ngaa Hapori programme in late 2021, the Welcoming Plan was signed by Council in April 2022. The Plan will see the city become more inclusive and supportive for newcomers: recent migrants, former refugees, and international students. Immigration New Zealand has granted an

additional \$10,000 to support activities within the plan over the coming 18 months. Council has achieved the first of four stages of accreditation, taking steps to becoming a fully accredited Excelling Welcoming Community.

Council adopted a revised Community Assistance Policy at the end of June 2022 that established a new Community Grants Allocation Sub-Committee to recommend funding decisions to the Community Committee. The Sub-Committee processed the annual Community Event Fund for the October Committee meeting. Fifty applications requesting a total of \$644,450 were received for the \$100,000 fund.

Community Development was a key part of the Tongan support following the earthquakes and tsunami. Working with others across Council, the team arranged the funding of four containers filled with donations to be delivered to assist with aid efforts.

Service performance measures:

You can expect We work alongside others to support a strong and connected community

KEY: **Achieved** | **Not achieved**

Measure	2021-22 target	2021-22 result	2020-21 result
The value of services leveraged for every \$1 of community grant funding provided.	At least \$3.00 worth of services leveraged for every \$1 provided	\$21.09	New Annual Report measure - no comparative data
The percentage of community stakeholders surveyed who are satisfied with community and social development outcomes.	At least 80%	100%	New Annual Report measure - no comparative data
What's behind the results			

Through the Community Assistance Policy, we have leveraged \$21.09 of projects for each \$1 of Council grant funding.

- \$320,400 of Single Year Grants supported projects valued at \$8,348,710
- \$1,098,00 of Multi-Year Community Grants allocated to 28 groups supported projects valued at \$24,474,839
- \$150,000 of The Creative Partnership Fund supported projects valued at \$796,910.
- \$49,500 of The Community Event Fund supported projects valued at \$509,439. The level of funds allocated from the Community Event Fund was lower than originally planned due to the ongoing impacts of COVID-19 and the cancellation of several events.

The Community Stakeholder Survey is a targeted survey to obtain feedback and input from key Council stakeholders. 148 people were invited to participate from 115 groups. We received a small number of responses, which provided a limited view. Across the four outcomes, Inclusive Community Engagement had the highest level of satisfaction, with specific feedback provided around the progress made in engaging with our ethnic and disabled communities.

Effects on the wellbeing of the community

Social We care for, and about, all our people	Libraries and aquatic facilities provide hubs for community interaction and are an important part of what makes Hamilton Kirikiriroa a great place with an attractive lifestyle, providing health, social and leisure benefits. Community Development enables local organisations and private providers to deliver services and activities to meet the wellbeing needs of local communities.
Economic Our economy provides opportunities to prosper	No identified effect.
Environmental We love and protect our environment	No identified effect.
Cultural Our unique and diverse culture is celebrated	Our community facilities are welcoming and inclusive of all members of our diverse community and contribute to people's sense of pride in our city and provide hubs for community interaction. We support communities to be more connected and resilient and express themselves in ways that help build their identity.

Capital projects

The following table summarises the capital projects planned for year one (2021-22) of the 2021-31 Long-Term Plan and the progress made during the period.

		R - Renewals	LOS - Levels of service	G - Growth
	Type	Budget 2021-22	Actual 2021-22	Variance
Community Services		\$000	\$000	\$000
Aquatic facilities				
CE10001 - Aquatic facilities building renewals	R	2,042,000	1,655,423	386,577
CE21005 - Aquatic facilities renewals	R	410,000	364,337	45,663
CE21046 - Aquatic facilities development	LOS	1,048,000	464,228	583,772
Aquatic facilities total		3,500,000	2,483,988	1,016,012
Libraries				
CE10005 - Libraries collection purchases	R	980,000	976,885	3,115
CE10006 - Library operational renewals	R	171,000	185	170,815
CE10007 - Library building renewals	R	3,047,000	339,833	2,707,167
CE19017 - Rototuna community facilities	G	7,095,000	3,707,865	3,387,135
CE21044 - Libraries development	LOS	294,370	73	294,298
Libraries total		11,587,370	5,024,841	6,562,530
Total		15,087,370	7,508,829	7,578,541

Variances:

- CE10007 - Library building renewals - Budget deferred as there were significant material supply delays.
- CE19017 - Rototuna community facilities - \$3.4 million was deferred to align with the updated construction programme. Works are now on track to be completed in 2023.

Community Services funding impact statement

For year ended 30 June 2022	Long-Term Plan 2020-21	Actual 2020-21	Long-Term Plan 2021-22	Actual 2021-22
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	15,272	16,724	19,438	19,624
Targeted rates	-	(6)	-	-
Subsidies and grants for operating purposes	2	142	2	359
Fees and charges	844	630	3,412	2,273
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	97	122	125	148
Total operating funding	16,215	17,612	22,977	22,404
Application of operating funding				
Payments to staff and suppliers	25,148	20,121	19,777	20,646
Finance costs	1,498	(7)	243	568
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	26,646	20,114	20,020	21,214
Surplus/(deficit) of operating funding	(10,431)	(2,502)	2,958	1,190
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	265	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	22,946	-	15,057	6,172
Gross proceeds from sale of assets	-	141	-	6
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	22,946	141	15,322	6,178
Applications of capital funding				
Capital expenditure				
- to meet additional demand	9,743	1,046	7,095	3,708
- to improve the level of service	15	-	1,619	612
- to replace existing assets	2,973	2,871	7,102	3,745
Increase/(decrease) in reserves	(216)	(6,278)	3,720	(3,484)
Increase/(decrease) in investments	-	-	(1,256)	2,787
Total applications of capital funding	12,515	(2,361)	18,280	7,368
Surplus/(deficit) of capital funding	10,431	2,502	(2,958)	(1,190)
Funding balance	-	-	-	-

Transport

Providing this activity helps create a city that's easy to live in



Transport is about Hamilton Kirikiriroa being a city that is easy to get around. We want to have a safe, reliable, and sustainable transport system that is accessible to everyone and caters to a variety of transport choices. We want to meet our legislative obligations relating to the way we manage the road corridor and transport network within our boundaries.



Waikato riverpath

Delivering on our Long-Term Plan

Transport network

Our transport network integrates different modes of transport including freight, rail, private vehicles, buses, biking, micro-mobility (scooting and skating) and walking. We also manage on-street and off-street parking activities within the city.

We manage and operate the transport network and work to manage demand on the system. We ensure the maintenance and renewal of existing transport infrastructure as well as plan and invest in new transport infrastructure.

Working with the community and stakeholders to raise awareness of travel options and influence travel behaviour (for mode choice and safety) is a very important part of this activity.

The bus service in Hamilton Kirikiriroa is provided and managed by Waikato Regional Council in partnership with us. Central Government, through Waka Kotahi (NZ Transport Agency), partners with us in operating the State Highways running through Hamilton Kirikiriroa, as well as co-investing in our transport infrastructure and services.

Over the next 10 years we will continue to significantly invest in the transport network, focusing on safety, travel choice and the provision of new strategic infrastructure to support growth and economic development.

Improving road safety is a big focus and we have set a target of zero deaths (by 2028) on the transport network which is monitored quarterly throughout the

year. Areas of the network where crashes occur most frequently are known, and we will invest in these to improve safety for everyone - regardless of how you choose to travel. Investment in road safety education will continue, along with exploring new ways to make sure everyone arrives safely at their destination.

The delivery of key projects in the Biking Plan and investing in a prioritised programme of projects and actions will make it safer for people to bike, scoot, and skate around our city. These actions include things like building cycleways, bike/scooter parking and delivering safety programmes.

Parking management

Parking management involves setting guiding principles and policies for the

management and supply of on-street and Council-controlled off-street parking in Hamilton Kirikiriroa. We have a focus on encouraging efficient use of parking spaces and managing demand through compliance and enforcement activities.

2021-22 Highlights

In recent years, we have seen momentum for a different kind of transport system that supports all users of our network, including not only people in cars, but people on bikes and scooters, people walking, and people using public transport. This year's safety improvements, connectivity projects, and education programmes all support our changing environment.

Highlights for the year include the biking improvements of cycle sharrows (or "share arrows" – road markings in the form of a cycle symbol indicating that the road should be shared), cycle wands, and increased green road markings; the completion of Victoria Street right hand turn for cyclists onto Claudelands Road; extra bike parking, parklets, repair stations and rest rails; removal of accessway barriers; a new separated cycle and walking facility along Ruakura Road; safety improvements along the Te Awa River path and improvements supporting biking

safety on several roads and intersections in our city, such as Mill Street, Anzac Parade, Brooklyn Road, Five Cross Roads, Ward Street, Anglesea Street, and at the Te Aroha Street/Peachgrove Road intersection. Other improvements included cycle lane widening, cycle wands, advanced cycle stop boxes, cycle hook-turn boxes and upgrades to traffic signals. All these changes offer improved active mode links, helping to create a transport network people of all ages and abilities can access.

Key projects completed for the year under the Low Cost, Low Risk programme (a programme of minor improvements where each project has a value of less than \$2 million) included the raised midblock signalised pedestrian crossing on Discovery Road, the Lake Crescent/Ohaupo Road safety improvements, Anglesea Street/Rostrevor Street signalised intersection upgrade, widening of footpaths at several key locations to support active modes, along with a new raised zebra crossing outside the Mardon Road shops providing a safe and slow environment crossing points. Several projects remain underway and will be completed in the first half of 2022-23, including the Boundary Road signalised crossing and Heaphy Terrace shops pedestrian crossing upgrade.

The SMART-Ops team (Smart Mobility and Real-time Operations) received international recognition for their innovative transport system, 'Transport Data Analytics Platform' (TDAP) by winning the "Outstanding Smart City Project" award in the International Data Corporation 2022 Smart City Asia Pacific Awards. TDAP is an innovative system that combines live data source, to provide alerts to our real-time transport operators when there are incidents detected on the roads. The team has also completed a communication network upgrade to all traffic signals and traffic cameras in Hamilton Kirikiriroa, thus providing increased security, resilience, and monitoring capabilities - including monitoring transport trends and providing regular reports throughout the COVID-19 alert levels to internal and external partners. Working alongside a global data supplier called "Near", staff have started to access crowd-sourced travel data in Hamilton Kirikiriroa, such as visitor insights to our tourist destinations. This travel data is complementary to the pedestrian, cyclist, and scooter data we are collecting from 40 counters around the city from recently installed "Pathway" counters, that collect data using small camera sensors attached to streetlights. This results in reliable and greater pathway usage information at a

fraction of the cost of the systems used previously. With access to this information, decisions are intel-lead with real-time data and the opportunity to analyse how changes to the transport network impact usage, monitor patterns in foot traffic in front of businesses, and much more. We intend to deploy a further 20 units next financial year to complete our citywide counting strategy for pedestrians, cyclists, and scooters.

The Aotearoa Bike Challenge in February 2022 was a collaborative initiative with other councils around the country as Waka Kotahi NZ Transport Agency chose not to fund the event this year. Hamilton City Council placed 18th in New Zealand, with a total of 134,547km cycled, saving 12,295kg of carbon dioxide.

Service performance measures:

You can expect As our city grows you can expect travel times for all vehicles to be predictable.

KEY: **Achieved** | **Not achieved**

Measure	2021-22 target	2021-22 result	2020-21 result
Travel times are predictable during peak hours.	A variation of no more than 25%	16%	New Annual Report measure - no comparative data.
What's behind the results			
<p>This measure demonstrates the predictability of travel times for all vehicle types (buses, business and private vehicles) on our transport network during weekday peak hours. For example, if the normal average vehicle travel time for a measured journey is 30 minutes you can predict that even on a particularly busy day the maximum travel time should not exceed 38 minutes (25% fluctuation).</p> <p>As the year has progressed, the fluctuation in travel time has reduced from 22% fluctuation range between July - September 2021 to a 12% fluctuation range for April - June 2022. This may be influenced by a change in behaviour and how people work since COVID-19.</p>			

You can expect We'll prioritise building connected and safe walkways and cycleways that promote transport choices that are accessible to all, bringing neighbourhoods together and allowing people to move around our city quickly and easily.

Measure	2021-22 target	2021-22 result	2020-21 result
The increase in active mode** trips on Hamilton's network.	Establish baseline	1,140,103	New Annual Report measure - no comparative data
What's behind the results			
<p>We are working towards a green city that enables people to move safely, quickly, and easily around Hamilton Kirikiriroa. We aim to do this by building safe and connected active transport networks that promote sustainable transport choices. At the start of the 2021-22 financial year there were 13 active mode counters in place across the city. An additional 17 counters were installed in 12 locations during 2021-22, with a further 14 counters intended to be installed across nine locations in 2022-23. The increase in counters will provide a more representative result of what is happening across Hamilton with the number of trips made by active modes. For the purposes of this measure, new counters will only be included in the calculation of the annual increase in active mode trips after a full year of data has been captured. The data being collected this year is to enable us to establish a baseline to calculate the growth in active mode trips.</p> <p><small>**micro-mobility</small></p>			

You can expect The transport network to be safe to use.

KEY: **Achieved** | **Not achieved**

Measure	2021-22 target	2021-22 result	2020-21 result
The change from the previous financial year in the number of fatal and serious injury crashes on the local road network.	Decrease from previous year	Increase of 5 (51) fatal or serious injury crashes than 2020-21*	2 or more fatal or serious injury crashes than 2019-20
What's behind the results			

Council is working towards a safer transport network with a vision of a decreasing trend for both deaths and serious injuries on Hamilton Kirikiriroa roads. We aim to achieve this by delivering projects that are targeted to improve the safety of all road users with a focus on pedestrian, biking facilities, and intersections in order to reduce these crashes. The measure indicates the impact of safety improvements on reducing death and serious harm on Hamilton Kirikiriroa roads.

Data is collected from the Crash Analysis System (CAS) managed by Waka Kotahi NZ Transport Agency from data entered by New Zealand Police. This data is live and being continuously updated when investigations and audits are completed. The interim total of fatal and serious injury crashes on Hamilton's local road network (including crashes at intersections with state highways where Waka Kotahi is the controlling authority) is 51 (45 crashes on local roads and six crashes on state highways). The total crashes are above previous years result of 46 crashes, of which 41 crashes were on local roads and five crashes on state highways.

Cyclists and pedestrians (including micro-mobility and mobility users) continue to account for a disproportionate share of crashes when compared to mode share of total trips in Hamilton Kirikiriroa. 35% of fatal and serious injuries involved these road user groups despite comprising of only 12% of total estimated trips. We continue targeting funding towards safety improvements in high-risk locations, zones with significant traffic volumes with high mix of other users and areas where there is a community need.

**Data is at 21 August 2022.*

You can expect The transport network to be kept in good operating condition.

KEY: **Achieved** | **Not achieved**

Measure	2021-22 target	2021-22 result	2020-21 result
The average quality of ride on Hamilton's sealed local road network, measured by smooth travel exposure. ⁺	At least 80% smooth travel exposure	85%	84.2%

What's behind the results

The smooth travel exposure measure assesses the quality of the ride, with a higher percentage indicating more roads providing a smooth ride. The work to keep our sealed roads in good condition is delivered through the annual reconstruction programme and regular maintenance activities.

For our rural roads, we achieved a smooth travel exposure rating of 93%, and for our urban roads, we achieved a smooth travel exposure rating of 84%, for an overall smooth travel exposure rating of 85%.

Measure	2021-22 target	2021-22 result	2020-21 result
The percentage of the sealed road local network (by length) that is resurfaced each financial year. ⁺	At least 3.5%	3.80%	4.28%

What's behind the results

This measure is an indicator of how well our local roads are being kept in good operating condition. Most of the resurfacing programme (including asphalt and chipsealing) started in January 2022. A total of 237,399m² of Hamilton's carriageway was resurfaced.

You can expect The transport network to be kept in good operating condition.

KEY: **Achieved** | **Not achieved**

Measure	2021-22 target	2021-22 result	2020-21 result
The percentage of qualifying footpaths within Hamilton which meet the level of service standard of less than 5 faults per 100m section ⁺	At least 85%	97%	79%
What's behind the results			
<p>With more than 1100 kilometres of footpaths within Hamilton City, we aim to provide footpaths that are well maintained and safe. This year we replaced 27,043m² of footpath. Council will continue to invest in footpath renewals to ensure a safe and well-maintained footpath network.</p> <p>Faults are recorded against different priority levels for action, ranging from P2 faults that are monitoring-only to check for further deterioration, to P3, P4 and P5 for inclusion in future annual footpath renewal programmes and/or immediate repair. The footpath renewal programme is developed to target footpaths with greater than five (P3 to P5) faults per 100m of footpath.</p>			

You can expect Customer service requests to be responded to promptly.

Measure	2021-22 target	2021-22 result	2020-21 result
The percentage of customer service requests relating to roads and footpaths which are responded to within five working days. ⁺	At least 96%	98.78%	98.96%
What's behind the results			
<p>Council aims to investigate and respond to customers service request relating to roading network and footpath issues in a timely manner. We received 6,310 service requests. The top four service request themes were signs and street furniture (1050), sweeping (639), footpaths (622), and landscaping (528).</p> <p>The high response rate is reflective of continued staff training and system enhancements to improve monitoring of performance.</p> <p>⁺ Working days are Monday to Friday, excluding public holidays. If notifications are received over the weekend or on a public holiday, the timeframe starts from the next working day.</p>			

Effects on the wellbeing of the community

Social We care for, and about, all our people	Our transport network integrates different modes of transport that connect people and places safely, supporting community liveability and wellbeing by providing access to social, health and educational opportunities.
Economic Our economy provides opportunities to prosper	The transportation network is essential to the economy and enables sustainable growth. It contributes to economic growth by providing efficient, safe, and sustainable transport links for our community and between customers and suppliers.
Environmental We love and protect our environment	Air pollution and noise created by traffic negatively impact the environment, mitigated by the provision of alternative transport methods such as walkways, cyclepaths and public transportation that have less environmental impacts. We consider climate change adaptation and emissions reduction when planning, designing, and building transport infrastructure.
Cultural Our unique and diverse culture is celebrated	No identified effect.

Capital projects

The following table summarises the capital projects planned for year one (2021-22) of the 2021-31 Long-Term Plan and the progress made during the period.

		R - Renewals	LOS - Levels of service	G - Growth
	Type	Budget 2021-22	Actual 2021-22	Variance
Transport		\$000	\$000	\$000
Parking management				
CE10070 - Parking enforcement renewals	R	615,000	328,667	286,333
Parking management total		615,000	328,667	286,333
Transport network				
CE10072 - Footpath and street furniture renewals	R	3,305,000	4,706,562	(1,401,562)
CE10074 - Drainage (kerb and channel) renewal	R	2,390,000	1,533,887	856,113
CE10075 - Road base renewals	R	5,184,000	3,760,693	1,423,307
CE10076 - Road resurfacing	R	5,900,000	5,927,341	(27,341)
CE10077 - Bridge and structures renewals	R	291,000	271,043	19,957
CE10078 - Retaining wall and structures renewals	R	90,000	-	90,000
CE10080 - Street lighting renewals	R	651,000	700,241	(49,241)
CE10081 - Traffic equipment renewals	R	942,000	935,182	6,818
CE15087 - Transportation upgrades to allow for development	G	218,750	206,359	12,391
CE15088 - Peacocke transport upgrades development stage 1	G	76,000	1,054,546	(978,546)
CE15089 - Peacocke transport upgrades development stage 2	G	51,097,800	54,728,567	(3,630,767)
CE15090 - Rotokauri transport upgrades and development	G	6,667,250	4,473,028	2,194,222
CE15092 - Rototuna transportation upgrades and development	G	13,226,400	3,064,225	10,162,175
CE15093 - Ruakura transport upgrades and development	G	36,392,000	32,549,342	3,842,658
CE15096 - Cross city connector	G	200,000	-	200,000
CE15097 - Northern city crossing	G	-	-	-
CE19036 - Ring Road	G	15,947,000	13,454,021	2,492,979
CE19037 - Hamilton transport model	G	60,000	317,141	(257,141)
CE19052 - Intersection upgrades	LOS	4,950,000	444,835	4,505,165
CE19057 - Biking plan implementation	G	11,100,000	8,892,018	2,207,982
CE19058 - Public Transport Mode Shift	G	-	1,135,827	(1,135,827)
CE19064 - Transport Centre rejuvenation	LOS	4,600,000	221,989	4,378,011
CE21012 - Transport building renewals	R	20,000	-	20,000
CE21052 - Peacocke transportation land	G	8,712,000	-	8,712,000
CE21053 - Central City transportation improvements	LOS	650,000	17,265	632,736
CE21055 - Te Rapa transportation upgrades and development	G	-	-	-
CE21057 - Ferrybank walking and cycling bridge	LOS	500,000	-	500,000
CE21058 - Transportation safety improvements	LOS	8,100,000	1,329,976	6,770,024
CE21059 - Transportation smart improvements	LOS	200,000	207,666	(7,666)
CE21060 - Public transport improvement	LOS	700,000	974,109	(274,109)
Transport network total		182,170,200	140,905,862	41,264,338
Total		182,785,200	141,234,530	41,550,671

Variances:

- CE10072 - Footpath and street furniture renewals – The renewal of transportation assets was managed as a programme, so that staff would be responding to the needs of the network and reprioritise works to ensure the best outcomes. The overspends in the renewal of footpaths was offset by underspends in other areas.
- CE10074 - Drainage (kerb and channel) renewal – The renewal of transportation assets was managed as a programme, so that staff would be responding to the needs of the network and reprioritise works to ensure the best outcomes. The overspends in the renewal of footpaths was offset by underspends in other areas.
- CE10075 - Road base renewals – The renewal of transportation assets was managed as a programme, so that staff would be responding to the needs of the network and reprioritise works to ensure the best outcomes. The overspends in the renewal of footpaths was offset by underspends in other areas.
- CE15088 - Peacocke transport upgrades development stage 1 – Budget brought forward from future years for roading upgrades and development in Peacocke to ensure this programme of works is completed in line with central government requirements. The works are still planned to be delivered within budget.
- CE15089 - Peacocke transport upgrades development stage 2 – Budget brought forward from future years for roading upgrades and development in Peacocke to ensure this programme of works is completed in line with central government requirements. The works are still planned to be delivered within budget.
- CE15090 - Rotokauri transport upgrades and development – This project includes the road upgrades associated with the Zoo Entrance Precinct. The budget was deferred to align with construction timing.
- CE15092 - Rototuna transportation upgrades and development – \$10 million deferred to align with construction timing for the Rototuna Village supporting infrastructure and Borman Horsham Intersection Upgrade.
- CE15093 - Ruakura transport upgrades and development – This project is largely complete and is in the close out phase. The budget was deferred to align with construction timing.
- CE19036 - Ring Road – \$2.5 million was deferred to align with construction timing. This project is near completion and now open to the public.
- CE19052 - Intersection upgrades – Through the planning phase the design was significantly changed to ensure that transport network levels of service are maintained and this lead to project delays. This project is on track to be delivered in 2022-23.
- CE19057 - Biking plan implementation – Budget was reduced as Waka Kotahi did not agree to fund this programme of works through National Land Transport Programme. Council agreed to maintain the local share and an alternative programme has been developed for delivery in 2022-23.
- CE19058 - Public transport mode shift – This budget was deferred from 2020-21 to 2021-22 to align with the purchase of a piece of land for a future passenger transport hub.
- CE19064 - Transport Centre rejuvenation – Budget has been rephased to better align with revised programme.
- CE21052 - Peacocke transportation land – Council is required to acquire multiple properties to allow for the delivery of the transport projects in Peacocke. Purchase of the land is dependent on negotiations with land owners.
- CE21058 - Transportation safety improvements – This is a three year programme of works. The first nine months focussed on design, engagement and consultation, and consenting. The remaining time was undertaking the physical works, however, the markets availability to action works with the presence of COVID-19 restricted the expected outcomes.

Transport funding impact statement

For year ended 30 June 2022	Long-Term Plan 2020-21	Actual 2020-21	Long-Term Plan 2021-22	Actual 2021-22
Sources of operating funding	\$000	\$000	\$000	\$000
General rates, uniform annual general charges, rates penalties	35,175	35,433	46,953	47,329
Targeted rates	145	125	145	145
Subsidies and grants for operating purposes	6,314	6,453	7,858	8,850
Fees and charges	4,208	5,274	4,444	4,233
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	2,830	3,594	3,507	3,799
Total operating funding	48,672	50,878	62,907	64,356
Application of operating funding				
Payments to staff and suppliers	27,299	32,239	39,376	41,951
Finance costs	7,153	3,108	2,682	8,475
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	34,452	35,347	42,058	50,426
Surplus/(deficit) of operating funding	14,220	15,531	20,849	13,930
Sources of capital funding				
Subsidies and grants for capital expenditure	37,660	64,452	97,603	83,963
Development and financial contributions	8,927	7,936	11,638	8,360
Increase/(decrease) in debt	22,891	419	64,404	88,446
Gross proceeds from sale of assets	-	636	-	29
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	69,478	73,443	173,645	180,798
Applications of capital funding				
Capital expenditure				
- to meet additional demand	57,939	96,192	143,697	118,508
- to improve the level of service	9,428	3,539	20,918	5,160
- to replace existing assets	17,114	22,476	21,380	19,891
Increase/(decrease) in reserves	(783)	(17,837)	14,038	11,227
Increase/(decrease) in investments	-	(15,396)	(5,539)	39,942
Total applications of capital funding	83,698	88,974	194,494	194,728
Surplus/(deficit) of capital funding	(14,220)	(15,531)	(20,849)	(13,930)
Funding balance	-	-	-	-

A city where our people thrive

He taaone e tipu matomato ai te tangata



We want to actively create opportunities for our people to thrive in their jobs, careers, and lives so they can leverage the wonderful lifestyle and opportunities our city has to offer.

Increasingly, our city is a place where people and businesses want to come, stay, and grow. Our attractive lifestyle, based upon a vibrant city that's easy to live in, means more and more people want to be here.

Young people are now coming to our city (and in some cases, returning home) to find good jobs, buy homes, raise families, and become part of our community. This, along with more than 160 ethnic groups making

up our city, adds a valuable diversity to Hamilton which brings opportunities and benefits for all Hamiltonians.

We want Hamilton to continue to build on its growing reputation as a centre of excellence within innovation, training, smart and tech-sector industries. We need the infrastructure and support services in place to nurture and promote sustainable businesses that add value to our city.

We'll empower and enable our diverse communities to share their voice and shape their city.

To deliver a city where our people thrive we invest in the following:

- Governance
 - o Governance and public affairs
 - o Partnership with Maaori
- Growth
 - o City planning
 - o Planning guidance
 - o Building control
- Safety
 - o Public safety
 - o Animal education and control
 - o Environmental health and alcohol licensing
 - o Civil Defence

Governance

Providing this activity helps create a city where people thrive



Governance is about providing Hamiltonians with sound leadership for the city. We want to provide open and effective city governance and opportunities for people to be involved in shaping our city. We want to continue to meet Te Tiriti O Waitangi (The Treaty of Waitangi) and legislative requirements.

Delivering on our Long-Term Plan

Governance and public affairs

We support public engagement with the mayor, councillors and with our democratic processes. This includes facilitating local government elections, by-elections, Council and committee meetings, petitions, referenda, polls, and representation reviews. This activity also includes providing induction, training, and administration support for the elected members.

We will undertake representation reviews in line with legislative requirements to ensure that our communities of interest within the city are effectively represented.

We will work with other areas of the organisation and partners to develop a civic education programme for schools, tertiary institutions, and community groups to promote a better understanding of, and active engagement in, the local democracy processes which allow the public to help shape their city.

Partnership with Maaori

We seek to honour the principles of partnership in decision making with

our treaty partners. Working to foster opportunities for Maaori to be involved in our decision making through relationships, Maangai Maaori, service contracts and the Co-Governance Forum with Waikato-Tainui is an important part of this activity. Our partnerships with iwi, mana whenua and maataawaka organisations assist us in ensuring Hamilton Kirikiriroa is a city where people from different cultures work together and respect each other's views, heritage, culture and strengths. We will continue to build positive and stronger relationships with our Maaori partner organisations and through partnership projects with Waikato-Tainui, mana whenua and maataawaka.

Our Amorangi Maaori (Maaori Relationship Manager) provides support and advice on issues related to Maaori, particularly building stronger relationships.

2021-22 Highlights

The Local Government Commission heard two appeals against Council's decision on representation arrangements, at a hearing on 8 March 2022. The Commission upheld Council's proposal and approved

the representation arrangement for the 2022 local election. The Council table will be made up of twelve General Ward councillors (six in the East Ward, and six in the West), two citywide Kirikiriroa Maaori Ward councillors, and the mayor.

Council adopted a revised Code of Conduct with the most substantive changes being a revised complaints process, revised media section, revised social media guidance and an updated schedule of examples of breaches of the Code.

The Governance Team administered 44 meetings including the six-day Annual Plan Council meeting in March 2022, and more than 20 information sessions.

The 2022 Election Programme is underway following the development of a project plan and redevelopment of the YourCityElection.co.nz page. The programme includes a focus on standing as a candidate, the new voting method Single Transferable Vote (STV) and voting in the election.

Service performance measures:

You can expect We'll empower and enable our diverse communities to share their voice and shape their city.

KEY: **Achieved** | **Not achieved**

Measure	2021-22 target	2021-22 result	2020-21 result
Percentage of Hamilton Kirikiriroa voter turnout for local government elections.	Not applicable, not an election year	Not applicable, not an election year	Not applicable, not an election year

What's behind the results

The 2022 local government election will be reported on in the 2022-23 Annual Report.

Effects on the wellbeing of the community

Social We care for, and about, all our people	This activity enables, promotes, and supports local democracy by providing governance advice and democratic services to elected members, staff, and the community. Governance enables residents to participate in local decision making in a range of ways and encourages residents to have an active role in the development of Hamilton Kirikiriroa.
Economic Our economy provides opportunities to prosper	No identified effect.
Environmental We love and protect our environment	No identified effect.
Cultural Our unique and diverse culture is celebrated	Governance fosters opportunities for Maaori to be involved in decision making through relationships, service contracts, and the Co-Governance Forum with Waikato-Tainui. Our partnerships with iwi, mana whenua and maataawaka Maaori assist us in ensuring that Hamilton Kirikiriroa is a city where diverse cultures work together and respect each other's views, heritage, culture, and strengths.

Governance funding impact statement

For year ended 30 June 2022

	Long-Term Plan 2020-21	Actual 2020-21	Long-Term Plan 2021-22	Actual 2021-22
Sources of operating funding	\$000	\$000	\$000	\$000
General rates, uniform annual general charges, rates penalties	2,831	3,019	3,065	3,080
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	65	16	12	11
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	2	27	26	23
Total operating funding	2,898	3,062	3,102	3,114
Application of operating funding				
Payments to staff and suppliers	2,849	3,004	3,592	3,421
Finance costs	1	(2)	(7)	1
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	2,850	3,002	3,585	3,422
Surplus/(deficit) of operating funding	48	60	(483)	(308)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	-	-	143	-
Gross proceeds from sale of assets	-	28	-	1
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	-	28	143	1
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	7	-	-
- to improve the level of service	3	-	54	26
- to replace existing assets	68	100	89	77
Increase/(decrease) in reserves	(23)	(19)	(237)	(410)
Increase/(decrease) in investments	-	-	(246)	-
Total applications of capital funding	48	88	(340)	(307)
Surplus/(deficit) of capital funding	(48)	(60)	483	308
Funding balance	-	-	-	-

Growth

Providing this activity helps create a city where people thrive



Growth is about planning that supports growth of the city through both infill and new suburbs and the wider region in a boundaryless way, while ensuring Hamilton's unique environment is protected. We want to meet our regulatory requirements to ensure building activity in the city supports safe, sustainable housing and commercial solutions in response to Hamilton's growing population. We want to ensure developers, large and small, have accurate advice and information to help them through the regulatory processes.

Delivering on our Long-Term Plan

City planning

In an environment of fast-paced growth such as Hamilton Kirikiriroa is experiencing, it is important the development of the city is managed strategically. Good planning is necessary to support smart development and sustainable growth across the entire city. It protects Hamilton's natural and built environments, our heritage and quality of life for our residents.

The District Plan is the key document defining how and where the city grows. The District Plan and along with other policies guide the future development of our city. Over the next 10 years, we will review and update the District Plan to address new government requirements and ensure it delivers good urban design across our city, improves housing affordability and diversity, and enables a city that grows up and out in the appropriate places. Hamilton

Kirikiriroa is experiencing very high growth and projections show the city is well on its way to having more than 201,000 people living here within the next 10 years. To meet demand, we are continuing work to open the Peacocke area. This work is being completed with funding support through the Government's Housing Infrastructure Fund (HIF). Our focus on infill and intensification continues to help us accommodate growth within the city centre and existing suburbs.

We have an important role in contributing to Hamilton's economic development by working to ensure that the right policies and plans are in place to make doing business in the city easy.

2021-22 Highlights

Hamilton's first Annual Economic Report

was published in May 2022 and takes an in-depth look at Hamilton's economy, development, and people for the 2021 year, and gives our economic outlook for 2022. The only one of its kind for Hamilton Kirikiriroa, the report includes information from Council's own rich data sources as well as from organisations including Statistics New Zealand and Infometrics. The report shows how Hamilton's diverse economy has helped it weather the pandemic better than New Zealand's other major cities, with continued growth in its economy, population, and housing.

We developed a new dwelling projection model to project the future dwelling demand in Hamilton Kirikiriroa using econometric and machine learning approach, used to inform critical infrastructure and strategic planning decisions.

Service performance measures:

You can expect A sufficient supply of land for housing and business.

KEY: **Achieved** | **Not achieved**

Measure	2021-22 target	2021-22 result	2020-21 result
There will be at least three years' capacity of residential-zoned land supplied with development infrastructure in the city.	At least three years	5.7 years	3.5 years
There will be at least three years' capacity of business-zoned land supplied with development infrastructure in the city.	At least three years	3 years	3.7 years
What's behind the results			

We aim to provide sufficient residential and business land to allow our city to grow. These measures do not reflect the amount of land for sale, but rather indicate the amount of residential and business land zoned and ready with infrastructure to be used. Developers decide when and how they develop and release that land to the market.

It is estimated that there is currently 5.7 years' capacity for residential-zoned land that has development infrastructure in place. In 2021 Market Economics undertook a Housing Development Capacity Assessment, the modelling approach was updated to reflect the current market situation and 2020-21 spatial framework. As a result of this update, the commercially feasible available capacity figure has increased to 5.7 years.

Additional capacity is expected to become available in the future. The Peacocke bridge is due to open in late 2023, unlocking development in the growth cell. Council is also continuing to work through the implications of the NPS-UD, the Enabling Housing Supply Amendment Bill and how this will translate to changes to the District Plan. Work continues on future intensification and planning projects and on the District Plan.

It is estimated there is currently three years' of capacity for industrial land zoned and supplied with development infrastructure in place. Work continues on a change to the District Plan and the subsequent infrastructure servicing requirements to enable further industrial land in Te Rapa North. Development in the Ruakura area is accelerating following Government funding, with work expected to be completed in 2022-23. Once this work is completed there will be more industrial land enabled.

Planning guidance

We provide information and advice for those planning developments and process applications for land-use and subdivision consents. We work closely with developers to ensure the city is well-designed, safe and embraces growth.

2021-22 Highlights

A total of five superlot applications and nine duplex applications with concurrent subdivisions were approved in Stage One of the Peacocke Area in September. The superlot applications approved two-storey terraced apartment buildings that vary from three to seven units for each superlot. This represents a major development in the Peacocke Growth cell.

The total number of land use, subdivision and change of conditions lodged for the financial year was 1085. This number is similar to the previous financial year of 1067 consents. The first five months of the financial year saw record numbers of application, with numbers consistently over 100 per month with quarter one and quarter two being 40% and 24% up on the previous year, respectively.

Service performance measures:

You can expect We will support the delivery of safe, sustainable, and attractive development.

KEY: **Achieved** | **Not achieved**

Measure	2021-22 target	2021-22 result	2020-21 result
Average processing days for non-notified land use and subdivision resource consents. *	20 working days	16.60 working days	18.84 working days
What's behind the results			

As the city continues to grow, we are seeing increased demand for our consenting activities. Despite this increased demand we aim to process building and non-notified resource consents in a timely fashion.

1085 land use, subdivision and change of conditions were lodged. The first five months of the year saw record numbers of applications. The latter half of the year saw a marked slowdown in the numbers of applications (with the exception of March). This was likely to be due to an overall market slowdown off the back of rising interest rates, access to finance and delays in materials.

Importantly, we saw a marked improvement in the number of overtime consents this year, a total of 33 compared to the 140 overtime consents in the previous year. This represents a 77% reduction in overtime consents.

** Average processing days is the average number of working days used in processing consents, which excludes all stop clock days. A working day means any day except for a weekend day, public holiday, or those days between 19 December and 9 January. The processing clock may be stopped at any point should we require further information from the applicant.*

Building control

We issue building consents, inspect buildings under construction, audit building warrants of fitness, and provide advice to make sure Hamilton's buildings are safe, healthy, and durable.

2021-22 Highlights

Over the course of the year, we have had 1550 residential and 521 commercial

consents lodged. Although the number of consents lodged is lower than the 2020-21 financial year, the value of work and complexity for the consents being received has trended upwards. The value for non-residential work has increased by 31%. The number of new residential units is up 6.4% and the non-residential new floor area has increased by 135%.

The construction industry continues to

struggle with supply issues and staff challenges. This is becoming apparent through our inspection results, with an inspection failure rate at a 12-month average high. We have introduced an onsite Minor Variation option to assist the industry to alleviate some of their legislative challenges. We are now able to process Minor Variations to building consents onsite, to accommodate product shortages, substitutions, or minor changes.

Service performance measures:

You can expect We will support the delivery of safe, sustainable, and attractive development.		KEY: Achieved Not achieved	
Measure	2021-22 target	2021-22 result	2020-21 result
Average processing days for building consents.	18 working days	18.33 working days	17.27 working days
Average processing days for Code of Compliance certificates.	18 working days	13.30 working days	New Annual Report measure - no comparative data.
What's behind the results			
<p>As the city continues to grow, we are seeing increased demand for our consenting activities. 1550 residential building consents were lodged, and 521 non-residential building consents were lodged this year.</p> <p>Over the course of the year, we have seen an increase in the complexity in development/consents. This has required our team to be trained and competency assessed at a higher level. Through this process, our team worked under supervision for a period of time and all work was peer reviewed (being checked twice) as required by the National Competency Assessment Framework. Staff shortages also continue to limit our capacity. This placed significant pressure on the resourcing within the Unit, we remained within the statutory timeframe of 20 processing days but slightly exceeded our target of an average of 18 processing days.</p> <p>We issued 1383 Code Compliance Certificates, a process change between September 2021 and December 2021 continues to be successful in ensuring processing time of Code Compliance Certificates remains under target.</p> <p><small>* Average processing days is the average number of working days used in processing consents, which excludes all stop clock days. A working day means any day except for a weekend day, public holiday, or those days between 19 December and 9 January. The processing clock may be stopped at any point should we require further information from the applicant.</small></p>			

Effects on the wellbeing of the community

Social We care for, and about, all our people	The provision of building control contributes to ensuring that Hamilton's buildings are safe, healthy, and durable for the community.
Economic Our economy provides opportunities to prosper	Economic wellbeing is contributed to by ensuring that the right policies and plans are in place to make doing business in Hamilton Kirikiriroa easy. We work closely with stakeholders to ensure that our city is well-designed, safe, and embraces growth.
Environmental We love and protect our environment	City planning protects our natural and built environments, our heritage and quality of life for our residents.
Cultural Our unique and diverse culture is celebrated	No identified effect.

Growth funding impact statement

For year ended 30 June 2022	Long-Term Plan 2020-21	Actual 2020-21	Long-Term Plan 2021-22	Actual 2021-22
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	6,806	5,693	8,938	8,992
Targeted rates	-	308	2,448	2,451
Subsidies and grants for operating purposes	-	70	-	17
Fees and charges	10,374	10,541	10,451	11,333
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	42	117	90	97
Total operating funding	17,222	16,729	21,927	22,890
Application of operating funding				
Payments to staff and suppliers	15,791	21,374	20,002	21,984
Finance costs	673	438	409	190
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	16,464	21,812	20,411	22,174
Surplus/(deficit) of operating funding	758	(5,083)	1,516	716
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	(617)	59	(2,052)	1,181
Gross proceeds from sale of assets	-	100	-	5
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	(617)	159	(2,052)	1,186
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	26	-	-
- to improve the level of service	9	-	190	93
- to replace existing assets	238	354	333	269
Increase/(decrease) in reserves	(106)	(254)	(196)	1,007
Increase/(decrease) in investments	-	(2,174)	(862)	533
Total applications of capital funding	141	(3,486)	(536)	1,902
Surplus/(deficit) of capital funding	(758)	5,083	(1,516)	(716)
Funding balance	-	-	-	-

The 2021 actuals have been restated to include a retrospective change in accounting policy for further details see note 36.



Safety

Providing this activity helps create a city where people thrive



City safety



Safety is about ensuring Hamilton Kirikiriroa is a place where people feel safe and are protected from risks to their health and wellbeing. We want to make sure our public places are safe for the people that use them, and legal standards are met. We want to meet our legal obligations to keep our residents safe by ensuring compliance with public health and safety regulations.

Delivering on our Long-Term Plan

Public safety

We work with a range of other agencies to deter anti-social behaviour in the central city, look for opportunities to prevent crime, support the homeless or vulnerable and to enhance perceptions of safety for users of the central city. Services we provide include CCTV cameras, graffiti removal and City Safe patrols. We will continue to look at ways we can improve our CCTV monitoring services in terms of the cameras operating, our analytic capability and links with different parts of our organisation. This will build the cohesiveness and efficiency of the CCTV operations that support safety services across the city. The City Safe patrols will continue in the central city, and Suburban Response Team patrols will continue in our suburbs.

2021-22 Highlights

City Safe Operations received wonderful feedback from two summer interns who both said the experience with City Safe Operations has taught them a lot and were very grateful for the experience. Throughout the year the City Safe CCTV operators supported the Police with information resulting in several arrests. Police have been very complimentary of the team's efforts.

Council joined the Safest City Taskforce co-chaired by the Mayor and Police Area Commander as an initiative involving

Hamilton City Council and Police working closely with the University of Waikato and Waikato Tainui to bring together partners and stakeholders with a role and interest in keeping our city safe, such as our MPs, central Government departments and agencies, community groups and patrol groups. It is the belief that by working collaboratively across the community, we can make people feel safer and be safer in Hamilton Kirikiriroa.

Animal education and control

To reduce the risk of danger and nuisance from dogs, we make sure they are registered and controlled and investigate offences under the Dog Control Act 1996. Providing education to schools, businesses, and community groups about safety around dogs is an important part of this service.

2021-22 Highlights

The Animal Control Team participated in the dog pilot programme run with Police and Oranga Tamariki. The programme involved bringing young people to Animal Control to interact with animals that have also suffered trauma. The programme has been viewed as providing an invaluable experience. Police have been complimentary around the insight the young people get into the work Animal Control do and why they do it and has been of benefit in breaking down barriers. In the peak dog registration period, Animal Control participated at the Your Neighbourhood Day

in Frankton, using the opportunity to further educate the public on issues associated with dog registrations and dog microchipping.

Environmental health and alcohol licencing

We monitor and enforce standards for businesses selling food and liquor, respond to health nuisances and deal with environmental pollution issues such as noise control and contaminated sites.

We will be increasing our resource to deal with anticipated higher demand and greater levels of regulation for food safety services.

2021-22 Highlights

During the year the Alcohol Licensing team launched a new customer-centric approach towards applicant interviews for managers' certificates. To align with flexible working arrangements most applicants have in place, the team now offer interviews via Zoom; at home or work and with an extended range of available hours. The resulting flexibility is being positively received by applicants. Our Alcohol and Environmental Health staff attended the Your Neighbourhood Day for the first time and were able to offer advice and guidance on all aspects of alcohol licensing, food business operations and contaminated land. The interactive exhibits on show were a hit with the community.

Civil Defence

Through emergency management, we work to help the community be resilient and ready to deal with an emergency. We support the Waikato Region Civil Defence and Emergency Management Group to meet legal requirements, minimise potential effects of emergencies, prepare our people

to respond to emergencies and help communities recover as quickly as possible after an emergency.

2021-22 Highlights

A successful Civil Defence response was initiated on 17 August when Hamilton Kirikiriroa entered COVID-19 Alert Level 4

and continued through Level 3. It involved providing practical support to COVID-19 testing centres and packing and delivering food parcels in support of local foodbanks. A total of 19 Hamilton City Council staff were involved in the local and regional response.

Service performance measures:

You can expect A timely response to requests for dog control, graffiti, and excessive noise.

KEY: **Achieved** | **Not achieved**

Measure	2021-22 target	2021-22 result	2020-21 result
The percentage of urgent dog control requests responded to within 60 minutes.	At least 95%	98%	New Annual Report measure – no comparative data

What's behind the results

You can expect a timely response for urgent dog control requestions. We received 224 urgent requests for dog control, we responded to 221 within 60 minutes. This includes during COVID-19 Alert Levels 3 and 4 and throughout the ongoing restrictions.

Measure	2021-22 target	2021-22 result	2020-21 result
The percentage of graffiti removed within two working days.	At least 95%	73.17%	New Annual Report measure – no comparative data

What's behind the results

You can expect graffiti to be removed in a timely fashion. We received 5292 requests for graffiti removal. This is a 48% increase on the previous year, 3602 reports were removed within two working days. 6469 sqm of graffiti was removed from around Hamilton.

The TagBusters team does not operate during COVID-19 Alert Levels 3 and 4. As well as the increase in graffiti across the city, staff shortages due to illness continued to put pressure on response times.

Measure	2021-22 target	2021-22 result	2020-21 result
The percentage of complaints about excessive noise responded to within 30 minutes.	At least 95%	95.51%	New Annual Report measure – no comparative data

What's behind the results

You can expect a timely response to complaints of excessive noise. There were 5249 requests for Noise Control, the team responded to 5021 with 30 minutes.

You can expect We work with partner organisations and the community to improve safety.

Measure	2021-22 target	2021-22 result	2020-21 result
The percentage of central city users surveyed who feel very safe or reasonably safe in the central city during daytime.	At least 80%	74.27%	77%
What's behind the results			

This measure indicates the community's perception of safety during the day.

The Central City Safety Survey ran in June 2022 and received 614 responses.

Key themes respondents listed that affected their perception of safety in the central city were:

- aggressive and anti-social behaviour
- presence of beggars/ homeless people
- groups of unruly and intimidating youths.

Further analysis of the data will give rise to a series of suggested actions for Council and supporting agencies to take to create an environment to improve the perception of daytime central city safety for public spaces users.

There has been a large number of events and situations that have occurred impacting on people's perception of safety, including the heavily publicised ramraids. Many of these are outside of Council's direct control.

Effects on the wellbeing of the community

Social We care for, and about, all our people	The provision of building control contributes to ensuring that Hamilton's buildings are safe, healthy, and durable for the community.
Economic Our economy provides opportunities to prosper	Economic wellbeing is contributed to by ensuring that the right policies and plans are in place to make doing business in Hamilton Kirikiriroa easy. We work closely with stakeholders to ensure that our city is well-designed, safe, and embraces growth.
Environmental We love and protect our environment	City planning protects our natural and built environments, our heritage and quality of life for our residents.
Cultural Our unique and diverse culture is celebrated	No identified effect.

Capital projects

The following table summarises the capital projects planned for year one (2021-22) of the 2021-31 Long-Term Plan and the progress made during the period.

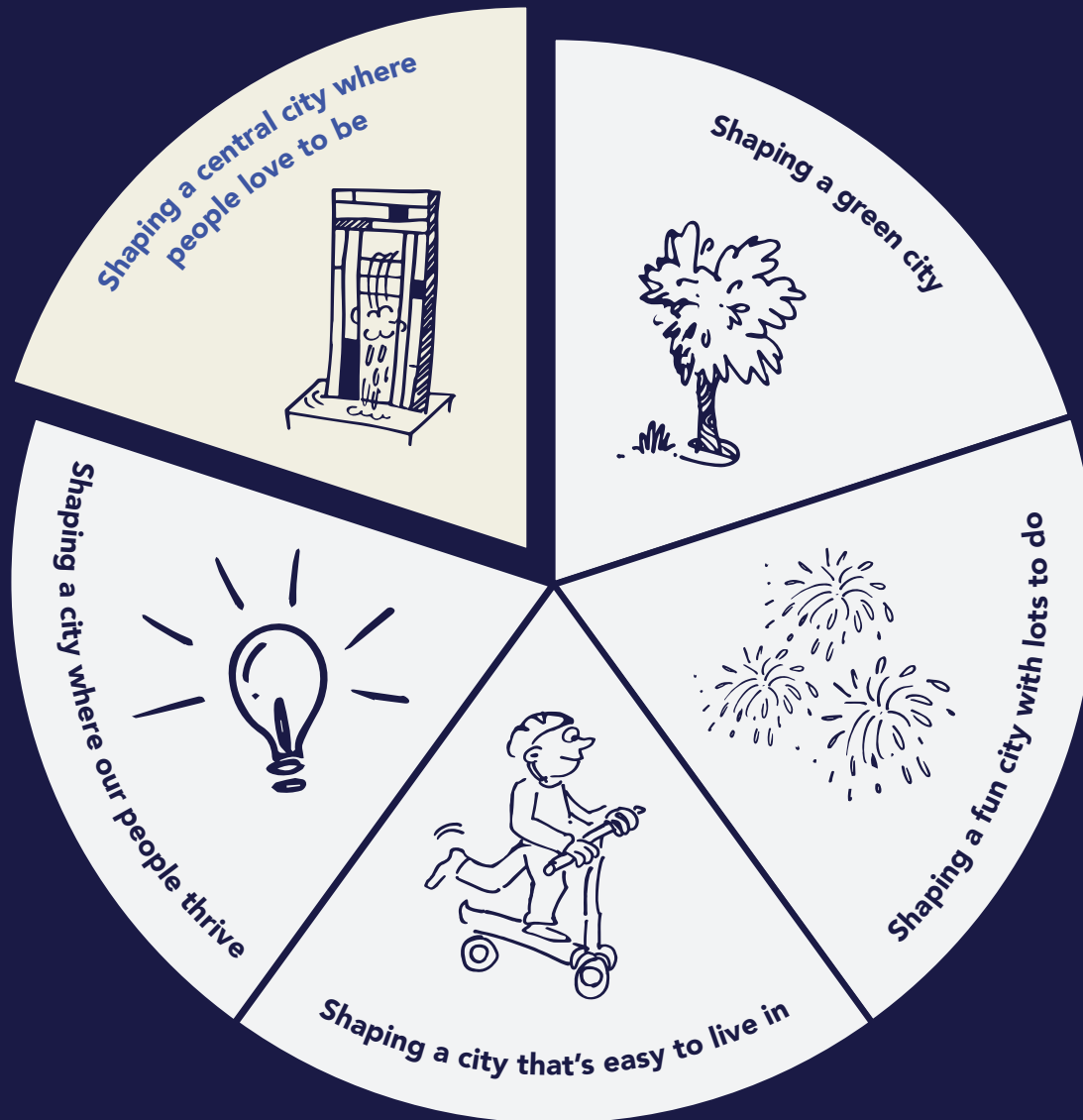
		R - Renewals	LOS - Levels of service	G - Growth
	Type	Budget 2021-22	Actual 2021-22	Variance
		\$000	\$000	\$000
Animal education and control				
CE21013 - Animal control building renewals	R	-	-	-
Animal education and control total		-	-	-
Public safety				
CE21015 - City Safe renewals	R	171,000	167,571	3,429
CE21016 - City Safe upgrades	LOS	-	-	-
Public safety total		171,000	167,571	3,429
Total		171,000	167,571	3,429

Safety funding impact statement

For year ended 30 June 2022	Long-Term Plan 2020-21	Actual 2020-21	Long-Term Plan 2021-22	Actual 2021-22
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	3,992	4,747	4,675	4,689
Targeted rates	-	(3)	-	-
Subsidies and grants for operating purposes	-	50	53	63
Fees and charges	2,282	2,347	2,108	2,301
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	33	125	69	105
Total operating funding	6,307	7,266	6,904	7,158
Application of operating funding				
Payments to staff and suppliers	6,177	8,079	7,118	7,427
Finance costs	1	(3)	142	2
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	6,178	8,076	7,260	7,429
Surplus/(deficit) of operating funding	129	(810)	(356)	(271)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	-	-	(451)	-
Gross proceeds from sale of assets	-	42	-	2
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	-	42	(451)	2
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	11	-	-
- to improve the level of service	4	-	81	40
- to replace existing assets	156	256	281	283
Increase/(decrease) in reserves	(31)	(1,035)	(799)	(592)
Increase/(decrease) in investments	-	-	(369)	-
Total applications of capital funding	129	(768)	(807)	(269)
Surplus/(deficit) of capital funding	(129)	810	356	271
Funding balance	-	-	-	-

A central city where people love to be

He pokapuu taaone e ngaakautia ana e te marea



Our central city should be accessible via different transport modes and enjoy easy access to the nearby Waikato River which is celebrated and treasured for the city taonga (treasure) it is.

Our restaurants and bars will offer Hamiltonians choice and entertainment and draw people from outside of Hamilton Kirikiriroa who know that a visit to central Hamilton Kirikiriroa is a trip well worth making.

Our central city should support a thriving visual arts and performance scene through our iconic local theatres and bring the area around our Waikato Regional Theatre alive, further linking our city to the stunning Waikato River.

Inner-city dwellers will enjoy a range of apartment options, close to where they work or close to strong transport links that get them to where they need to be. But they will always be close to green open spaces, along the river and with parks like Victoria on the River nearby.

Local, national, and international businesses will choose to base themselves in our central city which remains affordable and accessible, serviced by everything needed to live a full Hamilton Kirikiriroa life.

All our activities (such as safety and transport) contribute to creating a central city where people love to be, and we have a number of exciting plans for the central city over the next 10 years.

We'll continue to invest in our central city by focusing on opening it up to the Waikato River, encouraging people to live and work in the central city and make it easy to access and move around in. We'll also continue supporting and providing funding for central city activations such as the Hamilton Central Business Association events programme and the annual Christmas parade and Christmas tree installation.

2021-22 Highlights

A suite of cycle safety improvements was rolled out in the central city. This included cycle footrests installed at the Collingwood Street/Victoria Street intersection and the Anzac Parade/Grey Street intersection, and the installation of a dedicated cycle lane and right turn cycle light at the intersection of Victoria Street and Claudelands Road. Cycle safety treatments were made along Mill Street at the intersections with Victoria Street, Ulster Street, Willoughby Street, Tristram Street, Norton Street, and Lake Road.

We also completed the new central city jetty and revetment wall (to protect against erosion) and commenced demolition work on the disused Municipal Pools. The site is being converted into a green space as part of the enhancement of the Ferrybank precinct. Accessibility improvements were made to Bryce Street, including a new bus stop, cycle lanes, and a raised zebra crossing near the Hamilton Transport Centre.

In October 2021 our famous Riff Raff statue was moved to a temporary home at the Waikato Museum, with the closure of Embassy Park, to support construction of

the Waikato Regional Theatre. In November 2021 the Prime Minister attended the Waikato Regional Theatre sod turning event.

With the ongoing disruptions during the year, Council approved a 50% reduction in fees for food safety verifications from March 2022 until the end of June 2022, to support hospitality businesses in response to COVID-19 impacts. As several activations and events had to be postponed, modified, or cancelled, there was an underspend of the allocated \$100,000 Activation Fund budget and an underspend from the Hamilton City Council Events Sponsorship Fund. With Council endorsement, a Central City 'Love the Centre' campaign was created with the underspent funds. The campaign, officially launched in May 2022, encouraging locals, students, and workers back into the Central City.

*This priority does not have a separate capital programme or funding impact statement as the costs are already reflected in our other activity statements.

A fun city with lots to do

He taaone kua kikii ki ngaa tini kaupapa



We want Hamilton to be an even better place for everyone to play, with things to do or see around every corner.

We want to make sure our city provides opportunities for all our people to play and have fun - whether it be through organised sport, local playgrounds, events, or our visitor destinations.

We want to build on our growing reputation for hosting outstanding events; events that bring economic benefit, that Hamiltonians love, and that bring people from all over New Zealand to our city.

But small events also have a role in the life of our city. We're keen to support more arts and cultural events and make sure we have the right indoor and outdoor facilities in place to support local community sports

events that people of all ages can get involved in. All of these things add to the sense of community we all value about Hamilton Kirikiriroa.

We have already invested in world-class stadium and event facilities like Seddon Park, Claudelands, and FMG Stadium Waikato and are home to key visitor destinations such as Hamilton Zoo and Waiwhakareke Natural Heritage Park, Hamilton Gardens, and Waikato Museum.

And we'll continue to embrace the outdoors, not just the Waikato River but places like our destination playgrounds and Lake Rotoroa (Hamilton Lake). These facilities provide locals and visitors with memories and experiences that keep people entertained and wanting more. They drive interest and appreciation in our city. They make living here fun

To deliver a fun city with lots to do we invest in the following:

- Visitor destinations
 - o Hamilton Gardens
 - o Hamilton Zoo and Waiwhakareke Natural Heritage Park
 - o Waikato Museum
 - o i-SITE Visitor Information Centre
- Venues, tourism and major events
 - o Claudelands Event Centre, FMG Stadium Waikato and Seddon Park
 - o Tourism and events funding
 - o Theatres
- Parks and recreation
 - o Parks (including community parks, natural areas, sports parks, streetscapes and playgrounds)
 - o Cemeteries and crematorium
 - o Indoor recreation
 - o Community facilities

Visitor Destinations



Providing this activity contributes to a fun city with lots to do

Visitor Destinations are about providing our community and visitors with memorable experiences.



Feeding giraffes at Hamilton Zoo

We want Hamiltonians to have high-quality attractions they are proud of and want to visit again and again because they always offer something new and interesting. We want more national and international visitors to visit our city and contribute to our economy because they hear about the unique experiences and stories we have here.

Delivering on our Long-Term Plan

Hamilton Gardens

Hamilton Gardens is an internationally acclaimed attraction and a key feature of the city's identity. As a major visitor destination, it contributes to our economy while also serving Hamiltonians as a community park.

We will continue to support the success of Hamilton Gardens and seek to increase the economic contribution the Gardens make to our city. We plan to leverage growing visitor numbers to the Gardens to support the wider Hamilton Kirikiriroa tourism industry. We propose to start charging an

admission fee to non-Hamiltonians over the age of 14 for entry to the enclosed gardens from 1 January 2023. This will coincide with the upgrading of the visitor arrival centre. Resulting revenue will contribute to improving and adding new services and facilities that make visiting Hamilton Gardens easier.

2021-22 Highlights

The highly anticipated Ancient Egyptian Garden and Palm Court were opened in May 2022 with overwhelmingly positive

feedback from visitors. An important addition to Hamilton Gardens, the garden is the earliest (2040 BCE) style of garden in its collection and is part of the productive garden collection.

In May 2022 a contract with Overseas Adventure Travel (OAT) was secured. This contract will see OAT providing package tours to American travellers incorporate Hamilton Gardens into their offering. At present there are 150 tours of Hamilton Gardens scheduled for the next 18 months.

Hamilton Zoo and Waiwhakareke Natural Heritage Park

Hamilton Zoo and Waiwhakareke Natural Heritage Park create another tourism attraction, providing unique visitor and educational experiences that connect people with nature and wildlife and showcase conservation in action.

As well as being a tourism and recreation park, Hamilton Zoo is committed to the conservation of animals and the environment by participating in conservation and research projects and contributing to breeding programmes for endangered species.

Connected to the Zoo, Waiwhakareke Natural Heritage Park complements the zoo experience. Developed in partnership with the community, the park aims to reconstruct the natural forest, wetland and lake ecosystems present in pre-European times.

The 2021-31 Long-Term Plan includes

funding for Hamilton Zoo and Waiwhakareke Natural Heritage Park shared entry precinct, which delivers greatly improved visitor amenities and public facilities, as well as a number of other new and unique experiences for zoo visitors.

2021-22 Highlights

Hamilton Zoo celebrated the 22nd birthday of Mencari, an amazing age for a Sumatran tiger to reach, that makes her the second oldest Sumatran tiger in captivity in the world. The Zoo team have had several joyous moments during the year with baby lemurs, baby bison, baby zebra and the integration of temporarily hand-reared spider monkey, Belize, into her troop.

A lowlight in July 2021 was the passing of Sally, Hamilton City's much-loved chimpanzee. In her 50 years, Sally made connections with so many people which have been invaluable to her species.

Native conservation efforts for at-risk or endangered species this quarter included five Hamilton Zoo-bred kaakaa transferred

to Cape Sanctuary on Cape Kidnappers Peninsula with four to be released into the wild and one to support Pūkaha National Wildlife Centre at Mt Bruce, Wairarapa. These birds will provide important genetic diversity to the local population when they start breeding. Four paateke ducklings were sent to The Isaac Conservation and Wildlife Trust in Christchurch.

Several scientific and long-term projects are underway at Waiwhakareke Natural Heritage Park such as the reintroduction of native mudfish, wetland restoration and Environmental DNA. Water quality measurements at Waiwhakareke have shown a continual and pleasing improvement. Five community planting events were held this year, with around 30,000 plants going in the grounds.

December 2021 saw the opening of the Zoo Waiwhakareke Entry Precinct building which has been very well received by visitors and staff. The new building offers a variety of modern spaces – retail, offices, meeting/education rooms, café, and toilets.

Waikato Museum

Waikato Museum cares for, preserves and shares stories about the objects and taonga of the Waikato region and beyond. It does so through a wide variety of exhibitions, events and educational activities. The museum is a guardian of collections that have been acquired, gifted or loaned, and kaitiaki of culturally significant Tainui taonga.

One of the Museum's greatest strengths is its high-value location in the central city. Investment in the 2021-31 Long-Term Plan will see improvements to the Museum's Victoria Street entrance and foyer. In later years, we plan to create an entrance to the Museum from the river, increasing the Museum's profile from the river paths and better utilising the river connection.

2021-22 Highlights

Te Aho Tapu Hou showcased the distinctive garments designed by Waikato woman Jeanine Clarkin (Ngaati Hako, Ngaati Paaaoa, Ngaati Ranginui, Ngaati Raukawa). Clarkin's creativity over the decades has resulted in her international status within the indigenous fashion community.

Several Waikato Museum exhibitions have been popular including:

- 1981, the Springbok Protest exhibition
- the 2021 National Contemporary Art Award exhibition, which this year also included a virtual tour and People's Choice online voting
- an exhibition featuring a new selection of works from the Barry Hopkins Collection
- an interactive children's exhibition from Te Papa focussed on the colossal squid
- the Kiingi Tuheitia Portraiture Award

– the Museum was honoured to be the first venue to host this travelling exhibition showcasing emerging Maaori artists

- Thanks from Iso – a curated collection of stories and messages from MIQ accompanied by 14 original artworks by Ruby Jones.

The team also welcomed Hamilton's much-loved Riff Raff sculpture to its new temporary home in front of the Museum and completed the purchase of a new collection highlight – a 19th century Kahu tooii (Rain cape).

i-SITE Visitor Information Centre

Through a comprehensive nationwide information and booking service, i-SITE connects people with great places and experiences in Hamilton Kirikiriroa and the Waikato region, promoting our liveable city and regional tourism.

Service performance measures:

You can expect We'll invest in and enhance Waikato Museum, Hamilton Gardens, Hamilton Zoo and Waiwhakareke Natural Heritage Park to create new and unique experiences for our people and visitors.

KEY: **Achieved** | **Not achieved**

Measure	2021-22 target	2021-22 result	2020-21 result
Total number of visits to Hamilton Zoo/WNHP*, Waikato Museum, and Hamilton Gardens (enclosed gardens only).	Increase on previous year (Hamilton Zoo: Waikato Museum: Hamilton Gardens:)	549,941** 47.41% decrease (Hamilton Zoo: 181,563 Waikato Museum: 81,947 Hamilton Gardens: 286,431)	810,671 (Hamilton Zoo: 167,170 Waikato Museum: 107,059 Hamilton Gardens: 536,442)
What's behind the results			

We offer a diverse range of quality, relevant programmes and experiences. These measures indicate residents' and non-residents' enhanced interest in these attractions.

Visitation has been relatively strong in a year heavily impact by COVID-19, as seen in the impact on visitors to Hamilton Gardens.

Our education team was delighted to be able to welcome school groups back to the Zoo and Museum between April – June 2022. 1400 students took part in LEOTC programmes at the Zoo in May-June 2022, and more than 3400 school children visited the Our Moon: Then, Now and Beyond exhibition at the Museum.

**results exclude Waiwhakareke Natural Heritage Park and Artspost.*

*** Due to an electronic fault the 'counter' at the entrance to the enclosed gardens only recorded intermittent data during April.*

You can expect We'll invest in and enhance Waikato Museum, Hamilton Gardens, Hamilton Zoo and Waiwhakareke Natural Heritage Park to create new and unique experiences for our people and visitors.

Measure	2021-22 target	2021-22 result	2020-21 result
The number of new unique experiences.	At least 10 each year across the three visitor destinations.	13 new unique experiences	New Annual Report measure – no comparative data
What's behind the results			

We are working to provide visitors with fresh, novel reasons to visit the Visitor Destinations. These 13 new unique experiences were:

- Te Aho Tapu Hou: the new sacred thread exhibition at Waikato Museum
- Pauly B Artist water blaster mural at Hamilton Zoo
- 5 Ring-tailed lemur babies at Hamilton Zoo
- Porcupine enclosure at Hamilton Zoo
- Tuatara House at Hamilton Zoo
- Zoom Education Sessions at Hamilton Zoo
- The National Contemporary Art Award 2021, the Kiingi Tuheitia Portraiture Award and Thanks from Iso at Waikato Museum
- Art Explorers at Waikato Museum
- Ancient Egyptian Garden and the Palm Court at Hamilton Gardens
- Augmented reality Easter Egg Hunt at Hamilton Gardens.
- Our Moon: Then, Now and Beyond exhibition at Waikato Museum
- Zoo Playground at Hamilton Zoo
- Everyday Café at Hamilton Zoo

Effects on the wellbeing of the community

Social We care for, and about, all our people	Hamilton Gardens also serves as a community park for Hamiltonians to enjoy social and leisure opportunities.
Economic Our economy provides opportunities to prosper	Our visitor destinations attract visitors to Hamilton Kirikiriroa, bringing tourism benefits to our city.
Environmental We love and protect our environment	Hamilton Zoo and Waiwhakareke Natural Heritage Park connect nature and wildlife with people and showcase conservation in action.
Cultural Our unique and diverse culture is celebrated	We provide attractions and spaces that contribute to the protection of the city's heritage and culture, and foster opportunities to showcase our unique history and diverse culture.

Capital projects

The following table summarises the capital projects planned for year one (2021-22) of the 2021-31 Long-Term Plan and the progress made during the period.

		R - Renewals	LOS - Levels of service	G - Growth
	Type	Budget 2021-22	Actual 2021-22	Variance
Visitor Destinations		\$000	\$000	\$000
Hamilton Gardens*				
CE10026 - Hamilton Gardens renewals	R	40,000	106,515	(66,515)
CE10028 - Hamilton Gardens building renewals	R	132,000	4,552	127,448
CE19023 - Hamilton Gardens development	LOS	1,963,000	1,262,363	700,637
CE21047 - Hamilton Gardens themed gardens	LOS	400,000	-	400,000
Hamilton Gardens total		2,535,000	1,373,430	1,161,570
Hamilton Zoo				
CE10017 - Hamilton Zoo building renewals	R	1,675,000	1,728,134	(53,134)
CE21002 - Hamilton Zoo operational renewals	R	2,317,000	547,562	1,769,438
CE21043 - Hamilton Zoo and Waiwhakareke development	LOS	3,237,000	4,418,952	(1,181,952)
Hamilton Zoo total		7,229,000	6,694,648	534,352
Museum				
CE10008 - Museum operational renewals	R	74,000	25,185	48,815
CE10011 - Museum building renewals	R	50,000	413,577	(363,577)
CE19028 - Collection acquisition fund	LOS	42,000	154,368	(112,368)
CE21045 - Museum development	LOS	503,880	2,104	501,776
Museum total		669,880	595,233	74,647
Total		10,433,880	8,663,312	1,770,568

* Hamilton Gardens - This 2021-22 Long-Term Plan Budget is different to the Long-Term Plan as the Nursery Renewals have been moved to Parks and Recreation (they were split across two activities in the Long-Term Plan in error).

Variances:

- CE21002 - Hamilton Zoo operational renewals - Planning and construction was delayed due to COVID-19 restrictions at the Zoo site.
- CE21043 - Hamilton Zoo and Waiwhakareke development - Budget deferred from 2020-21 increased the budget, and was used for the completion of the Zoo/Waiwhakareke Entrance Precinct.

Visitor Destinations funding impact statement

For year ended 30 June 2022	Long-Term Plan 2020-21	Actual 2020-21	Long-Term Plan 2021-22	Actual 2021-22
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	13,254	15,018	15,366	15,476
Targeted rates	808	769	-	-
Subsidies and grants for operating purposes	85	81	87	167
Fees and charges	4,305	3,417	2,702	2,447
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	52	247	227	243
Total operating funding	18,504	19,532	18,382	18,333
Application of operating funding				
Payments to staff and suppliers	14,792	15,383	16,522	17,102
Finance costs	289	97	229	469
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	15,081	15,480	16,752	17,571
Surplus/(deficit) of operating funding	3,423	4,052	1,630	762
Sources of capital funding				
Subsidies and grants for capital expenditure	1,925	600	1,372	748
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	2,468	14	9,215	5,027
Gross proceeds from sale of assets	-	146	-	7
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	4,393	760	10,587	5,782
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	195	-	-
- to improve the level of service	6,267	5,028	6,417	5,957
- to replace existing assets	1,625	1,342	4,999	3,195
Increase/(decrease) in reserves	(76)	(1,221)	2,033	(4,878)
Increase/(decrease) in investments	-	(532)	(1,231)	2,270
Total applications of capital funding	7,816	4,812	12,217	6,544
Surplus/(deficit) of capital funding	(3,423)	(4,052)	(1,630)	(762)
Funding balance	-	-	-	-

Venues, Tourism and Major Events



Providing this activity contributes to a fun city with lots to do

Chiefs game at FMG Stadium Waikato



We will continue to deliver events that support local business opportunities, stimulate our economy, promote our city, and deliver events that our community participate in. Venues, Tourism and Major Events is about showcasing and leveraging Hamilton's event venues, visitor attractions and services.

Live concert at Claudelands Event Centre



Delivering on our Long-Term Plan

Claudelands, FMG Stadium Waikato, and Seddon Park

We continue to attract a range of national and international standard events to Hamilton Kirikiriroa. Claudelands, FMG Stadium Waikato, and Seddon Park are important contributors to the city's economy as major generators of business and event tourism to Hamilton Kirikiriroa. Our event spaces also provide opportunities for organisations in our community to host community-based events. Our venues are well positioned to cater for growth within their existing capacity levels and will be maintained to an appropriate standard.

2021-22 Highlights

Hamilton was fortunate to host several significant events such as seven matches of the ICC Women's Cricket World Cup 2022, international-level rugby matches with Tonga v Samoa, All Blacks v Fiji and the Maaori All Blacks v Ireland and the return in late Q4 of large conferencing activity back at Claudelands. In total more than 908 events were held with 224,538 people attending events at H3 Venues.

A range of venue improvement projects were able to continue throughout the year, including the completion of the East Stand strengthening works and ongoing work to upgrade the light towers at FMG Stadium Waikato, completion of new scoreboard, sight screens and pavilion re-roofing at Seddon Park, plus the installation of new venue signage to reflect the commercial partnership of naming rights with local business GLOBOX at GLOBOX Arena.

Service performance measures:

You can expect We provide stadia (FMG Stadium Waikato and Seddon Park) and Claudelands to host events. **KEY: Achieved | Not achieved**
The measure indicates the utilisation of stadia and Claudelands.

Measure	2021-22 target	2021-22 result	2020-21 result
The number of people attending events at the Stadia (FMG Stadium Waikato and Seddon Park) and Claudelands.	375,000	224,538	470,645
What's behind the results			

This measure indicates the utilisation of stadia (FMG Stadium Waikato and Seddon Park) and Claudelands. The result includes utilisation at both ticketed and non-ticketed events.

This year has seen a number of disruptions due to the number of on-again and off-again COVID-19 Alert Levels, lockdowns, and Traffic Light Framework settings. Every quarter experienced a level of restriction on operating activity. Unlike the previous year when the comeback from lockdowns was swift, we have experienced more event cancellations this year than any other. In total more than 908 events were held with 224,538 people attending events at H3 Venues.

Tourism and events funding

Alongside H3 Venues (Claudelands, FMG Stadium Waikato, and Seddon Park), we administer major event sponsorship and tourism grant budgets.

In conjunction with several neighbouring councils, our annual funding to Hamilton and Waikato Tourism supports the development of a range of strategic tourism initiatives. These will strengthen the attraction of both Hamilton Kirikiriroa and the surrounding Waikato region to the visitor market.

2021-22 Highlights

Over the year, 15 events were approved

to receive funding from the Major Event Sponsorship Fund totalling \$410,000. Hamilton City Council provides funding for the promotion of Hamilton Kirikiriroa via its major event sponsorship fund. The fund focuses on larger event opportunities where exposure will reach well beyond Hamilton Kirikiriroa, delivering high profile coverage and where it will attract significant numbers of visitors, plus deliver community participation. Hamilton's major event sponsorship fund is designed to provide support to organisations delivering events in line with Hamilton's vision to be a fun city with lots to do with a focus on exposure, city profile, visitation, economic outcomes and community engagement and participation.

In total, seven events took place throughout the year supported by Council as a funding partner:

- NZ Badminton Championships 2021
- Tainui Secondary Schools Kapa Haka Festival 2021
- Boon Street Art Festival 2021
- Balloons over Waikato 2022
- Waikato River Festival He Piko He Taniwha 2022
- The Great Kiwi Run and Walk Series 2022
- Matariki ki Waikato 2022

Theatres

We will invest with a range of partners through the Momentum Waikato Community Foundation in the delivery of a new international standard performing arts theatre (the Waikato Regional Theatre) for the Waikato region to be built in Hamilton Kirikiriroa.

2021-22 Highlights

The Waikato Regional Property Trust,

(owners of the new Regional Theatre) have advised the overall project is tracking to plan with main building construction to begin by mid-2022 and opening in mid-2024. Overall, Council will contribute a total of \$25 million towards the construction of the new theatre, alongside other contributors such as Trust Waikato, Waikato Regional Council, central government, philanthropic trusts, and individuals.

Council resolved to decline a proposal in May 2022 to repurpose the Founders Theatre building into a community space, and to redevelop the site as a multi-purpose park. The transformation of the site is currently on hold as Council considers the site as part of a wider review of the city's community facilities, and the possible development of a community hub in a central city location.

Effects on the wellbeing of the community

Social We care for, and about, all our people	Our event spaces provide opportunities for organisations in our community to host community-based events. We manage the social effects on the city that events may temporarily produce through effective event management plans.
Economic Our economy provides opportunities to prosper	Claudelands, FMG Stadium Waikato and Seddon Park are important contributors to our economy as major generators of business and event tourism to Hamilton Kirikiriroa.
Environmental We love and protect our environment	We manage the effects of events on the environment in compliance with the District Plan, resource consents and effective event management.
Cultural Our unique and diverse culture is celebrated	We support and promote arts and culture in the city through supporting and encouraging local and regional theatre ventures.

Capital projects

R - Renewals

LOS - Levels of service

G - Growth

The following table summarises the capital projects planned for year one (2021-22) of the 2021-31 Long-Term Plan and the progress made during the period.

Venues Tourism and Major Events				
Claudelands and stadia				
CE21011 - VTME building renewals	R	5,558,000	6,558,135	(1,000,135)
CE21041 - VTME security and health and safety programmes	LOS	861,000	76,407	784,593
CE21042 - VTME operational renewals	R	1,692,000	1,035,727	656,273
Total		8,111,000	7,670,269	440,731

Variances:

- CE21011 - VTME building renewals – Budget was deferred from 2020-21 and increased in the 2021-22 budget, and was used for the completion of the Seddon Park Roof Renewal and Sight Screens.
- CE21041 - VTME security and health and safety programmes – This was a new budget as part of the 2021-31 Long-Term Plan and 2021-22 was spent doing planning and design. This budget has now been rephased to align with the revised schedule.

Venues, Tourism and Major Events funding impact statement

For year ended 30 June 2022	Long-Term Plan 2020-21	Actual 2020-21	Long-Term Plan 2021-22	Actual 2021-22
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	16,625	15,748	18,760	18,891
Targeted rates	310	(106)	-	-
Subsidies and grants for operating purposes	-	-	-	19
Fees and charges	6,217	5,364	5,272	4,419
Internal charges and overheads recovered	21	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	113	1,117	965	1,079
Total operating funding	23,286	22,123	24,998	24,408
Application of operating funding				
Payments to staff and suppliers	16,547	16,985	27,491	17,550
Finance costs	1,815	1,166	1,598	885
Internal charges and overheads applied	21	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	18,383	18,151	29,088	18,435
Surplus/(deficit) of operating funding	4,903	3,972	(4,091)	5,973
Sources of capital funding				
Subsidies and grants for capital expenditure	100	326	-	91
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	(1,579)	157	379	7,424
Gross proceeds from sale of assets	-	254	-	11
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	(1,479)	737	379	7,526
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	75	-	-
- to improve the level of service	102	750	1,348	315
- to replace existing assets	3,180	5,403	8,047	8,285
Increase/(decrease) in reserves	142	4,268	(10,892)	1,546
Increase/(decrease) in investments	-	(5,787)	(2,216)	3,353
Total applications of capital funding	3,424	4,709	(3,713)	13,499
Surplus/(deficit) of capital funding	(4,903)	(3,972)	4,091	(5,973)
Funding Balance	-	-	-	-

Parks and Recreation



Providing this activity contributes to a fun city with lots to do

Hamilton Lake Domain destination playground



Parks and Recreation is about ensuring access to a wide range of recreational and leisure activities and attractive outdoor spaces for all Hamiltonians to enjoy. We want to provide activities and spaces that enhance the quality of life for our residents and visitors and keep Hamilton Kirikiriroa beautiful. We want to preserve indigenous flora and fauna, natural ecosystems and landscapes and to protect our lakes and rivers and meet our legal obligations for the preservation and management of reserve land.

Delivering on our Long-Term Plan

Parks (including community parks, natural areas, sports parks, streetscapes, and playgrounds)

One of the things making Hamilton Kirikiriroa a great place to live, work and play is the range of recreation facilities and open green spaces we have for the community to enjoy. We provide, operate, and maintain more than 200 parks and reserves and associated assets across 1196 hectares in the city. These assets include recreational facilities such as playgrounds and play spaces like skate parks, natural areas and open spaces, sports parks, and community amenities such as public toilets.

Keeping the city beautiful is an important part of this activity and we do so with our street and park trees, gardens, and street plantings.

Our natural areas include indigenous bush areas, the riverbank reserve system, wetlands and lake margins and an extensive system of gullies throughout the city.

The focus for our parks and recreation activity is to make sure all Hamiltonians have good access to well-maintained parks, open spaces, and recreation facilities wherever they are in the city.

We are investing in this activity to make sure that the quality and breadth of the parks and recreation network keeps up with growth. This includes the development of new natural areas, sports parks, upgrades to drainage and irrigation on sports parks, upgraded and new play spaces which will be informed by community consultation.

Our Nature in the City Strategy has the vision “Nature thrives in Kirikiriroa/Hamilton and nurtures us wherever we are”. Our focus will be on investing in the implementation of this strategy, which will include the improved maintenance of our existing gullies. The next 10 years will also see an increased investment in the restoration of our gully systems, including improvements to paths and boardwalks as well as establish a biodiversity monitoring and reporting programme.

Indoor recreation

We support indoor recreation through the provision of the Te Rapa Sportsdrome, and partner with external agencies to support the provision of new facilities, such as the Rototuna Indoor Recreation Centre (“The Peak”).

2021-22 Highlights:

Highlights of the play space programme include renewal of Mahoe Park neighbourhood playground, Nawton Skate Park receiving finalist placement for the Sports Waikato awards for Outstanding Active Space, and Council's confirmation of Claudelands as the site for the Magical Bridge fully accessible playground, the first of its kind in New Zealand.

Trust Waikato granted Council \$1 million towards LED floodlighting facilities at five large parks across the city, tackling an 81-hour-per-week shortfall in field capacity. Project planning is underway and the first sports grounds to receive new lighting will be complete in time to support the FIFA Women's World Cup. The floodlighting will be installed at sports fields across Gower Park, Korikori Park, Galloway Park, Porritt Stadium,

and Ashurst Park. By phasing the programme, three parks will be able to support FIFA's 2023 Women's World Cup.

The first year of the Nature in the City programme had several milestones, including several appointments such as natural area rangers and restoration advisors. These roles have increased capacity to connect with schools, corporate groups, and established community restoration groups. The Donny Park restoration project commenced physical work in May 2022 following a blessing event.

Community facilities

We provide community facilities throughout the city that offer places and spaces for community organisations and private providers to deliver a variety of services and activities to meet the needs of local

communities. The facilities are a collection of centres, halls and heritage buildings providing a mix of bookable spaces and leased facilities. Council also leases buildings to community groups, including sheds/storage and changerooms.

2021-22 Highlights

Construction began late November 2021 for the renewal of the front section of Fairfield Hall which was fire-damaged in 2019. The project will provide new fit-for-purpose facilities for the local community.

The Parks team continue to collaborate with Community and Social Development and community partners, Pukete Neighbourhood House and Te Papanui Enderley Community Trust, on facilities which will enable these groups to expand services provided and programmes offered to their communities.

Service performance measures:

You can expect Our parks and the facilities in them are accessible.

KEY: **Achieved** | **Not achieved**

Measure	2021-22 target	2021-22 result	2020-21 result
Percentage of households that have access to a neighbourhood park or open space within 500 metres walking distance.	Maintain or increase on previous year	83.71%	82.7%
What's behind the results			
Council's Open Space Plan recognises the importance of access to open space, with a priority to ensure it is accessible to everyone. Informed by best practice guidance and benchmarking against other New Zealand cities, our Open Space Provision Policy sets out the base-level supply required for a high-quality open space network in Hamilton Kirikiriroa. The development and official opening of Rototuna Sports Park and new housing development has increased the percentage of households within 500 metres walking distance from 82.7% to 83.71%.			

Measure	2021-22 target	2021-22 result	2020-21 result
The percentage of Parks Survey respondents who are satisfied with the way they get to our city's parks.	Maintain or increase on previous year	80.77%	New Annual Report measure - no comparative data.
What's behind the results			
We want to ensure our parks and facilities are accessible to all, our annual survey allows us to understand and hear communities' view. 525 of the 650 respondents said that they are satisfied with the way they get to our parks, rating it easy or very easy. The majority said it's easy because they live close by. When asked, what would make it easier for them to get there, the main themes were safer and connected walking routes to parks and safer and connected cycle routes to parks.			

Measure	2021-22 target	2021-22 result	2020-21 result
The percentage of Parks Survey respondents who agree the facilities in our parks and open spaces are easily accessible.	Maintain or increase on previous year	50%	New Annual Report measure – no comparative data.
What's behind the results			
<p>322 of the respondents agreed or strongly agreed that they can easily access everything they need when in a park and/or open space. When asked respondents said they would like increased access to rubbish bins, shade, toilets, seating, and water fountains. The feedback from this survey and other will help form our future work programmes.</p>			

You can expect The city's ecosystems and biodiversity are understood, protected, and restored.

Measure	2021-22 target	2021-22 result	2020-21 result
Provide a range of opportunities each year for the community to learn about, care for and restore nature.	At least two opportunities provided each year	Four opportunities	New Annual Report measure – no comparative data.
What's behind the results			
<p>We are supporting the city's ecosystem and biodiversity by providing a range of opportunities for the community to learn about and care for and restore nature. This year, the opportunities included:</p> <ul style="list-style-type: none"> • Eight talks in our natural areas held in conjunction with Go Eco. Subjects included: Bats in the city, Project Halo, epiphytes, and new migrant perspectives on restoration • Arbor Day planting at Waiwhakareke Natural Heritage Park. Across three days of planting, approximately 400 volunteers, made up of schools, businesses, and the public, planted 14,000 native plants, continuing the restoration work. • April saw a Nature in Kirikiriroa education talk was given to cubs from the Hillcrest Scouts group at Hammond Bush • The Parks team also provided significant support to, two new community restoration groups, Glenview School who have begun education and restoration programme in connection with Stanford Park and Anglican Action who have commenced a restoration project within the Mangaonua Gully. 			

Cemeteries and crematorium

We provide, manage, and maintain three cemeteries and one crematorium for burial and cremation services. As part of

this management, we make burial records available to the public and protect our heritage cemeteries. The crematorium is a critical service to the Waikato region in the

event of a pandemic or civil emergency. The cemeteries also serve as passive spaces of reflection and remembrance for the community.

Service performance measures:

You can expect Hamilton Park Cemetery is a preferred provider of cremation services.

KEY: **Achieved** | **Not achieved**

Measure	2021-22 target	2021-22 result	2020-21 result
The number of cremations carried out at Hamilton Park Cemetery.	At least 1350	1425	New Annual Report measure - no comparative data
What's behind the results			

With various changes to the COVID-19 Alert Levels and Traffic Light Frameworks, Cemeteries and Crematorium staff worked hard to ensure funeral directors had plenty of support throughout the year. This has been reflected in the number of funeral directors that have returned to Hamilton Park Cemetery from competitors.

Effects on the wellbeing of the community

Social We care for, and about, all our people	We provide parks, green spaces, and recreation facilities for the community to enjoy.
Economic Our economy provides opportunities to prosper	No identified effect.
Environmental We love and protect our environment	We protect, restore, and enhance the beautiful green landscape of Hamilton Kirikiriroa through our parks, gardens, street plantings and substantial gully system through the city.
Cultural Our unique and diverse culture is celebrated	Our community facilities are welcoming to all and available throughout the city for community organisations, groups, and private providers to deliver services and activities for all members of our diverse community.

Capital projects

The following table summarises the capital projects planned for year one (2021-22) of the 2021-31 Long-Term Plan and the progress made during the period.

		R - Renewals	LOS - Levels of service	G - Growth
	Type	Budget 2021-22	Actual 2021-22	Variance
Parks and Recreation		\$000	\$000	\$000
Cemeteries and crematorium				
CE10021 - Cemetery and crematorium building renewals	R	5,000	5,213	(213)
CE21004 - Cemeteries and crematorium renewals	R	113,000	1,413	111,587
CE21007 - Cemeteries and crematorium development	G	70,000	85,054	(15,054)
Cemeteries and crematorium total		188,000	91,680	96,320
Community facilities				
CE19070 - Community Facilities building renewals	R	1,620,000	866,939	753,061
Community facilities total		1,620,000	866,939	753,061
Indoor recreation				
CE21008 - Indoor recreation development	LOS	674,540	5,440	669,100
Indoor recreation total		674,540	5,440	669,100
Parks and sports parks				
CE10030 - Parks and Recreation building renewals	R	741,000	190,366	550,634
CE17004 - River Plan	LOS	1,131,770	2,817	1,128,953
CE19007 - Peacocke parks development	G	1,190,000	104,582	1,085,418
CE19009 - Rototuna parks development	G	2,000,000	1,363,804	636,196
CE21001 - Nursery renewals	R	268,000	2,155	265,845
CE21003 - Parks and Recreation renewals	R	2,686,000	974,893	1,711,107
CE21006 - Nature in the City gully restoration and development	LOS	581,000	38,518	542,482
CE21010 - Parks and Recreation development	LOS	3,029,936	1,166,269	1,863,667
Parks and sports parks total		11,627,706	3,843,403	7,784,303
Total		14,110,246	4,807,463	9,302,783

Parks and sports parks - This 2021-22 Budget is different to the 2021-31 Long-Term Plan as the Nursery Renewals have been moved to Parks and Recreation (they were split across two activities in the Long-Term Plan in error).

Variances:

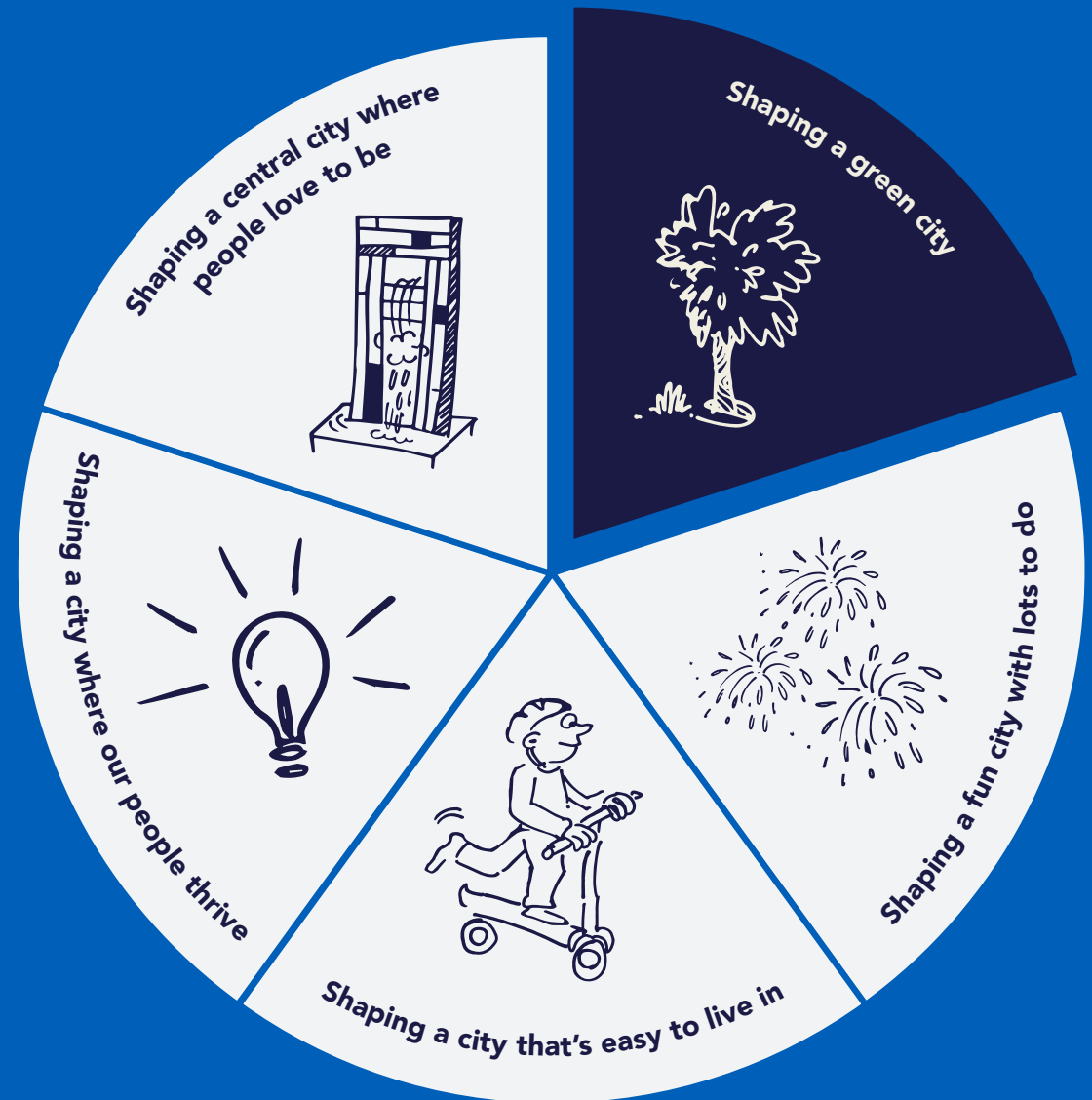
- CE19070 - Community Facilities building renewals - The planning for these projects was delayed. Budgets have been rephased to align with revised schedules.
- CE17004 - River Plan - Budget has been rephased to align with the Waikato Regional Theatre project.
- CE19007 - Peacocke parks development - The timing of neighbourhood parks and gully land acquisition is dependent on developer timing.
- CE21003 - Parks and recreation renewals - Deferral of \$1.7 million due to long lead times on materials and delays in procurement.
- CE21010 - Parks and recreation development - Long lead times on materials, negotiations with external parties and delays in procurement have led to the deferral of \$1.8 million.
- In the 2021-31 LTP CE21001 - Nursery Renewals was split across the Hamilton Gardens and the Parks and Recreation activity. This CE has now been combined and is in the Parks and Recreation activity.

Parks and Recreation funding impact statement

For year ended 30 June 2022	Long-Term Plan 2020-21	Actual 2020-21	Long-Term Plan 2021-22	Actual 2021-22
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	30,453	29,525	24,948	25,051
Targeted rates	-	(266)	-	-
Subsidies and grants for operating purposes	7	16	7	67
Fees and charges	8,040	8,617	4,998	4,949
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	204	1,055	471	700
Total operating funding	38,704	38,947	30,424	30,767
Application of operating funding				
Payments to staff and suppliers	24,924	30,346	24,358	22,598
Finance costs	3,263	1,373	1,841	1,451
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	28,187	31,719	26,199	24,049
Surplus/(deficit) of operating funding	10,517	7,228	4,226	6,718
Sources of capital funding				
Subsidies and grants for capital expenditure	866	195	198	290
Development and financial contributions	1,590	1,363	821	1,569
Increase/(decrease) in debt	14,000	185	5,166	13,453
Gross proceeds from sale of assets	-	320	-	14
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	16,456	2,063	6,185	15,326
Applications of capital funding				
Capital expenditure				
- to meet additional demand	11,065	12,181	3,260	1,553
- to improve the level of service	6,129	3,035	6,035	1,521
- to replace existing assets	9,145	11,146	6,175	2,909
Increase/(decrease) in reserves	634	(10,268)	(2,253)	9,986
Increase/(decrease) in investments	-	(6,802)	(2,806)	6,075
Total applications of capital funding	26,973	9,291	10,411	22,044
Surplus/(deficit) of capital funding	(10,517)	(7,228)	(4,226)	(6,718)
Funding Balance	-	-	-	-

A green city

He taaone tiaki taiao



We want to do it right together, so our city will get better by the day, and we can leave a legacy we can all be proud of. We'll promote becoming a sustainable city by challenging the way we grow our city and how we live within our city. We love our environment and we're all committed to protecting it for future generations.

We embrace our individual and collective roles as kaitiaki (caretakers) of our land, water, and air. Together, we honour, enhance, and protect taonga (treasures) like the Waikato River, and our city's extensive and unique gully system.

We are proud of our green, clean city and we're taking a thoughtful and city-wide partnership approach between businesses, organisations, and community groups to tackle how our city responds to climate change.

We need to look after what we already have by embracing the sustainable use of natural resources such as our water. And it's important we continue to minimise our impact on the land by leading the country in waste minimisation practices.

To deliver a green city, we invest in the following:

- Water supply
 - o Water treatment and storage
 - o Water distribution
- Wastewater
 - o Wastewater collection
 - o Wastewater treatment and disposal
- Stormwater
 - o Stormwater network
- Rubbish and recycling
 - o Refuse collection
 - o Landfill site management
 - o Waste minimisation

Water Supply

Providing this activity contributes to a green city



Hamilton City Council reservoir at Ruakura



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

Delivering on our Long-Term Plan

Water treatment and storage; and water distribution

We treat, distribute, and manage Hamilton's water supply. Raw water is drawn from the Waikato River into the water treatment plant, where it is treated to provide high-quality drinking water.

We operate, maintain, and upgrade the water treatment plant, water storage reservoirs, pump stations, hydrants and pipelines, and commercial water meters. Our water supply network services more than 53,000 households and 5500 commercial and industrial and rural premises. Water from the city also supplies Waikato District Council. to enable it to provide water to several thousand properties in its southern districts, and more than 100 properties in the Waipa area.

Monitoring and managing risks to the quality and safety of water is an important part of this service. We undertake planning to manage future capacity needs. Legally, we must ensure our water is used sustainably. We do this in many ways, including water restrictions when demand is high, encouraging residents to conserve our precious water resource, and investment in infrastructure to enhance monitoring and manage water usage better.

An important piece of work for us is preparing for potential changes to drinking water regulation and management arising from the establishment of Taumata Arowai, a new, dedicated water services regulator from July 2021. We will also continue to work with central Government as part of its proposed Three Waters Reform programme which is looking at alternative mechanisms for delivering three waters services.

In line with our Water Conservation and Demand Strategy, we will continue implementing discrete water demand zones which help us identify areas where we are losing water. In turn, this helps us to target the replacement of pipeline infrastructure most likely to be leaking or at most risk of failure. We will also be concentrating on even better interactions with our customers, including increasing our activities to keep them informed about the sustainable use and conservation of water and general water quality information.

Over the next 10 years, there are many key projects and initiatives to support the effective management of our water supply. These involve a range of network capacity and management reviews, renewals, upgrades and increases in capacity to cater for growth. A capacity upgrade for our treatment plant will be needed to

meet increasing demand from growth. This will also support our resilience during peak demand times to cope with potential unplanned asset failure.

2021-22 highlights

Smart Water launched its yearly campaign in November 2021. This year, we started the Smart Water campaign before summer kicked off, as the weather outlook over this period was hotter and drier than usual. After evaluating previous campaigns' feedback, this year Smart Water adopted an educational approach. To ease transition and increase compliance through periods of water restrictions, the campaign informed Hamiltonians ahead of time of pending changes to water alert levels. The campaign included pre-restriction road and pedestrian path signage with "save wai" and "save water," tying into the overarching

slogan, "We save wai in the Waikato".

As part of our continued commitment to improve the performance of the water reticulation network, the Maeroa Reservoir received service upgrades to the roof, pump and outlet valves. The Maeroa Reservoir, along with the other eight reservoirs, is critical to the city water supply to maintain the level of service, especially during summer peak demand periods.

We also continued to invest into the security of our reservoirs and the Waiora Treatment Plant with the final phase of installation of CCTV and cardex access to these critical assets.

In May 2022, the laboratory at the Pukete Wastewater Treatment Plant was granted accreditation by IANZ (International

Accreditation New Zealand) for analysing ammonia, nitrite, dissolved reactive phosphorus on the AQ400 discrete analyser. This allows us to test samples more efficiently, with more accuracy and with much lower costs. The analyser uses less sample and reagents to test; running it requires less hands-on staff time and can be run overnight; it produces results faster; the testing is more repeatable and accurate; and can be analysed to lower levels of quantification.

An outcome from the Department of Internal Affairs Three Waters stimulus funding programme has been the development and implementation of a mobile education hub resource. The purpose of this resource is to provide a hands-on educational experience for our community including schools, on how three water infrastructure works.

Service performance measures:

You can expect The water we supply is safe to drink.

KEY: **Achieved** | **Not achieved**

Measure	2021-22 target	2021-22 result	2020-21 result
The extent to which the Council's water supply complies with Part 4 of the drinking-water standards for bacteria compliance criteria. ⁺	Achieve compliance	Achieved compliance	Achieved compliance
The extent to which the Council's water supply complies with Part 5 of the drinking-water standards for protozoa compliance criteria. ⁺	Achieve compliance	Achieved compliance	Achieved compliance
What's behind the results			

This measure indicates whether the water we supply is safe to drink and hygienic to use. Based on an internal assessment, compliance was achieved.

On 21 April 2022 there was a brief period of 21 minutes where continuous compliance monitoring did not occur. This was due to a data loss resulting from a firmware upgrade. There was no risk to the community as no water left the Waiora Treatment Plant during this period. Information was provided to Taumata Arowai to demonstrate drinking water safety was not compromised. Taumata Arowai was satisfied with the response and corrective actions taken.

The New Zealand Drinking Water Standards, monitored by the Ministry of Health up until November 2021 and since November 2021 by Taumata Arowai, provide a recognised national standard for public safety. Drinking water supplied by Council complies with agreed standards.

Under Taumata Arowai, reporting requirements are undergoing a period of change, with interim measures in place until reporting against the new Quality Assurance Rules, Drinking Water Standards and Aesthetic Values begins on 1 January 2023.

Taumata Arowai has indicated it will publish the first Drinking Water Regulation Annual Report in July 2022. This will re-examine 2020-21 compliance data from the Ministry of Health, along with notifications received by Taumata Arowai in November and December 2021 (i.e. will cover the period from 1 July 2020 to 31 Dec 2021).

The annual compliance reporting period will then be based on a calendar year. The Drinking Water Regulation Annual Report 2022 will be published in early 2023. Reporting will be against existing Drinking Water Standards in 2022.

Based on an internal assessment of monitoring data and notifications in Hinekorako, Hamilton City Council expects to achieve full compliance for this period.

During this time we continue to follow all processes as outlined in the 2020-21 Drinking Water Assessor report.

⁺Measure required by Department of Internal Affairs

You can expect Our water network is managed in a way that minimise the loss of water.

KEY: **Achieved** | **Not achieved**

Measure	2021-22 target	2021-22 result	2020-21 result
The percentage of real water loss from the water network infrastructure in the city. ⁺	No more than 16%	15.10% (April 2021 to April 2022)	15.2% (March 2020 to March 2021)

What's behind the results

We aim to provide an efficient and effective water supply. We achieve this by undertaking activities such as water leakage detection and maintaining our network of water pipes. This measure estimates how much water is lost from the system between the water treatment plant and the household or customer. High levels of water loss can indicate that the network is in poor condition or operating inefficiently.

Hamilton City Council is committed to a multi-year Water Loss Strategy as part of the Council's Water Master Plan. One of the key objectives is to enable targeted leak detection and reduction. A majority of the demand management areas ("DMAs") have already been established with three remaining zones still to be completed. It is expected that as additional zones are implemented, and physical leakage detection undertaken, this figure will continue to decrease.

As a majority' to 'As approximately 75% of Hamilton's water consumption is unmetered at the point of supply, a series of assumptions must be utilised to complete the Hamilton City Council Water Balance. Additional monitoring tools are being developed to gain greater certainty in the figures reported.

Results have a 95% confidence limit of +/- 22%.

+ A water balance is a 'top-down' approach to identifying where water supplied into a water supply distribution network is utilised, and is typically used to establish the level of water loss occurring in a water supply network. We use the standard International Water Association (IWA) water balance in accordance with the Water New Zealand Water Loss Guidelines to calculate how much water is lost from the water network. A formal report assessing our water balance approach was undertaken by Thomas Consultants.

You can expect We will work with the community to sustainably manage the supply and use of water. **KEY: Achieved | Not achieved**

Measure	2021-22 target	2021-22 result	2020-21 result
The average use of drinking water per Hamilton resident, per day.	No more than 400 litres per resident, per day	338 litres	331 litres

What's behind the results

We provide a sustainable water supply, and this is achieved through efficient management of the water network and water conservation campaigns that educate the community on sustainable water use.

The annual average volume of drinking water used per Hamilton resident of 338 litres per day, was slightly higher than the 331 litres from the previous year. This is despite some of the highest consumption days on record indicating the success of the water conservation and sustainable water use campaigns and programmes of work.

We continue to focus on education and water management measures. The Smart Water website and other key social drivers will continue to provide information to our community to support the reduction of water consumption in our community.

You can expect To be satisfied with the clarity, taste, odour, continuity, and pressure of the water supply.

Measure	2021-22 target	2021-22 result	2020-21 result
The total number of complaints received about drinking water clarity, taste, odour, pressure, flow or continuity of supply and Council's response to any of these issues.+	No more than 5 complaints per 1,000 connections	6.13 complaints per 1,000 connections	4.1 complaints per 1,000 connections

What's behind the results

We provide water that is safe to drink and reliably supplied. This measure indicates customer and community satisfaction with the quality of the water.

We received 380 complaints relating to drinking water about clarity, taste, odour, pressure, continuity of supply and complaints. In April, there was an issue with an outlet pipe at one of our reservoirs which impacted a large number of customers, resulting in a higher-than-average number of calls.

We will be working more closely with contractors who are working on or near critical water assets to minimise any unnecessary reactive impacts. We will also be reviewing how we communicate with customers in the event of a large, unplanned water outage or pressure event. This will include optimising digital tools such as Antenno and social media platforms.

You can expect A timely response and a timely resolution if there is a problem with the water supply.

Measure	2021-22 target	2021-22 result	2020-21 result
The median attendance time for urgent call-outs from the time that Council receives notification of the fault or unplanned interruption to the time that service personnel reach the site. ⁺	No more than 60 minutes	40 minutes	July 2020 to March 2021: 35 minutes April 2021 to June 2021: 40 minutes
The median resolution time of urgent call-outs from the time that Council receives notification of the fault or unplanned interruption to the time that service personnel confirm resolution of the fault or interruption. ⁺	No more than 5 hours	1.9 hours	July 2020 to March 2021: 2.3 hours April 2021 to June 2021: 2.4 hours
The median attendance time for non-urgent call-outs from the time that Council receives notification of the fault or unplanned interruption to the time that service personnel reach the site. ⁺	No more than 5 working days	8 working days	July 2020 to March 2021: 6 working days April 2021 to June 2021: 5 working days
The median resolution time of non-urgent call-outs from the time that Council receives notification of the fault or unplanned interruption to the time that service personnel confirm resolution of the fault or interruption. ⁺	No more than 10 working days	10 working days	July 2020 to March 2021: 8 working days April 2021 to June 2021: 8 working days

What's behind the results

Households and businesses rely heavily on water so it's important that we provide a timely response when something goes wrong. These measures indicate how quickly we respond to issues with the water supply and resolve the problem. A call-out to a household or business with no water supply is classified as urgent. Call-outs for other water supply matters, where water is still being delivered, are classified as non-urgent.

We achieved our urgent call-out attendance and resolutions time targets as well as our non-urgent resolution time target. We did not achieve the median attendance time for non-urgent call-outs, with a result of 8 working days which exceeds the annual target of 5 working days. We experienced ongoing challenges with resourcing due to staff illness, and increased numbers of water supply service requests, staff focused on prioritising urgent water faults and new connections over non-urgent water faults.

We have worked hard to improve our response times and our data quality over this year. We have implemented a new mobile work order system (Field inspector). As resourcing and new digital application use improves, management will continue to review and modify our plans and procedures to ensure improvements continue to be made across our water services.

⁺ Working days are Monday to Friday, excluding public holidays. If a notification is received over the weekend or on a public holiday, the timeframe starts from the next working day.

Effects on the wellbeing of the community

Social We care for, and about, all our people	We provide Hamiltonians with a high-quality, reliable, and sustainable water supply, essential for a healthy community.
Economic Our economy provides opportunities to prosper	A high-quality, reliable, and sustainable water supply is essential for our existing businesses and encouraging new businesses to the city.
Environmental We love and protect our environment	Taking too much water from the river can impact on the amount of water available for users downstream and the ecology and health of the river. Waikato Regional Council is responsible for managing the amount of water taken from the Waikato River and we have a resource consent with a set limit that we can take per day to mitigate negative impacts.
Cultural Our unique and diverse culture is celebrated	Water management practices can occasionally vary from Maaori cultural beliefs and practices, such as the mixing of water from different catchments. We consider Maaori values in relation to the take and discharge of water in all our water management practices and consult with local iwi as part of the resource consent process.

Capital projects

The following table summarises the capital projects planned for year one (2021-22) of the 2021-31 Long-Term Plan and the progress made during the period.

		R - Renewals	LOS - Levels of service	G - Growth
	Type	10 Year Plan/ Baseline 2021/2	Actual 2021-22	Variance
Water Supply		\$000	\$000	\$000
Water distribution				
CE10123 - Watermain renewals	R	2,525,000	2,244,730	280,270
CE10124 - Watermain valves and hydrants renewals	R	700,000	22,356	677,644
CE10145 - Tools of trade renewals	R	40,000	74,056	(34,056)
CE15126 - Rototuna upgrade or new watermain	G	-	90,068	(90,068)
CE15127 - Water pipe upgrades	G	83,750	-	83,750
CE15128 - Rotokauri upgrade and new watermain stage 1	G	1,200,000	2,166,407	(966,407)
CE15130 - Peacocke watermain stage 1	G	350,000	87,179	262,821
CE15132 - Water network upgrades to allow new development	G	22,000	36,988	(14,988)
CE15133 - Water network improvements	LOS	9,999,600	8,612,260	1,387,340
CE15134 - Water demand management - Pukete reservoir zone	G	62,500	44,415	18,086
CE15135 - Peacocke water distribution mains stage 1	G	50,000	1,767,350	(1,717,350)
CE15137 - Water demand management - Newcastle reservoir zone	G	200,000	-	200,000
CE15141 - Water demand management - Hillcrest reservoir zone	G	100,000	10,230	89,770
CE15146 - Water customer connections	G	183,000	2,150	180,850
CE15148 - Ruakura upgrade and new watermain	G	-	845,508	(845,508)
CE15158 - Water model	R	241,500	891,782	(650,282)
CE15159 - Water master plan	G	-	-	-
CE19045 - Ruakura reservoir and associate bulk mains	G	-	1,810,035	(1,810,035)
CE19046 - Peacocke watermain stage 2	G	241,500	891,782	(650,282)
CE21036 - Rotokauri upgrade and new watermain stage 2	G	-	-	-
CE21039 - Water Stimulus - water supply		-	1,810,035	(1,810,035)
Water distribution total		15,757,350	18,705,512	(2,948,162)
Water treatment and storage				
CE10138 - Treatment plant and reservoir renewals	R	1,283,000	1,710,179	(427,179)
CE15139 - Water treatment plant compliance minor upgrades	LOS	425,000	234,376	190,624
CE15144 - Upgrade water treatment plant	G	14,000,000	2,163,023	11,836,977
Water treatment and storage total		15,708,000	4,107,578	11,600,422
Water Supply total		31,465,350	22,813,091	8,652,259

Variances

- CE15132 - Water network upgrades to allow new development – Budget was brought forward from 2022-23 to align with construction timing of the Eastern Reservoir Bulk Ring Mains, which are being delivered as part of the bridge of the Waikato River and surrounding roads project.
- CE15137 - Water demand management - Newcastle reservoir zone – \$1.4 million was deferred to align with updated construction timing.
- CE15146 - Water customer connections – The overspend here was offset by revenue from customer connections. This budget is matched with 100% revenue.
- CE19045 - Ruakura reservoir and associate bulk mains – Developer delivered project used budget deferred from 2020-21.
- CE21039 - Water Stimulus – water supply – These are the Water Stimulus Projects that were part of a Central Government Funding Package. These were not including the Long-Term Plan as these were 100% externally funded.

Water Supply funding impact statement

For year ended 30 June 2022	Long-Term Plan 2020-21	Actual 2020-21	Long-Term Plan 2021-22	Actual 2021-22
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	19,861	20,151	10,981	11,097
Targeted rates	8,106	8,725	10,591	10,463
Subsidies and grants for operating purposes	-	376	6	2,989
Fees and charges	216	891	450	650
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	299	650	(68)	(38)
Total operating funding	28,482	30,793	21,961	25,161
Application of operating funding				
Payments to staff and suppliers	13,491	15,403	18,051	20,810
Finance costs	5,019	2,388	3,477	2,015
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	18,510	17,791	21,528	22,825
Surplus/(deficit) of operating funding	9,972	13,002	433	2,336
Sources of capital funding				
Subsidies and grants for capital expenditure	54	3,835	50	3,454
Development and financial contributions	5,793	6,437	5,111	5,597
Increase/(decrease) in debt	10,410	321	15,098	21,253
Gross proceeds from sale of assets	-	410	-	18
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	16,257	11,003	20,259	30,322
Applications of capital funding				
Capital expenditure				
- to meet additional demand	18,748	9,760	26,042	16,620
- to improve the level of service	821	1,864	1,560	2,516
- to replace existing assets	7,583	8,585	5,932	5,174
Increase/(decrease) in reserves	(923)	15,597	(9,274)	(1,250)
Increase/(decrease) in investments	-	(11,801)	(3,570)	9,598
Total applications of capital funding	26,229	24,005	20,691	32,658
Surplus/(deficit) of capital funding	(9,972)	(13,002)	(432)	(2,336)
Funding balance	-	-	-	-

Wastewater

Providing this activity contributes to a green city



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



Pukete Wastewater Treatment Plant

Delivering on our Long-Term Plan

Wastewater collection; and wastewater treatment and disposal

Wastewater drains from showers, baths, sinks, washing machines, dishwashers, and toilets, and is collected and transferred through a network of pipes and pump stations to the Pukete Wastewater Treatment Plant (Treatment Plant) from commercial and industrial premises also feeds into this network.

At the wastewater treatment plant, wastewater is thoroughly treated before being discharged into the Waikato River. Solid waste (biosolids) removed as part of the treatment process is dewatered and vermi-composted offsite for reuse. The wastewater network services approximately 53,000 households and 5500 commercial and industrial premises. The network includes the wastewater treatment plant, pump stations and pipes.

Over the 2021-31 Long-Term Plan period we will be undertaking several resilience, reliability, and growth-based projects. These will look to ensure the operational, structural, and seismic integrity of the wastewater network and treatment plant assets.

We anticipate we will need to comply with increased legislative and regulatory

requirements in terms of existing assets and for planned urbanisation as the city grows. To meet these requirements, we'll also be replacing ageing assets which will provide greater reliability and efficiency and allow us to maintain our level of service as we cater for growth. We plan to reconsent the treatment plant and increase its capacity along with that of selected pump stations.

2021-22 Highlights

Our teams continue to improve the performance of our Treatment Plant. As part of improving our compliance programme, the Struvite Control system was brought online at the Pukete Wastewater Treatment Plant in December 2021. This system will help to reduce the risk of any unauthorised discharges to the Waikato River because of blockages in the wastewater plant infrastructure.

Staff have also been reviewing an alternative application which monitors trade waste that is brought into the Wastewater Treatment Plant. This real-time application is an online application that provides real time data to the Treatment Plant operators about the types of tanker waste approved Tanker Waste drivers are disposing of at the Plant. This review ensures the plant is kept safe from

any unknown contaminants that may disrupt the performance of the Treatment Plant's bioprocess.

The Pukete Wastewater Treatment Plant Septage Reception Facility upgrade was completed. The cost of this upgrade was over \$1.2 million dollars. The new facility will allow better tracking of waste by the trade waste team, be able to accommodate more than one tanker at a time and improve monitoring of septage discharge. These benefits will reduce the risk of shock loading to the waste water treatment process, enable a fair cost recovery system which can be established by measured discharge volume and quality as well as having sufficient storage capacity, spillage capture structure and odour control system to minimise the waste spillage risk and protect the environment.

The first phase of Pukete 3 has been completed. An additional bioreactor, clarifier, interstage and Return Activated Sludge pump stations have been constructed. The new bioreactor will enable improved nitrogen removal which in turn works towards improving the wellbeing of the Waikato River. A new chemical storage and dosing facility has also been constructed and commissioned.

Service performance measures:

You can expect Our wastewater system is designed and maintained to minimise harm to the community and environment.

KEY: **Achieved** | **Not achieved**

Measure	2021-22 target	2021-22 result	2020-21 result
The number of dry weather wastewater overflows from the wastewater system.	No more than 4 overflows per 1000 connections	0.70 overflows per 1000 connections	0.9 overflows per 1000 connections

What's behind the results

Our wastewater system is designed, operated, and maintained in a way that aims to minimise the risk of harm to the community and environment. This measure indicates how well the network operates.

The total number of dry weather overflows for the year was 43. This equates to 0.70 dry weather overflows per 1000 connections, which is well within this service measure of no more than 4 dry weather overflows per 1000 connections.

You can expect We operate and maintain the wastewater system to minimise odour and blockages.

Measure	2021-22 target	2021-22 result	2020-21 result
The total number of complaints received about sewage odour, system faults or blockages and responses to issues raised with Council's wastewater system.	No more than 20 complaints per 1000 connections	14.18 complaints per 1000 connections	12.41 complaints per 1000 connections

What's behind the results

This measure indicates customer and community satisfaction with the quality of the wastewater system. The number of complaints provides an indication of the quality of the service provided. This measure also provides data that highlights problems requiring attention, such as the need for maintenance, renewals, upgrades, or new infrastructure.

We received 870 complaints relating to the performance of the wastewater system. Common themes are blockages, odour, missing lids, and spills.

You can expect We operate and maintain the wastewater system to minimise the impact on the environment.

Measure	2021-22 target	2021-22 result	2020-21 result
The number of abatement notices received in relation to resource consents for discharge from the wastewater system.	No more than 1 abatement action	0 abatement notices	0 abatement notices
The number of infringement notices, enforcement orders and convictions received in relation to resource consents for discharge from the wastewater system.	0 infringement, enforcement, or conviction actions	0 infringement, enforcement, or conviction actions	0 infringement, enforcement, or conviction actions

What's behind the results

We have a resource consent issued by Waikato Regional Council that sets quality standards for the water discharged from the Pukete Wastewater Treatment Plant into the Waikato River. This measure indicates if we are operating within our resource consent conditions and the requirements of the Resource Management Act and how well we are managing the environmental impacts of the city's wastewater system.

In September 2021, Waikato Regional Council filed charges in the District Court against Hamilton City Council in relation to an unauthorised wastewater discharge into a tributary of Te Awa o Katapaki stream from the wastewater network in Delia Court. Hamilton City Council entered an early guilty plea in June 2022. We have not received confirmation of a conviction from the event under section 15(1)(a) of the Resource Management Act.

No abatement notices were received.

You can expect A timely response and resolution if there is an urgent problem with the wastewater system.

Measure	2021-22 target	2021-22 result	2020-21 result
The median attendance time for call-outs from the time that Council receives notification of the fault or unplanned interruption to the time that service personnel reach the site.†	No more than 60 minutes	46 minutes	July 2020 to March 2021: 19 minutes July 2020 to March 2021: 36 minutes
The median resolution time for call-outs from the time that Council receives notification of the fault or unplanned interruption to the time that service personnel confirm resolution of the fault or interruption.†	No more than 4 hours	2.2 hours	July 2020 to March 2021: 2.4 hours July 2020 to March 2021: 2 hours
What's behind the results			

This measure indicates how quickly we attend to issues when there is a problem with the wastewater system, and how quickly we resolve the problem.

We achieved our attendance and resolutions time targets for wastewater faults or interruptions. As resourcing and new digital application use improves, we will continue to review and modify our management plans and procedures to ensure improvements continue to be made across our three water services.

Effects on the wellbeing of the community

Social We care for, and about, all our people	Wastewater services we provide protect people's health and are essential for a healthy community.
Economic Our economy provides opportunities to prosper	A reliable and sustainable wastewater service is essential for our existing businesses and encouraging new businesses to the city.
Environmental We love and protect our environment	We manage potential effects of the wastewater network such as odour, noise, and discharges into waterways, and upgrade and replace infrastructure as necessary to protect the environment.
Cultural Our unique and diverse culture is celebrated	Wastewater discharge practices can occasionally vary from Maaori cultural beliefs and practices. We consider Maaori values in relation to the discharge of water in all our wastewater activities and consult with local Iwi as part of the resource consent process.

Capital projects

The following table summarises the capital projects planned for year one (2021-22) of the 2021-31 Long-Term Plan and the progress made during the period.

		R - Renewals	LOS - Levels of service	G - Growth
	Type	Budget 2021-22	Actual 2021-22	Variance
Wastewater		\$000	\$000	\$000
Wastewater collection				
CE10100 - Wastewater pump station asset renewals	R	1,063,000	926,693	136,307
CE10101 - Wastewater asset renewals	R	5,000,000	3,982,367	1,017,633
CE15103 - Wastewater network improvements	LOS	1,304,000	147,025	1,156,975
CE15104 - Wastewater pipe upgrades	G	-	342,159	(342,159)
CE15105 - Rototuna wastewater infrastructure	G	500,000	444,428	55,572
CE15106 - Wastewater network upgrades to allow development	G	-	9,923	(9,923)
CE15107 - Rotokauri wastewater infrastructure	G	121,250	441,130	(319,880)
CE15109 - Peacocke wastewater infrastructure stage 1	G	-	22,394	(22,394)
CE15111 - Increase capacity of wastewater network	G	1,233,000	196,476	1,036,524
CE15121 - Wastewater customer connections to network	G	75,000	2,929,556	(2,854,556)
CE15160 - Wastewater model	R	100,000	273,802	(173,802)
CE15161 - Wastewater master plan	G	600,000	10,234	589,766
CE19040 - Peacocke wastewater infrastructure stage 2	G	742,000	2,998,999	(2,256,999)
CE19041 - Increase capacity of wastewater east network	G	3,500,000	983,551	2,516,449
CE19042 - Peacocke wastewater south network	G	11,480,000	13,185,705	(1,705,705)
CE19043 - Increase capacity wastewater west network	G	5,258,400	1,766,117	3,492,283
CE19044 - Increase capacity wastewater east network	G	1,100,000	4,031,993	(2,931,993)
CE21076 - Water Stimulus – wastewater		-	2,348,801	(2,348,801)
Wastewater collection total		32,076,650	35,041,353	(2,964,703)
Wastewater treatment and storage				
CE10115 - Wastewater treatment plant asset renewals	R	3,029,000	1,237,407	1,791,593
CE15117 - Upgrade wastewater treatment plant	G	1,700,000	1,220,748	479,252
CE15120 - Wastewater treatment plant compliance	LOS	490,000	1,015,839	(525,839)
CE21073 - Subregional wastewater treatment plant	G	1,000,000	73,573	926,427
Wastewater treatment and storage total		6,219,000	3,547,567	2,671,433
Total		38,295,650	38,588,920	(293,270)

Variances:

- CE10101 - Wastewater asset renewals - The renewals and compliance projects for Wastewater Reticulation and Treatment Plant assets was managed as a programme, so that staff would be able to respond to the needs of the network and reprioritise works to ensure the best outcomes. The remaining underspend was deferred due to material delays and COVID-19 related lockdowns that impacted contractually committed works at the treatment plant.
- CE15103 - Wastewater network improvements - The renewals and compliance projects for Wastewater Reticulation and Treatment Plant assets was managed as a programme, so that staff would be able to respond to the needs of the network and reprioritise works to ensure the best outcomes. The remaining underspend was deferred due to material delays and COVID-19 related lockdowns that impacted contractually committed works at the treatment plant.
- CE15111 - Increase capacity of wastewater network - Budget rephased to align with revised scope and schedule.
- CE15121 - Wastewater customer connections to network - The overspend here was offset by revenue from customer connections. This budget is matched with 100% revenue.
- CE19040 - Peacocke wastewater infrastructure stage 2 - Budget from deferred from 2020-21 to align with construction timing and spent in 2021-22.
- CE19041 - Increase capacity of wastewater east network - This was a financial contribution to develop and deliver a wastewater pipeline project. Construction is underway and will be completed in 2022-23.
- CE19042 - Peacocke wastewater south network - Budget from deferred from 2020-21 to align with construction timing and spent in 2021-22.
- CE19043 - Increase capacity wastewater west network - Budget was reallocated from the wastewater west network to the wastewater east network to increase capacity and to align with project needs.
- CE19044 - Increase capacity wastewater east network - Budget was reallocated from the wastewater west network to the wastewater east network to increase capacity and to align with project needs.
- CE21076 - Water Stimulus - wastewater - These are the Water Stimulus Projects that were part of a Central Governmentt Funding Package. These were not including the Long-Term Plan as these were 100% externally funded.
- CE10115 - Wastewater treatment plant asset renewals - The renewals and compliance projects for Wastewater Reticulation and Treatment Plant assets was managed as a programme, so that staff would be able to respond to the needs of the network and reprioritise works to ensure the best outcomes. The remaining underspend was deferred due to material delays and COVID-19 related lockdowns that impacted contractually committed works at the treatment plant.
- CE21073 - Subregional wastewater treatment plant - \$926,000 was deferred to align with revised project schedule.

Wastewater funding impact statement

For year ended 30 June 2022	Long-Term Plan 2020-21	Actual 2020-21	Long-Term Plan 2021-22	Actual 2021-22
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	31,906	29,433	24,689	24,946
Targeted rates	1,079	1,166	4,436	5,048
Subsidies and grants for operating purposes	-	761	6	3,281
Fees and charges	5,404	6,072	7,060	6,575
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	374	712	488	670
Total operating funding	38,763	38,144	36,679	40,520
Application of operating funding				
Payments to staff and suppliers	19,710	23,538	26,983	28,976
Finance costs	6,211	2,684	3,781	2,891
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	25,921	26,222	30,763	31,867
Surplus/(deficit) of operating funding	12,842	11,922	5,915	8,653
Sources of capital funding				
Subsidies and grants for capital expenditure	54	2,001	75	5,168
Development and financial contributions	9,806	10,095	9,123	9,297
Increase/(decrease) in debt	23,983	362	20,209	27,192
Gross proceeds from sale of assets	-	537	-	24
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	33,843	12,995	29,408	41,681
Applications of capital funding				
Capital expenditure				
- to meet additional demand	34,093	36,086	27,310	28,657
- to improve the level of service	3,028	2,370	2,823	4,015
- to replace existing assets	9,188	10,010	10,874	7,879
Increase/(decrease) in reserves	376	(10,249)	(1,006)	(2,497)
Increase/(decrease) in investments	-	(13,300)	(4,677)	12,280
Total applications of capital funding	46,685	24,917	35,322	50,334
Surplus/(deficit) of capital funding	(12,842)	(11,922)	(5,915)	(8,653)
Funding balance	-	-	-	-

Stormwater

Stormwater is about providing our city with services that protect people and properties from flooding and manage the quality of our stormwater. We want to continue to maintain stormwater services that improve, promote, and protect public health. This includes protecting and enhancing the Waikato River and minimising the effects of stormwater on the environment.

Providing this activity contributes to a green city



North City Wetland in Rotorua

Delivering on our Long-Term Plan

Stormwater network (includes collection, conveyance, treatment, and discharge services)

The stormwater system consists of pipes, ponds, wetlands, and open watercourses, which collect and release rainwater into the city's streams, lakes, and Waikato River.

We operate and maintain the stormwater infrastructure, replace aging infrastructure, and build new infrastructure. To meet our legal obligations to minimise the effects of stormwater on the environment, we treat and discharge stormwater in various ways.

Through our comprehensive master planning activities, we'll be working towards improving the resilience, sustainability, and compliance of the stormwater network over the next 10 years.

We anticipate we will need to comply with increased legislative and regulatory requirements in terms of existing assets and for planned urbanisation as the city grows.

To meet these requirements, we'll be focusing on establishing stormwater infrastructure in greenfield areas, erosion control works, retrofitting and new treatment

devices in brownfield areas and continuing thorough catchment management planning.

2021-22 Highlights

Riparian planting and gully programmes are an important part of stormwater management. Projects that were targeted for 'Project Watershed' Community Plantings were delayed due to COVID-19 restrictions limiting engagement with community groups at critical periods.

The plants allocated were planted in designated sites as access and restrictions allowed, and some plants were diverted to other areas requiring attention or where site preparation favoured planting in the reserves network. Most plants were planted in gully areas with individual residents or smaller community groups members rather than larger 'Community Group' events.

Planting completed in 2021-22 included the following sites:

- Mangaonua Esplanade (Mangaonua Gully system) – 300 plants
- Mangaiti Park (Kirikiriroa Gully system) – 1350 plants and Resident Requests Mangaiti park areas 2750 plants and 100 Flax/harakeke to Mangaiti Group
- Te Manatu Park (Kirikiriroa Gully system)

- 405 plants with Rototuna School
- Edgecumbe Park (Waitawhiriwhiri Gully system) diverted from Sandford Park – Mangakotukutuku Gully Area)
- 300 plants with local group Manga Waitawhiriwhiri Kaitiaki (Te Kopa)

Council released a new online tool 'Floodviewer' to display best available flood data to the public in December 2020 and over the last 12 months has added flood mapping from Te Awa O Katapaki (October 2021), Te Rapa (December 2021) and Waitawhiriwhiri (April 2022). Mapping for Kirikiriroa is now underway.

A project team including members from teams across Council and external consultants has developed an on-lot stormwater device process. This has resulted in a pilot study being undertaken to map, review and assess on lot stormwater management devices across Hamilton Kirikiriroa. The process has been developed to ensure that the intended water quality and quantity outcomes are realised over the lifecycle of private assets and provide assurance to Waikato Regional Council that these private assets are providing environmental protection in accordance with network discharge consent conditions.

Service performance measures:

You can expect The stormwater system is designed and maintained to minimise the likelihood of stormwater entering habitable buildings.

KEY: **Achieved** | **Not achieved**

Measure	2021-22 target	2021-22 result	2020-21 result
The number of flooding events that occur within the city. *	No more than 1 flooding event	1 flooding event	No flooding events
For each flooding event, the number of habitable floors affected. *	No more than 1 per 1000 properties	0.06 per 1,000 properties	No flooding events

What's behind the results

The stormwater system is designed and maintained to minimise the likelihood of stormwater entering habitable buildings. This measure indicates the number of flooding events that have occurred in the city impacting on habitable floors. The definition of a flooding event means an overflow of stormwater from the stormwater system that enters a habitable floor.

Hamilton experienced one flooding event in March 2022 with water entering a habitable floor.

**A flooding event means an overflow of stormwater from our stormwater system that enters a habitable floor (meaning a building, including a basement, but does not include ancillary structures such as stand-alone garden sheds or garages).*

You can expect The Council will operate and maintain the stormwater system to minimise the impact on the environment.

Measure	2021-22 target	2021-22 result	2020-21 result
The number of abatement notices related to the management of the stormwater system.	No more than 1 abatement action	0 abatement actions	0 abatement notices
The number of infringement notices, enforcement orders and convictions related to the management of the stormwater system.	0 infringement, enforcement, or conviction actions	0 infringement, enforcement, or conviction actions	0 infringement, enforcement, or conviction actions

What's behind the results

We hold a resource consent that requires us to avoid or minimise pollution in the city's waterways. We monitor the quality of storm water discharge by taking samples from catchment areas across the city. These measures indicate if we are operating within the conditions of our resource consent.

No abatement or infringement notices nor enforcement or conviction actions were received.

You can expect A timely response if there is a problem with the stormwater system or flooding of a habitable building **KEY: Achieved | Not achieved**

Measure	2021-22 target	2021-22 result	2020-21 result
The median response time, from the time that we receive notification to the time that our service personnel reach the site of the flooding event.†	No more than 60 minutes	68 minutes	No flooding events

What's behind the results

This measure indicates how fast we respond when there is an issue with the stormwater system. This measure reports on the median response time, from the time that we received notification to the time that our service personnel reach that site of the flooding event.

A new customer request management system has been introduced. Process improvements to respond to stormwater flooding are being actively explored to enable quicker response times by service personnel.

† Working days are Monday to Friday, excluding public holidays. If a notification is received over the weekend or on a public holiday, the timeframe starts from the next working day.

You can expect We provide a reliable and effective stormwater system that the community is satisfied with.

Measure	2021-22 target	2021-22 result	2020-21 result
The number of complaints received about the performance of the stormwater system.†	No more than 10 complaints per 1000 properties connected	15.74 per 1,000 properties	14.21 complaints per 1,000 properties

What's behind the results

The number of complaints received indicates the quality of service we are providing. It also gives us information about issues with the stormwater system and tells us how satisfied customers are with the way we respond to requests to fix problems. We received 976 complaints in relation to the performance of the stormwater system. Significant wet weather events have been a major contributor to this.

Effects on the wellbeing of the community

Social We care for, and about, all our people	We manage the piped stormwater network and stormwater overflow paths to minimise the impact of storm events on people and property.
Economic Our economy provides opportunities to prosper	A reliable and sustainable stormwater network is essential for our existing businesses and encouraging new businesses to the city.
Environmental We love and protect our environment	Stormwater may contain contaminants, such as sediments, oils, greases, rubbish and metal/organic materials that have washed off roads or other surfaces. These are managed through network design and resource consents, which include regular street sweeping, monitoring stormwater quality and investigating the source of contaminants.
Cultural Our unique and diverse culture is celebrated	The mixing of stormwater from different water catchments and its discharging into water bodies and the Waikato River can conflict with Maaori cultural beliefs and practices. We consider Maaori values in all our water-related activities and consult with local iwi as part of the resource consent process.

Capital projects

The following table summarises the capital projects planned for year one (2021-22) of the 2021-31 Long-Term Plan and the progress made during the period.

	Type	Budget 2021-22	Actual 2021-22	Variance
Stormwater		\$000	\$000	\$000
CE10058 - Stormwater asset renewals	R	569,000	63,769	505,231
CE15059 - Rototuna stormwater infrastructure	G	57,200	54,105	3,095
CE15060 - Rotokauri stormwater infrastructure stage 1	G	2,200,000	785,160	1,414,840
CE15062 - Peacocke stormwater infrastructure stage 1	G	-	11,313	(11,313)
CE15063 - Peacocke stormwater infrastructure stage 2	G	4,825,800	3,592,573	1,233,227
CE15067 - Comprehensive stormwater consent implementation	LOS	79,000	156,462	(77,462)
CE15068 - Stormwater customer connections	G	25,000	489,010	(464,010)
CE15162 - Integrated Catchment Management Plan	G	1,150,500	770,709	379,791
CE19026 - Erosion control works	LOS	1,434,200	1,434,619	(419)
CE21031 - Flood management	LOS	-	-	-
CE21032 - Stormwater infrastructure upgrades	G	-	134,789	(134,789)
CE21062 - Stormwater asset upgrades	LOS	50,000	27,980	22,020
CE21066 - Ruakura stormwater infrastructure	G	3,000,000	231,873	2,768,127
CE21068 - Water Stimulus - stormwater		-	2,543,763	(2,543,763)
Total		13,390,700	10,296,125	3,094,575

Variances:

- CE15060 - Rotokauri stormwater infrastructure stage 1 - \$1.4 million was deferred to align with developer timing.
- CE15063 - Peacocke stormwater infrastructure stage 2 - \$1.2 million was deferred to align with the construction timing of the bridge over the Waikato River and the surrounding roads.
- CE21066 - Ruakura stormwater infrastructure - Negotiations to acquire the required land took longer than expected. This has prevented access to the land to complete design and start of the construction for erosion control.
- CE21068 - Water Stimulus - stormwater - These are the Water Stimulus Projects that were part of a Central Government Funding Package. These were not including the Long-Term Plan as these were 100% externally funded.

Stormwater funding impact statement

For year ended 30 June 2022	Long-Term Plan 2020-21	Actual 2020-21	Long-Term Plan 2021-22	Actual 2021-22
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	7,558	6,888	15,447	15,561
Targeted rates	-	(2)	2,260	2,239
Subsidies and grants for operating purposes	-	441	4	748
Fees and charges	373	454	317	392
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	157	238	128	196
Total operating funding	8,088	8,019	18,157	19,136
Application of operating funding				
Payments to staff and suppliers	4,705	6,078	5,800	8,236
Finance costs	2,662	734	1,093	883
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	7,367	6,812	6,893	9,119
Surplus/(deficit) of operating funding	721	1,207	11,264	10,017
Sources of capital funding				
Subsidies and grants for capital expenditure	882	1,569	2,025	4,339
Development and financial contributions	3,793	2,263	4,929	2,239
Increase/(decrease) in debt	14,248	99	6,403	8,336
Gross proceeds from sale of assets	-	141	-	6
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	18,923	4,072	13,357	14,920
Applications of capital funding				
Capital expenditure				
- to meet additional demand	15,257	6,438	11,259	6,070
- to improve the level of service	3,653	2,171	1,834	4,295
- to replace existing assets	881	1,487	1,012	448
Increase/(decrease) in reserves	(147)	(1,174)	11,748	10,359
Increase/(decrease) in investments	-	(3,643)	(1,231)	3,765
Total applications of capital funding	19,644	5,279	24,621	24,937
Surplus/(deficit) of capital funding	(721)	(1,207)	(11,264)	(10,017)
Funding balance	-	-	-	-

Rubbish and Recycling

Providing this activity contributes to a green city



Rubbish and Recycling collection truck

Rubbish and Recycling is about protecting the health of Hamiltonians and the environment by providing a reliable kerbside rubbish and recycling collection service and promoting waste minimisation and resource recovery.

We want to encourage and support waste reduction, reuse and recycling through education programmes, and the right infrastructure and services.

Delivering on our Long-Term Plan

Refuse collection (refuse and recycling)

We are responsible for the kerbside collection and safe management of domestic rubbish, recycling, and litter. We provide rubbish and recycling collections to residential properties in the city (excluding the city centre) on alternate weeks.

We own the Transfer Station, Recycling Centre, and the green waste composting facilities at the Hamilton Organic Centre. The operation of these facilities is contracted to privately owned businesses. Planning for new or reconfigured infrastructure to support projected growth of the city will be important as this will enable us to increase the effectiveness of our resource recovery at solid waste sites.

Landfill site management

As we no longer operate a landfill, all rubbish is transported to Hampton Downs landfill. We continue to monitor and manage several landfill sites that are now closed.

Waste minimisation

We work hard to minimise waste and to encourage more recycling and reuse through education programmes and

promoting waste minimisation. Effective and efficient waste minimisation is a requirement of all councils under a range of legislation.

We will continue to implement our Waste Management and Minimisation Plan which includes waste minimisation education, new partnerships and accessing of relevant grants.

We provide these services to protect people's health and our environment by minimising the production of rubbish and promoting recycling and reuse. Effective rubbish and recycling activities are essential for a healthy community and thriving community.

By reducing our resource consumption and reusing products, we can minimise the amount we need to recycle or dispose of and ultimately the rubbish we generate.

Landfill is the most common method of disposing of rubbish in Hamilton Kirikiriroa, as it is elsewhere in New Zealand. Dealing with rubbish this way is problematic because of the need to find suitable land and the potential adverse environmental effects to soil, air, and waterways.

The best way to reduce the need for new landfill sites is to decrease the amount of waste we need to dispose of by reducing the volume of waste we produce, purchasing low waste products and diverting waste for reuse, recycling, and recovery.

Closed landfill sites can potentially have negative effects on the environment and public health. To mitigate these effects, we monitor gas and leachate at closed landfill sites and manage these sites within the requirements of our resource consents.

We manage collection contracts and comply with our Waste Management and Minimisation Bylaw to minimise the likelihood of these events occurring.

2021-22 Highlights

Council has been sharing with community groups the compost, dubbed 'Tronpost' made from the 5.7 million tonnes of Hamilton's food waste collected in the first 12 months of the new service. To date, Tronpost has been provided to groups such as Progress to Health for their community garden at Caro Park and to Te Papanui Enderley Community Centre for the development of raised garden beds.

We will continue to share the compost with community groups along with promoting the use of the food scraps bins to lift our bin presentation rates and increase the amount of waste diverted from landfill.

We are continuing to educate the community about waste minimisation via our Fight the Landfill website, and

in the new Education Room for schools and community groups at the Materials Recovery Facility (where Hamilton's recycling goes). The Education Room is a dedicated space for groups to learn about the importance of reducing, reusing, and recycling waste correctly, which will encourage diversion rates across the city. Increasing diversion of waste from landfill will help to reduce emissions.

Ongoing relationships with a network of more than 30 stakeholders within the local construction and demolition industry has been established. A dedicated Building and Development Waste page has also been created on the Fight the Landfill website. This includes a toolkit, waste calculator, resources, and guidelines to support our stakeholders on their waste management and minimisation journey.

Service performance measures:

You can expect We will promote and encourage waste reduction, reuse, and recycling.

KEY: **Achieved** | **Not achieved**

Measure	2021-22 target	2021-22 result	2020-21 result
The percentage of waste recovered for recycling through the kerbside collection.	At least 45%	50.93%	51.2%
What's behind the results			

We promote waste reduction, reuse, and recycling. This measure indicates the effectiveness of our Waste Minimisation and Education Programme. The kerbside diversion rate for the year to date is 50%, despite recycling and food waste not being processed during the two weeks of COVID-19 Alert Level 4 in August 2021 and no food collection in March and part of April 2022 due to illnesses and continued COVID-19 restrictions.

You can expect We will promote and encourage waste reduction, reuse, and recycling.

KEY: **Achieved** | **Not achieved**

Measure	2021-22 target	2021-22 result	2020-21 result
The amount of waste received at Council-operated waste facilities that is diverted from landfill.	At least 16,000 tonnes per annum.	13,939 tonnes	13,119 tonnes
What's behind the results			

This measure indicates the effectiveness of our Waste Minimisation and Education Programme. Only 573 tonnes of waste were diverted in August 2021, which is reflective of the additional restrictions that were required under COVID-19 Alert Level 4. An upgrade of the infrastructure around recycling drop-off points at the Refuse Transfer Station has occurred and an upgrade of the reuse store has commenced. The introduction of new diversion streams of concrete and treated wood has occurred to help move the transfer stations towards achieving this target.

You can expect We will promote and encourage waste reduction, reuse, and recycling.

Measure	2021-22 target	2021-22 result	2020-21 result
The percentage of waste recovered for recycling through Council-owned facilities.	At least 30%	42.58%	New Annual Report measure. No comparative data.
What's behind the results			

This measure demonstrates the progress at Council facilities with waste recovery for recycling. The percentage of waste recovered for recycling from Council owned facilities has been consistent during the year and consistently above target.

The figures reported do not currently include cardboard recycling due to the service being performed by a different contractor than the rest of the refuse and recycling services. Work is being undertaken to ensure that these cardboard figures can be reported on in the future, further increase the percentage of waste recovered for recycling.

You can expect We will collect your rubbish and recycling.

KEY: **Achieved** | **Not achieved**

Measure	2021-22 target	2021-22 result	2020-21 result
The number of valid missed collections of kerbside rubbish, food waste and recycling.	0 months with greater than 110	12 months	New Annual Report measure. No comparative data.
What's behind the results			

We aim to provide a reliable kerbside rubbish and recycling collection to stop rubbish and recycling becoming a health risk and to keep the streets tidy.

COVID-19 restrictions and staff shortages due to illness have impacted on the number of missed collections. This is not considered an accurate reflection of our business-as-usual kerbside service levels.

The overall trend for missed collections has been downwards since the start of the service, but we are still above the target of 110 missed collections per month. This year the contractor emptied 4,415,211 bins and missed collecting 4,736 bins, that is a clearance rate of 99.89% for the year.

Discussions are being held with the contractor on the rigidity of the service they are currently providing and what can be done to improve the levels of missed collections.

You can expect A timely response if there is a problem with rubbish and recycling.

Measure	2021-22 target	2021-22 result	2020-21 result
The number of valid missed collections of kerbside rubbish, food waste and recycling not resolved by the end of the business day following the initial report.	0 months with greater than six	11 months	New Annual Report measure. No comparative data.
What's behind the results			

We aim to resolve missed collections in a timely manner. On average of 40 missed collections per month were not completed within the required timeframe. The targeted service level has not been achieved due to resourcing issues and COVID-19 delays experienced by the Contractor. Work is being undertaken to reduce the number of missed collections resolved outside the required timeframe.

Effects on the wellbeing of the community

Social We care for, and about, all our people	We provide these services to protect people's health. Effective rubbish and recycling services are essential for a healthy community.
Economic Our economy provides opportunities to prosper	A reliable and sustainable rubbish and recycling service is essential for our existing businesses and encouraging new businesses to the city.
Environmental We love and protect our environment	Landfills have potential adverse environmental effects to soil, air, and waterways. To mitigate, we monitor gas and leachate at closed landfill sites and manage these within the requirements of our resource consent.
Cultural Our unique and diverse culture is celebrated	No identified effect.

Capital projects

The following table summarises the capital projects planned for year one (2021-22) of the 2021-31 Long-Term Plan and the progress made during the period.

	Type	Budget 2021-22	Actual 2021-22	Variance
Rubbish and Recycling		\$000	\$000	\$000
CE10054 - Closed landfill asset renewals	R	450,000	72,613	377,387
CE10056 - Refuse Transfer Station and Hamilton Organic Centre renewals	R	50,000	47,747	2,253
CE15055 - Closed landfill management	LOS	50,000	11,208	38,793
CE19027 - Refuse drop off points	LOS	-	285	(285)
Total		550,000	131,852	418,148

Rubbish and Recycling funding impact statement

For year ended 30 June 2022

	Long-Term Plan 2020-21	Actual 2020-21	Long-Term Plan 2021-22	Actual 2021-22
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	9,061	7,177	8,306	8,399
Targeted rates	51	11	267	24
Subsidies and grants for operating purposes	583	529	642	893
Fees and charges	456	(76)	35	145
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	9	532	432	347
Total operating funding	10,160	8,173	9,682	9,808
Application of operating funding				
Payments to staff and suppliers	8,491	6,796	9,042	7,248
Finance costs	1,177	368	198	604
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	9,668	7,164	9,240	7,852
Surplus/(deficit) of operating funding	492	1,009	441	1,956
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	(14)	8	460	411
Gross proceeds from sale of assets	-	371	-	3
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	(14)	379	460	414
Applications of capital funding				
Capital expenditure				
- to meet additional demand	43	18	-	-
- to improve the level of service	34	37	185	78
- to replace existing assets	380	454	721	312
Increase/(decrease) in reserves	21	1,166	610	1,794
Increase/(decrease) in investments	-	(287)	(615)	186
Total applications of capital funding	478	1,388	902	2,370
Surplus/(deficit) of capital funding	(492)	(1,009)	(441)	(1,956)
Funding balance	-	-	-	-

Overhead and support unit capital projects

The following table summaries our overhead and support units capital programme planned for year one (2021-22) of the 2021-31 Long-Term Plan and the progress made during the period.

Information on capital projects for other activity areas can be found on pages 32 – 145.

		R - Renewals	LOS - Levels of service	G - Growth
	Type	Budget 2021-22	Actual 2021-22	Variance
Overhead and support units		\$000	\$000	\$000
Corporate buildings				
CE10158 - Fleet vehicle renewals	R	1,944,000	553,041	1,390,959
CE21014 - Corporate building renewals	R	2,754,000	3,001,295	(247,295)
Corporate buildings total		4,698,000	3,554,336	1,143,664
Information Services				
CE21025 - Information Services renewals	R	2,930,000	4,118,000	(48,000)
CE21026 - Information Services upgrades	LOS	6,555,000	2,649,999	2,765,001
Information Services total	R	9,485,000	6,767,999	2,717,001
Strategic Property				
CE10151 - Strategic Property renewals	R	85,000	4,025	80,975
Strategic Property total		85,000	4,025	80,975
Total		14,268,000	10,330,385	3,937,615

Variances:

- CE10158 - Fleet vehicle renewals - Most of the this budget has been committed, however there is a long lead time on vehicles and they will not be available to Council until 2022-23.
- CE21025 - Information Services renewals - The renewal and upgrade of Informations Services projects were managed as a programme so staff would be responding to the needs of the business and reprioritise works to ensure the best outcomes. The underspend across the two budgets was due to capital expenditure being moved to operating expenditure to align with accounting standards that were revised.
- CE21026 - Information Services upgrades - The renewal and upgrade of Informations Services projects were managed as a programme so staff would be responding to the needs of the business and reprioritise works to ensure the best outcomes. The underspend across the two budgets was due to capital expenditure being moved to operating expenditure to align with accounting standards that were revised.

Financial matters

Ko ngaa take puutea

Financial statements Ngaa Tauaakii aa-Tahua

Guide to this section of the Annual Report:

This section shows in detail the financial reports and accounting policies of Council. The financial statements provide information about Council's assets, liabilities, income, and expenditure.

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

The financial statements include four primary statements:

Statement of comprehensive revenue and expense

This summarises Council's financial performance for the year, listing all income and expenses. It also records other

comprehensive income, such as changes in fair value of Council's infrastructure, property, plant, and equipment.

Statement of changes in net assets/equity

This is often known as the statement of changes in equity. It details the overall changes for the year in relation to Council's net wealth.

Statement of financial position

This is a '30 June' snapshot of Council's financial position at the end of the relevant financial year, that indicates its assets, liabilities, and net wealth at that point.

Statement of cashflows

This statement indicates where Council's cash came from and where it was spent in the relevant financial year.

These four statements reflect Council's actual position to the budget. The 2021-22 budget was adopted by Council through the 2021-31 Long-Term Plan.

Notes to the financial statements

These 'notes' are to provide greater detail and more information on the four primary financial statements. The content of the four financial statements and their notes are prepared using Public Benefit Entity accounting standards.

Statement of comprehensive revenue and expenses

Tauaakii o ngaa whiwhinga me ngaa whakapaunga matawhaanui

For the year ended 30 June 2022	Council			Group		
	Note	Actual 2022	Budget 2022	Actual 2021 (Restated)	Actual 2022	Actual 2021 (Restated)
		\$000	\$000	\$000	\$000	\$000
Revenue						
Rates	3	223,504	221,714	200,275	223,504	200,275
Fees and charges	5	39,028	40,723	43,547	45,892	51,855
Subsidies and grants	4	17,452	8,664	8,920	17,452	8,920
Interest revenue	6	1,516	302	844	1,516	844
Other revenue	7	14,547	14,780	9,023	14,547	9,073
Development contributions	9	27,062	31,622	28,096	27,062	28,096
Capital revenue	10	98,052	101,588	72,978	98,052	72,978
Vested assets	11	34,889	34,491	33,484	34,889	33,484
Total revenue (excluding gains)		456,050	453,885	397,167	462,914	405,524
Expenses						
Personnel costs	12	96,589	96,917	87,880	100,089	91,031
Depreciation and amortisation expense	14	80,629	75,534	72,093	81,641	73,100
Finance costs	13	18,955	16,270	12,656	19,173	12,897
Operating and maintenance costs	15	74,900	68,670	59,629	78,245	63,550
Professional costs	15	21,548	16,531	16,286	21,600	16,339
Administration costs	15	14,036	24,215	25,298	14,209	25,471
Property costs	15	10,877	11,779	10,250	10,877	10,250
Total expenses (excluding losses)		317,534	309,917	284,092	325,834	292,638
Operating surplus/(deficit)*		138,516	143,968	113,075	137,080	112,886
Gains	8	41,542	756	32,437	41,542	32,437
Losses	8	(11,399)	(61,103)	(5,198)	(11,399)	(5,198)
Share of associates' surplus/(deficit)		-	-	-	12,130	17,052
Surplus/(deficit) before tax		168,659	83,622	140,314	179,353	157,176
Income tax expense	16	-	-	-	(589)	(148)
Surplus/(deficit) after tax		168,659	83,622	140,314	179,942	157,324
Other comprehensive revenue and expense						
<i>Items that could be reclassified to surplus/(deficit)</i>						
Financial assets at fair value through other comprehensive revenue and expense	32	938	-	1,014	938	1,014
<i>Items that will not be reclassified to surplus/(deficit)</i>						
Gain on property, plant and equipment revaluations	32	365,011	112,916	229,822	371,554	245,486
Income tax on other comprehensive revenue and expense	32	-	-	-	-	-
Impairment of revalued property plant and equipment	32	(16)	-	(91)	(16)	(91)
Other revaluation reserve movements	32	1,228	-	-	1,228	-
Total other comprehensive revenue and expense		367,161	112,916	230,745	373,704	246,409
Total comprehensive revenue and expense		535,820	196,538	371,059	553,646	403,732
Surplus/(deficit) attributable to:						
Hamilton City Council		168,659	83,622	140,314	180,214	157,385
Non-controlling interest		-	-	-	(272)	(61)
Total comprehensive revenue and expense attributable to:						
Hamilton City Council		535,820	196,538	371,059	553,918	403,793
Non-controlling interest		-	-	-	(272)	(61)

The accompanying notes form part of these financial statements. Explanations of major variances against budget are provided in individual notes.

*Surplus before gains and losses, share of associate's surplus and tax. The 2021 actuals have been restated to include a retrospective change in accounting policy for further details see note 36.

The 2021 group actuals have also been restated due to material changes made in the final adopted Annual Report 2021 for Waikato Regional Airport for further details see note 39.

Balancing the books measure Te whakataurite i ngaa kaute

For the year ended 30 June 2022

Surplus/(deficit) before tax

Adjustments for balancing the books measure

Remove capital revenue

Vested assets

Part of development and financial contributions¹

Capital subsidy (excluding subsidy on transport renewals)²

Other capital contributions

Other items not considered everyday operating revenue³

Remove gains/losses

All gains/(losses)

Remove other expenses

Other items not considered everyday operating expenses⁴

Balancing the books surplus/(deficit)

Note	Council		
	Actual 2022	Budget 2022	Actual 2021 (Restated)
	\$000	\$000	\$000
	168,659	83,622	140,314
11	(34,889)	(34,491)	(33,484)
	(17,590)	(20,554)	(20,220)
	(43,183)	(60,479)	(41,459)
	(46,530)	(32,863)	(19,133)
	(9,082)	(8,084)	(1,330)
	(30,143)	60,347	(27,239)
	7,515	9,585	6,961
	(5,243)	(2,918)	4,409

¹ Development contributions contain an element of funding for interest and depreciation costs that are part of every day expenses. An adjustment is made to match the revenue with the expense.

² Subsidy on transport renewals is adjusted to recognise that this is funding a portion of the depreciation on these renewals.

³ Adjustment for fair value calculation on the Housing Infrastructure Fund loans and extraordinary COVID-19 subsidies and grants.

⁴ Adjustment for grants to other parties to invest in significant assets for the benefit of the city, fair value discount unwinding on the Housing Infrastructure Fund loans, extraordinary COVID-19 related payments and one-off software as a service costs that were required to be expensed.

The 2021 Actuals have been restated to include a retrospective change in accounting policy for building consents. For further details see note 36.

Statement of changes in equity Tauaakii rerekeetanga o te tuutanga

	Note	Council			Group	
		Actual 2022	Budget 2022	Actual 2021 (Restated)	Actual 2022	Actual 2021 (Restated)
		\$000	\$000	\$000	\$000	\$000
For the year ended 30 June 2022						
Equity balance at 1 July		4,379,925	4,221,514	4,008,866	4,470,370	4,066,638
Total comprehensive revenue and expense for the year		535,820	196,538	371,059	553,646	403,732
Equity balance at 30 June	32	4,915,745	4,418,052	4,379,925	5,024,016	4,470,370
Accumulated comprehensive revenue and expense						
Balance at beginning of year as previously reported		2,044,738	1,931,292	1,902,720	2,083,508	1,923,276
Change in accounting policy for buildings consents	36	-	-	(3,593)	-	(3,593)
Balance at beginning of the year as restated		2,044,738	1,931,292	1,899,127	2,083,508	1,919,683
Operating surplus/(deficit) as restated		168,659	83,622	140,314	180,214	157,385
Transfers (to)/from restricted and council created reserves		(781)	35	(2,154)	(781)	(2,154)
Transfer from property revaluation reserves on disposal		2,074	-	7,451	2,074	8,594
Balance at end of year	32	2,214,690	2,014,949	2,044,738	2,265,015	2,083,508
Revaluation reserves						
Balance at beginning of year		2,293,283	2,248,275	2,069,989	2,340,846	2,103,031
Total other comprehensive revenue and expense		367,161	112,916	230,745	373,704	246,409
Transfer to accumulated comprehensive revenue and expense on disposal		(2,074)	-	(7,451)	(2,074)	(8,594)
Balance at end of year	32	2,658,370	2,361,192	2,293,283	2,712,476	2,340,846
Restricted and council created reserves						
Balance at beginning of year		41,904	41,946	39,750	41,904	39,750
Transfers (to)/from reserves		781	(35)	2,154	781	2,154
Balance at end of year	32	42,685	41,911	41,904	42,685	41,904
Non-controlling interest		-	-	-	3,840	4,112
Equity balance at 30 June	32	4,915,745	4,418,052	4,379,925	5,024,016	4,470,370

The accompanying notes form part of these financial statements.

Explanations of major variances against budget are provided in individual notes.

The 2021 actuals have been restated to include a retrospective change in accounting policy for further details see note 36. The 2021 group actuals have also been restated due to material changes made in the final adopted Annual Report 2021 for Waikato Regional Airport for further details see note 39.

Statement of financial position Tauaakii tuuranga puutea

As at 30 June 2022	Note	Council			Group	
		Actual 2022	Budget 2022	Actual 2021 (Restated)	Actual 2022	Actual 2021 (Restated)
		\$000	\$000	\$000	\$000	\$000
Assets						
Current assets						
Cash and cash equivalents	17	114,826	50,000	54,036	114,937	54,262
Receivables	18	41,400	34,520	29,841	41,772	30,778
Prepayments		4,540	1,755	3,048	4,547	3,148
Inventory	19	176	160	189	281	218
Non-current assets held for sale	20	-	-	-	-	-
Other financial assets	22	17,166	1,320	1,429	17,166	1,429
Derivative financial instruments	21	79	-	-	79	-
Total current assets		178,187	87,755	88,543	178,782	89,835
Non-current assets						
Derivative financial instruments	21	7,431	1,191	629	7,431	629
Other financial assets						
- Investment in CCOs and other similar entities	22	13,168	11,230	12,238	9,168	8,238
- Other Investments	22	14,442	13,151	10,447	14,442	10,447
Total other financial assets	22	27,610	24,381	22,685	23,610	18,685
Investment in associates	23	7,430	7,430	7,430	108,654	89,982
Property, plant and equipment	24	5,422,981	5,118,820	4,861,799	5,440,795	4,880,570
Intangible assets	25	32,573	31,886	32,322	32,573	32,323
Investment property	26	40,983	31,014	39,468	40,983	39,468
Total non-current assets		5,539,008	5,214,722	4,964,333	5,654,046	5,061,658
Total assets		5,717,195	5,302,477	5,052,876	5,832,828	5,151,492
Liabilities						
Current liabilities						
Payables and deferred revenue	27	64,527	38,446	75,261	65,026	75,786
Derivative financial instruments	21	-	322	524	-	524
Employee entitlements	28	11,304	9,620	10,113	11,594	10,355
Provisions	29	3,240	1,626	4,451	3,375	4,623
Borrowings	30	93,241	86,900	73,760	93,441	74,200
Total current liabilities		172,312	136,914	164,109	173,436	165,488
Non-current liabilities						
Payables and deferred revenue	27	-	-	-	5	20
Derivative financial instruments	21	3,796	66,728	36,578	3,796	36,578
Employee entitlements	28	872	1,100	985	872	985
Provisions	29	13,370	13,368	15,220	13,370	15,220
Deferred tax liability	16	-	-	-	2,108	2,697
Borrowings	30	611,100	666,315	456,059	615,225	460,134
Total non-current liabilities		629,138	747,511	508,842	635,376	515,634
Total liabilities		801,450	884,425	672,951	808,812	681,122
Net assets		4,915,745	4,418,052	4,379,925	5,024,016	4,470,370
Equity						
Accumulated comprehensive revenue and expense	32	2,214,690	2,014,949	2,044,738	2,265,015	2,083,508
Other reserves	32	2,658,370	2,361,192	2,293,283	2,712,476	2,340,846
Restricted reserves	32	41,743	41,410	41,478	41,743	41,478
Council created reserves	32	942	501	426	942	426
Non-controlling interest	32	-	-	-	3,840	4,112
Total equity		4,915,745	4,418,052	4,379,925	5,024,016	4,470,370

The accompanying notes form part of these financial statements. Explanations of major variances against budget are provided in individual notes.
The 2021 actuals have been restated to include a retrospective change in accounting policy for further details see note 36. The 2021 group actuals have also been restated due to material changes made in the final adopted Annual Report 2021 for Waikato Regional Airport for further details see note 39.

Statement of cash flows Tauaakii kapewhiti

For the year ended 30 June 2022

	Council			Group	
	Notes	Actual 2022	Budget 2022	Actual 2021	Actual 2021
		\$000	\$000	\$000	\$000
Cash flows from operating activities					
Cash was provided from:					
Rates revenue		221,795	221,714	200,930	221,795
Fees and charges		43,284	40,723	52,192	50,712
Government operating subsidies and grants		17,334	8,664	11,003	17,334
Government capital subsidies and grants		56,071	68,725	75,932	56,071
Other capital contributions		50,412	64,485	24,947	50,412
Interest received		1,298	302	983	1,298
Dividends received		64	104	66	64
Sundry revenue		6,488	2,113	7,627	6,488
		396,746	406,831	373,681	404,174
Cash was applied to:					
Payments to employees		95,511	96,917	87,376	98,963
Payments to suppliers		138,045	125,398	88,643	141,591
Interest paid		16,522	15,554	12,469	16,736
Tax payments		-	-	-	-
Net GST paid		(1,537)	-	5,603	(1,445)
		248,541	237,869	194,091	255,845
Net cash flow from operating activities	34	148,205	168,962	179,589	148,329
Cash flows from investing activities					
Cash was provided from:					
Proceeds from other financial assets		60,493	432	432	60,493
Proceeds from maturity of NZLGFA borrowers notes		960	960	-	960
Proceeds from sale of assets held for sale		-	-	2,396	-
Proceeds from sale of property, plant and equipment		128	-	1,453	128
		61,581	1,392	4,281	61,581
Cash was applied to:					
Acquisition of other financial assets		76,000	-	(9,543)	76,000
NZLGFA borrower notes		5,250	2,342	-	5,250
Purchase of investment property		161	-	-	161
Purchase of intangible assets		5,111	-	11,147	5,111
Purchase of property, plant and equipment		242,388	328,668	234,840	242,437
		328,910	331,010	236,444	328,959
Net cash flow from investing activities		(267,329)	(329,618)	(232,163)	(267,378)

For the year ended 30 June 2022

Cash flows from financing activities

Cash was provided from:

Loans raised

Finance leases raised

Cash was applied to:

Loan repayments

Finance lease repayments

Net cash flow from financing activities

Net increase/(decrease) in cash held

Opening cash and cash equivalents balance

Closing cash and cash equivalents balance

Notes	Council			Group	
	Actual 2022	Budget 2022	Actual 2021	Actual 2022	Actual 2021
	\$000	\$000	\$000	\$000	\$000
	252,763	194,030	62,988	256,073	66,303
	-	300	-	-	-
	252,763	194,330	62,988	256,073	66,303
	72,500	60,000	60,000	76,000	64,025
	349	300	586	349	586
	72,849	60,300	60,586	76,349	64,611
	179,914	134,030	2,402	179,724	1,692
	60,790	(26,000)	(50,172)	60,675	(50,120)
	54,036	76,000	104,207	54,262	104,382
	114,826	50,000	54,036	114,937	54,262

The accompanying notes form part of these financial statements.

Notes to the financial statements

Nga nooti ki ngaa tauaakii aa-tahua

Note 1: Statement of accounting policies

Reporting entity

Hamilton City Council (the Council) is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The Group consists of the ultimate parent, Council, and its subsidiary, Waikato Innovation Growth Ltd (100% owned). The Council's 50% equity share of its associate Waikato Regional Airport Ltd is equity accounted into the Group financial statements.

The Council and Group provides

local infrastructure, local public services, and performs regulatory functions to the community. The Council does not operate to make a financial return.

The Council has designated itself and the Group as public benefit entities (PBEs) for the purposes of complying with generally accepted accounting practice.

The financial statements of the Council and Group are for the year ended 30 June 2022. The financial statements were authorised for issue by Council on 15 December 2022.

Basis of preparation

The financial statements have been prepared on the

going concern basis and the accounting policies have been applied consistently throughout the year.

Statement of compliance

The financial statements of the Council and Group have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRPR)), which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with and comply with PBE Standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000), other than the remuneration and the severance payment disclosures in note 12, and the related party transaction disclosures in note 33. The remuneration, severance payment, and related party transaction disclosures are rounded to the nearest dollar.

Changes in accounting policies

Change in accounting policy for building and resource consents

The Council and Group have changed their accounting policy

for revenue recognition of building and resource consents. Building consent revenue was previously recognised when the buildings consent application process was completed and are now being recognised on stage of completion as it results in a fairer representation of the use of resources. The policy is applied retrospectively. For further details please see note 36.

Change in accounting policy for Software as a Service (SaaS)

The Council and Group have revised their accounting policy in relation to configuration and customisation costs incurred in implementing SaaS arrangements in response to the IFRIC agenda decision clarifying its interpretation of how current accounting standards apply to these types of arrangements. The policy is applied retrospectively but no changes were required to be made in prior periods. For further details please see note 38.

There have been no other changes in accounting policies.

Standards and amendments issued and not yet effective or early adopted

PBE IPSAS 41 Financial Instruments

PBE IPSAS 41 Financial Instruments replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement and PBE IFRS 9 Financial Instruments and is effective for financial years beginning on or after 1 January 2022, with earlier adoption permitted.

The main changes compared to PBE IPSAS 29 that are relevant to the Council and Group are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which might result in the earlier recognition of impairment losses.

The Council and Group has assessed the effect of the new

standard, it does not expect any significant changes as the requirements are similar to PBE IFRS 9 and PBE IPSAS 29.

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements and is effective for the year ending 30 June 2023, with early application permitted. The Council has not yet determined how application of PBE FRS 48 will affect its statement of service performance. It does not plan to adopt the standard early.

Three waters reform

The Government is implementing a package of reforms to the three waters regulatory system, which are designed to:

- Improve national-level leadership, oversight, and support relating to the three waters – through the creation of Taumata Arowai, a new,

dedicated Water Services Regulator from July 2021

- Significantly strengthen compliance, monitoring, and enforcement relating to drinking water regulation – through the creation of a new Water Services Bill and revised Drinking Waters Standards of New Zealand that are expected to come into effect at the end of 2022
- Manage risks to drinking water safety and ensure sources of drinking water are protected
- Improve the environmental performance and transparency of wastewater and stormwater networks.

It is expected that the regulatory reform and the establishment of Taumata Arowai will change the way we will need to demonstrate regulatory compliance, assess risk relating to source and treated water quality and require licencing and authorisation of water supplier entities and individuals involved in providing three water services.

In addition to regulatory reform, Government has initiated a reform process for service delivery of three waters. While the Government's starting intention is for publicly-owned multi-regional models for water service delivery (with a preference for local authority ownership), final decisions on a service delivery model will be informed by discussion with the local government sector and the work of the Joint Steering Committee. As details of proposed new entities are still unknown, it is assumed that Council will continue to provide water, wastewater and stormwater services.

In June 2022, the Government introduced legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities with effect from 1 July 2024. The impact of these proposed reforms, once legislated, will mean that the Council will no longer deliver three waters services

or own the assets required to deliver these services. The Bill is currently before Parliament and as such, the impacts of the proposed reforms are currently unclear. Additional legislation is expected later in 2022 that will provide detail on the transfer of assets and liabilities to the water service entities.

Council has entered into a Memorandum of Understanding (MoU) with Government to join the first phase of the Government's three waters reform and have received \$17.46 million in stimulus funding to support the delivery of specific three waters projects.

The MoU commits Council to a collaborative process with Government to explore structural reform in the waters sector, particularly a multi-regional approach to three waters management and delivery of better health, economic, cultural and environmental outcomes.

The \$17.46 million three waters stimulus includes \$500,000 to

fund the early participation in the reform programme, to cover the engagement of additional resource to collate information, provide advice and backfilling of existing roles. Given the complexity of the three waters reform investigations and the time involved to participate and influence outcomes, it is highly likely that further funding will be required.

Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

Basis of consolidation

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, expenses and cash flow of entities in the Group on a line-by-line basis. All intragroup balances, transactions, revenues and expenses are eliminated on

consolidation.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The consolidation of an entity begins from the date when the Council obtains control of the entity and ceases when the Council loses control of the entity.

Control over an entity is determined when the Council has exposure, or rights, to variable benefits from its involvement with the entity and has the ability to affect the nature or amount of those benefits through its power over the other entity. The Council considers all relevant facts and circumstances in assessing whether it has power over another entity. For example, the ability to appoint or remove a majority of the entity's governance and management, binding arrangements the Council enters into, group voting rights, and pre-determination mechanisms. The Council

reassesses whether or not it controls another entity if facts and circumstances change.

The Council will recognise goodwill where there is an excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed. If the consideration transferred is lower than the net fair value of the Council's interest in the identifiable assets acquired and liabilities assumed, the difference will be recognised immediately in surplus or deficit.

Foreign currency transactions

Foreign currency transactions (including those for which foreign exchange contracts 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 and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign

currencies are recognised in the surplus or deficit.

Goods and Services Tax (GST)

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

The net amount of GST recoverable from, or payable to the 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.

Budget figures

The budget figures are those approved by the Council in its 2021-31 Long-Term Plan.

The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions 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 of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Estimating the fair value of interest rate swaps – note 21

- Estimating the fair value of land, buildings and infrastructure assets – note 24
- Estimating the fair value of investment property – note 26
- Estimating the retirement gratuities obligations – note 28
- Estimating the landfill aftercare provision – note 29
- Estimating the provision for uncollectability of receivables – note 18.

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

- Donated or vested land and buildings with use or return conditions – note 11
- Classification of property – note 24
- Estimating retiring gratuities obligations – note 28
- Assessing control and significant influence over the investment in associate – note 23

Note 2: Summary revenue and expenditure for group of activities

Accounting policy

The cost of service for each significant activity of the Council has been derived using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage.

There have been no changes to the cost allocation methodology during the year.

Breakdown of summary revenue and expenditure for group of activities

	Council	
	2022 Actual	2021 Actual (Restated)
	\$000	\$000
Revenue		
Community Services	3,200	961
Growth	11,759	10,864
Venues, Tourism and Major Events	6,380	6,947
Visitor Destinations	4,033	4,416
Safety	2,595	2,542
Governance	117	56
Parks and Recreation	8,200	13,488
Rubbish and Recycling	2,180	1,019
Stormwater	12,834	11,734
Transport	137,635	107,097
Wastewater	27,618	24,028
Water Supply	16,311	13,852
Total activity revenue	232,862	197,004
Less internal revenue	(316)	(113)
Rates	223,504	200,276
Total revenue	456,050	397,167
Expenditure		
Community Services	26,138	23,214
Growth	22,420	22,022
Venues, Tourism and Major Events	26,037	23,954
Visitor Destinations	20,880	17,904
Safety	7,631	8,252
Governance	3,491	3,077
Parks and Recreation	30,268	38,535
Rubbish and Recycling	9,105	7,864
Stormwater	20,180	17,059
Transport	74,290	55,916
Wastewater	44,321	39,319
Water Supply	33,078	27,036
Total activity expenditure	317,839	284,152
Less internal expenditure	(305)	(59)
Total expenditure	317,534	284,093

Each significant activity is stated gross of internal costs and revenue, and includes targeted rates attributable to activities (refer to note 3). In order to fairly reflect the total external operations for the Council in the Statement of Comprehensive Revenue and Expense, these transactions are eliminated as shown above.

Revenue classified as exchange or non-exchange transactions

	Council	
	2022 Actual	2021 Actual (Restated)
	\$000	\$000
Revenue from exchange transactions		
Fees and charges	39,028	43,547
Rental income	3,786	3,840
Subsidies and grants	9,508	2,659
Targeted rates for water supply	8,280	8,170
Interest revenue	1,516	844
Total revenue from exchange transactions	62,118	59,060
Revenue from non-exchange transactions		
Development contributions	27,062	28,096
Subsidies and grants	7,944	6,261
Capital revenue	98,052	72,978
Infringements and fines	1,289	1,443
Other revenue	9,472	3,740
Rates, excluding targeted rates for water supply	215,224	192,105
Vested assets	34,889	33,484
Total revenue from non-exchange transactions	393,932	338,107
Total revenue	456,050	397,167

Note 3: Rates

Accounting policy

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

Rates penalties

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

Rates remissions

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

Metered water rates

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

Rates collected on behalf of the Waikato Regional Council (WRC) are not recognised in the financial statements, as the Council is acting as an agent for the WRC.

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
General rates				
General rates	214,825	199,887	214,825	199,887
Rates charges to Council properties	(568)	(490)	(568)	(490)
Targeted rates				
Metered water supply	8,756	8,681	8,756	8,681
Metered water charges to Council properties	(476)	(511)	(476)	(511)
Business improvement district rate	310	309	310	309
Service category rates (water, refuse and sewerage)	1,425	1,284	1,425	1,284
Hamilton Gardens	-	812	-	812
Central city	145	145	145	145
Government compliance rate	9,733	-	9,733	-
Penalties and remissions				
Rates penalties	1,013	829	1,013	829
Rates remissions	-	-	-	-
- Hardship	(144)	(189)	(144)	(189)
- HCC utilities	(10,056)	(9,191)	(10,056)	(9,191)
- HCC other	(1,146)	(1,058)	(1,146)	(1,058)
- Community shop 50%	(59)	(54)	(59)	(54)
- Wastewater/Water/Refuse	(254)	(179)	(254)	(179)
Total rates	223,504	200,275	223,504	200,275

The Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates income. That Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating Act) 2002 together with any revenue received by the Council from other local authorities for services provided by that Council for which those other local authorities rate. The annual rates income of the Council for the year ended 30 June 2022 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

	Council	
	2022	2021
	\$000	\$000
Rates	223,504	200,275
Total annual rates income	223,504	200,275

	Council	
	Actual 2022	Budget 2022
	\$000	\$000
Rates	223,504	221,714

Rates revenue was \$1.8 million favourable to budget due to the higher than budgeted growth projection in the number of rateable properties.

Note 4: Subsidies and grants

Accounting policy

Waka Kotahi NZ Transport Authority subsidies

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

Other grants (Including government grants and subsidies)

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

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Waka Kotahi NZ Transport Authority roading subsidy - operating	7,944	6,261	7,944	6,261
Waste minimisation levy	890	529	890	529
Operating Grants - Water Reform Stimulus	6,366	1,578	6,366	1,578
Other grants	2,252	551	2,252	551
Total grants, subsidies and reimbursements	17,452	8,919	17,452	8,919

Explanation of significant variances against budget

	Council	
	Actual 2022	Budget 2022
	\$000	\$000
Subsidies and grants	17,452	8,664

Subsidies and Grants was \$8.8 million favourable to budget mainly due to the allocation of Central Government grant funding for the delivery of the Water Reform Stimulus Programme. Operational subsidies received from Waka Kotahi NZTA is favourable due to funds allocated for public transport infrastructure studies, namely the Waikato Metro Spatial Plan.

Note 5: Fees and charges

Accounting policy

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

Sale of Goods

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

Building and Resource Consents

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

Entrance Fees

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

	Council		Group	
	2022	2021 (Restated)	2022	2021 (Restated)
Animal control charges	\$000	\$000	\$000	\$000
Building and resource consent charges*	1,098	1,066	1,098	1,066
Cemetery and crematorium charges	10,243	10,239	10,243	10,239
Event facilities charges	1,666	1,576	1,666	1,576
Hamilton Gardens charges	3,369	4,255	3,369	4,255
Parking fees	66	166	66	166
Swimming pools charges	1,277	1,738	1,277	1,738
Trade waste charges	1,728	2,795	1,728	2,795
Zoo charges	2,965	2,675	2,720	2,675
Other fees and charges	1,801	2,083	1,801	2,083
Commission received	3,211	3,324	3,211	3,324
Sale of goods	817	1,087	817	1,087
Operating contributions	3,061	3,062	3,072	3,310
Rendering of services	7,726	9,481	7,726	9,481
	-	-	7,098	8,059
Total fees and charges	39,028	43,547	45,892	51,854

* The 2021 actuals have been restated to include a retrospective change in accounting policy for further details see note 36.

Explanation of significant variances against budget

	Council	
	Actual 2022	Budget 2022
Fees and charges	\$000	\$000
	39,028	40,723

Fees and charges were unfavourable to budget by \$1.7 million. This variance is largely due to COVID-19 impacts resulting in lower than expected event activity and decreased visitor numbers across Council venues. In addition, the building and resource consent charges were under budget due to a change in accounting policy where revenue is recognised on stage of completion rather than upfront (See note 36).

Note 6: Interest revenue

Accounting policy

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

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Interest revenue				
Term deposits	1,412	612	1,412	612
Community loans (note 22)	60	68	60	68
Local authority and government bonds	44	164	44	164
Total interest revenue	1,516	844	1,516	844

Explanation of significant variances against budget

	Council	
	Actual 2022	Budget 2022
	\$000	\$000
Interest revenue	1,516	302

Interest revenue was favourable by \$1.2 million to budget due to having higher interest rates and more cash held in term deposits than budgeted.

Note 7: Other revenue

Accounting policy

Infringements Fee and Fines

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

Dividends

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

Investment Property Rental Revenue

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

Bequests and Other Donations

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

Fair Value Gains

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

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Other revenue				
Infringements and fines	1,289	1,443	1,289	1,443
Rental income	3,786	3,840	3,786	3,840
Dividend revenue	64	66	64	66
Petrol tax income	1,203	1,355	1,203	1,355
Sponsorship income	27	-	27	-
Insurance claims	170	950	170	950
Donations received	13	35	13	35
Housing Infrastructure Fund - fair value benefit	7,995	1,330	7,995	1,330
Miscellaneous revenue	-	4	-	54
Total other revenue	14,547	9,023	14,547	9,073

Explanation of significant variances against budget

	Council	
	Actual 2022	Budget 2022
	\$000	\$000
Other revenue	14,547	14,780

Other revenue was unfavourable to budget by \$0.2 million. This was mainly due to Waka Kotahi NZTA temporarily suspending the requirement of valid vehicle registrations due to Government imposed COVID-19 restrictions. This resulted in the suspension of issuing infringements until 30 November 2021.

Operating leases as lessor

Investment property is leased under operating leases.

The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Not later than one year	3,522	3,350	3,522	3,350
Later than one year and not later than five years	7,684	9,445	7,684	9,445
Later than five years	28,112	29,762	28,112	29,762
Total non-cancellable operating leases	39,318	42,557	39,318	42,557

No contingent rents have been recognised during the period.

Note 8: Gains/(Losses)

Accounting policy

Derecognition

Items of property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the surplus or deficit in the year the item is derecognised.

Investment Property

Investment property is property held to earn rentals and/or for capital appreciation. All investment properties are stated at fair value, as determined annually by independent valuers at the balance sheet date.

Gains or losses arising from changes in the fair value of investment properties are recognised in the surplus or deficit for the period in which the gain or loss arises.

Investments in Debt and Equity Securities

Investments in debt and equity securities are financial instruments classified as held for trading and are measured at fair value. Any changes in value, creating gains or losses are recognised in the surplus or deficit for the period.

Derivative Financial Instruments

The Council's activities expose it primarily to the financial risks of changes in interest rates. The Council uses interest rate swap contracts to hedge these exposures.

The Council does not use derivative financial instruments for speculative purposes.

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Gains				
Property, plant and equipment gain on disposal (note 24)	2	120	2	120
Investment property revaluation gain (note 26)	1,354	9,700	1,354	9,700
Gain on revaluation of interest rate swaps (note 21)	40,186	22,617	40,186	22,617
Total gains	41,542	32,437	41,542	32,437
Losses				
Property, plant and equipment loss on disposal (note 24)	(11,108)	(5,186)	(11,108)	(5,186)
Impairment of assets	-	(12)	-	(12)
Unrealised loss on cash investments	(291)	-	(291)	-
Total losses	(11,399)	(5,198)	(11,399)	(5,198)
Total net gains/(losses)	30,143	27,239	30,143	27,239

Explanation of significant variances against budget

	Council	
	Actual 2022	Budget 2022
	\$000	\$000
Gains/(Losses)	30,143	(60,347)

Due to the unpredictable nature of these items, a budget was only set in instances where the amount could be reliably determined. There was a favourable variance to budget of \$90.5 million. The main contributors are:

- The net increase in the revaluation of interest rate swaps by \$40.2 million due to an increase in market interest rates.
- The net loss on disposal of \$11.1 million due to asset data cleansing, asset replacement and vesting of Ohaupo Rd roading assets (\$7.4 million) to Waka Kotahi that was not budgeted
- The anticipated loss of \$61.1 million on the vesting of the roading assets for the Ring Rd and Resolution Drive to Waka Kotahi has been delayed until 2023.

Note 9: Development contributions

Accounting policy

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

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Reserves	1,018	944	1,018	944
Stormwater	1,455	1,264	1,455	1,264
Transport	5,436	5,586	5,436	5,586
Wastewater	6,043	7,513	6,043	7,513
Water	3,638	4,913	3,638	4,913
Development Contribution Interest*	9,472	7,876	9,472	7,876
Total development contributions	27,062	28,096	27,062	28,096

* Development Contributions - Interest represents the portion of development contributions revenue received which is then used to pay interest on loans taken out for growth related projects (DC funded projects).

Explanation of significant variances against budget

	Council	
	Actual 2022	Budget 2022
	\$000	\$000
Development contributions	27,062	31,622

Development contributions are unfavourable to largely due to the slowdown in both residential and commercial activity which originated from the Covid-19 impact 18 months ago.

Note 10: Capital revenue

Accounting policy

Capital contributions - general

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

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Capital contributions - general	39,921	19,133	39,921	19,133
Capital grants - Water Reform Stimulus	6,609	3,632	6,609	3,632
Waka Kotahi NZ Transport Authority roading subsidy - capital	51,522	50,213	51,522	50,213
Total capital revenue	98,052	72,978	98,052	72,978

Explanation of significant variances against budget

	Council	
	Actual 2022	Budget 2022
	\$000	\$000
Capital contributions - general	39,921	32,863
Capital grants - Water Reform Stimulus	6,609	-
Waka Kotahi NZ Transport Authority roading subsidy - capital	51,522	68,725
Total capital revenue	98,052	101,588

Capital Contributions were \$7.1 million favourable to budget. This was driven by:

- increase demand in wastewater, water and stormwater connections,
- funding agreements in place for the Ruakura West Road construction,
- funding agreements in place for the Hamilton to Cambridge Cycleway construction, and
- contributions received from Waka Kotahi towards the construction of the Ring Road.

Capital grants were \$6.6 million favourable to budget. This was driven by:

- the allocation of Central Government grant funding for the delivery of the Water Reform Stimulus Programme.

Capital subsidies were \$17.2 million unfavourable to budget. This was driven by:

- delays in the completion of various projects within the capital programme that had been budgeted to be completed this year.

Note 11: Vested assets

Accounting policy

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

Critical judgements in applying accounting policies

Accounting for donated or vested assets with use or return conditions

The Council has received assets from non-exchange transactions that contain use or return conditions. If revenue is not recognised immediately for such assets when received, there is the possibility that a liability would be recognised in perpetuity and no revenue would ever be recognised for the asset received.

The Council considers that an acceptable and more appropriate accounting treatment under PBE IPSAS 23 is to recognise revenue immediately for such transfers and a liability is not recognised until such time as it is expected that the condition will be breached.

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Land	17,700	11,947	17,700	11,947
Stormwater	4,104	6,703	4,104	6,703
Transport	8,413	7,141	8,413	7,141
Wastewater	3,461	4,134	3,461	4,134
Water supply	1,549	1,468	1,549	1,468
Parks and gardens - land and improvements	(338)	2,091	(338)	2,091
Total vested assets	34,889	33,484	34,889	33,484

Explanation of significant variances against budget

Vested assets

Vested assets was favourable to budget by \$0.4 million. There was an increase in vested assets for the transport network.

Council	
Actual 2022	Budget 2022
\$000	\$000
34,889	34,491

Note 12: Personnel costs

Accounting policy

Superannuation schemes

Defined contribution schemes

Employer contributions to KiwiSaver is accounted for as a defined contribution superannuation scheme and is expensed in the surplus or deficit as incurred.

Employee entitlements for salaries and wages, annual leave and other similar benefit are recognised as an expense and liability when they accrue to employees.

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Salaries and wages	87,564	81,079	90,998	84,169
Defined contribution plan employer contributions (include KiwiSaver)	1,818	1,434	1,884	1,495
Increase/(decrease) in employee benefit liabilities	1,078	504	1,078	504
Total salaries and wages	90,460	83,017	93,960	86,168
Other employee benefits	6,129	4,863	6,129	4,863
Total personnel costs	96,589	87,880	100,089	91,031

Refer to note 28 for the employee entitlement liability as at 30 June 2022 and 30 June 2021 and note 33 for further information on the remuneration of key management personnel and elected representatives.

Explanation of significant variances against budget

Personnel costs

Personnel costs are favourable against budget by \$0.3 million due to vacancies during the year.

Council	
Actual 2022	Budget 2022
\$000	\$000
96,589	96,917

Chief Executive remuneration

The total remuneration paid or payable for the year to the Chief Executive was \$413,815 (2021: \$469,040). The departing Chief Executive was paid \$182,188 and the new Chief Executive was paid \$231,627.

Council employee remuneration by band

The total annual remuneration by band for employees as at 30 June:

	2022
< \$60,000	578
\$60,000 - \$79,999	305
\$80,000 - \$99,999	221
\$100,000 - \$119,999	127
\$120,000 - \$139,999	74
\$140,000 - \$159,999	44
\$160,000 - \$179,999	8
\$180,000 - \$199,999	12
\$200,000 - \$279,999	9
\$280,000 - \$299,999	3
Total employees	1,381

The total annual remuneration by band for employees as at 30 June:

	2021
< \$60,000	575
\$60,000 - \$79,999	284
\$80,000 - \$99,999	193
\$100,000 - \$119,999	98
\$120,000 - \$139,999	58
\$140,000 - \$159,999	28
\$160,000 - \$179,999	14
\$180,000 - \$239,999	7
\$240,000 - \$299,999	7
> \$400,000	1
Total employees	1,265

Total remuneration includes non-financial benefits provided to employees.

At 30 June 2022 there were five or fewer employees in the bands \$200,000 - \$279,999. Therefore, these have been combined with the next highest band.

At 30 June 2021 there were five or fewer employees in the individual bands \$180,000 - \$299,999. Therefore, these have been combined with the next highest band.

At balance date, the Council employed 1,045 full-time employees (2021 964), with the

balance of staff representing 142.31 full-time equivalent employees (2021 137.23). A full-time employee is determined on the basis of a 40 hour working week.

Severance payments

For the year ended 30 June 2022, the Council made severance payments to 6 employees totalling \$116,000 (2021 ten employees \$125,490). The value of each of the severance payments was \$7,000, \$8,000, \$8,000, \$10,000, \$22,000 and \$35,000. The amounts disclosed above represent any payment made in addition to the terms of the employment contract for each staff member.

Note 13: Finance costs

Accounting policy

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

Fair Value Discount Unwinding

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

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Interest expense				
Interest on borrowings	10,188	5,191	10,406	5,432
Interest on finance leases	9	24	9	24
Discount unwind on provisions (note 29)	554	314	554	314
Fair value discount unwinding *	522	311	522	311
Interest derivatives (presented net)				
Interest rate swaps **	7,682	6,816	7,682	6,816
Total finance costs	18,955	12,656	19,173	12,897

* The fair value discount unwinding is related to the Housing Infrastructure Fund loans.

** This relates to fixed interest on borrowings. Council manages interest rate risk to reduce uncertainty relating to adverse movements in market wholesale interest rates. Council manages this risk through the fixing of interest costs, which forms part of total interest on borrowings.

Explanation of significant variances against budget

	Council	
	Actual 2022	Budget 2022
	\$000	\$000
Finance costs	18,955	16,270

Finance costs were \$2.7 million unfavourable to budget. This was driven by higher than budget interest rates.

Note 14: Depreciation and amortisation expense by group of activity

Accounting policy

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.

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

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Directly attributable depreciation and amortisation expense by group of activity				
Community Services	3,125	2,773	3,125	2,773
Venues, Tourism and Major Events	6,899	5,270	6,899	5,270
Parks and Recreation	6,912	6,134	6,912	6,134
Growth	-	-	-	-
Visitor Destinations	2,979	2,136	2,979	2,136
Rubbish and Recycling	488	553	488	553
Safety	97	81	97	81
Wastewater	13,540	11,971	13,540	11,971
Stormwater	10,300	9,948	10,300	9,948
Transport	21,701	19,243	21,701	19,243
Water Supply	8,257	8,384	8,257	8,384
Total directly attributable depreciation and amortisation by group of activity	74,298	66,493	74,298	66,493
Depreciation and amortisation not directly related to group of activities	6,331	5,600	7,343	6,607
Total depreciation and amortisation expense	80,629	72,093	81,641	73,100

Explanation of significant variances against budget

	Council	
	Actual 2022	Budget 2022
	\$000	\$000
Depreciation and amortisation	80,629	75,534

Depreciation was \$5 million unfavourable to budget. This was driven by:

- The depreciation on buildings being \$3 million higher than budgeted due to the revaluation in 2021,
- The depreciation on roading being \$0.9 million higher than budget due to the revaluation in 2021, and
- The asset revaluations taking place in April 2022 resulting in an increase in depreciation in May and June 2022.

Note 15: Other expenses

Accounting policy

Grant expenditure

Non-discretionary grants are 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 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.

Professional costs:

Fees to auditors:

- fees to Audit New Zealand for audit of financial statements
- fees to Audit New Zealand for audit of 2021-31 Long-Term Plan
- fees to Audit New Zealand for limited assurance engagement of Debenture Trust Deed
- fees to Assurance CA firm for the internal audit function
- fees to Assurance firms for other assurance services

Consultants and other professional costs

Legal Services

Operating and maintenance costs:

Contractors

Inventory consumption

Operating lease expense

Other operating costs

Maintenance and services

Administration costs:

General grants

Impairment of receivables

Other administration costs

Property Costs

Insurance premiums

Other property costs

Operating leases

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

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Professional costs:				
Fees to auditors:				
- fees to Audit New Zealand for audit of financial statements	276	238	328	291
- fees to Audit New Zealand for audit of 2021-31 Long-Term Plan	-	148	-	148
- fees to Audit New Zealand for limited assurance engagement of Debenture Trust Deed	9	8	9	8
- fees to Assurance CA firm for the internal audit function	73	121	73	121
- fees to Assurance firms for other assurance services	158	31	158	31
Consultants and other professional costs	19,179	13,128	19,179	13,128
Legal Services	1,853	2,612	1,853	2,612
	21,548	16,286	21,600	16,339
Operating and maintenance costs:				
Contractors	39,476	32,581	39,476	32,581
Inventory consumption	641	587	641	587
Operating lease expense	89	70	89	70
Other operating costs	20,395	12,840	23,740	16,761
Maintenance and services	14,299	13,551	14,299	13,551
	74,900	59,629	78,245	63,550
Administration costs:				
General grants	3,098	5,488	3,098	5,488
Impairment of receivables	78	369	78	369
Other administration costs	10,860	19,441	11,033	19,614
	14,036	25,298	14,209	25,471
Property Costs				
Insurance premiums	2,861	2,484	2,861	2,484
Other property costs	8,016	7,766	8,016	7,766
	10,877	10,250	10,877	10,250
Total other expenses	121,361	111,463	124,931	115,610

Explanation of significant variances against budget

	Council	
	Actual 2022	Budget 2022
	\$000	\$000
Operating and maintenance costs	74,900	68,670
Professional costs	21,548	16,531
Administration costs	14,036	24,215
Property costs	10,877	11,779
Other expenses	121,361	121,195

Other expenses were \$0.3 million unfavourable to budget. This was due to:

- Administration costs were favourable to budget due to a part-deferral of the Waikato Regional Theatre grant into the 2022-23 financial year resulting in differing timing as was budgeted for
- Operating and maintenance costs were unfavourable to budget mainly due to the write off of SaaS related intangible asset costs as well COVID-19 related unbudgeted costs
- Professional costs were unfavourable due higher than anticipated workloads, resulting in increased consultancy expenditure.

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 24 or 36 months. The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Not later than one year	127	148	127	202
Later than one year and not later than five years	134	107	134	323
Later than five years	-	-	-	594
Total non-cancellable operating leases	261	255	261	1,119

The total minimum future sublease payments expected to be received under subleases at balance date is \$nil (2021: \$nil).

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 placed on Council by any of the leasing arrangements.

Note 16: Tax

Accounting policy

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 (and tax laws) 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. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Current tax and deferred tax is recognised against the surplus or deficit for the period, except when it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly in equity.

Components of tax expense

Current tax expense
Deferred tax expense

Tax expense

Council		Group	
2022	2021	2022	2021
\$000	\$000	\$000	\$000
-	-	(8)	(3)
-	-	(581)	(145)
-	-	(589)	(148)

Relationship between tax expense and accounting profit

Surplus/(deficit) before tax

Tax at 28%

Effect of tax exempt income
Taxation loss not recognised
Equity accounted earnings of associates
Deferred tax adjustment

Tax expense

Council		Group	
2022	2021	2022	2021 (Restated)
\$000	\$000	\$000	\$000
168,659	140,314	179,730	157,176
47,225	39,288	50,324	44,009
(47,225)	(39,288)	(50,324)	(44,009)
-	-	-	-
-	-	-	-
-	-	(589)	(148)
-	-	(589)	(148)

Movement in deferred tax assets/(liabilities) during the year

Movement in deferred tax assets/(liabilities) during the year	Group				
	PPE	Investment properties	Other provisions	Tax losses	Total
	\$000	\$000	\$000	\$000	\$000
Balance as at 1 July 2020	(3,004)	-	(31)	185	(2,850)
Acquired balance	-	-	-	-	-
Charged to surplus or deficit	(91)	-	(25)	269	153
Charged to other comprehensive income	-	-	-	-	-
Balance at 30 June 2021	(3,095)	-	(56)	454	(2,697)
Acquired balance	-	-	-	-	-
Charged to surplus or deficit	(10)	-	49	550	589
Charged to other comprehensive income	-	-	-	-	-
Balance at 30 June 2022	(3,105)	-	(7)	1,004	(2,108)

The parent has not recognised any deferred tax assets or liabilities during the period.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Tax losses - Council	147	144	147	144
Tax losses - Waikato Innovation Group Limited	-	-	1,004	448
	147	144	1,151	592

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.

Note 17: Cash and cash equivalents

Accounting policy

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

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

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Cash at bank and on hand	44,826	44,036	44,937	44,262
Term deposits with maturities of less than three months at acquisition	70,000	10,000	70,000	10,000
Total cash and cash equivalents	114,826	54,036	114,937	54,262

Explanation of significant variances against budget

Current assets

Cash and cash equivalents

Council	
Actual 2022	Budget 2022
\$000	\$000
114,826	50,000

The favourable variance to budget of \$64.8 million is due to less cash being used to fund capital expenditure.

Assets recognised in a non-exchange transaction that are subject to restrictions

The Council holds unspent funds, included in cash at bank and investments, of \$42.7 million (2021 \$41.9 million) that are subject to restrictions. These unspent funds relate to reserves (see note 32) received with restrictions where the spending of the funds is separately monitored. The restrictions generally specify how the funds are required to be spent.

Council has a bank overdraft facility of \$500,000 on the daily trading account that is secured by way of debenture trust deed over general rates. At 30 June 2022 the interest rate on the overdraft facility was 6% per annum (2021 6% per annum). The credit interest rate on this account was 1.25% per annum (2021 0.05% per annum). The bank overdraft facility on the daily trading account was undrawn at 30 June 2022.

Council has a bank overdraft facility of \$10,000 on the direct fees account that is also secured by way of debenture trust deed over general rates. At 30 June 2022 the interest rate was 6% per annum (2021 6% per annum). The bank overdraft facility on the direct fees account was undrawn at 30 June 2022.

Note 18: Receivables

Accounting policy

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

A receivable is considered to be uncollectable when there is evidence the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Rates receivables	5,530	3,970	5,530	3,970
Waka Kotahi (New Zealand Transport Agency)	5,968	7,941	5,968	7,941
Water by meter	2,538	2,156	2,538	2,156
GST refund due	1,660	6,254	1,660	6,254
Income tax receivable	-	-	-	14
Sundry debtors	28,156	11,968	28,528	12,891
Gross debtors and other receivables	43,852	32,289	44,224	33,226
Less: provision for uncollectability	(2,451)	(2,448)	(2,451)	(2,448)
Total receivables	41,401	29,841	41,773	30,778

Total receivables comprise:

Receivables from non-exchange transactions include outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates.

Receivables from exchange transactions include outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates.

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
	9,221	17,879	9,221	17,893
	32,180	11,962	32,552	12,885
	41,401	29,841	41,773	30,778

Fair value

Receivables are generally short-term and non-interest bearing. Therefore, the carrying value of debtors and other receivables approximates their fair value.

Assessment for uncollectability

Council does provide for impairment on overdue rates on Maaori freehold land. It has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow Council to commence legal proceedings to cover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three 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.

Ratepayers can apply for payment plan options in special circumstances.

The ageing profile of receivables at year end is detailed below:

	2022			2021		
	Gross	Impairment	Net	Gross	Impairment	Net
	\$000	\$000	\$000	\$000	\$000	\$000
Council						
Not past due	31,120	-	31,120	25,472	-	25,472
Past due 1-60 days	3,669	-	3,669	3,129	-	3,129
Past due 61-120 days	5,855	(8)	5,847	582	-	582
Past due > 120 days	3,208	(2,443)	765	3,105	(2,448)	657
Total	43,852	(2,451)	41,401	32,288	(2,448)	29,840
Group						
Not past due	31,492	-	31,492	26,409	-	26,409
Past due 1-60 days	3,669	-	3,669	3,129	-	3,129
Past due 61-120 days	5,855	(8)	5,847	582	-	582
Past due > 120 days	3,208	(2,443)	765	3,105	(2,448)	657
Total	44,224	(2,451)	41,773	33,225	(2,448)	30,777

All receivables greater than 30 days in age are considered to be past due.

The provision for uncollectability has been calculated based on a review of specific overdue receivables and a collective assessment. The collective impairment provision is based on an analysis of past collection history and debt write-offs.

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Individual provision for uncollectability	97	77	97	77
Collective provision for uncollectability	2,354	2,371	2,354	2,371
Total provision for uncollectability	2,451	2,448	2,451	2,448

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 is as follows:

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Past due 1-60 days	-	-	-	-
Past due 61-120 days	8	1	8	1
Past due > 120 days	89	76	89	76
Total individual provision for impairment	97	77	97	77

Movements in the provision for impairment of receivables are as follows:

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Balance at 1 July	2,448	2,256	2,448	2,256
Additional provisions made during the year	40	36	40	36
Provisions reversed during the year	(17)	157	(17)	157
Receivables written off during the year	(20)	(1)	(20)	(1)
Balance at 30 June	2,451	2,448	2,451	2,448

The Council and group holds no collateral as security or other credit enhancements over receivables (other than rates) that are either past due or impaired.

Explanation of significant variances against budget

	Council	
	Actual 2022	Budget 2022
	\$000	\$000
Receivables	41,401	34,520

There was a favourable variance to budget by \$6.8 million. Sundry debtors was higher than budget due to the Ruakura CIP Agreement and Spine Road projects that were not budgeted.

Note 19: Inventory

Accounting policy

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

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition. Inventories held for use in the provision of goods and services on a

commercial basis are valued at the lower of cost (using the FIFO method) and net realisable value.

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

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Held for distribution inventory:				
Nursery	93	132	93	132
Retail	83	57	83	57
Raw materials	-	-	105	29
Total inventory	176	189	281	218

The write-down of inventory during the year was \$nil (2021 \$nil). There have been no reversals of write-downs (2021 \$nil).

No inventory is pledged as security for liabilities (2021 \$nil). However, some inventory is subject to retention of title clauses.

Note 20: Non-current assets held for sale

Accounting policy

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 continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

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

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

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

Non-current assets held for sale are:

Land and buildings

Total Non-current assets held for sale

Council		Group	
2022	2021	2022	2021
\$000	\$000	\$000	\$000
-	-	-	-
-	-	-	-

Note 21: Derivative financial instruments

Accounting policy

Derivative financial instruments are used to manage exposure to interest rate risks arising from Council's financing activities.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date. The Council has elected not to hedge account for these derivative financial instruments.

The associated gains or losses on derivatives that are not hedge accounted are recognised in the surplus or deficit.

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Current asset portion				
Interest rate swaps	79	-	79	-
Total current asset portion	79	-	79	-
Non-current asset portion				
Interest rate swaps	7,431	629	7,431	629
Total non-current asset portion	7,431	629	7,431	629
Total derivative financial instrument assets	7,510	629	7,510	629
Current liability portion				
Interest rate swaps	-	524	-	524
Total current liability portion	-	524	-	524
Non-current liability portion				
Interest rate swaps	3,796	36,578	3,796	36,578
Total non-current liability portion	3,796	36,578	3,796	36,578
Total derivative financial instrument liabilities	3,796	37,102	3,796	37,102

Information about interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts for the Council and Group was \$429.5 million (2021 \$325.5 million). This includes \$92 million (2021 \$132.5 million) of forward start swaps, leaving \$337.5 million (2021 \$193 million) in actual committed swaps at 30 June 2022. At 30 June 2022 the fixed interest rates of fair value interest rate swaps ranged from 1.1% to 5.1% (2021 1.1% to 5.1%).

The Council and Group currently have no fair value hedges.

Information about forward foreign exchange contracts

The Council and Group currently have no foreign currency forward exchange contracts (2021 nil).

Fair value

Interest rate swaps

The fair values of interest rate swaps have been determined by calculating the expected future cash flows under the terms of the swaps and discounting these values to present value. The inputs into the valuation model are from independently sourced market parameters such as interest rate yield curves. Most market parameters are implied from instrument prices. Sensitivity analysis in relation to the swaps has been completed, and is included at note 35.

Explanation of significant variances against budget

	Council	
	Actual 2022	Budget 2022
	\$000	\$000
Derivative financial instrument assets	7,510	1,191
Derivative financial instrument liabilities (current and non-current)	3,796	67,050

There was a favourable variance to budget of \$64.5 million for derivative financial instruments. This is due to an increase in market interest rates. The official cash rate (OCR) moved to 2% (2021 0.25%).

Note 22: Other financial assets

Accounting policy

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

Term Deposits and Community Loans

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

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

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

Shares in Subsidiaries

The investment in subsidiaries is carried at cost.

Unlisted Shares

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

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

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

Impairment

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

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

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

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Current portion				
Loans and receivables				
Term deposits with original maturities greater than 3 months and remaining maturities less than 12 months	5,880	960	5,880	960
Balanced funds	10,710	-	10,710	-
- Interest accrual	136	36	136	36
Community loans	440	433	440	433
Total current portion	17,166	1,429	17,166	1,429
Non-current portion				
Investment in CCOs and similar entities				
Shares in subsidiaries	4,000	4,000	-	-
Waikato Local Authority Shared Services Ltd (WLASS)	490	353	490	353
NZ Local Government Funding Agency Ltd (NZLGFA)	8,678	7,885	8,678	7,885
	13,168	12,238	9,168	8,238
Other Investments				
Term deposits with maturities greater than 1 year	11,540	7,170	11,540	7,170
- Interest accrual	383	325	383	325
Community Loans	2,317	2,757	2,317	2,757
Civic Financial Services Ltd (Civic)	202	195	202	195
	14,442	10,447	14,442	10,447
Total non-current portion	27,610	22,685	23,610	18,685
Total other financial assets	44,776	24,114	40,776	20,114

Explanation of significant variances against budget

	Council	
	Actual 2022	Budget 2022
	\$000	\$000
Other financial assets (current and non-current)	44,776	25,701

Other financial assets was favourable to budget by \$19.1 million. This was due to the increase in term deposits held and the gain on fair value of investment in CCOs that were not budgeted for, as well as short term investment in balanced funds with Forsyth Barr and Milford.

Fair value Term deposits

The carrying amount of term deposits approximates their fair value.

Balanced funds

The fair value of balanced funds is \$10.7 million (2021: \$0 million) which is made up of the short term investment in Milford and Forsyth Barr.

Community loans

The fair value of community loans is \$2.8 million (2021: \$3.2 million) which is made up of the loan to Melody Dairies Limited Partnership.

The carrying value approximates fair value as the loan provided is at a market related interest rate.

Shares in subsidiaries

Council has 100% shareholding in Waikato Innovation Growth Ltd (WIGL). WIGL Group financial results have been consolidated.

Other Investments

Civic Financial Services Ltd reported a surplus for the year ended 31 December 2021 of \$0.3 million (31 December 2020 surplus \$0.3 million). Council has made an adjustment through surplus/(deficit) to reflect its share of the increase in net equity of the company resulting from the surplus for the year.

Unlisted shares

WIGL has a 70% shareholding in New Zealand Food Innovation (Waikato) Ltd (NZFIW).

Investments in unlisted shares are initially recognised at cost and subsequently measured at fair value with any movements in fair value recognised directly in other comprehensive income.

The carrying amount of other financial assets approximates their fair value.

Impairment/Gain

A gain of \$793,480 (2021: \$946,449 gain) was made to Council's investment in NZ Local Government Funding Agency Ltd (NZLGFA) to reflect Council's share of the increase in NZLGFA's equity resulting from an operating surplus for the year ended 30 June 2022. A gain of \$136,482 (2021: \$62,458 gain) was made to Council's investment in Co-Lab to reflect Council's share of the increase in Co-Lab's equity for the year ended 30 June 2022. A gain of \$6,497 (2021: \$6,214 gain) was made to Council's investment in Civic Financial Services Ltd to reflect Council's share of the increase in Civic's equity resulting from an operating surplus for the year ended 31 December 2021.

We have completed impairment assessments for all our other financial assets to assess for the impacts of COVID-19 and have determined that no impairment is required.

Community loans

Movements in the carrying value of community loans are as follows:

	Council		Group	
	2022	2021	2022	2021
At 1 July	\$000	\$000	\$000	\$000
Loans repaid during the year (principal and interest)	3,189	3,614	3,189	3,614
Impairment loss recognised during the year	(492)	(556)	(492)	(556)
Unwind of discount and interest charged	-	-	-	-
	60	131	60	131
At 30 June	2,757	3,189	2,757	3,189

The Council's community loan scheme is designed to help not-for-profit organisations in the Hamilton community to develop or improve new or existing facilities and other major projects. Only organisations with the ability to repay are granted loans.

The fair value of loans at initial recognition has been determined using cash flows discounted at a rate based on the loan recipient's assessed financial risk factors.

Shares in subsidiaries

Breakdown of shares in subsidiaries and further information is as follows:

	Council		Group	
	2022	2021	2022	2021
Waikato Innovation Growth Ltd (WIGL)	\$000	\$000	\$000	\$000
	4,000	4,000	-	-
Total investments in subsidiaries	4,000	4,000	-	-

Principal activity

The purpose of Waikato Innovation Growth Ltd is to provide business and innovation advisory services for small and medium-sized enterprises (SMEs) and High Value Manufacturing and Services (HVMS) businesses in the Waikato Region and to promote innovation in the food industry.

Note 23: Investment in associates

Accounting policy

An associate is an entity over which we have significant influence and that is neither a subsidiary nor an interest in a joint venture.

The investment in an associate is initially recognised at cost and the carrying amount in the group financial statements is increased or decreased to recognise the group's share of the surplus or deficit of the associate after the date of acquisition. Distributions received from an associate reduce the carrying amount of the investment in the group financial statements.

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

Where the group transacts with an associate, surpluses or deficits are eliminated to the extent of the group's interest in the associate.

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

Critical judgements in applying accounting policies

Council's main objective in the ownership of Waikato Regional Airport Limited is to support and provide economic growth to our community which can benefit from opportunities that Airport provides. The Council has concluded that it has significant influence but does not control the Airport for financial reporting purposes. Council does not have power over the entity and is not able to use its power to affect the nature or amount of the variable benefits to which the Council is exposed as a result of its involvement with the entity.

	Council		Group	
	2022	2021	2022	2021 (Restated)
Waikato Regional Airport Limited	\$000	\$000	\$000	\$000
Melody Dairies Limited Partnership	7,430	7,430	105,458	86,595
	-	-	3,196	3,387
Total	7,430	7,430	108,654	89,982

We have considered the impacts of COVID-19 on our investment in associates and have determined that no impairment was required.

Summarised financial information of associate presented on a gross basis

Waikato Regional Airport Limited

Current assets
Non-current assets
Current liabilities
Non-current liabilities
Revenue
Tax expense/(credit)
Surplus/(deficit) after tax
Total other comprehensive revenue & expense
Net assets
Group's interest
Equity accounted carrying amount

Melody Dairies Limited Partnership

Assets
Liabilities
Revenue
Surplus/(deficit)
Group's interest

Group	
2022	2021 (Restated)
\$000	\$000
16,007	9,656
227,983	188,145
8,349	6,224
24,728	18,385
42,468	61,623
(754)	(1011)
24,636	36,130
37,721	67,458
210,913	173,192
50%	50%
105,458	86,595
56,956	60,319
26,380	27,993
6,799	5,262
(1,718)	(1,971)
11%	11%

Details of any contingent liabilities arising from the group's involvement in an associate are disclosed separately in note 31.

Melody Dairies Limited Partnership (MDLP) is 11% owned by NZFIW D2 LP Limited. Significant judgement and assumptions have been used to determine that New Zealand Food Innovation (Waikato) Limited Group (NZFIW Group) has significant influence over MDLP. NZFIW Group has a representation on the board of directors of MDLP. Due to the existing Management Agreement between NZFIW Group and MDLP, NZFIW Group is considered providing essential technical information to MDLP. As a result, it has been determined that NZFIW Group has significant influence over MDLP and therefore should account for it as an associate under NZ IAS 28 Investments in Associates and Joint Ventures. Melody Dairies Limited Partnership's principle place of business is 12 Melody Lane, Hamilton.

Note 24: Property, plant and equipment

Accounting policy

Property, plant and equipment include:

- **Operational assets**

These are land, buildings (including cultural assets and leisure facilities), improvements, non-restricted parks and gardens, plant and equipment, leased assets, vehicles, zoo animals and library books.

Land, Buildings, parks and gardens improvements are measured at fair value. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

Zoo animals are held primarily for social and recreational purposes. The capital cost is the actual expense incurred in acquiring the zoo animal.

- **Restricted assets**

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

Land is measured at fair value.

- **Heritage assets**

These are museum collections and library collections (New Zealand Room) and are measured at fair value.

- **Infrastructure assets**

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

Land (except land under roads) is measured at fair value. Infrastructure assets (except land) are measured at fair value less accumulated depreciation.

Land under roads is measured at cost less impairment and is not depreciated.

Revaluation

Land, buildings and improvements, heritage assets, and infrastructure assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every five years.

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

Revaluation movements are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense 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 revenue and expense.

Additions

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

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

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or a nominal cost, it is recognised at fair value at the date of acquisition.

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

Disposals

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

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land and heritage assets, 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:

ASSET CLASS	YEARS	DEPRECIATION
Buildings	2 - 200	0.5% - 50%
Vehicles	3 - 15	6.7% - 33.3%
Plant and equipment	5 - 50	2% - 20%
Library books	3 - 14	7.1% - 33.3%
Zoo animals	10	10%
Improvements - parks and gardens	2 - 150	0.7% - 50%
Roads and traffic network		
Top surface (seal)	5 - 20	5% - 20%
Pavement (basecourse)	50 - 140	0.7% - 2%
Concrete Roads	60	1.7%
Drainage	60 - 70	1.4% - 1.7%
Car parks	6 - 110	0.9% - 17%
Footpaths and cycleways	5 - 75	1.3% - 20%
Kerbs and traffic islands	20 - 60	1.7% - 5%
Signs	15	6.7%
Street lights	5 - 50	2% - 20%
Bridges and culverts	40 - 150	0.7% - 2.5%
Underpasses	80	1.3%
Traffic signals	15	6.7%
Guarding and railing	20 - 25	4% - 5%
Bus shelters and fences	20	5%
Retaining walls	50 - 100	1% - 2%

ASSET CLASS	YEARS	DEPRECIATION
Wastewater reticulation		
Pipes	30 - 100	1% - 3.3%
Manholes	100	1%
Treatment plant	5 - 100	1% - 20%
Valves	40 - 75	1.3% - 2.5%
Pump stations	15 - 100	1% - 6.7%
Stormwater system		
Pipes	30 - 100	1% - 3.3%
Manholes, inlets and outlets	100	1%
Soakage trench	50	2%
Fish Pass	50	2%
Channels	70-90	1.1% - 1.4%
Erosion control	50-100	1% - 2%
Water reticulation		
Bulk main chambers	100	1%
Backflow devices	40	2.5%
Pipes	40 - 100	1% - 2.5%
Valves	40 - 75	1.3% - 2.5%
Treatment plant	5 - 100	1% - 20%
Meters	15	6.7%
Hydrants	50 - 75	1.3% - 2%
Cathodic Protection Device	15-100	1% - 6.7%
Reservoirs	15 - 100	1% - 6.7%
Refuse - rubbish and recycling	5 - 100	1% - 20%

The residual value and useful life of an asset is reviewed and adjusted if applicable.

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

- Land
- Formation costs associated with roading
- Investment properties
- Non-current assets held for resale
- Work in progress and assets under construction
- Heritage assets

Impairment of property, plant and equipment

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

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

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

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

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

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

Value in use for non-cash-generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends

on the nature of the impairment and availability of information.

Value in use cash-generating assets

Cash generating assets are those assets held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

Critical judgements in applying accounting policies

Management has exercised critical judgement in applying accounting policies to the classification of property.

The Council owns some rental properties, which are not held for generating a profit from renting. The receipt of market-based rental from these properties is incidental. These properties are held for service delivery objectives and are therefore accounted for as property, plant and equipment rather than as investment property.

Critical accounting estimates and assumptions Estimating the fair value of land, buildings and infrastructure

The most recent valuation of land was performed by independent registered valuers Opteon Technologies Limited, Personnel Involved Avella Collopy in conjunction with Hamilton City Council staff. The valuation is effective as at 30 April 2022.

The most recent valuation of Buildings was performed by independent registered valuers Opteon Technologies Limited, Personnel Involved, Avella Collopy, in conjunction with Hamilton City Council staff. Staff are experienced in the management of these types of assets and have sought outside assistance where required for items such as values or lives on specialised equipment. The valuation is effective as at 30 April 2022.

Land (operational, restricted, infrastructure 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.

Where there is a designation against the land or the use of the land is restricted because of reserve or endowment status, the valuation approach reflects the restriction in use.

Restrictions on the Council's ability to sell land would normally not impair the value of the land because the Council has operational use of the land for the foreseeable future and will substantially receive the full benefits of outright ownership.

Buildings

Depreciated replacement cost is determined using several significant assumptions. Significant assumptions used in the 30 April 2022 valuation include:

- The assessment of unit rates is based on the asset component being replaced with the least cost alternative modern equivalent asset providing the same service potential
- Base lives vary by component and are based on the NAMS Building Component guidelines, NAMS valuation manual or on staff experience.
- Depreciation was applied to depreciable assets on a straight-line basis over the assessed total economic life of the asset.

The properties in this revaluation can be broken into groups:

- Properties that could be sold and have been valued using Market Value by Opteon Technologies Limited. These are mostly houses.
- Properties that have no value on the open market and have been valued using Depreciated Replacement Cost method. This is the majority of the properties in the Council portfolio.

Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings.

Non-specialised buildings (for example, office buildings) are valued at fair value using market-based evidence.

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 and determined by details provided by a random cross section sampling methodology.

The most recent valuation for the Library Reference Collection was performed by Ben Ashley, Principal Appraiser and Antonia Milsom, Senior Appraiser, both of Ashley & Associates Limited. The revaluations were effective as at 30 June 2021.

Museum Heritage Collection is valued at fair value using various methods as follows:

- a) Reference to observable prices in an active market. Where that market exists for the same or similar asset the market prices are deemed to be fair value. The values ascribed are primarily based on observable prices in both the primary retail market and the secondary auction market.
- b) If there is no active market, fair value is determined by other market based evidence adjudged by the valuers as active and knowledgeable participants in the market.

When ascribing values, consideration was given to the following:

- Historical and cultural significance recognising that there is a strong trend in sales that reflect this significance
- Comparison with the values ascribed to the value of similar items held in other institutions.
- Recent auction catalogue sales nationally and/or internationally. These values are known by the valuer's attendance at sales as well as by access to numerous auction

houses and on-line data base records, such as the Australian Art Sales Digest which tracks sales results across all the major auction houses in Australasia.

The most recent valuation for the Museum Heritage Collection was performed by Hamish Cooney, Principal Appraiser of Hamish Cooney Valuation Services. The last revaluation was effective as at 30 June 2021.

Parks and gardens improvements

Parks and gardens improvements are valued at fair value using depreciated replacement cost.

The most recent valuation was performed by Sarah Ward (Strategic Asset Specialist) and Justin Lu (Business and Asset Analyst) and independently reviewed by Brian Smith BCom, CA of Brian Smith Advisory Services Ltd. The valuation was effective as at 1 July 2019.

This Valuation covers parks type assets for the Parks and Open Spaces, Hamilton Gardens, Cemeteries and Crematorium and Hamilton Zoo activities. It excludes parks types Assets for Venue, Tourism & Major Events (VTME).

A desktop revaluation has been carried out for the VTME park type assets.

Replacement unit rates have been reviewed and adjusted according to:

- Project leader knowledge and pricing from recent renewal contracts
- The Statistics NZ Capital Goods Price Index.

The existing Useful Lives were reviewed to ensure they were appropriate. 2019 revised useful lives did not vary largely from those recommended in the New Zealand Infrastructure Asset Valuation and Depreciation Guidelines developed in 2006.

Infrastructure assets

Infrastructure assets are valued at fair value using the depreciated replacement cost method.

The most recent valuation for water reticulation, wastewater reticulation, stormwater, solid waste, water treatment plants and wastewater treatment plants was performed by Alisha Shah, Jhanica Ye, Andrew Liew, Robert Berghuis and Marvin Clough of Beca Projects NZ Limited. The valuation was effective as at 30 April 2022.

The significant estimate and assumptions used include:

- Beca has used the depreciated replacement cost methodology of the cost approach in assessing fair values.
- Asset replacement cost includes the estimated procurement cost of each item, an allowance for installation costs, and an allowance for engineering and project management fees including survey & design, contract preparation & supervision and project management costs. In HCC's case, all unit rates include overheads.
- The remaining lives are based on base lives for each asset with adjustments due to

age. No adjustment was made to base lives for the 2022 valuation.

The most recent valuation for transport assets (excluding land) was performed by Kevin Dunn, Senior Associate – Asset Management, of Beca Limited. The valuation was effective as at 30 June 2021.

There are several estimates and assumptions exercised when valuing infrastructure assets using the depreciated replacement cost method. These include:

- Estimating the replacement cost of the asset. The replacement cost is based on recent construction contracts in the region for modern equivalent assets, from which unit rates are determined.
- 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 the Council could be over or under estimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise this risk, infrastructure asset lives have been determined with reference to the NAMS guidelines published by the National Asset Management Steering Group and have been adjusted for local conditions based on staff 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.
- For the small number of assets that had no recorded construction date a default construction date of half the life or a date relative to the other dates for like assets, has been assigned.
- When valuing the top surface (the surface treatment currently on the top of the road

pavement) the following key assumptions have been made:

- o Treatment lengths carrying >10,000 vehicle per day were assumed to be resurfaced with AC at the end of their theoretical life;
- o 1st coats have been valued with a zero rate as the cost is included in the pavement renewal treatment included in the basecourse valuation.
- When valuing the carparks, replacement costs for flexible pavement layers are assumed to match the similar layers for treatment lengths with life cycles aligning to pavement use 3 category roads due to traffic inflow and outflow, commodity parking restriction and turnaround times. It is also assumed concrete car parks are 200mm deep with steel mesh reinforcement.

Impacts of COVID-19 on the fair value of assets

The fair value of all assets at 30 June 2022 have been re-assessed in light of COVID-19. We are satisfied that carrying value of assets represent the fair value.

Uninsured assets

Since 1 July 2013 Council has insurance cover for material damage for the underground pipe networks, bridges and reservoirs. This is cover in the event of a major incident or disaster. The road network assets remain uninsured.

Note 24: Property, Plant and Equipment 2022

COUNCIL 2022

	Cost/ valuation	Accumulated depreciation & impairment	Carrying amount	Cost transfers / reclassifications	Accumulated depreciation transfers / reclassifications	Gain/(loss) on revaluations	Current year additions (constructed)	Current year additions (vested)	Change in Work in Progress
	1-Jul-21	1-Jul-21	1-Jul-21						
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operational assets									
Land	98,001	-	98,001	-	-	26,179	-	-	-
Buildings	286,979	(71)	286,908	-	-	18,478	24,970	-	13,353
Land - parks and gardens	765,687	-	765,687	-	-	120,409	-	286	9,388
Improvements - parks and gardens	129,339	(9,175)	120,165	-	-	-	8,661	(614)	(15,211)
Plant and equipment	56,378	(33,210)	23,168	(100)	15	-	5,392	-	(1,055)
Finance leases	2,634	(2,101)	533	-	-	-	-	-	(47)
Vehicles	12,719	(5,090)	7,629	100	(15)	-	836	-	(230)
Library books	18,225	(11,973)	6,252	-	-	-	832	-	(208)
Zoo animals	820	(665)	155	-	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-	-	-	-	-
Total operational assets	1,370,782	(62,284)	1,308,498	-	-	165,066	40,691	(328)	5,990
Restricted assets									
Land	39,924	-	39,924	-	-	7,432	-	-	-
Heritage assets									
Museum and library	40,987	-	40,987	-	-	-	269	-	(43)
Infrastructure assets									
Land	50,007	-	50,007	-	-	13,180	4,790	1,262	(321)
Refuse	50,735	(1,211)	49,523	-	-	4,218	1	-	83
Roads and traffic network	1,075,232	(308)	1,074,924	-	-	-	32,337	8,073	89,460
Land under roads	754,057	-	754,057	-	-	-	(90)	17,087	1,033
Stormwater system	629,466	(28,252)	601,214	77	(1)	71,000	6,611	5,933	1,028
Wastewater system	471,566	(23,341)	448,226	18	-	58,775	20,553	1,851	12,188
Wastewater treatment plant	129,068	(12,226)	116,842	-	-	(2,506)	34,958	-	(31,698)
Water system	308,033	(16,383)	291,650	(106)	1	37,414	4,279	1,011	(746)
Water treatment station	93,796	(7,850)	85,946	-	-	10,432	24,029	-	(3,355)
Total infrastructure assets	3,561,960	(89,570)	3,472,390	(11)	-	192,513	127,468	35,217	67,672
Total property, plant and equipment	5,013,654	(151,855)	4,861,799	(11)	-	365,011	168,428	34,889	73,619

(1) Impairment of \$16k has been recognised due to deterioration of some community plant and equipment.

(2) The Group cost figures includes \$18.8 million for Waikato Innovation Growth Ltd (Group) - \$3.5 million of buildings and \$15.3 million of plant and equipment.

(3) The Group accumulated depreciation figures include \$0.2 million for buildings and \$0.9 million for plant and equipment.

COUNCIL 2022

GROUP 2022

Current year disposals at cost	Current year impairment charges or write offs ¹	Current year depreciation	Accumulated depreciation reversed on disposal	Other adjustments	Cost / revaluation	Accumulated depreciation & impairment charges	Carrying amount	Cost / revaluation ²	Accumulated depreciation & impairment charges ³	Carrying amount
					30-Jun-22	30-Jun-22	30-Jun-22	30-Jun-22	30-Jun-22	30-Jun-22
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
-	-	-	-	310	124,490	-	124,490	124,490	-	124,490
(691)	-	(13,554)	25	(7)	332,142	(2,660)	329,482	335,698	(2,814)	332,884
-	-	-	-	-	895,770	-	895,770	895,770	-	895,770
(244)	(16)	(5,140)	61	-	121,915	(14,254)	107,661	121,915	(14,254)	107,661
(1,925)	-	(3,418)	1,823	(118)	58,572	(34,790)	23,782	73,842	(35,648)	38,194
(226)	-	(314)	212	-	2,361	(2,203)	158	2,361	(2,203)	158
(210)	-	(1,567)	174	(147)	13,068	(6,498)	6,570	13,068	(6,498)	6,570
-	-	(1,677)	-	-	18,849	(13,650)	5,199	18,849	(13,650)	5,199
-	-	(28)	-	-	820	(693)	127	820	(693)	127
-	-	-	-	-	-	-	-	-	-	-
(3,296)	(16)	(25,698)	2,295	38	1,567,987	(74,748)	1,493,239	1,586,813	(75,760)	1,511,053
-	-	-	-	-	47,356	-	47,356	47,356	-	47,356
-	-	-	-	-	41,213	-	41,213	41,213	-	41,213
(12)	-	-	-	-	68,906	-	68,906	68,906	-	68,906
-	-	(355)	-	-	53,538	(67)	53,471	53,538	(67)	53,471
-	-	(20,453)	4	272	1,205,374	(20,757)	1,184,617	1,205,374	(20,757)	1,184,617
-	-	-	-	-	772,087	-	772,087	772,087	-	772,087
(467)	-	(9,674)	15	-	677,638	(1,902)	675,736	677,638	(1,902)	675,736
(1,423)	-	(8,361)	246	-	534,036	(1,964)	532,072	534,036	(1,964)	532,072
(660)	-	(4,590)	93	-	113,145	(706)	112,439	113,145	(706)	112,439
(827)	-	(5,171)	138	-	328,803	(1,160)	327,643	328,803	(1,160)	327,643
(98)	-	(2,774)	22	-	114,798	(596)	114,202	114,798	(596)	114,202
(3,487)	-	(51,378)	518	272	3,868,325	(27,152)	3,841,173	3,868,325	(27,152)	3,841,173
(6,783)	(16)	(77,076)	2,813	310	5,524,881	(101,900)	5,422,981	5,543,707	(102,912)	5,440,795

Explanation of significant variances against budget

	Council	
	Actual 2022	Budget 2022
Plant, property and equipment	\$000	\$000
	5,422,981	5,118,820

Plant, property and equipment was favourable to budget by \$304 million mainly due to the revaluation gain being higher than budgeted.

Note 24: Property, Plant and Equipment 2021

COUNCIL 2021

	Cost/ valuation	Accumulated depreciation & impairment	Carrying amount	Cost transfers / reclassifications	Accumulated depreciation transfers / reclassifications	Gain/(loss) on revaluations	Current year additions (constructed)	Current year additions (vested)	Change in Work in Progress
	1-Jul-20	1-Jul-20	1-Jul-20						
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operational assets									
Land	87,252	-	87,252	-	-	11,177	-	-	-
Buildings	278,008	(9,782)	268,226	5	18,773	(1,234)	9,999	-	2,444
Land - parks and gardens	650,919	-	650,919	-	-	113,103	-	1,662	3
Improvements - parks and gardens	105,486	(3,762)	101,724	791	(791)	-	10,900	719	12,534
Plant and equipment	50,839	(30,689)	20,150	-	6	-	4,975	-	1,127
Leased assets	3,304	(2,198)	1,106	-	(6)	-	135	-	(120)
Vehicles	12,347	(4,098)	8,249	(5)	0	-	1,377	-	(160)
Library books	16,959	(10,457)	6,502	-	-	-	1,027	-	239
Zoo animals	776	(639)	137	-	-	-	40	-	4
Leasehold improvements	-	-	-	-	-	-	-	-	-
Total operational assets	1,205,891	(61,625)	1,144,266	791	17,982	123,046	28,453	2,381	16,070
Restricted assets									
Land	34,670	-	34,670	-	-	5,246	9	-	-
Heritage assets									
Museum and library	35,688	-	35,688	-	-	5,218	25	-	56
Infrastructure assets									
Land	42,455	-	42,455	-	-	4,050	-	3,443	58
Refuse	51,529	(882)	50,647	-	-	-	-	-	110
Roads and traffic network	965,253	(69,268)	895,985	-	87,379	(13,290)	15,327	10,716	96,566
Land under roads	741,251	-	741,251	-	-	-	359	8,503	4,549
Stormwater system	619,441	(18,971)	600,470	-	-	-	3,454	2,838	4,547
Wastewater system	433,573	(16,095)	417,478	-	-	-	14,731	4,131	19,710
Wastewater treatment plant	115,141	(8,104)	107,037	-	-	-	2,608	-	11,319
Water system	293,590	(10,966)	282,624	-	-	-	5,474	1,470	8,208
Water treatment station	91,381	(5,288)	86,093	-	-	-	(908)	-	3,324
Total infrastructure assets	3,353,614	(129,574)	3,224,040	-	87,379	(9,239)	41,045	31,102	148,391
Total property, plant and equipment	4,629,863	(191,199)	4,438,664	791	105,361	124,270	69,532	33,484	164,517

COUNCIL 2021

GROUP 2021

Current year disposals at cost	Current year impairment charges or write offs ¹	Current year depreciation	Accumulated depreciation reversed on disposal	Other adjustments	Cost / revaluation	Accumulated depreciation & impairment charges	Carrying amount	Cost / revaluation ²	Accumulated depreciation & impairment charges ³	Carrying amount
					30-Jun-21	30-Jun-21	30-Jun-21	30-Jun-21	30-Jun-21	30-Jun-21
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
(600)	-	-	-	172	98,001	-	98,001	98,001	-	98,001
(2,236)	(0)	(9,355)	293	(7)	286,979	(71)	286,908	290,689	(225)	290,464
-	-	-	-	-	765,687	-	765,687	765,687	-	765,687
(1,042)	(48)	(4,856)	234	-	129,339	(9,175)	120,165	129,339	(9,175)	120,165
(551)	(10)	(3,038)	511	(2)	56,378	(33,210)	23,168	72,437	(34,063)	38,374
(685)	-	(582)	685	-	2,634	(2,101)	533	2,634	(2,101)	533
(695)	-	(1,491)	499	(145)	12,719	(5,090)	7,629	12,719	(5,090)	7,629
-	-	(1,516)	-	-	18,225	(11,973)	6,252	18,225	(11,973)	6,252
-	-	(26)	-	-	820	(665)	155	820	(665)	155
-	-	-	-	-	-	-	-	-	-	-
(5,809)	(58)	(20,864)	2,222	18	1,370,782	(62,284)	1,308,498	1,390,551	(63,291)	1,327,260
-	-	-	-	-	39,924	-	39,924	39,924	-	39,924
-	-	-	-	-	40,987	-	40,987	40,987	-	40,987
-	-	-	-	-	50,007	-	50,007	50,007	-	50,007
(605)	-	(440)	111	(300)	50,735	(1,211)	49,523	50,735	(1,211)	49,523
-	13	(18,418)	-	647	1,075,232	(308)	1,074,924	1,075,232	(308)	1,074,924
(605)	-	-	-	-	754,057	-	754,057	754,057	-	754,057
(814)	(0)	(9,319)	39	-	629,466	(28,252)	601,214	629,466	(28,252)	601,214
(537)	(43)	(7,376)	130	-	471,566	(23,341)	448,226	471,566	(23,341)	448,226
-	-	(4,122)	-	-	129,068	(12,226)	116,842	129,068	(12,226)	116,842
(710)	-	(5,509)	93	-	308,033	(16,383)	291,650	308,033	(16,383)	291,650
-	-	(2,562)	-	-	93,796	(7,850)	85,946	93,796	(7,850)	85,946
(3,270)	(30)	(47,747)	373	347	3,561,960	(89,570)	3,472,390	3,561,960	(89,570)	3,472,390
(9,080)	(88)	(68,612)	2,595	366	5,013,654	(151,855)	4,861,799	5,033,423	(152,862)	4,880,561

Note 24: Property, Plant and Equipment

Work in progress

Property, plant and equipment in the course of construction by class of asset are detailed as follows:

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Operational assets				
Buildings	20,165	9,452	20,165	9,452
Land - parks and gardens	9,419	32	9,419	32
Improvements - parks and gardens	8,624	20,866	8,624	20,866
Plant and equipment	2,685	3,339	2,701	3,339
Finance Leases	-	47	-	57
Vehicles	10	241	10	241
Library books	31	239	31	239
Zoo animals	3	4	3	4
Heritage assets				
Museum and library	33	76	33	76
Infrastructure assets				
Land	-	321	-	321
Refuse	783	701	783	701
Roads and traffic network	274,573	185,065	274,573	185,065
Land under roads	8,603	7,570	8,603	7,570
Stormwater system	19,419	18,382	19,419	18,382
Wastewater system	55,157	42,895	55,157	42,895
Wastewater treatment plant	9,970	42,543	9,970	42,543
Water system	25,955	26,694	25,955	26,694
Water treatment plant	5,953	9,299	5,953	9,299
Total work in progress	441,383	367,766	441,399	367,776

Capital commitments

The amount of contractual commitments for acquisition of property, plant and equipment is:

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Capital commitments by asset class				
Buildings	37,733	1,756	37,733	1,756
Improvements - parks and gardens	2,234	1,450	2,234	1,450
Plant and equipment	-	75	25	91
Museum and library	3,388	-	3,388	-
Roads and traffic network	118,625	200,904	118,625	200,904
Stormwater system	1,838	2,213	1,838	2,213
Wastewater system	32,897	27,753	32,897	27,753
Wastewater treatment plant	-	246	-	246
Water system	22,789	26,626	22,789	26,626
Total capital commitments	219,504	261,023	219,529	261,039

Note 25: Intangible assets

Accounting policy

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.

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

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

Amortisation

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

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

Computer Software	2-20 years	Consents & designations	10-100 years
		(based on consent or designation expiry date)	
Licenses	3-10 years	Models	5-30 years

	Council					Group	
	Infrastructural modelling	Licenses	Computer software	Consents & designations	Total	Intangibles	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cost							
Balance as at 1 July 2021	14,961	446	28,903	14,738	59,048	1	59,049
Additions	616	-	1,716	119	2,451	-	2,451
Disposals	-	-	(177)	-	(177)	-	(177)
Work in Progress (WIP)						-	-
- Opening WIP	9,602	37	4,393	1,369	15,401	-	15,401
- Closing WIP	8,600	-	6,828	1,373	16,801	-	16,801
Change in WIP	(1,002)	(37)	2,435	4	1,400	-	1,400
Balance as at 30 June 2022	14,575	409	32,877	14,861	62,722	1	62,723
Balance as at 1 July 2020	10,619	428	24,037	13,825	48,909	1	48,910
Additions	2,833	-	2,491	216	5,540	-	5,540
Disposals	-	-	(1,008)	-	(1,008)	-	(1,008)
Work in Progress (WIP)						-	-
- Opening WIP	8,093	19	1,010	672	9,794	-	9,794
- Closing WIP	9,602	37	4,393	1,369	15,401	-	15,401
Change in WIP	1,509	18	3,383	697	5,607	-	5,607
Balance as at 30 June 2021	14,961	446	28,903	14,738	59,048	1	59,049
Accumulated amortisation and impairment							
Balance as at 1 July 2021	(798)	(73)	(18,268)	(7,587)	(26,726)	-	(26,726)
Transferred accumulated depreciation					-	-	-
Amortisation charge	(963)	-	(2,176)	(415)	(3,554)	-	(3,555)
Impairment	-	-	-	-	-	-	-
Amortisation reversed on disposal	-	-	131	-	131	-	131
Balance as at 30 June 2022	(1,761)	(73)	(20,313)	(8,002)	(30,149)	-	(30,149)
Balance as at 1 July 2020	(798)	(73)	(17,499)	(5,837)	(24,207)	-	(24,207)
Amortisation charge	-	-	(1,731)	(1,750)	(3,481)	-	(3,481)
Impairment	-	-	-	-	-	-	-
Amortisation reversed on disposal	-	-	962	-	962	-	962
Balance as at 30 June 2021	(798)	(73)	(18,268)	(7,587)	(26,726)	-	(26,726)
Carrying amounts							
Balance as at 1 July 2020	9,821	355	6,538	7,988	24,702	1	24,703
Balance as at 30 June and 1 July 2021	14,163	373	10,635	7,151	32,322	1	32,323
Balance as at 30 June 2022	12,814	336	12,564	6,859	32,573	-	32,573

Restrictions over title

There are no restrictions over the title of intangible assets. No assets are pledged for security for liabilities.

Impairment

No intangible assets have been impaired (2021 \$nil).

Capital commitments

Intangible asset commitments include \$8.7 million (2021 \$7.4 million).

Explanation of significant variances against budget

Intangible assets

Council	
Actual 2022	Budget 2022
\$000	\$000
32,573	31,886

Intangible assets was favourable to budget as a result of increased spend related to various software and system improvements and the investment in water and wastewater modelling projects.

Note 26: Investment property

Accounting policy

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rental income or for capital appreciation. These assets consist of investment properties owned by the Council, funded either from Corporate Funds, the Domain Endowment Fund or the Municipal Endowment Fund.

Investment property is measured initially at its cost, including transaction costs.

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

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

	Council		Group	
	2022	2021	2022	2021
Balance at 1 July	\$000	\$000	\$000	\$000
Additions from acquisitions	39,468	29,768	39,468	29,768
Transfers	161	-	161	-
Work in progress	-	-	-	-
Disposals	-	-	-	-
Fair value gains/(losses) on valuation (note 8)	1,354	9,700	1,354	9,700
Balance at 30 June	40,983	39,468	40,983	39,468

The valuation of Council's investment property was performed by R A Smithers an independent valuer from Telfer Young (Waikato) Limited. Telfer Young (Waikato) Limited are experienced valuers with extensive market knowledge in the types and locations of investment properties owned by the Council. The valuation was effective 30 June 2022.

The fair value of investment property has been determined using the capitalisation of net revenue and discounted cash flow methods. These methods are based upon assumptions including future rental revenue, anticipated maintenance costs, and appropriate discount rates.

Information about revenue and expenses in relation to investment property is detailed below:

	Council		Group	
	2022	2021	2022	2021
Rental revenue	\$000	\$000	\$000	\$000
Direct operating expenses from investment property generating revenue	1,986	1,699	1,986	1,699
	462	607	462	607

Explanation of significant variances against budget

	Council	
	Actual 2022	Budget 2022
Investment property	\$000	\$000
	40,983	31,014

Investment property was \$9.9 million favourable to budget. This was due to the large gain on revaluation of investment property for the financial year ended 30 June 2021, as well as an additional gain in 2022.

Note 27: Payables and deferred revenue

Accounting policy

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

	Council		Group	
	2022	2021	2022	2021
Current portion	\$000	\$000	\$000	\$000
<i>Payables and deferred revenue under exchange transactions</i>				
Trade payables and accrued expenses	46,307	55,194	46,806	55,719
Income in advance*	13,890	11,996	13,890	11,996
Amounts due to related parties	-	-	-	-
Amounts due to customers for contract work	900	1,168	900	1,168
Total	61,097	68,358	61,596	68,883
<i>Payables and deferred revenue under non-exchange transactions</i>				
Trade payables and accrued expenses	312	350	312	350
Income in advance Water Reform Stimulus	-	3,521	-	3,521
Income in advance	3,086	3,013	3,086	3,013
Other taxes payable	31	19	31	19
Total	3,429	6,903	3,429	6,903
Total current	64,527	75,261	65,026	75,786
Non-current portion				
<i>Payables and deferred revenue under exchange transactions</i>				
Income in advance	-	-	5	20
Total	-	-	5	20
Total non-current	-	-	5	20
Total payables and deferred revenue	64,527	75,261	65,031	75,806

*The 2021 actuals have been restated to include a retrospective change in accounting policy for further details see note 36.

Payables are generally non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of payables approximates their fair value.

Explanation of significant variances against budget

Payables and deferred revenue

Council	
Actual 2022	Budget 2022
\$000	\$000
64,527	38,446

Payables and deferred revenue was \$26.1 million unfavourable to budget due to a higher level of project costs that have been accrued at year end. Items accrued include \$6.5 million Peacocke Network accruals, \$4.3 million Ruakura growth funded works and \$4.9 million Infrastructure Alliance claim. Income in Advance is \$10 million higher than budgeted and includes a \$6.3 million adjustment to reflect a change in accounting policy to restate Building Consent revenue recognition.

Note 28: Employee entitlements

Accounting policy

Short-term employee entitlements

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

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

The provision for retirement gratuities has been calculated on an actuarial basis bringing to account what is likely to be payable in the future in respect of service that employees have accumulated up until twelve months after balance date.

Long-term employee entitlements

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

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

Presentation of employee entitlements

Sick leave and annual leave are classified as a current liability. Retiring gratuities expected to be settled within 12 months of balance date are also classified as a current liability. All other employee entitlements are classified as a non-current liability.

Critical accounting estimates and assumptions

Estimating retiring gratuities obligations

The present value of retiring gratuities obligations depend on a number of factors that are determined on an actuarial basis. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability.

Expected future payments are discounted using forward discount rates derived from the yield curve of New Zealand government bonds. The discount rates used have maturities that match, as closely as possible, the estimated future cash outflows. The salary inflation factor has been determined after considering historical salary inflation patterns. A weighted average discount rate of 3.88% (2021: 1.77%) and an inflation factor of 3.88% (2021: 2.7%) were used.

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Current portion				
Accrued pay	3,319	2,399	3,319	2,399
Annual leave	7,302	7,046	7,592	7,288
Sick leave	199	213	199	213
Retiring gratuities	484	455	484	455
Total current portion	11,304	10,113	11,594	10,355
Non-current portion				
Retiring gratuities	872	985	872	985
Total non-current portion	872	985	872	985
Total employee entitlements	12,176	11,098	12,466	11,340

Explanation of significant variances against budget

	Council	
	Actual 2022	Budget 2022
Employee Entitlements (current & non-current)	\$000	\$000
	12,176	10,720

Employee entitlements were \$1.5 million unfavourable to budget. Accrued leave was higher due to the timing of pay runs over the year and annual leave balances were higher than anticipated.

Note 29: Provisions

Accounting policy

A provision is recognised 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 an outflow of future economic benefits 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 a finance cost in surplus or deficit (see note 13).

Significant judgements and estimates

An annual inflation factor of 2.0% has been applied in estimating the future cash outflows. Discount rates have been determined using the Treasury's published risk free rates.

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Current portion				
Strategic realignment (Restructuring provision)	12	250	12	250
Weathertight homes resolution services claims	-	1,757	-	1,757
Building Defects	750	500	750	500
Landfill aftercare	726	1,196	726	1,196
Other	1,752	748	1,887	920
Total	3,240	4,451	3,375	4,623
Non-current portion				
Weathertight homes resolution services claims	566	750	566	750
Building Defects	1,000	-	1,000	-
Landfill aftercare	11,804	14,470	11,804	14,470
Loan repayment provision	-	-	-	-
Total	13,370	15,220	13,370	15,220
Total provisions	16,610	19,671	16,745	19,843

Weathertight Building claims provision

These claims relate to Weathertight Building defects where weathertightness is the primary defect alleged and Council is named as a party to the claim.

There are currently three claims lodged with the Weathertight Homes Resolution Service (WHRS) as at 30 June 2022 (2021 four claims). One claim was settled during the 2021-22 financial year to the value of \$500,000.

There are no claims lodged via the court system (2021 three claims). Two claims were settled in during 2021-22 to the value of \$ 1.6 million, with one further claim withdrawn.

Total estimated exposure is \$0.6 million (2021 \$2.5 million). This represents an overall decrease of \$1.9 million for the year.

Building Defects Provision

These claims relate to Building defects (e.g., Structural, Fire etc) where weathertightness isn't the primary defect alleged and Council is named a party to the claim.

Four claims (2021 two claims) lodged via the court system are outstanding with an estimated liability of \$1.75 million (2021 \$0.5 million)

Explanation of significant variances against budget

Provisions (current and non-current)

Provisions were unfavourable to budget as a result of additional provisions being raised for building defects and other legal proceedings which were not budgeted for.

Landfill aftercare costs

Council is responsible for four closed landfill sites - Horotiu, Willoughby, Cobham Drive and Rototuna.

Council's aftercare responsibilities include ongoing maintenance and monitoring such as the following:

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

The cash outflows for the landfills are expected to occur until 2049. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred.

Other

The other provision category is made up of three provisions for legal proceedings, Development Contribution Refund provision and the Holidays Act Compliance provision.

Council	
Actual 2022	Budget 2022
\$000	\$000
16,610	14,994

	Council						Group	
	Strategic realignment	Building Defects	Weather-tightness claims	Landfill	Other	Total	Loan repayment	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
2021								
Balance at 1 July 2020	-	-	2,026	18,950	484	21,460	172	21,632
Additional provisions made	250	500	481	(2,688)	264	(1,193)	-	(1,193)
Amounts used	-	-	-	(910)	-	(910)	-	(910)
Reversal of previously recognised provisions	-	-	-	-	-	-	-	-
Aftercare provision	-	-	-	314	-	314	-	314
Balance at 30 June 2021	250	500	2,507	15,666	748	19,671	172	19,843
2022								
Balance at 1 July 2021	250	500	2,507	15,666	748	19,671	172	19,843
Additional provisions made	12	1,250	159	-	1,004	2,425	-	2,425
Amounts used	-	-	(2,100)	(656)	-	(2,756)	(37)	(2,793)
Reversal of previously recognised provisions	(250)	-	-	(3,062)	-	(3,312)	-	(3,312)
Aftercare provision	-	-	-	582	-	582	-	582
Balance at 30 June 2022	12	1,750	566	12,530	1,752	16,610	135	16,745

Note 30: Borrowings

Accounting policy

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

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

Housing Infrastructure Fund Loan

The Housing Infrastructure Fund Loan (HIF) is interest-free for 10 years from the date of each drawdown.

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

Finance Leases

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

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

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty as to whether we will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Current

Secured loans
- Interest accrual
Lease liabilities

Total current borrowings

Non-current

Secured loans
- Housing Infrastructure Fund
Lease liabilities

Total non-current borrowings

Total borrowings

Council		Group	
2022	2021	2022	2021
\$000	\$000	\$000	\$000
90,000	72,500	90,200	72,940
3,168	1,088	3,168	1,088
73	172	73	172
93,241	73,760	93,441	74,200
575,000	435,000	579,125	439,075
36,014	20,724	36,014	20,724
86	335	86	335
611,100	456,059	615,225	460,134
704,341	529,819	708,666	534,334

Explanation of significant variances against budget

Borrowings (current and non-current)

Council	
Actual 2022	Budget 2022
\$000	\$000
704,341	753,215

Borrowings were \$48.9 million favourable to budget. This was largely driven by lower than budgeted capital project spending.

Total net debt

Total net debt is Council's debt performance measure that was put in place for the 2021-2031 Long-Term Plan.

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
External debt	704,341	529,819	708,666	534,334
Municipal Endowment Fund	31,767	31,570	31,767	31,570
less: cash held and cash investments	(143,475)	(62,527)	(143,586)	(62,753)
Total net debt	592,633	498,862	596,847	503,151

Interest terms for secured loans

Council has \$30 million in Commercial Papers and Bonds that are issued at fixed rates of interest. This is part of Council's total debt of \$701 million (2021 \$22.5 million of \$528.2 million). The remainder of Council's secured loans are issued at floating rates of interest. For floating rate debt, the interest rate is reset quarterly based on the 90-day bank bill rate plus a margin for credit risk.

Housing Infrastructure Fund (HIF)

In September 2016 the Housing Infrastructure Fund (HIF) was established by the New Zealand Government as a one off contestable fund. The fund is for accelerating short and medium term supply of new housing in high growth urban areas. This will provide financial capacity for growth councils to deliver the infrastructure needed to sustain their growth.

High urban growth areas are defined as those where Statistics New Zealand projects population growth to be or exceeding 1% per year for the next ten years. Hamilton has been identified as a high growth urban area.

Hamilton City Council submitted its proposal and was successful in getting funding for the Peacocke growth area. The approved funding agreement is for \$180.3 million.

The HIF funding is providing essential bulk infrastructure, including a bridge crossing at Hamilton Gardens, arterial roads and wastewater pump station and pressure main. The Peacocke growth area is expected to provide 3,750 homes over the next 10 years and approximately 8,400 over the next 30 years. This growth area is essential to meeting the overall growth needs of Hamilton of 12,500 homes over the next 10 years.

During the 2022 financial year \$22.76 million (2021 \$12.99 million) of the HIF interest free loan was drawn down. The undrawn amount is \$135.02 million (2021 \$157.77 million).

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 the exception of \$20 million (2021: \$12.5 million) of Commercial Paper that has a maturity of three months or less.

Finance lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

Fair values

The carrying amounts of borrowings repayable within one year approximate their fair value as the effect of discounting is not significant.

Due to interest rates on debt resetting to the market rate every three months, the carrying amounts of the majority of secured loans approximates their fair value. There is a \$10 million secured loan that has been issued at a fixed rate and has greater than 12 months to maturity. The fair value of this loan is \$10.1 million (2021 \$10.8 million). Fair value has been determined using contractual cash flows discounted using a rate based on market borrowing rates at balance date of 3.9% (2021 1.88%).

Analysis of lease liabilities

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Total minimum finance lease payments payable:				
Not later than one year	74	174	74	174
Later than one and not later than five years	87	345	87	345
Later than five years	-	-	-	-
Total minimum finance lease payments	161	519	161	519
Future finance charges	(2)	(12)	(2)	(12)
Present value of minimum finance lease payments	159	507	159	507
Present value of minimum finance lease payments payable:				
Not later than one year	73	172	73	172
Later than one and not later than five years	86	335	86	335
Later than five years	-	-	-	-
Total minimum finance lease payments	159	507	159	507
Current portion	73	172	73	172
Non-current portion	86	335	86	335
Total finance lease liability	159	507	159	507

Interest rate

The interest rates applying to lease liabilities for 2022 range from 2.17% to 3.06% (2021 range from 2.17% to 3.06%).

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 24.

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 arrangements.

Internal borrowings

Internal borrowings apply to Council created reserves that are not supported by cash. There are currently no internal borrowings (2021: nil).

Note 31: Contingencies

Contingent liabilities

Weathertight homes resolution services and court claims

A provision for potential liability for three claims (2021 four claims) that are outstanding with the Weathertight Homes Resolution Service, and there are no claims (2021 three claims) lodged via the court system have been made per note 29. There may be further claims in future but these are unable to be quantified at this point in time.

Building defects

A provision for potential liability for four claims (2021 two claims) are lodged via the court system have been made per note 29. There may be further claims in future but these are unable to be quantified at this point in time.

Unquantified claims

Enviro Waste Services Limited

Enviro Waste Services Limited has recently raised a dispute, which they have said they will take to arbitration under its Fixed Term Rubbish, Recycling and Disposal Services Agreement with the Council. Enviro Waste claims that it is entitled to charge a higher fee for collecting rubbish from standard bins in "difficult to access" areas while Council has a different interpretation of the non-standard charge. The difference in price if Enviro Waste were successful could be significant. At present, there is still insufficient information to conclude on potential liability and claim quantum, if any.

General

Hamilton City Council is involved in ongoing investigations related to staff matters that may result in a liability.

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	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Financial guarantees (Bank of New Zealand)	-	-	-	-
Legal proceedings				
- various legal proceedings	100	100	100	100
Total contingent liabilities	100	100	100	100

Uncalled capital

Council has contingent liabilities in respect of uncalled capital for the entities as follows:

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
New Zealand Local Government Funding Agency Ltd	1,866	1,866	1,866	1,866
Total uncalled capital	1,866	1,866	1,866	1,866

Waikato Innovation Growth Ltd

Waikato Innovation Growth Ltd does not have any contingent liabilities as at 30 June 2022 (2021 \$nil).

New Zealand Local Government Funding Agency Ltd

Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. NZLGFA has a current local currency rating from Fitch ratings Standard and Poor's of AA+ and a foreign currency rating of AA.

Council is one of 31 local authority shareholders and 15 local authority guarantors of the NZLGFA. The NZLGFA has uncalled capital of \$20 million of which Council's share is \$1.9 million as at 30 June 2022 (2021 \$1.9 million). At 30 June 2022, NZLGFA had total borrowings of \$15.8 billion (2021 \$13.6 billion) for which Council is a guarantor along with other shareholders and guarantors.

Financial reporting standards require Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable value for the guarantee, and therefore has not recognised a liability.

The Council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

- Council is not aware of any local authority debt default events in New Zealand;
- Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligation if further funds were required; and
- NZLGFA has a credit rating of AA+.

Involvement in Associates

There are no quantifiable contingent liabilities arising from Council's involvement in its associates for 2022 (2021 \$nil).

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 32: Equity

Accounting Policy

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

Restricted reserves and Council created reserves

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

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

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

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

Revaluation Reserves

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

Fair value through other comprehensive revenue and expense reserve

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

	Council		Group	
	2022	2021	2022	2021 (Restated)
	\$000	\$000	\$000	\$000
Accumulated comprehensive revenue and expenses				
Balance 1 July as previously reported	2,044,738	1,902,720	2,083,508	1,923,276
Change in accounting policy for buildings consents	36	(3,593)	-	(3,593)
Balance 1 July as restated	2,044,738	1,899,127	2,083,508	1,919,683
Surplus/(deficit) for the year	168,659	140,314	180,214	157,385
Share of associates other comprehensive revenue and expense	-	-	-	-
Transfer from property revaluation reserves on disposal	2,074	7,451	2,074	8,594
Transfers from restricted and Council created reserves	393	2,260	393	2,260
Transfers to restricted and Council created reserves	(1,174)	(4,414)	(1,174)	(4,414)
Balance at 30 June	2,214,690	2,044,738	2,265,015	2,083,508
Restricted reserves				
Balance at 1 July	41,478	38,881	41,478	38,881
Transfers from accumulated comprehensive revenue and expense	279	2,640	279	2,640
Transfers to accumulated comprehensive revenue and expense	(14)	(43)	(14)	(43)
Balance at 30 June	41,743	41,478	41,743	41,478
Council created reserves				
Balance at 1 July	426	869	426	869
Transfers from accumulated comprehensive revenue and expense	895	1,774	895	1,774
Transfers to accumulated comprehensive revenue and expense	(379)	(2,217)	(379)	(2,217)
Balance at 30 June	942	426	942	426
Revaluation reserve*				
Balance at 1 July	2,293,283	2,069,989	2,340,846	2,103,031
Transfer to accumulated comprehensive revenue and expense on disposal of assets	(2,074)	(7,451)	(2,074)	(8,594)
Impairment	(16)	(91)	(16)	(91)
Revaluation gains/(losses) - property, plant and equipment	365,011	229,822	371,554	245,486
Revaluation gains/(losses) - shareholdings	938	1,014	938	1,014
Other movements	1,228	-	1,228	-
Balance at 30 June	2,658,370	2,293,283	2,712,476	2,340,846

* The Revaluation reserve includes the property revaluation reserve and the fair value through other comprehensive revenue and expense reserve.

	Council		Group	
	2022	2021 (Restated)	2022	2021 (Restated)
	\$000	\$000	\$000	\$000
Property revaluation reserves for each class consist of:				
Operational assets				
Buildings	159,089	140,740	163,266	143,513
Plant and equipment	-	-	4,491	4,491
Land	98,305	72,126	133,133	102,531
Parks and gardens improvement	32,638	32,709	32,638	32,709
Parks and gardens land	731,181	610,772	731,181	610,772
Heritage assets				
Museum and library	16,615	16,615	16,615	16,615
Restricted assets				
Land	27,254	19,822	27,254	19,822
Infrastructure assets				
Land	40,553	27,385	40,553	27,385
Refuse	39,229	35,011	39,229	35,011
Roads and traffic network	424,808	424,807	424,808	424,807
Stormwater	527,972	456,788	527,972	456,788
Wastewater system	321,040	262,710	321,040	262,710
Wastewater treatment plant	34,102	36,818	34,102	36,818
Water treatment station	23,003	12,586	23,003	12,586
Water system	175,543	138,293	175,543	138,293
Airport infrastructure	-	-	10,610	9,894
Total	2,651,332	2,287,183	2,705,437	2,334,746
Fair value through other comprehensive revenue and expense reserve				
Balance at 1 July	6,100	5,086	6,100	5,086
Transfer to property revaluation reserve	-	-	-	-
Net change in fair value	938	1,014	938	1,014
Balance at 30 June	7,038	6,100	7,038	6,100
Non controlling interest				
Balance at 1 July	-	-	4,112	4,173
Share of surplus/(deficit)	-	-	(272)	(61)
Share of other comprehensive revenue and expense	-	-	-	-
Share transactions with non-controlling interest	-	-	-	-
Balance at 30 June	-	-	3,840	4,112
Total equity	4,915,745	4,379,925	5,024,016	4,470,370

The 2021 actuals have been restated to include a retrospective change in accounting policy for further details see note 36. The 2021 group actuals have also been restated due to material changes made in the final adopted Annual Report 2021 for Waikato Regional Airport for further details see note 39.

Information about reserve funds held for a specific purpose is provided below:

Reserve	Activities to which the reserve relates	Council			
		Balance 1 July	Transfers into fund	Transfers out of fund	Balance 30 June
		\$000	\$000	\$000	\$000
2022					
Cemetery plot maintenance in perpetuity reserve	Cemeteries and Crematorium	1,732	15	(14)	1,733
Domain Endowment Fund	Parks and Recreation and Stormwater	8,165	67	-	8,232
Municipal Endowment Fund	Strategic property investment	31,569	197	-	31,766
Waikato Art Gallery Endowment reserve	Visitor Attractions	12	-	-	12
Total restricted reserves - 2022		41,478	279	(14)	41,743
Bus shelter reserve	Transport	-	-	-	-
Project Watershed operating reserve	Parks and Recreation and Stormwater	209	1	-	210
Hamilton Gardens reserve	Parks and Recreation	-	-	-	-
Waste minimisation reserve	Rubbish and Recycling	217	894	(379)	732
Total Council created reserves - 2022		426	895	(379)	942
Total Restricted and Council created reserves - 2022		41,904	1,174	(393)	42,685

Reserve	Activities to which the reserve relates	Balance 1 July	Transfers into fund	Transfers out of fund	Balance 30 June
		\$000	\$000	\$000	\$000
2021					
Cemetery plot maintenance in perpetuity reserve	Cemeteries and Crematorium	1,733	42	(43)	1,732
Domain Endowment Fund	Parks and Green Spaces and Stormwater	8,118	47	-	8,165
Municipal Endowment Fund	Strategic property investment	29,019	2,550	-	31,569
Waikato Art Gallery Endowment reserve	Arts promotion	11	1	-	12
Total restricted reserves - 2021		38,881	2,640	(43)	41,478
Bus shelter reserve	Travel demand management	26	-	(26)	-
Project Watershed operating reserve	Parks and Green Spaces and Stormwater	305	2	(98)	209
Hamilton Gardens reserve	Parks and Green Spaces	-	1,241	(1,241)	-
Waste minimisation reserve	Waste minimisation	538	531	(852)	217
Total Council created reserves - 2021		869	1,774	(2,217)	426
Total restricted and Council created reserves - 2021		39,750	4,414	(2,260)	41,904

Purpose of each reserve fund:

Restricted reserves

Cemetery plot maintenance in perpetuity reserve - To maintain and provide for improvements to the cemeteries.

Domain endowment fund reserve - Established by the Hamilton Domain Endowment Act 1979 to provide a capital endowment fund for domain land for investment in property. Rental income and interest earned from domain endowment land is used to fund parks and reserves operating costs.

Municipal Endowment Fund - To provide a capital fund for Crown endowment land vested in the council for investment in property. Rental income and interest earned from the land and property may be used for council purposes to offset rates.

Waikato Art Gallery Endowment reserve - To provide funds for the acquisition of works of art for the Waikato Museum of Art and History.

Council created reserves

Bus shelter reserve - To manage the income generated from advertising in bus shelters to provide, maintain and enhance passenger infrastructure.

Project Watershed operating reserve - To fund works relating to river flood protection and erosion control (Project Watershed). Waikato Regional Council is the funding agency and Hamilton City Council carries out agreed works within the city boundary.

Hamilton Gardens reserve - To provide funds for the development of Hamilton Gardens. Funds are being sourced from a target rate over a four year period starting 2014/15.

Waste minimisation reserve - To encourage a reduction in the amount of waste generated and disposed of in New Zealand, and to lessen the environmental harm of waste. The reserve was created in 2009 as a result of the Waste Minimisation Act 2008. Funding is distributed to local authorities by the Ministry of Environment and expenditure includes grants to others, waste minimisation initiative operating expenses and recycling contract.

Capital management

The Council's capital is its equity (or ratepayers' funds), which comprises 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 principle 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 Plan (LTP) 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 10-Year Plan."

Hamilton City Council has the following Council created reserves:

- reserves for different areas of benefit; 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.

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 33: Related party transactions

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Council and group would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the Council group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities, and are on normal terms and conditions for such group transactions.

Key management personnel compensation

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).

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Councillors and Directors				
Remuneration (\$000)	1,402	1,344	1,575	1,517
Full-time equivalent members	13	13	18	17
Senior Management Team including the Chief Executive				
Remuneration (\$000)	2,932	2,844	3,720	3,284
Full-time equivalent members	11	11	14	13
Total key management personnel remuneration (\$000)	4,334	4,188	5,295	4,801
Total full-time equivalent personnel	24	24	32	30

Due to the difficulty in determining the full-time equivalent for Councillors and Directors, the full-time equivalent figure is taken as the number of Councillors and Directors.

Key management personnel include the Mayor, Councillors, Chief Executive and other members of the senior management team.

No provision has been required, or any expense recognised for impairment of receivables for any loans or other receivables to related parties.

Elected representatives' remuneration

Elected members received the following remuneration:

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Mayor				
Paula Southgate	175,636	166,559	175,636	166,559
Councillors				
Geoff Taylor	116,961	112,497	116,961	112,497
Ryan Hamilton	105,736	101,275	105,736	101,275
Martin Gallagher	105,736	101,625	105,736	101,625
Dave Macpherson	105,736	101,435	105,736	101,435
Angela O'Leary	105,736	101,275	105,736	101,275
Rob Pascoe	105,736	101,700	105,736	101,700
Mark Bunting	105,736	101,275	105,736	101,275
Margaret Forsyth	-	86,054	-	86,054
Ewan Wilson	109,897	92,748	109,897	92,748
Kesh Naidoo-Rauf	96,171	92,500	96,171	92,500
Maxine van Oosten	96,171	92,500	96,171	92,500
Sarah Thomson	96,171	92,500	96,171	92,500
Mark Donovan	76,456	-	76,456	-
Total elected representatives' remuneration	1,401,881	1,343,943	1,401,881	1,343,943

Note 34: Reconciliation of net surplus / (deficit) after tax to net cash flow from operating activities

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Net surplus/(deficit) after tax	168,659	140,314	179,942	157,324
Add/(less) non-cash items:				
Depreciation and amortisation	80,629	72,093	81,641	73,100
(Gains)/losses in fair value of interest rate swaps	(40,186)	(22,617)	(40,186)	(22,617)
(Gains)/losses in fair value of investment properties	(1,354)	(9,700)	(1,354)	(9,700)
(Gains)/losses unrealised loss on investments.	290	-	290	-
Share of associates (surplus)/deficit	-	-	(12,130)	(17,052)
Discount unwind and interest on community loans	(60)	-	(60)	-
(Gains)/losses in fair value of Housing Infrastructure Fund	(7,473)	(1,019)	(7,473)	(1,019)
Reclassification of WIP to operating expenditure	1,360	397	1,360	397
Vested assets	(34,889)	(33,484)	(34,889)	(33,484)
Total non-cash items	(1,683)	5,670	(12,801)	(10,375)
Add/(less) items classified as investing or financing activities:				
(Gains)/losses on disposal of property, plant and equipment	11,106	5,066	11,106	5,066
Impairment of assets	-	12	-	12
Total items classified as investing or financing activities	11,106	5,078	11,106	5,078
Add/(less) movements in working capital:				
Trade debtors and other receivables	(11,718)	(944)	(11,153)	(1,059)
Inventory	13	(26)	(63)	277
Prepayments	(1,492)	(787)	(1,399)	(779)
Trade creditors and other payables	(14,698)	31,569	(15,332)	31,432
Employee entitlements	1,078	504	1,126	513
Provisions	(3,061)	(1,789)	(3,098)	(1,789)
Total movements in working capital	(29,877)	28,527	(29,918)	28,594
Net cash inflow from operating activities	148,205	179,589	148,329	180,621

Note 35: Financial instruments

Financial instrument categories

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
FINANCIAL ASSETS				
Fair value through surplus or deficit				
Equity securities	-	-	-	-
Fixed interest instruments	-	-	-	-
Derivative financial instrument assets (note 21)	7,510	629	7,510	629
Total fair value through surplus or deficit	7,510	629	7,510	629
Loans and receivables				
Cash and cash equivalents (note 17)	114,826	54,036	114,937	54,262
Receivables (note 18)	39,741	29,841	40,113	30,778
Other financial assets (note 22):				
- community loans	2,757	3,190	2,757	3,190
- balanced funds	10,710	-	10,710	-
- term deposits	17,420	8,130	17,420	8,130
Total loans and receivables	185,454	95,197	185,937	96,360
Fair value through other comprehensive revenue and expense				
Other financial assets (note 22):				
- Unlisted shares	9,370	8,433	9,370	8,433
Total fair value through other comprehensive revenue and expense	9,370	8,433	9,370	8,433
FINANCIAL LIABILITIES				
Fair value through surplus or deficit				
Derivative financial instrument liabilities (note 21)	3,796	37,102	3,796	37,102
Total fair value through surplus or deficit	3,796	37,102	3,796	37,102
Financial liabilities at amortised cost				
Creditors and other payables (note 27)	47,551	56,731	48,050	57,256
Borrowings: (note 30)				
- bank overdraft	-	-	-	-
- secured loans	665,000	507,500	669,325	512,015
Total financial liabilities at amortised cost	712,551	564,231	717,375	569,271

Fair value hierarchy

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price (level 1) - Financial instruments with quoted prices 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 analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position:

	Valuation technique			
	Total	Quoted market price	Observable inputs	Significant non-observable
	\$000	\$000	\$000	\$000
30 June 2022 - Council				
Financial assets				
Shares (note 22)	9,370	-	-	9,370
Derivative financial instrument assets (note 21)	7,510	-	7,510	-
Financial liabilities				
Derivative financial instrument liabilities (note 21)	3,796	-	3,796	-
30 June 2021 - Council				
Financial assets				
Shares (note 22)	8,433	-	-	8,433
Derivative financial instrument assets (note 21)	629	-	629	-
Financial liabilities				
Derivative financial instrument liabilities (note 21)	37,102	-	37,102	-
30 June 2022 - Group				
Financial assets				
Shares (note 22)	9,370	-	-	9,370
Derivative financial instrument assets (note 21)	7,510	-	7,510	-
Financial liabilities				
Derivative financial instrument liabilities (note 21)	3,796	-	3,796	-
30 June 2021- Group				
Financial assets				
Shares (note 22)	8,433	-	-	8,433
Derivative financial instrument assets (note 21)	629	-	629	-
Financial liabilities				
Derivative financial instrument liabilities (note 21)	37,102	-	37,102	-

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 provides a reconciliation from the opening balance to the closing balance for the level 3 fair value measurements:

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Balance at 1 July	8,433	7,419	8,433	7,419
Gain and (losses) recognised in the surplus or deficit	-	-	-	-
Gain and (losses) recognised in other comprehensive revenue and expense	938	1,014	938	1,014
Purchases	-	-	-	-
Sales	-	-	-	-
Transfers into level 3	-	-	-	-
Transfers out of level 3	-	-	-	-
Balance at 30 June	9,371	8,433	9,371	8,433

Changing a valuation assumption to a reasonably possible assumption would not significantly change fair value.

Financial instrument risks

The Council's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. The Council and group has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from its treasury activities. The Council has established Council approved Investment and Liability Management 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 or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Equity securities price risk arises on listed share investments, which relate to Vibrant Hamilton Trust and are classified as financial assets held at fair value through surplus/deficit. 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 foreign currency exposure. Council's policy is that foreign currency exposure of amounts greater than \$25,000 are to be covered by way of forward exchange contracts. Council is no longer exposed to foreign currency movements.

• Interest rate risk

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates expose Council to fair value interest rate risk. Council's Investment and Liability Management policy outlines the level of borrowing that is to be secured using fixed interest rate instruments.

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 issued 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.

Credit risk

The council is exposed to credit risk as a guarantor of all of LGFA's borrowings. Information about this exposure is explained in note 30.

Credit risk is the risk that a third party will default on its obligation to Council, causing Council to incur a loss. Due to the timing of its cash inflows and outflows, surplus cash is invested into term deposits, which gives rise to credit risk. The Council also provides a financial guarantee, which gives rise to credit risk.

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 debt from ratepayers.

The Council's Investment and Liability Management policy limits the amount of credit exposure to any one financial institution or organisation.

Maximum exposure to credit risk

Council's maximum exposure to credit risk for each class of financial instrument is as follows:

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Cash and cash equivalents	114,826	54,036	114,937	54,262
Debtors and other receivables	39,741	29,841	40,113	30,778
Community and related party loans	2,757	3,190	2,757	3,190
Term deposits	17,420	8,130	17,420	8,130
Balanced funds	10,710	-	10,710	-
Financial guarantees	-	-	-	-
Total credit risk	185,454	95,197	185,937	96,360

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:

		Council		Group	
		2022	2021	2022	2021
Counterparties with credit ratings		Rating	\$000	\$000	\$000
Cash and cash equivalents		AA	-	-	-
		AA-	114,826	54,036	114,937
Total cash and cash equivalents			114,826	54,036	114,937
Term deposits		AA+	17,420	8,130	17,420
Balanced funds			10,710	-	10,710
Total term deposits			28,130	8,130	28,130

	Council		Group	
	2022	2021	2022	2021
Counterparties without credit ratings	\$000	\$000	\$000	\$000
Fixed interest instruments				
- existing counterparty with no defaults in the past	-	-	-	-
Community and related party loans and mortgages				
- existing counterparty with no defaults in the past	2,757	3,190	2,757	3,190
Total community and related party loans and mortgages	2,757	3,190	2,757	3,190

Receivables mainly arise from the group and council's statutory functions, as such there are no procedures in place to monitor or report the credit quality of receivables with reference to internal and external credit ratings.

Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that Hamilton City Council will encounter difficulty raising 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 an Investment and Liability Management Policy.

Council has a maximum amount that can be drawn down against its overdraft facility of \$500,000 (2021 \$500,000). There are no restrictions on the use of this facility. Council also has \$745 million (2021 \$555 million) of committed borrowing facilities, with available headroom of \$134 million (2021 \$33 million) at balance date.

The Council is exposed to liquidity risk as a guarantor of all of NZLGFA's borrowings. This guarantee becomes callable in the event of the NZLGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in note 30.

Contractual maturity analysis of financial liabilities, excluding financial derivatives

The table below analyses 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 are based on the floating rate on the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments.

	Carrying amount	Contractual cash flows	Less than 1 year	1-5 years	More than 5 years
Council 2022	\$000	\$000	\$000	\$000	\$000
Creditors and other payables	47,551	47,551	47,551	-	-
Secured loans	665,000	753,268	106,648	335,921	310,699
Housing Infrastructure Fund	36,014	36,014	4,100	19,700	12,214
Finance leases	157	159	106	53	-
Financial guarantees	-	-	-	-	-
Total	748,722	836,992	158,405	355,674	322,913
Council 2021					
Creditors and other payables	56,731	56,731	56,731	-	-
Secured loans	507,500	533,743	78,088	259,894	195,761
Housing Infrastructure Fund	20,724	22,522	-	22,522	-
Finance leases	495	507	173	334	-
Financial guarantees	-	-	-	-	-
Total	585,450	613,503	134,992	282,750	195,761
	Carrying amount	Contractual cash flows	Less than 1 year	1-5 years	More than 5 years
Group 2022	\$000	\$000	\$000	\$000	\$000
Creditors and other payables	48,050	48,050	48,050	-	-
Secured loans	669,325	757,593	106,848	340,046	310,699
Housing Infrastructure Fund	36,014	36,014	4,100	19,700	12,214
Finance leases	157	159	-	53	-
Financial guarantees	-	-	-	-	-
Total	753,546	841,816	158,998	359,799	322,913
Group 2021					
Creditors and other payables	57,256	57,256	57,256	-	-
Secured loans	512,015	538,258	78,528	263,969	195,761
Housing Infrastructure Fund	20,724	22,522	-	22,522	-
Finance leases	495	507	173	334	-
Financial guarantees	-	-	-	-	-
Total	590,490	618,543	135,957	286,825	195,761

Contractual maturity analysis of derivative financial instrument liabilities

The table below analyses the Council and Group's derivative financial instrument liabilities into those that are settled on a net basis and those that will be settled on a gross basis into their relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows..

	Carrying amount	Contractual cash flows	Less than 1 year	1-5 years	More than 5 years
Council and group 2022	\$000	\$000	\$000	\$000	\$000
Net settled derivatives	(3,714)	17,842	1,735	12,849	3,258
Total	-3,714	17,842	1,735	12,849	3,258
Council and group 2021					
Net settled derivatives	36,473	66,497	6,476	36,601	23,421
Total	36,473	66,497	6,476	36,601	23,421

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. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

	Carrying amount	Contractual cash flows	Less than 1 year	1-5 years	More than 5 years
Council 2022	\$000	\$000	\$000	\$000	\$000
Cash and cash equivalents	114,826	114,826	114,826	-	-
Receivables	39,741	39,741	39,741	-	-
Community and related party loans	2,757	2,757	440	2,317	-
Other financial assets:					
- Term deposits	17,420	17,939	6,016	5,414	6,509
- Balanced funds	10,710	10,710	10,710	-	-
Total	185,454	185,973	171,733	7,731	6,509
Council 2021					
Cash and cash equivalents	54,036	54,036	54,036	-	-
Receivables	29,841	29,841	29,841	-	-
Community and related party loans	3,190	3,189	432	2,318	439
Other financial assets:					
- Term deposits	8,130	18,168	10,989	3,941	3,238
Total	95,197	105,234	95,298	6,259	3,677

	Carrying amount	Contractual cash flows	Less than 1 year	1-5 years	More than 5 years
Group 2022	\$000	\$000	\$000	\$000	\$000
Cash and cash equivalents	114,937	114,937	114,937	-	-
Debtors and other receivables	40,113	40,113	40,113	-	-
Community and related party loans	2,757	2,757	440	2,317	-
Other financial assets:					
- Term deposits	17,420	17,939	6,016	5,414	6,509
- Balanced funds	10,710	10,710	10,710	-	-
Total	185,937	186,456	172,216	7,731	6,509
Group 2021					
Cash and cash equivalents	54,262	54,262	54,262	-	-
Debtors and other receivables	30,778	30,778	30,778	-	-
Community and related party loans	3,190	3,189	432	2,318	439
Other financial assets:					
- Term deposits	8,130	18,168	10,989	3,941	3,238
Total	96,360	106,397	96,461	6,259	3,677

Sensitivity analysis

The tables below illustrate the potential effect on the surplus or deficit and equity (excluding accumulated funds) for reasonably possible market movements, with all other variables held constant, based on Council's financial instrument exposures at balance date.

Council	2022				2021			
	-100bps		+100bps		-100bps		+100bps	
	Contractual cash flows	Less than 1 year	1-5 years	More than 5 years	Contractual cash flows	Less than 1 year	1-5 years	More than 5 years
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Interest rate risk								
Financial assets								
Cash and cash equivalents	(1,148)	-	1,148	-	(540)	-	540	-
Financial liabilities								
Borrowings - secured loans	3,475	-	(3,475)	-	3,345	-	(3,345)	-
Derivative financial instruments	(13,062)	-	12,215	-	(18,006)	-	16,646	-
Total sensitivity	(10735)	-	9,888	-	(15201)	-	13,841	-

Group	2022				2021			
	-100bps		+100bps		-100bps		+100bps	
	Contractual cash flows	Less than 1 year	1-5 years	More than 5 years	Contractual cash flows	Less than 1 year	1-5 years	More than 5 years
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Interest rate risk								
Financial assets								
Cash and cash equivalents	(1,149)	-	1,149	-	(540)	-	540	-
Financial liabilities								
Borrowings - secured loans	3,520	-	(3,520)	-	3,345	-	(3,345)	-
Derivative financial instruments	(13,062)	-	12,215	-	(18,006)	-	16,646	-
Total sensitivity	(10691)	-	9,844	-	(15,201)	-	13,841	-

Explanation of interest rate risk sensitivity

The interest rate sensitivity is based on a reasonably possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example, a decrease of 100bps is equivalent to a decrease in interest rates of 1%. The sensitivity for derivatives (interest rate swaps) has been calculated using a derivative valuation model based on a parallel shift in interest rates of +/- 100bps.

Note 36: Adjustments to the comparative year financial statements

The Council and group has adjusted the comparative year financial statements for the year ended 30 June 2021 due to a changes in accounting policy for buildings consents. In previous periods the Council and group recognised fees and charges revenue received from building consents on invoice. The Council and group has now decided to recognise building consents on stage of completion as it results in a fairer representation of the use of resources. These restatements impact on the opening balances as at 1 July 2020 and the comparative year 30 June 2021. The impact on each line item of the financial statements is disclosed in Note 39.

Note 37: Events after balance date

A valuation on Financial Derivatives has been provided due to the movement in interest rates since balance date. The value of interest rate swaps has increased by \$6.6 million since the reporting date based on a valuation at 30 November 2022.

The official cash rate (OCR) is the benchmark interest rate in New Zealand. It is the wholesale rate at which banks can borrow money. The OCR increased to 4.25% on 23 November 2022. This is an increase of 2.25% since the reporting date based on an OCR of 2% at 30 June 2022.

Note 38: Software as a Service

In April 2021, the IFRS Interpretations Committee (IFRIC), a committee supporting profit-oriented reporting, published an agenda decision clarifying how configuration and customisation costs incurred in implementing SaaS should be accounted for. The New Zealand Accounting Standards Board has not issued similar guidance, however, in the absence of a PBE standard specifically dealing with such costs, management considers the IFRIC decision relevant to the accounting for similar types of arrangements of the group in accordance with PBE IPSAS 31 Intangible assets.

The group revised its accounting policy in relation to configuration and customisation costs incurred in implementing SaaS arrangements in response to the IFRIC agenda decision clarifying its interpretation of how current accounting standards apply to these types of arrangements.

The IFRIC concluded where SaaS arrangements are service contracts providing the customer with the right to access the SaaS provider's application software over the contract period. Costs incurred to configure or customise software in a cloud computing arrangement, can be recognised as intangible assets only if the activities create an intangible asset that the entity controls and the intangible asset meets the recognition criteria.

Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on-premises systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

Costs that do not result in intangible assets are expensed as incurred, unless they are paid to the supplier(s) of the cloud-based software and/or to the supplier's agent, to significantly customise the cloud-based software for the group, in which case, the costs paid upfront may be recorded as a prepayment for services and amortised over the expected term of the cloud computing arrangement.

At 30 June 2022 the Council and group has assessed their software costs and applied the new accounting policy, resulting in the transfer of intangible WIP of \$4.2 million to operating and maintenance costs recognised in the current year (\$1.3 million of the WIP related to 2021); and a further \$214,000 has been recognised as a prepayment as at 30 June 2022 (\$134,000 of the prepayment related to 2021). The 2021 comparative financial statements were not restated as the amounts were not considered material. In assessing the value of SaaS previously capitalised, no adjustments were made due to the insignificance of these values.

Note 39: Restatement of group comparative figures

The Council and group 30 June 2021 comparative year figures and 1 July 2020 opening balances have been adjusted for the following matters that have been identified as part of the preparation of the 30 June 2022 financial statements:

- 1 The first adjustment relating to WRAL of \$14.675 million relates to the equity accounting being based on draft financial statements which did not yet reflect a material uplift in the property, plant and equipment valuation nor other surplus/(deficit) movements.
- 2 The second adjustment for WRAL of \$797 thousand relates to the recognition in 30 June 2021 of the difference between the WRAL 30 June 2020 draft financial statements (recognised) and actual financial statements (subsequently provided). This amount was correctly recognised in the statement of financial position and statement of changes in equity but was not recognised in the statement of comprehensive revenue and expenses.
- 3 The third adjustment for WRAL relates to a transfer within equity not being recognised. This relates to disposal of revalued property, plant and equipment and the component of the revaluation reserve relating to this asset not being cleared out to accumulated OCRE.
- 4 The fourth adjustment relates to a change in accounting policy as disclosed in Note 36.

The restatements to the 2021 comparative figures and 1 July 2020 opening balances of the group are shown below:

Group

	30 June 2021 audited	2021 WRAL (1)	2020 WRAL (2)	WRAL PPE disposal (3)	Consent revenue (4)	30 June 2021 restated
Statement of comprehensive revenue and expenditure	\$000	\$000	\$000	\$000	\$000	\$000
Fees and charges	53,293	-	-	-	(1,438)	51,855
Share of associates' surplus/(deficit)	19,659	(1,810)	(797)	-	-	17,052
Total surplus and deficit after tax	161,369	(1,810)	(797)	-	(1,438)	157,324
Gain on property, plant and equipment revaluations	230,811	14,675	-	-	-	245,486
Total OCRE	231,734	14,675	-	-	-	246,409
Total comprehensive revenue and expense	393,102	12,864	(797)	-	(1,438)	403,732
Statement of financial position						
Investment in associates	77,118	12,864	-	-	-	89,982
Total assets	5,138,628	12,864	-	-	-	5,151,492
Payables and deferred revenue (current)	70,755	-	-	-	5,031	75,786
Total liabilities	676,091	-	-	-	5,031	681,122
Accumulated comprehensive revenue and expense	2,089,206	(1,810)	-	1,143	(5,031)	2,083,508
Other reserves (revaluation reserves)	2,327,314	14,675	-	(1,143)	-	2,340,846
Total equity	4,462,536	12,864	-	-	(5,031)	4,470,370
Opening statement of financial position						
Opening accumulated OCRE (1 July 2020)	1,923,276	-	-	-	(3,593)	1,919,683
Opening payables and deferred revenue (1 July 2020)	40,024	-	-	-	3,593	43,617

The restatements to the 2021 comparative figures and 1 July 2020 opening balances of the Parent are shown below:

Parent

	30 June 2021 audited	Consent revenue (4)	30 June 2021 restated
Statement of comprehensive revenue and expenditure	\$000	\$000	\$000
Fees and charges	44,985	(1,438)	43,547
Total surplus and deficit after tax	141,752	(1,438)	140,314
Total comprehensive revenue and expense	372,497	(1,438)	371,059
 Statement of financial position			
Payables and deferred revenue (current)	70,230	5,031	75,261
Total liabilities	667,920	5,031	672,951
Accumulated comprehensive revenue and expense	2,049,769	(5,031)	2,044,738
Other reserves (revaluation reserves)	2,293,283	-	2,293,283
Total equity	4,384,956	(5,031)	4,379,925
 Opening statement of financial position			
Opening accumulated OCRE (1 July 2020)	1,902,720	(3,593)	1,899,127
Opening payables and deferred revenue (1 July 2020)	39,628	3,593	43,221

Local government disclosures

Rating base information

The council's rating base information relating to preceding financial years is:

	30 June 2021	30 June 2020
The number of rating units	62,013	60,937
The total capital value of rating units	\$45,783,914,000	\$44,753,605,500
The total land value of rating units	\$23,697,393,000	\$23,456,709,000

Insurance of assets

The following information relates to the insurance of Council assets as at 30 June.

Council	
Actual 2022	Actual 2021
\$000	\$000

The values listed are the declared values Council has provided to its Insurance broker.

Material Damage

1,420,125 1,198,283

Council's Material Damage cover is based on a Maximum Probable Loss model (MPL) which means that its assets are insured for the value of the largest probable loss that could result from a disaster in Hamilton. Council has insured up to \$300 million consisting of two layers; a \$150 million primary layer which is shared between the Regional collective and an additional \$150 million excess layer which is shared with Waikato Regional Council due to geographic accumulation. A separate policy limit is in place which is shared by the Regional collective which provides cover of up to \$125 million for Hamilton City Council damage that is caused by fire, or fire following a natural disaster.

The following categories are in addition to the Material Damage and each is covered with a separate policy.

Fine Arts	60,837	43,126
This cover is for the declared values of art, artefacts and declared outdoor sculptures owned by Council.		
Commercial Motor Vehicles	12,464	16,271
Motor insurance up to the declared value of each individual vehicle.		
Infrastructure	2,488,572	2,219,558
Based on risk engineering and loss modelling for the Waikato hazardscape a \$100 million shared loss limit is in place with the Regional Collective. Insurance is to the level of 40% in anticipation of 60% contribution from central government in a disaster.		
Boiler Explosion	1,515	1,515
Policy covers the damage caused by failure of large boilers.		
In addition to the material damage cover Council has two policies that relate to Contract works and business interruption.		
Contract Works	12,000	8,000
This policy allows Council to perform small projects relating to new builds, works to existing structures, renovations, maintenance and repair with cover up to \$2 million for any one contract.		
Business Interruption	76,617	77,887
\$36.6 million of cover provided for loss of rent revenue and receivable. A further \$40 million for the increased cost of working at the water treatment plants.		

Whole of Council funding impact statement

For year ended 30 June 2022

	Annual Plan 2020-21	Actual 2020-21	Long-Term Plan 2021-22	Actual 2021-22
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	189,531	189,556	201,566	203,135
Targeted rates	10,535	10,720	20,148	20,369
Subsidies and grants for operating purposes	7,227	8,920	8,664	17,452
Fees and charges	32,260	43,547	41,262	39,727
Interest and dividends from investments	1,354	910	406	1,580
Local authorities fuel tax, fines, infringement fees and other receipts	5,977	7,627	6,053	5,789
Total operating funding	246,884	261,280	278,100	288,052
Application of operating funding				
Payments to staff and suppliers	196,934	199,344	218,113	217,949
Finance costs	14,935	12,345	15,686	18,433
Other operating funding applications	-	-	-	-
Total applications of operating funding	211,869	211,689	233,798	236,382
Surplus/(deficit) of operating funding	35,015	49,591	44,302	51,670
Sources of capital funding				
Subsidies and grants for capital expenditure	58,634	72,978	101,588	98,052
Development and financial contributions	22,504	28,095	31,622	27,062
Increase/(decrease) in debt	186,069	1,623	134,030	178,895
Gross proceeds from sale of assets	2,396	3,128	-	128
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	269,603	105,824	267,240	304,137
Applications of capital funding				
Capital expenditure				
- to meet additional demand	199,508	162,036	218,663	175,115
- to improve the level of service	34,691	18,793	43,064	24,628
- to replace existing assets	68,645	64,484	66,942	52,465
Increase/(decrease) in reserves	(690)	(27,301)	7,492	22,810
Increase/(decrease) in investments	2,464	(59,721)	(24,618)	80,789
Total applications of capital funding	304,618	156,853	311,542	355,807
Surplus/(deficit) of capital funding	(35,015)	(49,591)	(44,302)	(51,670)
Funding balance	-	-	-	-

The 2021 actuals have been restated to include a retrospective change in accounting policy for further details see note 36.

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 and statement of service performance in accordance with generally accepted accounting practice and New Zealand equivalents to International Financial Reporting Standards.

Council and management of Hamilton City Council considers that the financial statements and statement of service performance have been prepared using appropriate accounting policies, which have been consistently applied and adequately disclosed and supported by reasonable judgements and estimates, and that all relevant financial reporting and accounting standards have been followed.

Council and management of Hamilton City Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-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 2022, and the results of its operations and cash flows and the service performance achievements for the year ended on that date.

Paula Southgate
Hamilton Mayor
15 December 2022

Lance Vervoort
Chief Executive
15 December 2022

Disclosure Statement

Annual report disclosure statement for year ended 30 June 2022

What is the purpose of this statement?

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

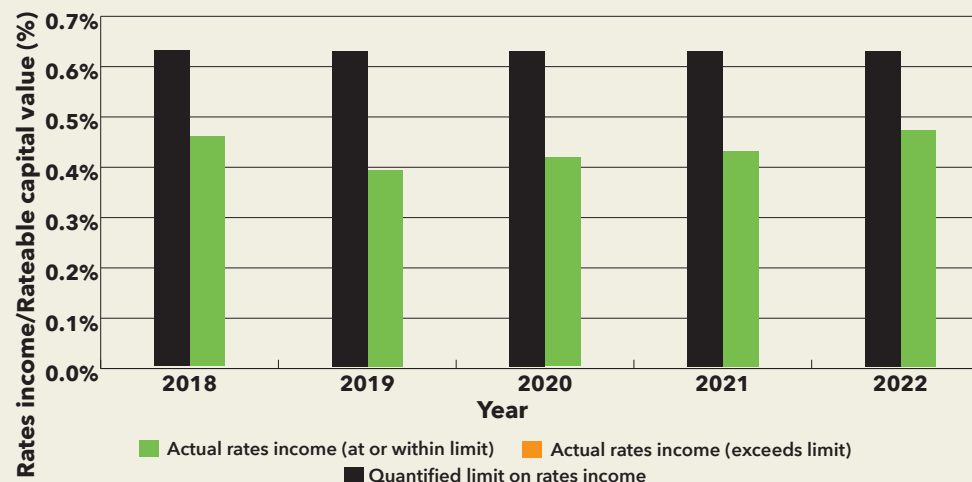
Rates affordability benchmark

Council meets the rates affordability benchmark if:

- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

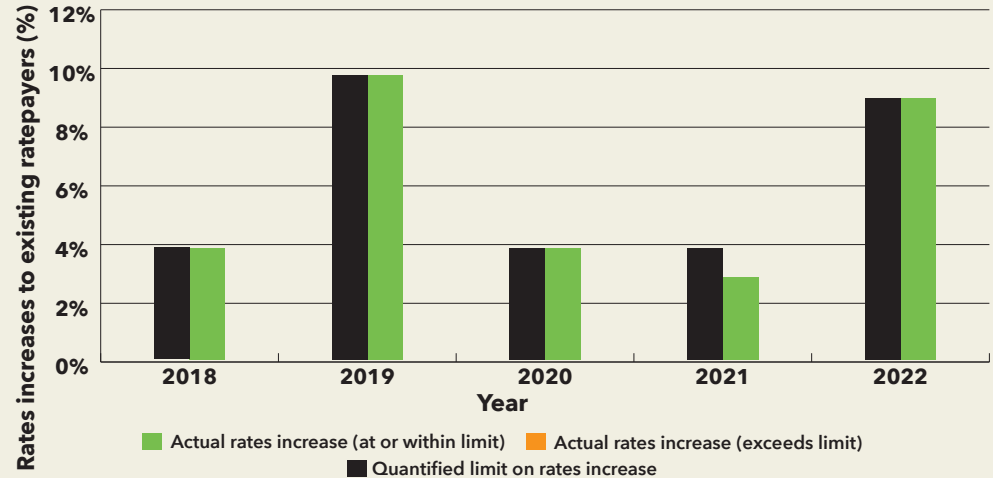
Rates (income) affordability

The following graph compares the council's actual rates income with a quantified limit on rates contained in the financial strategy included in the Council's Long-Term Plan. The quantified limit is that rates will not exceed 0.627% of the city's rateable capital value.



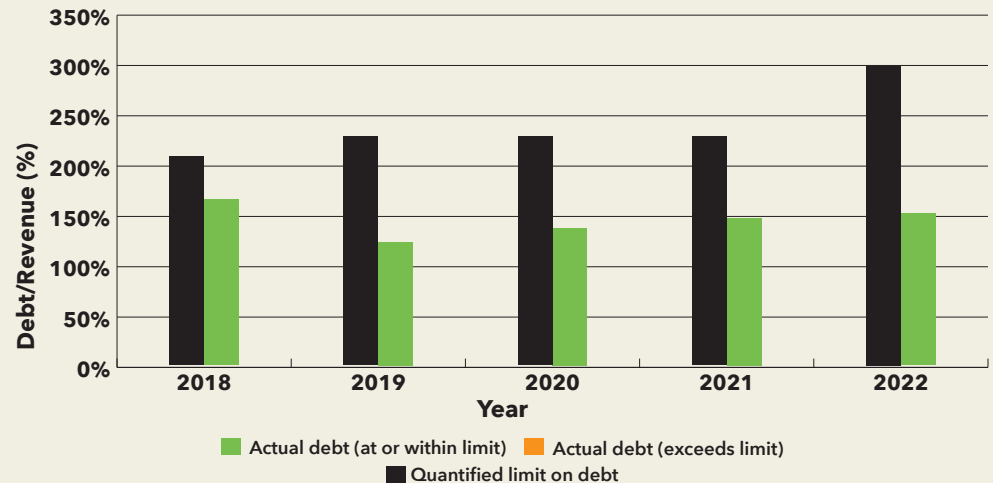
Rates (increases) affordability

The following graph compares Council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in Council's Long-Term Plan. The quantified limit is that rates average rate increases to existing ratepayers will not exceed 8.9% in 2021-22 or 4.9% thereafter. The quantified limit prior was that rates average rate increases to existing ratepayers will not exceed 9.7% in 2018-19 or 3.8% thereafter.



Debt affordability benchmark

Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's Long-Term Plan. The quantified limit is that the debt to revenue ratio will remain below 300% in 2022, 295% in 2023, 290% in 2024, 285% in 2025 and 280% thereafter. The total debt and total revenue calculations have changed in 2021-22 to align with the 2021-31 Long-Term Plan. The quantified limit prior to this was the debt to revenue ratio will remain below 230%.



Balanced budget benchmark

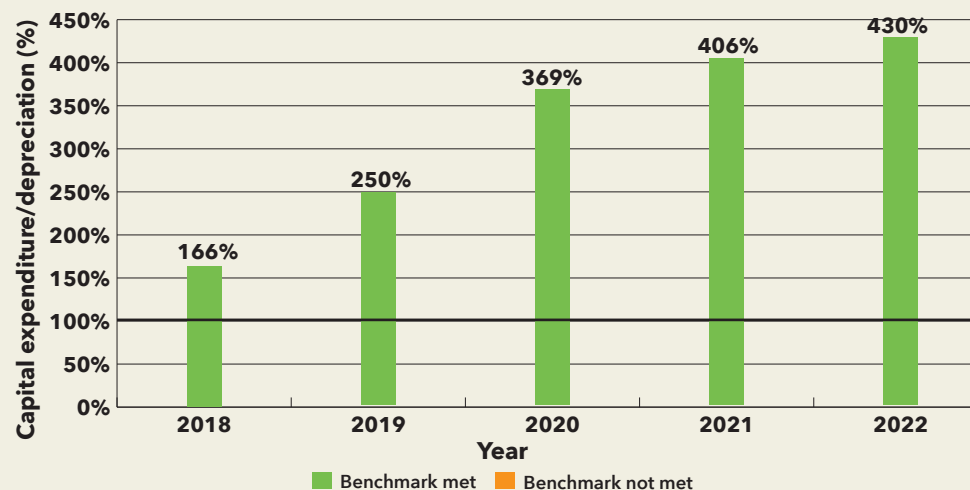
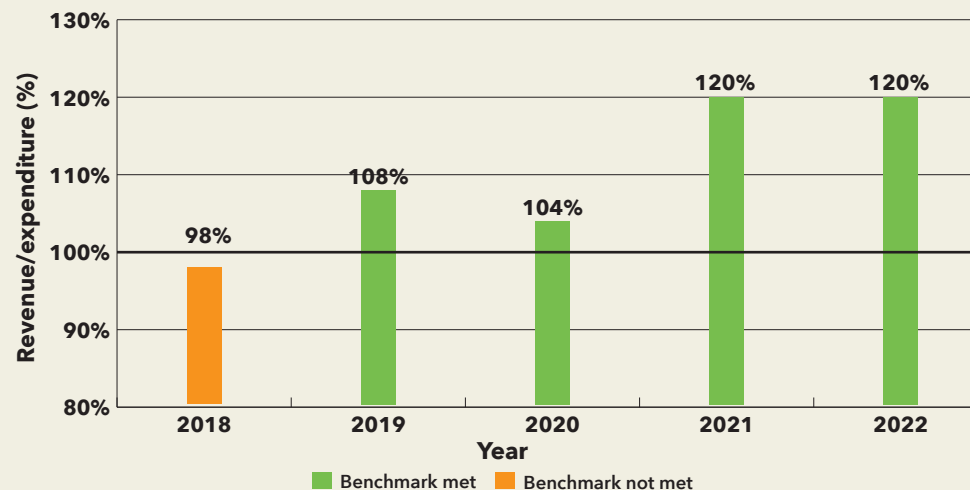
The following graph displays Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment). The Council meets this benchmark if its revenue equals or is greater than its operating expenses.

This benchmark is similar to Council's own "Balancing the books" measure that was introduced prior to the Local Government (Financial Reporting) Regulations. Council does meet its own measure that it believes is more relevant to a growing city. There are four main differences between the measures:

- the above balanced budget includes all capital subsidies
- the above balanced budget includes gains and losses from disposals of assets, investment property, and associates.
- the above balanced budget includes gains and losses from investment property revaluations.
- the above balanced budget excludes all development contributions.

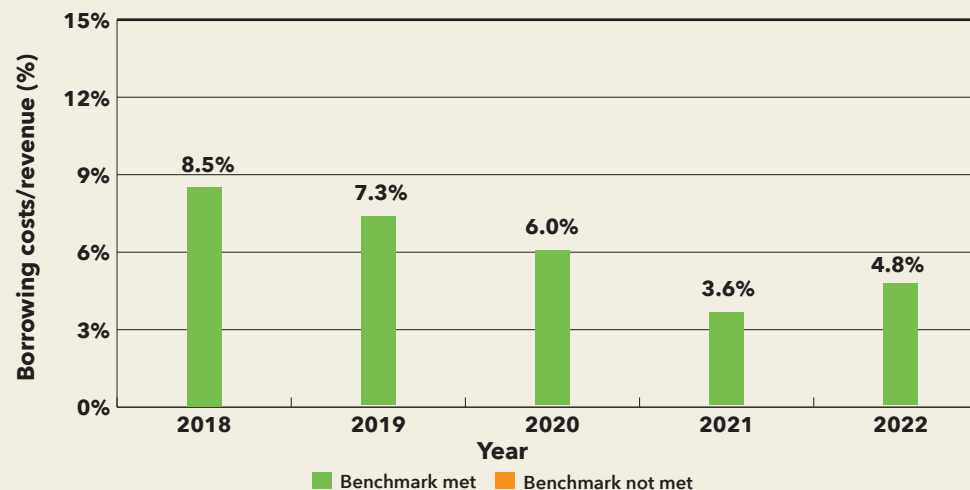
Essential services benchmark

The following graph displays Council's capital expenditure on network services as a proportion of depreciation on network services. Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



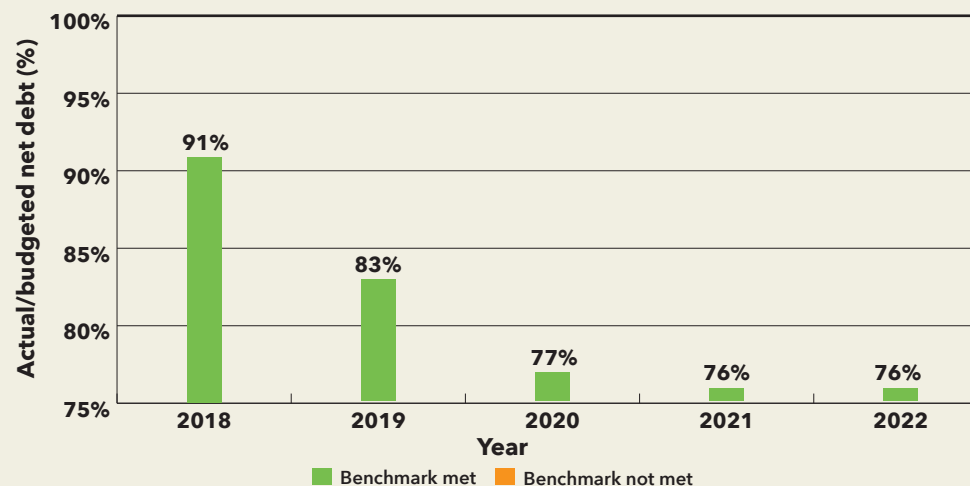
Debt servicing benchmark

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



Debt control benchmark

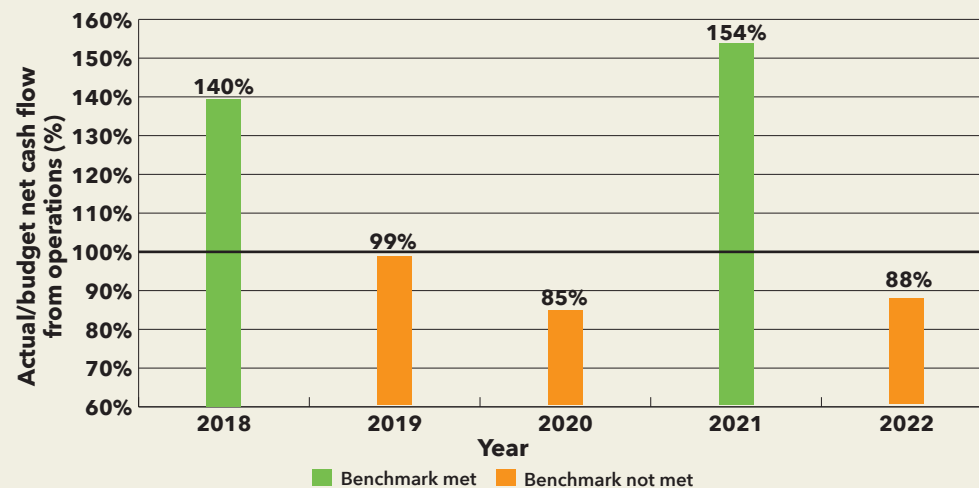
The following graph displays Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables). Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



Operations control benchmark

This graph displays Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations. Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.

Council did not achieved the operational control benchmark in 2022 as less cash was received from capital subsidies and development contributions than planned.



Council Controlled Organisations

We are involved with and represented in a number of organisations to support the realisation of our vision for Hamilton City. Council Controlled Organisations (CCOs) are any organisation in which one or more local authorities control 50% or more of the voting rights or appoint 50% or more of the directors.

We have an interest in the following CCOs:

- Co-Lab,
- New Zealand Local Government Funding Agency Ltd,
- Waikato Regional Airport Limited and its subsidiaries, Hamilton & Waikato Tourism Ltd, Titanium Park Ltd and Waikato Regional Airport Hotel Ltd, and
- Waikato Innovation Growth Ltd and its subsidiary, New Zealand Food Innovation (Waikato) Limited.

The following tables explain what these organisations do, our objectives in regard to ownership, nature and scope of activities, key performance targets and outcomes for 2021/22 year. We also have interests in Council Organisations details of which are available on our website.

We manage and monitor our investment in CCO's by reviewing statement of intents, six month and annual reports at our Finance Committee.

The actual results for 2021/22 are based on draft results available at the time of preparation of the 2021/22 Annual Report.

Co-Lab

Ownership	13.72% SDVS shares, 37.5% WRTM Service shares and 17.8% WRAPS shares equating to 16.02% of the total weighted value of issues shares. The balance of shares is owned by other Local Authorities in the Waikato Region. Council has only one voting right out the 12 voting Local Authorities.
Representation (total members)	1(6) - Co-Lab has six Directors, with five Directors each representing a shareholder Council, as well as an Independent Chair.
Significant policies and objectives	To make a regional leadership contribution and seek opportunities to operate more efficiently by participating with the region's local authorities on shared services, particularly in respect of information collection and management, with the aim of reducing the cost of those activities to the community at large.
Nature and scope of activities	<ul style="list-style-type: none"> • Shared Valuation Data Service • Regional Asset Technical Accord • Waikato Regional Transportation Model • Waikato Building Consent Group • Future Proof • Energy Management • Joint Procurement Initiatives • Light Detection and Ranging Technology • Waikato Regional Aerial Photography Service • Aligned Resource Consent Planning • Regional Infrastructure Technical Specifications • Local Government Contractor Health & Safety Pre-qualification Scheme

Key performance targets

Performance targets are specified in the Co-Lab Statement of Intent for 2021/22 and are summarised with the actual results below:

Financial Performance Measures:	2021/22 targets	2021/22 results	2021/22 outcome
Company forecast:			
Earnings before interest, taxation & depreciation (EBITDA)	(\$0.3M)	\$0.5M	Achieved
Net operating cash flow	\$0.7M	\$0.8M	Achieved
Total assets	\$1.7M	\$4.0M	Achieved
Total capital funds	\$0.2M	\$2.0M	Achieved

New Zealand Local Government Funding Agency Limited (LGFA)

Ownership	8.3%
Representation (total members)	1(31) – There are currently 31 shareholders comprising of the New Zealand Government at 20% and 30 local councils at 80%
Significant policies and objectives	Council's main objective for ownership in LGFA is to access shared funding at better rates and for more flexible terms.
Nature and scope of activities	LGFA will raise debt funding either domestically and/or offshore in either NZ dollars or foreign currency and provide debt funding to New Zealand Local Authorities and CCOs, and may undertake any other activities considered by the Board to be reasonably related or incidental to, or in connection with, that business. The LGFA will only lend to local authorities that enter into all the relevant arrangements with it (Participating Local Authorities) and comply with the LGFA's lending policies.

Key performance targets

Performance targets are specified in the LGFA Statement of Intent for 2021/22 and are summarised with the actual results below:

Financial Performance Measures:	2021/22 targets	2021/22 results	2021/22 outcome
Comprehensive income			
Interest income	\$184.7M	\$393.5M	Achieved
Interest expense	\$166.6M	\$375.9M	Not achieved
Net interest income	\$18.1M	\$17.5M	Almost achieved
Issuance and on-lending costs	\$2.7M	\$2.8M	Almost achieved
Approved Issuer Levy	\$0.6M	\$0.6M	Achieved
Operating expenses	\$4.4M	\$4.4M	Achieved
Issuance and operating expenses	\$7.8M	\$7.9M	Almost achieved
P & L	\$11.3M	\$10.7M	Almost achieved

Key performance targets continued

Financial Performance Measures:

	2021/22 targets	2021/22 results	2021/22 outcome
Financial Position			
Capital	\$25M	\$25M	Achieved
Retained earnings	\$81M	\$80M	Almost achieved
Total equity	\$106M	\$105M	Almost achieved
Total assets (nominal)	\$15,255M	\$16,227M	Achieved
Total LG loans (nominal)	\$13,294M	\$14,020M	Achieved
Total bills (nominal)	\$500M	\$565M	Achieved
Total bonds (nominal) ex treasury stock	\$13,975M	\$14,975M	Achieved
Total borrower notes (nominal)	\$256M	\$271M	Achieved

2021/22 performance targets	2021/22 result	Outcome
LGFA total operating income for the period to June 2022 will be greater than \$19.1 million.	\$18.6M	Not achieved
Annual issuance and operating expenses (excluding AIL) will be less than \$7.2 million.	\$7.2M	Not achieved
Total nominal lending (short and long term) to participating councils to be at least \$13.294 billion.	\$14.0B	Achieved
Conduct an annual survey of councils who borrow from LGFA and achieve at least an 85% satisfaction score as to the value added by LGFA to the council borrowing activities.	99.2%	Achieved
Meet all lending requests from Participating Local Authorities.	100%	Achieved
Achieve 80% market share of all council borrowing in New Zealand.	80%	Achieved
Review each Participating Local Authority's financial position, its headroom under LGFA policies and arrange to meet each Participating Local Authority at least annually.	All councils visited	Achieved
No breaches of Treasury Policy, any regulatory or legislative requirements including the Health and Safety at Work Act 2015.	No breaches	Achieved
Successfully refinance of existing loans to councils and LGFA bond maturities as they fall due.	100%	Achieved
Maintain a credit rating equal to the New Zealand Government rating where both entities are rated by the same credit rating agency.	'AA+/AAA'	Achieved

Waikato Regional Airport Limited (WRAL) and its Subsidiaries, Hamilton & Waikato Tourism Ltd, Titanium Park Ltd and Waikato Regional Airport Hotel Ltd

Ownership	50%
Representation (total members)	0(4)
Significant policies and objectives	Council's main objective in the ownership of WRAL (and its subsidiaries) is to support and provide economic growth to our community which can benefit from the opportunities WRAL provides.
Nature and scope of activities	<ul style="list-style-type: none"> • Operate an efficient and compliant airport. • Enhance the traveller experience. • Maintain a viable aero nautical business. • Maximise revenue diversification through non-aeronautical business opportunities.

Key performance targets

Performance targets are specified in the WRAL Statement of Intent for 2021/22 and are summarised with the actual results below:

Financial Performance Measures:	2021/22 targets	2021/22 results	2021/22 outcome
Consolidated company forecast:			
Earnings before interest, taxation & depreciation (EBITDA) but excluding land sales of at least	\$5.2M	\$6.3M	Achieved
EBITDA including land sales of at least	\$5.7M	\$6.7M	Achieved
Net profit after tax no less than	\$1.2M	\$2.5M	Achieved
Net operating cash flow (excluding land sales)	\$3.6M	\$4.5M	Achieved
Total debt excluding design build property not exceeding	\$29.0M	\$16.8M	Achieved
Land sales of at least	\$2.0M	\$2.02M	Achieved
Percentage of non- landing charges revenue	60%	82%	Achieved
Interest cover	4.0x	15.1	Achieved

2021/22 performance targets	2021/22 result	Outcome
Health, Safety & Wellbeing Facilitate Health & Safety meetings every 2 months with representatives from each company department.	Health & Safety committee meetings are undertaken monthly.	Achieved
Zero Work Safe notifiable accidents/ injuries.	There were no notifiable incidents in either 2022 or 2021.	Achieved
Independently review and audit the Health and Safety system each year.	An independent audit of the Group's health and safety framework was undertaken, and all recommendations were implemented.	Achieved
Operational Compliance To achieve the Airport Certification Standards as required by the Civil Aviation Authority (CAA) and as evidenced by the CAA audit reports.	The airport continues to meet all relevant CAA certification standards.	Achieved
Ensure airport is operationally available for all scheduled passenger services (except for uncontrollable events).	There have been no incidences of scheduled flights being operationally impacted by controllable events.	Achieved
Facilitate noise management meetings each four months in accordance with the Noise Management Plan.	Regular meetings have been facilitated every 4 months however have reduced frequency to 6 months due to reduced air movements.	Almost achieved
Property (Titanium Park Limited) Complete construction of the 5th Stage of Titanium Park's Central Precinct.	Plans were finalised and construction commenced during the year however it was not completed by year end due to COVID19-related construction delays.	Not achieved
Complete construction of the 4th Stage of Titanium Park's Central Precinct and 2nd Stage of Southern Precinct.	Construction of both precinct developments was completed and land sales settled.	Achieved
Develop a masterplan for Titanium Park's Northern Precinct and prepare a private plan change submission to Waipa District Council.	The masterplan was completed in 2021, and the plan change submitted during 2022.	Achieved
Hotel Operation (Waikato Regional Airport Hotel Limited) Implement a recovery plan to enable a steady return to pre-COVID key metrics such as occupancy, room rates and customer satisfaction in line with the expectations underlying the achievement of a Qualmark 4 Star rating.	The hotel's contract to operate as a Managed Isolation Facility was continued throughout the 2021 and 2022 financial years so it did not resume operations as a regular trading hotel in this period.	Not achieved

Waikato Innovation Growth Limited (WIGL) and its subsidiary, New Zealand Food Innovation (Waikato) Limited (NZFIW)

Ownership	Council has 100% shareholding in WIGL and holds a 70% shareholding in NZFIW (its subsidiary).
Representation (total members)	0(5) - There are two boards. WIGL and NZFIW. The WIGL board consists of all NZFIW board members except one.
Significant policies and objectives	Our ownership in WIGL & NZFIW is to promote and provide support to business development and innovation in our community.
Nature and scope of activities	<p>WIGL</p> <ul style="list-style-type: none"> To provide business and innovation advisory services for customers such as small and medium-sized enterprises (SMEs) and High Value Manufacturing and Services (HVMS) business in the Waikato Region. <p>NZFIW</p> <ul style="list-style-type: none"> To provide facilities on an open access basis in which food processing companies and those entering new markets can develop new or improved food ingredient products To provide open access basis a small-scale production plant capable of producing samples for market development which is to be self-sustaining in the medium to long term To participate in and promote a national network of similarly focussed food innovation organisations as a shareholder in a food innovation network To provide an independent and secure facility to ensure the intellectual property and know-how of the Company and its customers are protected To provide a centre of learning for food technology, catering primarily to the pastoral product value chain, in cooperation with tertiary education intuitions To provide one of several tangible centres and organisations throughout New Zealand around which networks of food processors and exporters, food equipment manufacturers and other partners can develop.

Key performance targets

WIGL Group's Performance Information was not available at the time of the preparation of the Annual Report.

Audit Opinion

Whakaaro Taatari Kaute

Independent Auditor's Report

To the readers of Hamilton City Council and group's summary of the annual report for the year ended 30 June 2022

The Auditor-General is the auditor of Hamilton City Council (the City Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Clarence Susan, using the staff and resources of Audit New Zealand, to report on the information in the City Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the City Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the City Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 15 December 2022. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 150 and 152 to 241:
 - o present fairly, in all material respects:
 - the City Council and Group's financial position as at 30 June 2022;
 - the results of the operations and cash flows for the year ended on that date; and
 - o comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the funding impact statement on page 244, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's annual plan;

- the statement of service performance on pages 33 to 147:
 - o presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2022, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - o complies with generally accepted accounting practice in New Zealand; and
- the statements about capital expenditure for each group of activities on pages 48 to 145, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the City Council's Long-term plan; and
- the funding impact statement for each group of activities on pages 49 to 145, presents fairly, in all material respects, the amount of funds produced from each source of funding and

how the funds were applied as compared to the information included in the City Council's Long-term plan.

Report on the disclosure requirements

We report that the City Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 246 to 250, which represent a complete list of required disclosures and accurately reflects the information drawn from the City Council and Group's audited information and, where applicable, the City Council's long-term plan and annual plans.

The basis for our opinion is explained below and we draw attention to other matters. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

Emphasis of matter - The Government's three waters reform programme

Without modifying our opinion, we draw attention to note 1 on pages 157 and 158, which outlines that, in June 2022, the Government introduced legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities with effect from 1 July 2024. The impact of these proposed reforms, once legislated, will mean that the City Council will no longer deliver three waters services or own the assets required to deliver these services. The Water Services Entities Bill had its Third Reading on 7 December 2022 and is awaiting Royal Assent. In December 2022, the Government introduced the Water Services Legislation Bill, which will transfer assets and liabilities to the water services entities.

Basis for our opinion on the audited information

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information, we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the City Council and the Group or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material

misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the City Council's Long-term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related

disclosures made by the Council.

- We determine the appropriateness of the reported intended levels of service in the statement of service performance, as a reasonable basis for assessing the levels of service achieved and reported by the City Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the City Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the audited information of the entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit

findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 32, 148, 149 and 245 and the “balancing the books measure” on page 151, but does not include the audited information and the disclosure requirements, and our auditor’s report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information, and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the City Council and Group in accordance with the independence requirements of the Auditor-General’s Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit and our report on the disclosure requirements, we have performed a limited assurance engagement related to the City Council’s debenture trust deed. Other than these engagements, we have no relationship with, or interests in, the City Council or its subsidiaries and controlled entities.




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