

the  
years  
ahead







# the years ahead

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## Whakatauki and He Mihi

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

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

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

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

Na Potatau Te Wherowhero, 1858



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## ■ MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE

### Welcome to the Long-Term Council Community Plan (LTCCP) for 2009-19.

Given the current economic climate, Council realised early in this process that it would be faced with some tough decisions during deliberations for this plan. Hamilton is a city filled with high aspirations and great ideas, yet it is important for Council to remain realistic in terms of what is fair and affordable in these tough economic times.

Council's 2009-19 LTCCP aims to strike an affordable balance by recognising the short-term operating environment while allowing for long-term outcomes for the city. This plan makes funding provision for around 270 projects – each carefully considered on its own merits and prioritised. Many other projects were put aside for a more prosperous time. The result is what Council considers to be a plan that will allow us to keep moving forward as a city, while ensuring we continue to live within our means.

Section 1.0 provides the thinking behind the decisions that have been made in the development of this 2009-19 LTCCP. Council has made a determined effort to keep rate increases to an affordable level while taking into consideration inflationary pressures over the plan's 10 year period, especially during the first few years.

Through the extensive community engagement process undertaken on the Proposed 2009-19 LTCCP, Council received 384 written submissions. As a result of this process, Council has made a number of adjustments to the final plan including funding provision for development of Waiwhakareke Natural Heritage Park, Public Art, and construction of a Hydrotherapy pool at Waterworld. Further details on key changes made to the plan as a result of the submission process are outlined in the following section.

Despite the allocation of additional funding for various projects, the 4.38% average rate increase for 2009/10 is lower than the 4.98% increase shown in the proposed plan – achieved primarily through more favourable interest rates and changes to operating costs.



Bob Simcock  
HAMILTON MAYOR



Michael Redman  
CHIEF EXECUTIVE

## ■ HE KARERE MAI TE KOROMATUA ME TE KAIWHAKAHAERE MATUA

### Nau mai haere mai ki te kaupapa Tirohanga Whanui Hapori 2009-19.

Kei te aata haere te kaunihera mo wheenei kaupapa i koorerohia nei noo te mea, he kore puutea mo wheenei waa te take. He maha ngaa kaupapa nui e haere ake nei e paa ana ki te taaone nui a Kirikiriroa, engari kia tika te haere mo wheenei waa, hoki ano ki te koorero he korekore ngaa puutea.

Ko teetehi kaupapa mo te Tirohanga Whaanui Hapori 2009-19 kia oortie te wahanga whaaiti me te whaanui te mutunga he painga mo te taaone nui. 270 ngaa momo roopu ka ahei te tonohia e ngaa puutea ki runga i te aata tohatoha moni ki wheena, ki wheena, waiho ngeetehi atu roopu ki te taha mo wheenei waa maha, te mutunga iho ka tutuki pai wheenei kaupapa.

Peewhea ana te hanga o te kaupapa Tirohanga Whaanui Hapori 2009-19? Tirohia koutou ki te Wahanga 1.0 i reira whakatakoto whakaaro mo te kaupapa nei. Maa te Kaunihera e ngana ana ki te aawhina atu te hekenga mo ngaa reeti mo ngaa tau tekau e tuu mai nei mai te timatanga o ngaa tau.

Mai ngaa hua i puta mai te whakawhiti koorero i whiwhi maatou 384 ngaa tuhinga tono no reira, kua tinihia e te Kaunihera ngeetehi kaupapa he puutea tautoko mo te whakapakari waahi Waiharakeke, Mahi Toi, whakatau puna ki Te Waiao, ngetehi atu kaupapa e whai ake nei.

Ahakoia te tohatoha moni mo ngaa kaupapa ka piki 4.38 pai heenetia 2009/10 heke iho wheenei nama ki te 4.98 pai heenetia mo te tono nei, ka tutuki wheenei mai ngaa momo reeti moni aawhina raanei.



Bob Simcock  
TE KOROMATUA O KIRIKIRIROA




Michael Redman  
TE KAIWHAKAHAERE MATUA





## ■ THE 2009-19 LTCCP PROCESS (TE 2009-19 LTCCP MAHI WHAKATIKA)

### KEY STEPS IN DEVELOPING THE 2009-19 LTCCP

The following table outlines the key steps in the 2009-19 LTCCP process.

KEY STEPS IN DEVELOPING COUNCIL'S 2009-19 LTCCP	
27 JANUARY 2009	Council considered and made decisions on the proposed plan and overview.
19 MARCH	Council adopted the Proposed 2009-19 LTCCP.
LATE MARCH/ EARLY APRIL 2009	An overview of the proposed plan was circulated to all Hamilton households.
21 MARCH – 21 APRIL	The Proposed 2009-19 LTCCP was open for public submissions.
4 APRIL	An information day – 'Your City Expo' – was held at the Celebrating Age Centre (South end of Victoria Street).
6 APRIL	An information evening was held at the Celebrating Age Centre.
12 – 15 MAY	Hearings were held for submitters who requested to speak to Council in support of their written submission.
3 JUNE	Council made decisions on submissions.
30 JUNE	Council adopted the Final 2009-19 LTCCP and confirmed the rates strike for 2009/10.
30 JULY	Final LTCCP published and made available from the main Council office in Garden Place, at all Council libraries and on Council's website <a href="http://www.hamilton.co.nz/lccp">www.hamilton.co.nz/lccp</a> .
EARLY JULY 2009	Letters sent to submitters advising them of Council's decision on their submission (including reasons).

### UPDATES FROM PROPOSED LTCCP

To ensure that the latest information is reflected in the LTCCP, a number of updates have been made to the base information that was contained in the Proposed LTCCP. The Proposed LTCCP (although published in March 2009) had to be substantially developed based on financial information on a forecasted starting position for Council that was available in late 2008. Since the final LTCCP was not adopted until June 2009, this allowed more recent financial information to be used in its development.

Council has also been able to make changes between the publishing of the Proposed LTCCP and the adoption of the final version due to:

- Council having more certainty around revenue and expenditure assumptions for specific projects. As there is now greater certainty on both costs and revenue from NZTA subsidy for the E1 project – changes to both revenue and cost assumptions for this project have been made.
- Further information being available on third party processes and projects (e.g. The Guardian's Establishment Committee River Cleanup Fund). At the time of the proposed LTCCP it was envisaged that this contestable fund would be available from 1 July 2009, and that Council would be successful in accessing funding each year for eligible projects in the LTCCP. Although the fund is still likely to proceed, it has not been established as quickly as anticipated and therefore anticipated funding has been removed from year 1.
- The need for Council to make a previously unplanned investment in Waikato Regional Airport Limited – a critically important strategic asset.
- Changing macro-economic conditions and reductions in interest rates. There has been significant favourable changes in regard to interest rates in the early years of the LTCCP – principally due to locking some forward funding at very low rates that were available in February 2009.

The updates made to the Proposed LTCCP based on the above, had the net effect of reducing the overall revenue projected to be required from rates over the 10-years of the LTCCP.



## PUBLIC SUBMISSIONS

Between 21 March and 21 April 2009 the community was invited to make submissions on Council's Proposed 2009-19 LTCCP. A total of 384 submissions were received, with 127 submitters requesting to be heard in support of their written submission at the public hearings, which were held from 12-15 May 2009.

The following table gives a breakdown of the number of submissions received by general category. (Submissions were themed according to the category that they primarily related to, although they may have raised issues relating to other categories.)

SUBMISSION CATEGORY	NUMBER	PERCENTAGE
Hydrotherapy Pool	83	22%
Public Art	67	17%
Other Projects (including Claudelands)	64	17%
City Growth/Planning	34	9%
Community Facilities	30	8%
Rates/Financial	27	7%
Transportation	18	5%
Parks and Gardens	17	4%
Cycle Lane – Whitiara Bridge	9	2%
Environmental Issues	8	2%
Community Development	7	2%
Arts and Culture	7	2%
Other	13	3%
<b>TOTAL</b>	<b>384</b>	<b>100%</b>

Through the consultation process for this LTCCP, Council engaged specifically with the community on four key responses that were used in the development of the plan (refer to Section 1.4). For each of these responses, community feedback was specifically sought through four corresponding questions:

### ■ Response 1: Prioritising Projects

Is there a general level of comfort from the community with the balance of proposed funded and unfunded projects?

### ■ Response 2: Managing Growth Costs

Is the community happy with Council deferring projects within its growth programme, which is now based on a 'just in time' approach, to reflect the slower growth environment?

### ■ Response 3: Maintaining Existing Service Levels and Operating Costs

Is the community happy for the existing levels of service that Council provides to be maintained over the first few years of the plan?

### ■ Response 4: Keeping Rates Affordable

Does the community find the proposed rates increase reasonable for the services that are provided by Council?

The following summarises submitters' feedback on the four responses and consultation questions. Council's decisions on the four responses are then outlined in the 'Key Decisions' section.

## Response 1: Prioritising Projects

250 submissions commented on the funded and unfunded projects included in the proposed LTCCP. Council's contribution towards a hydrotherapy pool at Waterworld and funding of public art in the city received the majority of the submissions.

90 submissions were received in support of the Hydrotherapy Pool project. Of these submissions, the majority requested that Council bring its contribution towards construction of the pool forward from 2010/11 to 2009/10.

84 submissions commented on public art funding. 80 of these submissions were in support of Council funding public art, with the majority requesting that Council include a ten year funding commitment in its LTCCP.

The Claudelands Events Centre project received 58 submissions. The submissions contained a mix of views, with the majority of submitters either supporting the project or raising concerns about its scale and cost in the current economic climate. Only 12 submitters completely opposed the project.



Projects that received the most submissions were:

PROJECT	SUBMISSIONS RECEIVED
Contribution toward Construction of a hydrotherapy pool at Waterworld	90
Public Art Funding	84
Redevelopment of Claudelands Events Centre	58
Construction of Cycleways throughout the City	33
Development of Waiwhakareke Park in Rotokauri	27
Construction of an Indoor Recreation Centre	26
Event Sponsorship Fund	25
Upgrade of the Cross-City Connector Transport Corridor (Including the Whitiara Bridge Cycle Lane Clip-on)	22

## Response 2: Managing Growth Costs

67 submissions commented on growth issues, specifically Council's treatment of key growth projects and their associated costs.

In response to the specific consultation question – *“what do you think of the option of deferring parts of the city growth programme to a more ‘just in time’ approach?”* – 14 submitters agreed that growth projects should be deferred to minimise impacts on rates. In addition there were five other submissions that specifically supported the proposed ‘just in time approach’ or explicitly agreed with the philosophy to ensure that developers pay for the full costs for developing new areas of the city. There was very limited opposition to this view in the submissions.

A number of submissions were received relating to the proposed deferment of community facilities in the north-east sector (e.g. the swimming pool). While some of the submissions raised this issue in the context of balancing Council's funded and unfunded programme of works, the majority of responses discussed the proposed deferments in relation to managing Council's exposure to development funded debt.

## Response 3: Maintaining Existing Service Levels and Operating Costs

36 submissions commented on the Council's proposal to maintain existing levels of service.

In response to the specific consultation question – *“how do you feel about the option of not increasing service levels for the first few years of the plan?”* – 14 submitters agreed that service levels should be maintained at existing levels.

A number of the submissions also focused on the four examples of service levels considered by Council for enhancement:

- a) Acceleration of the playground programme.
- b) More diversity in traffic island and street amenity planting.
- c) Increased provision of bus stops and shelters.
- d) Acceleration of library collection improvements.

Increases to these services were considered by Council in developing the Proposed 2009-19 LTCCP, but when assessed alongside Council's overall budget priorities were considered largely unaffordable, particularly in the first three years of the LTCCP.

Of the four examples, accelerating the playground programme and increased provision for bus shelters and bus stops received the most support.

## Response 4: Keeping Rates Affordable

47 submissions commented on issues relating to rates. These submissions were largely in relation to three issues:

### 1 Proposed rates Increases

26 submissions opposed the proposed rates increases. The majority of these submissions stated that the proposed increases are unaffordable and requested that Council reconsider rates increases. A number of the submissions noted that rates increases are particularly difficult for ratepayers on fixed incomes.

### 2 Proposed rates increases above CPI/inflation

11 submissions commented that Council's proposed rates increases are above projected CPI/inflation levels. The majority of these submissions requested that Council's rate increases are kept within these levels.



### 3 Increased Fees and Charges

The proposed LTCCP overview document included a specific consultation question on Council's proposal to increase fees and charges for some services to assist in minimising rates increases. The majority of submitters were in support of this approach.

## KEY DECISIONS

The following is a summary of the key decisions made by Council as a result of the public submissions and Council deliberations on the proposed LTCCP. As noted in Section 5.3, years 2 to 10 of Council's budget have been adjusted for inflation. The following decisions made by Council were based on 2009/10 dollars and therefore do not take inflation into consideration. Financial information on selected projects outlined in Section 7.6 has been inflation adjusted.

Despite the allocation of additional funding for various projects, the 4.38% average rate increase for 2009/10 is lower than the 4.98% increase shown in the proposed plan; achieved primarily through more favourable interest rates and changes to operating costs.

It is acknowledged that this average increase is ahead of the likely average increase in consumer price inflation (the Reserve Bank targets a range of 1% – 3% for average consumer price inflation). However, cost increases impacting the local government sector are expected to run at a level that is higher than expected consumer price inflation. In recent years, inflation in real costs for key parts of Council's budget has been at a level far in excess of consumer price inflation, e.g. labour, construction materials and oil (bitumen for use in road construction increased by 55.6% between May 2004 and May 2009).

Furthermore, in recent years the value of Council's assets has increased significantly due to the impact of revaluations – from \$1.7 billion in June 2005 to \$3.2 billion in June 2008. In line with these significant increases in asset values, the cost of asset renewals has risen accordingly to a level that is greater than the current funding provided. Council's response has been to establish a special asset renewal reserve fund, which will be a source of funding for future asset renewals to ensue that sufficient funding is available to maintain the current levels of service in the future. Council will contribute \$1.5 million per annum to this reserve in the first three years of the LTCCP, rising to \$9.4 million in year 10. This funding provision has been allowed for in an addition to operational inflation.

## Key Decisions Confirming Council's Proposed Approach

### Managing Growth Costs

Council decided to adopt the new 'just in time' approach to funding growth, which was outlined in the proposed LTCCP. Council has reviewed the pace at which it plans to provide growth-related infrastructure and has adopted a less aggressive 'just in time' approach. This means that the provision of growth infrastructure will have a shorter lead in time. This provides more flexibility to respond to growth 'as and when' it is needed, while at the same time reducing the financial risk of planning too far out and having too much infrastructural investment 'in the ground' where the uptake of this investment may not occur for some considerable time.

### Business Improvement District (BID) Policy

Council has adopted the BID Policy for the central city. The BID is a partnership between Council and the Hamilton Central Business Association to develop projects and services that will benefit the trading environment and add vibrancy to the area. Council will contribute \$100,000 in years one and two to support the formation of the BID. A targeted rate for the BID area will begin from 1 July 2009.

### Claudlands Events Centre Redevelopment

The largest and defining project of the 2009-19 LTCCP is the construction of the \$68 million Claudlands Events Centre. The redevelopment was first proposed as part of the 2006-16 LTCCP and has since undergone three further public consultation processes as part of the 2007/08 Annual Plan, the publicly notified Resource Consent, and the Proposed 2009-19 LTCCP.

A number of submissions to the Proposed 2009-19 LTCCP regarding Claudlands Events Centre felt that given the current economic downturn the project should not proceed at this point in time. As noted above, the proposal has been subject to various consultation processes since 2006. At each of these points Council has received ongoing support from the community for the project to proceed. Taking into account the results and community support from these previous processes, Council has decided to commence redevelopment of the Claudlands Events Centre.

The redevelopment project has been designed on the basis of a unique one-site, multi-zoned facility with strong connectivity and close proximity to Hamilton's CBD. It includes a 5,000-capacity multipurpose indoor arena, 1,500-capacity conference centre and upgraded exhibition facilities.



The development is projected to bring over \$20 million into the city every year, mostly from conferences. The Claudelands Events Centre will also provide Hamilton access to many sports and entertainment events that currently do not come to the city. Postponing the project would lead to significantly higher costs and could result in the project not proceeding at all.

## Key Decisions in Response to Submissions

### Hydrotherapy Pool

As a result of the consultation process, Council will increase funding for the hydrotherapy pool by a further \$686,000 in year 2 of the LTCCP (2010/11) to enable construction of the pool, if a formal request for this funding to the Waikato District Health Board is declined. This is in addition to the \$745,000 Council has already allocated in the plan for year 2.

In conjunction with this additional funding, Council has asked the Hydrotherapy Pool Charitable Trust to raise \$100,000 for specialist equipment for the pool and that the Trust continues to fundraise to reduce Council's additional contribution. Council will project manage the construction and oversee all operational agreements for the pool.

### Waiwhakareke Natural Heritage Park

Council has committed funding of \$100,000 for Waiwhakareke Natural Heritage Park for the planting of trees over the first five years of the LTCCP. In year 1 (2009/10), \$15,000 of the \$20,000 will be funded through a grant from Council's Envirofund. Further tree planting and the building of infrastructure has been budgeted for years 6 to 10 (2014/15 – 2018/19) of the plan.

### Public Art Funding

Council has set aside \$50,000 per annum over the ten years of the LTCCP for public art throughout the city and will also explore additional funding options for public art (including the use of incentives through the District Plan).

### Pedestrian and Cycling Improvements

A new study will be undertaken in year 1 (2009/10) to consider options for improving pedestrian/cycling outcomes at 'hot spots' throughout the city, including Whitiara Bridge. One aspect of the study will look at options for signalising various roundabouts in the city where there are ongoing issues.

To support this study, the plan also includes \$2 million per year for physical works at identified sites in years 2 to 4 (2010/11 – 2012/13).

### Performing Arts Fund

In support of performing arts groups, Council will establish a new \$100,000 annual contestable fund from year 2 (2010/11) onwards for operating expenses. Criteria for accessing the funds will be developed and will require the evaluation of the applicant's business plan. The applicant will also be required to leverage off Council funding and confirm additional Creative New Zealand funding support.

### Grant for Enderley Community Centre Hardcourt

Funding provision of \$25,000 has been made in year 1 (2009/10) for the construction of a hardcourt area (suitable for sports such as basketball) at the Enderley Park Community Centre, subject to Council being the last funder of the project.

### Minogue Park

The Minogue Park development programme includes development of four sports fields on Minogue Park with ancillary facilities; including changing rooms/toilets, roading, car parking and training lights. The programme has been moved from years 1 and 2 (2009/10 and 2010/11) of the funded section of the LTCCP, to years 9 and 10 (2017/18 and 2018/19) of the unfunded section.

Minogue Park traffic precinct improvements (to provide a private road in Minogue Park) have been amended, with project works deferred from years 1 and 2 (2009/10 and 2010/11), to years 5 and 6 (2013/14 and 2014/15).

Funding of \$150,000 has also been re-phased into year 3 (2011/12), for investigation of solutions to manage traffic congestion in the wider Minogue Park area.

### Waikato Stadium Training Grounds

New funding of \$1.89 million has been allocated in year 1 (2009/10) to construct and operate the Willoughby Park and Beetham Park training facilities adjacent to Waikato Stadium. Associated operating and maintenance funding of \$45,000 per annum has also been allocated over the remainder of the LTCCP.

The upgrade of Fred Jones Park (\$525,300 in year 2 (2010/11) and associated operating and maintenance funding of \$342,000 over the remainder of the LTCCP) has been moved from the funded to the unfunded section of the LTCCP.



#### **Changes to the Rating Policy for Retirement Villages**

Council has amended its Rating Policy to ensure that retirement villages operated entirely by a charitable status under the Charities Act 2005 continue to receive the 50% rates remission on the community area of the complex that is used for the likes of games and sport. Retirement villages not operated entirely under a charitable status will be rated at the full residential rate for the whole complex.

#### **Wairere Drive 4-Laning**

Council has deferred the start date of the 4-laning of Wairere Drive until year 3 (2011/12). Prior to then, staff will investigate and report to the Transport Committee on any realistic staging options for this project; including signalisation of the existing roundabouts.

#### **Funding for Rotokauri Lake Park**

Annual funding of \$5,000 over the LTCCP period has been allocated to the Rotokauri Lake Management Committee to assist with maintenance of Rotokauri Lake Park.

#### **Development of the Fantasy Gardens at Hamilton Gardens**

The Fantasy Gardens include three gardens, referred to as the Tropical Garden, the Surrealist Garden and the Tudor Garden. The proposed LTCCP allowed funding (\$1.1 million) for these three gardens over the ten years of the LTCCP, commencing in year 2 (2010/11).

Council has decided to accelerate this programme to occur over seven years of the LTCCP commencing in year 2, with funding of \$1.5 million. The Hamilton Gardens Development Trust will also be undertaking community fundraising to assist with the cost of the new gardens.

#### **Enclosure of Roller-Skating Facility**

The Hamilton Roller Skating Club requested funding to assist with enclosing the skating facility at Melville Park. Council decided to contribute \$75,000 towards this project in 2009/10.

#### **Grants for Surf-lifesaving Clubs**

Council makes annual grants to Surf-lifesaving Bay of Plenty and Surf-lifesaving Northern Region. Both grants have been increased from \$21,000 per annum to \$25,000 per annum for each year of the 2009-19 LTCCP.



**1.0 THE THINKING BEHIND COUNCIL'S 10 YEAR PLAN FOR A MORE SUSTAINABLE HAMILTON**  
NGAA WHAKAARO O TE KAUNIHERA MOO TE TEKAU TAU KAUPAPA KAUNEKE TAUWHIRO



this is  
where I live



## 1.0 THE THINKING BEHIND COUNCIL'S 10 YEAR PLAN FOR A MORE SUSTAINABLE HAMILTON

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## ■ 1.1 WHY A 10 YEAR PLAN?

Every three years all councils in New Zealand are legally required to produce a 10 year plan for the area they administer. The plan (known as a Long-Term Council Community Plan – LTCCP) must outline what each council plans to do over this period, including the activities it proposes to undertake, the cost of undertaking these activities, how they will be paid for and how they will promote community well-being. The LTCCP also outlines the services that will be provided and the projects that will be undertaken over the next 10 years.

Council's 2009-19 LTCCP (presented in two volumes) has been developed with a key focus on minimising rates increases. However, this has to be balanced with the need to invest in projects and programmes that will continue to provide quality services to the community and promote its well-being.

Volume 1 outlines the overall philosophy and thinking behind the development of the plan. A key component is the section around delivery of Council's services through 10 Activity Groups. This addresses service level provision, including key performance measures and targets.

Volume Two contains Council's core financial policies (e.g. the Rating Policy and the Development and Financial Contributions Policy) as well as a full list of the funded projects planned to be undertaken over the plan's 10 year period. It also includes the full list of unfunded projects.

The content and direction of Council's 2009-19 LTCCP is based on a series of inputs that have been developed over a considerable time period. Many of these inputs have already undergone extensive community engagement and feedback processes. For example, over the past five years Council's Quarterly Residents Survey has identified transportation as the main issue residents want Council to address. Council is responding primarily through the Access Hamilton Strategy (refer Section 3.6), which aims to provide the city with a more sustainable and integrated multi-modal transportation system. This LTCCP has made budget provision of \$118 million over the 2009-19 period to maintain and enhance the city's transportation network.



## ■ 1.2 AN OVERVIEW OF WHAT IT LOOKS LIKE WHEN WE ADD IT ALL UP...

### 1.2.1 KEY ISSUES COUNCIL HAS FACED IN DEVELOPING THIS PLAN

- Times are tough and uncertain. The current worldwide recession that commenced in the latter part of 2008 has had a big impact on Council's approach to developing an LTCCP that keeps pace with the city's growth needs, maintains and enhances assets, ensures existing service levels are maintained and, most importantly – is affordable.
- The resultant downturn in Hamilton's construction sector has significantly reduced Council's revenue from new rating growth and from building and development fees (with the revenue from development contributions currently down to just over 30% of that budgeted for 2008/09 – from \$18.6 million to \$6 million). The recession is likely to continue in the short-term.
- Despite this short-term slowdown in growth, Hamilton's population is still projected to increase by around 25,000 people between 2009-19. The resultant housing and business growth will place further pressure on Hamilton's infrastructure and on how, where and when the city should develop.
- There is increasing community expectations (including through the community's goals known as Hamilton's Community Outcomes) that Council will continue to provide new facilities as well as upgrade existing ones.
- Costs that impact directly on Council's operations have also increased significantly over recent years, particularly around labour, construction and materials, e.g. the cost of bitumen used in road construction increased by 55.6% between May 2004 and May 2009.
- While Council is taking advantage of the recent lower interest rates, it also has to pay increasing margins to secure funding in an uncertain market which offsets the advantage gained by lower interest rates. In addition, the funding costs of future borrowing and the ability to continue raising debt in the current manner is uncertain and difficult to forecast.

- A considerable amount of the business that Council is in needs to comply with legislation and national standards. Increasing standards from new legislation results in increasing compliance costs for Council e.g. recent changes to water supply standards.
- The value of Council's assets has increased significantly – from \$1.7 billion in June 2005 to \$3.2 billion in June 2008. In effect, this reduces Council's spending power as it makes it more expensive to renew assets.

### 1.2.2 HOW COUNCIL HAS DEVELOPED ITS RESPONSES CONTAINED IN THIS PLAN

- A Strategic Framework for Hamilton, underpinned by eight key Strategies, drives Council's operations and provides a reference point for decision-making. Collectively the Strategies provide a means of delivering on the community's goals – Hamilton's Community Outcomes. They will also provide a unified approach in making Hamilton a more sustainable city through aligning the strategic planning and service delivery of the city's key organisations and stakeholders with Council's *Vibrant Hamilton* vision.
- The Hamilton Urban Growth Strategy (HUGS) is one of these Strategies and outlines a comprehensive approach for how the city's growth will be planned for and managed over the next 35 years. HUGS promotes four growth propositions and provides the basis for key growth-related projects in this LTCCP. HUGS works within the context of FutureProof (the growth strategy for the sub-region).
- Council used a Prioritisation Tool to assist in delivering on a balanced and affordable 10 year work programme. To make the budget more affordable, many projects have been scaled back in scope or have had their timing delayed, and some have been cut completely (and are now listed as unfunded projects).
- The 10 year budget takes cost increases into account by basing inflation assumptions on a series of price level change adjusters specific to the local government sector.
- In order to help ensure there is adequate funding provision available to renew assets when they wear out, Council has established a special asset renewal reserve fund. A total of \$56.7 million is proposed to be set aside over the 2009-19 period for this purpose.
- Examples of measures taken to make the budget more affordable include:
  - » Increased efficiency gains in operating budgets.



- » Reducing the Event Sponsorship Fund by \$1 million over the next 10 years.
- » Retaining a cap on Council staff numbers.
- » Cutting or holding consultant and legal costs to 2008/09 levels.
- » Adjusting development contribution charges to ensure the development community pay their fair share of infrastructure provision.
- » Not increasing current levels of service over the initial period of this LTCCP, particularly in the first three years.

- Council will continue to monitor and analyse the economic climate and assess its proposed 10 year programme of works in light of whether the current recession continues to deteriorate or improve. Further deterioration may result in additional deferral of projects related to growth. Conversely, projects that have had their timing deferred may be brought forward, depending on factors such as increased income generated through rating growth, development contributions and fees and charges.

### 1.2.3 WHAT THIS PLAN WILL MEAN FOR COUNCIL AND THE COMMUNITY

- The 2009-19 LTCCP delivers on a balanced and affordable 10 year work programme. Over the 10 year period of this 2009-19 LTCCP, Council is planning to undertake 273 capital, renewal and special – based projects and programmes (known as Strategic Action Plans or SAPs) with an estimated cost of \$1.197 billion.
- Undertaking the projects and programmes in the LTCCP will result in an average rates increase to ratepayers for 2009/10 of 4.38%. Overall, average rate increases are proposed to gradually reduce over the 2009-19 period, with a 2.70% increase forecast for 2018/19.
- Current levels of service will be maintained over the initial period of this LTCCP.
- While debt is forecast to double between 2009/10 (\$357 million) and 2018/19 (\$699 million), this needs to be considered in the context of:
  - » Wear and tear on existing infrastructure and the subsequent maintenance or renewal of new infrastructure to meet the needs of a growing city.

- » The share of debt funded by contributions from developers will increase as a proportion of total debt (from 34% in 2009/10 to 52% in 2018/19).
- » Funding capital projects using debt and borrowing this money over extended periods ensures that the debt load is shared across both current and future generations who will benefit from these facilities.
- » The ability of Council to control expenditure on growth related projects if demand changes.

Given that Council has the flexibility to respond to changes in its operating environment through a range of mechanisms, it is strongly of the view that this LTCCP is both financially sustainable and provides a balanced programme of works that will enhance the community's well-being.

### 1.3 FRAMEWORK FOR READING AND UNDERSTANDING THIS PLAN

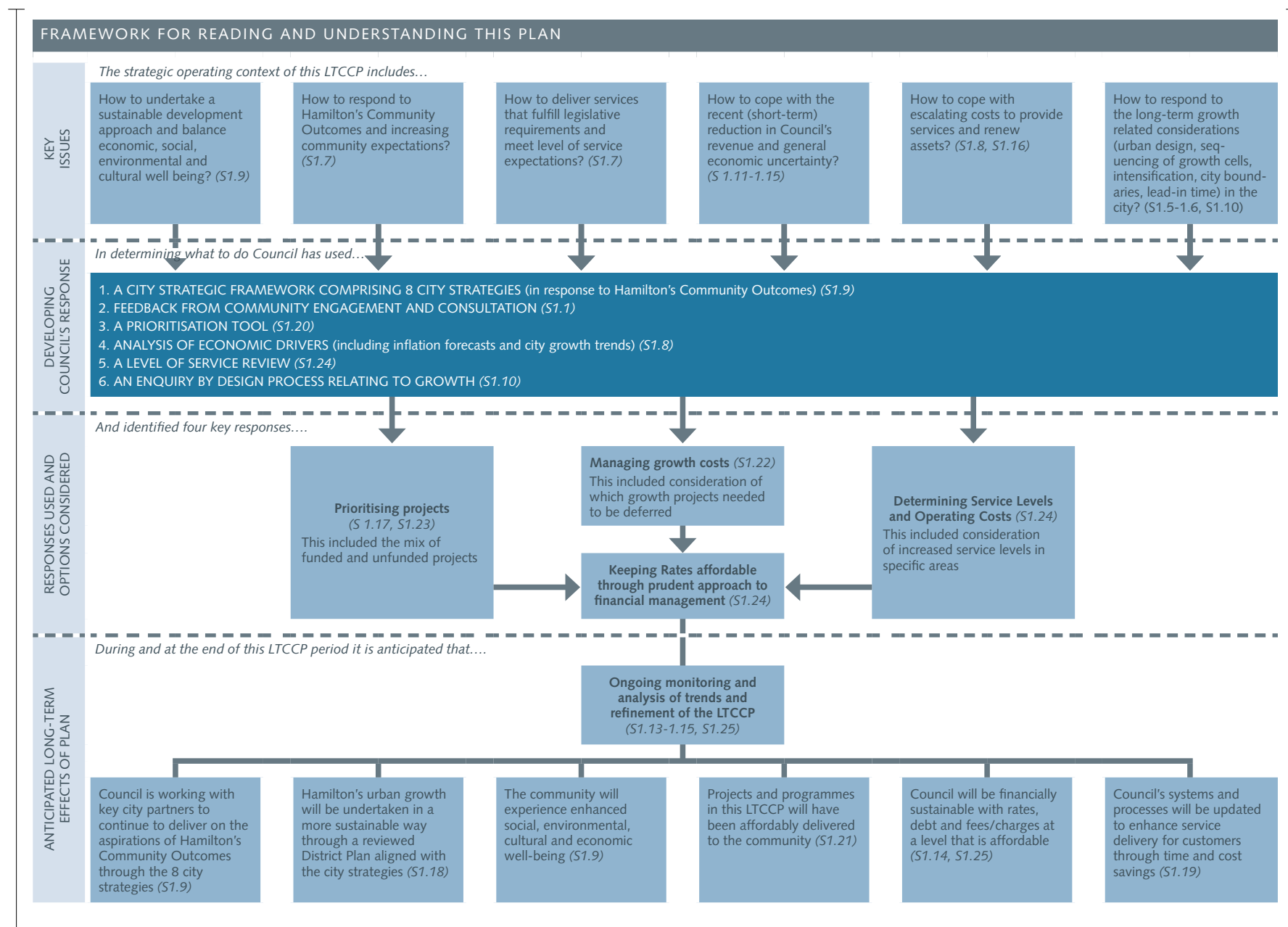
The following figure identifies the key issues that this LTCCP has considered and the processes and tools Council has used to develop its responses. The plan embodies four key responses that Council will be undertaking to ensure that it continues to deliver services to the community that maintain and where possible enhance community well-being. Costed options for the community to consider were provided for each of these four responses. These responses and options were the major focus points for engagement with the community on the proposed plan.

The plan has been developed during a period of economic uncertainty and may therefore need updating as situations change. Through ongoing monitoring and analysis of the economy Council will respond to either improving or deteriorating economic trends through a range of mechanisms. These include reporting progress against budgets and making decisions through the regular Council committee and meeting rounds, continuing to aggressively manage costs across Council's business and undertaking publicly consulted amendments if any significant changes are proposed during the period of the 2009-19 LTCCP.

The following figure also describes the main outcomes that Council wants this plan to deliver on over the next 10 years.

N.B. Italicised text in brackets references the relevant part of this section that provides more detail and discussion.







## ■ 1.4 WHAT ARE COUNCIL'S RESPONSES IN THIS PLAN AND WHAT OTHER OPTIONS WERE CONSIDERED?

Council is aiming to deliver on a balanced and affordable 10 year work programme, while at the same time seeking to meet increasing community expectations. Through the consultation process on this LTCCP, Council engaged specifically with the community on the four key responses that have been used in the development of this plan.

### RESPONSE 1. PRIORITISING PROJECTS

This LTCCP contains projects that Council has made funding provision for and a list of projects that are not funded at this stage. In determining what projects should be funded in this LTCCP Council selected those that it considered would most enhance the city's social, economic, environmental and cultural well-being.

A list of funded projects considered to be of high community interest is provided in Section 1.17 (more detailed information on these projects is provided in Section 7.6). A full list of all 273 funded and 90 unfunded projects, comprising capital, renewal and maintenance projects, is included in the appendices to Volume Two of Council's 2009-19 LTCCP.

#### The options Council considered in prioritising projects:

- Completely remove projects from the currently proposed funded programme.
- Defer timing of certain projects in the currently proposed funded programme.
- Scale back the scope of certain projects in the currently proposed funded programme.
- Add projects to the funded programme from the currently proposed unfunded programme.

### RESPONSE 2. MANAGING GROWTH COSTS

The economic slowdown and international credit crisis that began in the latter part of 2008 has dramatically slowed recent development growth in Hamilton (particularly growth in the building of new houses). Given this slowing of development activity, Council has been required to aggressively manage growth costs as revenue obtained from development activity (used to fund Council growth programmes) contracted. This LTCCP contains a number of significant interventions to manage growth costs including:

- Deferring completion of the new library and swimming pool for the north-east sector to 2014/15.
- Deferring further investment in infrastructure to provide for residential growth in Stage 1 of the Rotokauri Structure Plan and Stage 1 of Peacocke Structure Plan, based on forecast demand and the current oversupply of land for sale.
- A change in philosophy for the funding of growth related infrastructure to shift some of the financial risk from Council to the development community. A less aggressive 'just in time' approach to the planning of infrastructure has been taken to ensure that growth related infrastructure is not provided before it is actually required.

Charges for development contributions were also revised to ensure that the costs of providing growth related infrastructure are more accurately identified and paid for by the development community.

It is also noted that the ability for councils facing significant growth in their districts to sustainably fund growth and other capital projects over the long-term is limited. This matter needs to be addressed by the local government sector and central government in the near future.

### RESPONSE 3. MAINTAINING EXISTING SERVICE LEVELS AND OPERATING COSTS

Council provides an extensive range of services based on agreed levels with the community – these are known as service levels. Examples include the weekly refuse and kerbside recycling service and the regular mowing and other maintenance of Council sports grounds and parks.

During the development of this LTCCP, Council reviewed the range of service levels provided to the community and identified a number of priorities for enhancement to service levels. Service levels that were prioritised for enhancement were:

- Acceleration of playground programme.
- More diversity in traffic island and street amenity planting.
- Increased provision of bus stops and shelters.
- Acceleration of library collection improvements programme.

However, when the budget was developed these enhancements were generally considered unaffordable and therefore not been included in the final LTCCP. As such the range and current level of services delivered to the community is not



proposed to increase in the initial period of this LTCCP – particularly in the first three years. Overall, Council has produced a budget that maintains the current service levels.

In addition, Council scrutinised its operating budgets and various reductions to these budgets were achieved in the development of the 2009-19 LTCCP period. Examples include greater efficiency gains in staff and contractor resourcing and a reduction in funding provision for the production of the CityNews publication.

In order to identify further efficiency opportunities, Council is also intending to undertake a service delivery review of its operations in 2009/10 (refer Sections 1.24 and 7.5.1 for more detail).

#### RESPONSE 4. KEEPING RATES AFFORDABLE

The reasonableness and affordability of the average rates increases forecast over the 10 year period of the LTCCP has been a major matter of concern for Council as increases to rates can have a significant detrimental effect on the economic well-being of particular parts of the community. Keeping rates at an affordable level has been a primary driver in responding to the issues impacting on the development of this LTCCP.

Factoring in anticipated inflation of prices and costs to Council, rates are projected to increase by the following average amounts annually for ratepayers (allowing for growth in the rating base).

FINANCIAL YEAR (ENDING JUNE)		AVERAGE RATES INCREASE (%)
Year 1	2009/10	4.38
Year 2	2010/11	4.66
Year 3	2011/12	5.52
Year 4	2012/13	5.69
Year 5	2013/14	5.19
Year 6	2014/15	5.51
Year 7	2015/16	5.10
Year 8	2016/17	3.81
Year 9	2017/18	2.79
Year 10	2018/19	2.70

Council's revenue is largely a mixture of rates, fees and charges from service users, subsidies from central government and income from investments. This means that Council has to carefully analyse and determine how provision is best made to meet any proposed expenditure increases. A key part of this analysis includes assessing who benefits from the service and therefore where the associated funding for the service should come from.

In developing this LTCCP Council has closely examined the level of fees and charges for its various services and in many cases increased these to ensure that the primary sectors of the community that use or benefit from these services pay their fair share of the service cost. This approach has helped to ensure that rate increases forecast over the 10 years of the LTCCP are minimised (refer to Section 10.0 for a list of services that have changes to fees and charges). The additional revenue projected to be generated through the changes to fees and charges in 2009/10 is \$1.9 million. If these changes to fees and charges were not introduced the 4.38% average rate increase for 2009/10 would have needed to escalate to 6.32%.



## ■ 1.5 THE CITY IS GROWING...

Historic and projected population and business growth is placing increasing pressure on how, where and when Hamilton will develop, as well as on its physical and social infrastructure. Over the next 10 years the city's population is projected to increase from 141,500 to 166,500 (with the number of houses increasing from 50,000 to 59,000), a population increase equivalent to two towns the size of Cambridge.

On average, this growth represents 42 extra people living in Hamilton each week and 16 new houses being constructed each week.

Such growth has also resulted in a number of key issues facing the city such as transportation, city safety, the long-term security of Hamilton's water supply, and the ongoing viability of the city centre (particularly in regard to competition from other retail complexes throughout Hamilton).

## ■ 1.6 OTHERS ARE COMING HERE TO EXPERIENCE WHAT WE ALREADY KNOW...

Hamilton's growth has a reasonably even split between a natural increase in population (an excess of births over deaths of residents) and an increase in net migration (the number of people coming from other places to live in Hamilton minus the number leaving the city). People obviously like living in Hamilton – it has a certain X factor that both retains and attracts new residents and it is now very much a destination city in its own right (refer Sections 2.6 and 2.7).

The city's popularity and reputation is evidenced by more than 8,000 Auckland residents who moved to Hamilton and its immediate surroundings between 2001 and 2006, and by results from Council's January – December 2008 Residents Survey, where 92% of residents rated Hamilton as a good place to live.

*'It's a beautiful city. Lots of trees. It's not over populated and it's easier to get around'*

*'Because it's safe and a good place to live and beautiful, very green'*

*'Work satisfaction for me. I have lived here all my life, Council is very supportive in the community; the city is quite pretty'*

*'Because of the size, it is a good size. The transport system is good now. It has improved a lot'*

*'It just has all the facilities that you need in a city without it being too big, easy place to live'*

The challenge then is for Council to deliver a programme through the 2009-19 LTCCP that ensures Hamilton's special features and characteristics are retained and enhanced.

## ■ 1.7 IT WOULD BE GOOD TO DO MORE...

There is an expectation from residents that a city the size of Hamilton should have key facilities that are available in other centres. These facilities include the likes of museums, theatres, sports stadiums and venues capable of holding a range of local, national and international events. Due to the size and semi-commercial nature of such venues, in most cases it is unlikely that they would be provided by the private sector. Council recognises that the community's expectations for such facilities will continue to increase in line with the demands of a growing city, and has taken this issue into account in developing the 2009-19 LTCCP.

In addition to community expectation for the construction of new large facilities, there is also community desire to improve existing facilities and services. This too has the potential to increase costs.

There is evidence that in tough economic times additional pressure is placed on rate-subsidised Council facilities that are provided to the community at either no or little direct cost to users e.g. parks, swimming facilities and libraries. In these instances, Council incurs a financial impact due to the additional operating and maintenance cost requirements.



## ■ 1.8 BUT COSTS HAVE BEEN INCREASING AT A RAPID PACE...

Over recent years New Zealand's inflation rate, as measured through the Consumers Price Index (CPI), has increased markedly. However, as a number of the CPI components that relate to Council's business have had above average increases (such as labour, construction materials and oil) the impact for Council has been magnified. For example, the cost of bitumen used for road construction increased by 55.6% between May 2004 and May 2009 (refer Section 5.1).

In developing this LTCCP, Council has looked at inflation levels based on research into price level change adjusters specific to the main component cost drivers for the local government sector. These were published in September 2008 by economic consultants BERL (Business and Economic Research Ltd). While the BERL research is useful in developing a longer term forecast of inflation impacts, due to the rapidly changing economic environment which has been experienced during the development of this LTCCP (and in particular since September 2008), it has been necessary to also consider research that has been more focused on shorter term inflation trends (refer Section 5.3).

Therefore when considering the impact of inflation on the forecast financial statements in the first two years of the LTCCP, Council has also drawn on research input from other New Zealand based financial institutions. Given the recent falls in inflation rates, Council has made an updated assumption that inflation will be 1.5% for year 2 (2010/11). As the impact of inflation has already been incorporated into the base budget for 2009/10, there is no need for inflation provision in this year.

Council has made separate assumptions regarding inflation rates impacting on operating and capital budgets. This is a change from the 2006-16 LTCCP where a single inflation assumption was used across all operational and capital expenditure budgets.

Council is also facing additional costs due to higher design standards that have resulted from community expectations for better urban design outcomes (refer to CityScope (Council's Urban Design Strategy) and Vista (Council's Urban Design Guide) in Section 3.6). In some instances there are also further costs of providing infrastructure and services due to additional or increased central government standards and regulations or to comply with resource consent requirements.

## ■ 1.9 ...AND IT NEEDS TO BE MORE SUSTAINABLE

The Local Government Act 2002 requires councils to:

- Manage finances prudently.
- Promote the social, economic, environmental and cultural well-being of communities.
- Promote the current and future interests of the community.

Council is taking a strategic and sustainable development approach to planning for the future needs of Hamilton and its residents, which embodies these principles. A City Strategic Framework has been established (refer Section 3.5), which:

- Provides a focus for Council's planning and service delivery.
- Identifies eight collaborative city strategies, which drive Council's operations and provide a reference point for decision-making.
- Communicates Council's direction to other key stakeholders and, where appropriate, enables them to align their strategic planning and service delivery with Council's vision for a *Vibrant Hamilton*.

The *Vibrant Hamilton* vision embraces a number of key elements:

### A. Investing in Our People

*Hamilton is a diverse city of many cultures, ages, and backgrounds. Our vision is to build a city that celebrates our diversity; building strong communities which excite us to achieve great things.*

### B. Identity and Prosperity

*Hamilton is a city that is making its mark on the political, social, cultural, and economic maps of New Zealand. Our vision is for a place of entertainment, celebration, and culture, enabled by a sharp and wealthy economy built on the city's strategic advantages, innovation, and entrepreneurial spirit.*

### C. Protecting Our Future

*Hamilton is a city experiencing rapid and sustained growth. Our vision for the city is to see development achieved sustainably, efficiently and creatively. Good planning today will benefit the city of tomorrow.*



The following eight City Strategies, which underpin the Strategic Framework, are the primary way in which the community's goals and aspirations (known as *Hamilton's Community Outcomes* – refer Section 3.1) are being progressed:

- CityScope – the city's Urban Design Strategy (including the design guidelines 'Vista').
- Social Well-Being Strategy.
- Creativity and Identity Strategy.
- Economic Development Strategy.
- Environmental Sustainability Strategy.
- Access Hamilton Strategy.
- Hamilton Urban Growth Strategy.
- Active Communities Strategy.

These Strategies were developed in partnership with a number of the city's key organisations. They take a collaborative approach to promoting and implementing themes, initiatives and flagship projects; involving Council, other key stakeholders and the wider community (refer Section 3.6). Māori representation on steering groups is a key element of developing and implementing the City Strategies, giving effect to the principles of biculturalism embodied in the Treaty of Waitangi.

Hamilton's Community Outcomes and the City Strategies will be monitored and reported on regularly. Monitoring helps to guide future planning, by identifying areas where progress is being made, and alerting Council to areas that need action.

Council considers a true sustainable development approach is one that includes a balanced consideration of economic, social, environmental and cultural factors and the effect that these may have on both current and future generations.

The ongoing promotion and implementation of the principles, themes, initiatives and flagship projects of the eight City Strategies is Council's primary means of delivering on Hamilton's Community Outcomes and community well-being, as well as promoting a sustainable development approach for Hamilton over the next 10 years and beyond.

Examples of projects that are making a real difference to the sustainable development of the city include Council's participation in the:

- Campaign for action on family violence known as 'It's not OK'. This promotional campaign uses local and community leadership to create personal relevance around family violence.
- Creative Industries Incubator, which will develop an incubator for start-up businesses in the creative and cultural industries sector.

A key aspect of Council's sustainable development approach must be the preservation of the long-term ability for Council to borrow the necessary funds it will require in the future to renew assets and provide for the community.

## ■ 1.10 THE PHYSICAL FORM OF THE CITY HAS A BIG INFLUENCE...

Council recognises that Hamilton's physical form is probably the single biggest determinant of the city's current and future sustainability. Where housing, industrial and commercial areas are located in relation to one another (and their relative density) has a large bearing on how effectively and efficiently a city functions – particularly in regard to transportation movements and the subsequent impact this has on the natural and built environment from the likes of energy use and CO<sub>2</sub> emissions.

Development of a comprehensive growth strategy for the city (known as the Hamilton Urban Growth Strategy – HUGS – refer Section 6.1) was undertaken with the input and collaboration of a number of key stakeholders to ensure that Hamilton is placed in the best possible position to become a more sustainable city. A four day Enquiry by Design (EBD) workshop held in March 2008 on growth issues facing the city was a key input into developing HUGS. The EBD was attended by Council representatives and various key stakeholders.

HUGS takes a long-term view of how Hamilton should develop over the period 2009-2051. It operates within the context of FutureProof – a growth strategy for the Sub-Region covering the areas of Hamilton City Council, Waipa and Waikato District Councils and the associated area of Environment Waikato (refer Section 6.3). Other key organisations and groups involved in FutureProof include the New Zealand Transport Agency, Matamata-Piako District Council and tangata whenua. The set of population and dwelling projections that were used to develop FutureProof also underpin HUGS as well as the individual growth strategies of Waikato and Waipa District Councils.



HUGS focuses on how, where and when Hamilton should develop through promotion of the following four growth propositions that were consulted on with the public during October and November 2008:

- **Proposition 1** – Facilitating a move towards more choices for compact living environments in the existing city – with a greater focus on quality. This is to occur over the next 10-20 years, with regeneration to focus in and around key nodes i.e. the central city, transport hubs, town centres and areas of high public amenity such as parks and the river.
- **Proposition 2** – In the short to medium-term (2009 – 2023), recommitting to the development of Rototuna as the preferred residential growth cell, plus 900 sections in Rotokauri and 500 sections in Peacocke. The development of these areas will include greater choice in living environments. For instance, more compact type developments in key areas such as town centres or around parks and open spaces.
- **Proposition 3** – In the longer-term (beyond 2023) prioritising the development of the remainder of the Peacocke residential area. Proposition 3 outlined two options for future greenfield residential development i.e. continuing development of Rotokauri in the north-west of the city or making Peacockes in the south the primary long-term growth cell. The proposed strategy outlined the potential benefits and opportunities as well as the indicative financial costs of both options for the community to consider and provide feedback on.
- **Proposition 4** – The transfer of Ruakura land from Waikato District Council to be used as an innovation/employment area rather than residential (from around 2016).

The majority of submissions received to the HUGS proposal supported the content and direction of the four growth propositions, with support favouring the option of continued development in Peacocke (post 2023) over Rotokauri as outlined in Proposition 3. Following the consideration of submissions, Council resolved to adopt HUGS on 10 December 2008.

The four propositions of HUGS set the broad framework and approach for land use planning in Hamilton for the foreseeable future. Successful implementation will require both regulatory and non-regulatory responses and a collaborative approach involving Council, developers and the wider community.

The propositions represent the community's aspirations on the desired future urban form for Hamilton. The upcoming review of Hamilton's District Plan (anticipated to commence in mid 2009) will be a key mechanism for assessing and delivering more detailed plans on many aspects of HUGS. Through this

process the specific values of the different geographic communities throughout the city will be recognised and protected. New Structure Plans will also need to be developed to provide a framework for greenfield areas that will transfer into the city. The principles and direction set by Vista (Council's Urban Design Guide) will also need to be fully embraced by the development and building sectors in order to deliver an urban form that is aesthetically pleasing, universally functional and distinctively Hamilton.

The growth propositions have also had a direct impact on the development of the 2009-19 LTCCP through shaping long-term investments in infrastructure.

Elements from the other seven City Strategies (refer Section 3.6) also contributed significantly to the development of HUGS and will continue to shape its ongoing rollout. In particular, the promotion and implementation of the Environmental Sustainability Strategy will assist the drive towards enhancement and ongoing sustainability of the city's natural and built environment.

While HUGS outlines the broad approach and indicative timing for future urban growth developments within the city, the actual timing for these developments will be influenced by a number of factors. The current economic conditions and reduced growth rates will likely result in deferment of the development horizon dates that were indicatively outlined in HUGS. Council will use its future LTCCP and Annual Plan processes as necessary to update its growth projections and ensure that the related capital growth programme is appropriately matched to demand and remains affordable.

## ■ 1.11 TIMES ARE TOUGH AND UNCERTAIN...

Council, like any business or organisation, is influenced by what is happening locally, nationally and internationally. The recent global financial credit crisis (that commenced in the latter part of 2008) has influenced international and domestic demand for goods and resources. The crisis has also resulted in a situation where Council needs to remain cautious about its borrowing programme and exposure to new growth infrastructure funded by development contributions.

Growth in Gross Domestic Product is likely to be considerably slower over the initial period of the 2009-19 LTCCP than recently experienced and will have significant impacts throughout New Zealand's economy, including the delivery of Council's services. On the upside, growth and confidence in the economy will be stimulated through an increase in disposable income from reductions in interest rates (particularly when fixed term mortgage periods finish) and from the 2008 and 2009 tax cuts.



The change in central government in November 2008 and the new government's proposed policy changes will have a substantial impact on the country's economy and the local government sector from 2009 onwards. For example, the new government is proposing to significantly increase spending on key infrastructure, including an ultra-fast broadband network (\$1.5 billion over six years) and various new roading and transport initiatives (e.g. \$750 million over the next 10 years on the Waikato Expressway). Changes as a result of the current Resource Management Act 1991 review will also significantly impact on Council's operations.

In developing the 2009-19 LTCCP, Council has taken into account information about key issues and drivers that currently impact, or have the potential to affect, Council's operations. This information has been gained from a wide range of local and national economic agencies and other organisations. Local context and information gained through the development and implementation of the eight City Strategies over the past two years has provided further input into this analysis.

### ■ 1.12 AND COUNCIL IS NOT IMMUNE...

The uncertainty in the wider economy is having a marked impact on Council's revenue streams and therefore its ability to continue delivering its current high level of service to the community and to pay for enhancements to the city's infrastructure. Council is currently forecasting a reduction in revenue from new rating growth and from building and development fees for the financial year ending June 2009. For example, the revenue from development contributions is currently down to around 30% from that budgeted for 2008/09 (from \$18.6 million to \$6.0 million). This may mean that the revenue collected from these contributions for 2008/09 may not cover the cost of interest on debt raised for growth projects already undertaken and paid for by Council.

Although there are a number of uncertainties around the current economic conditions, Council has had to make some assumptions in the development of this 2009-19 LTCCP. The primary assumption underpinning the plan is the significant projected long-term population growth in the city. Other key assumptions include the costs associated with service of debt, the overall impact of inflation on Council's operations and revenue from its various activities (e.g. swimming pool and the Zoo). It has also been assumed that the New Zealand Transport Agency subsidy rates towards transportation (particularly road construction and maintenance) within the city's boundaries will remain unchanged over the 2009-19 period.

Council will respond to significant changes to the economic climate, government policies and key assumptions as information becomes available; through adjustments to its programme of works and service delivery as part of each Annual Plan.

### ■ 1.13 IT IS GETTING HARDER TO BORROW...

When evaluating the borrowing programme, Council considers both interest rate risk and funding risk. Council manages interest rate risk by using various funding mechanisms to lower the cost of borrowing, and is taking advantage of the recent lower interest rates. However, Council has to pay increasing margins to secure funding in an uncertain market which offsets the advantage gained by fixing the interest rate risk. In addition, the funding costs of future borrowing and the ability to continue raising debt in the current manner is uncertain and difficult to forecast. Although Council already has a relatively high level of debt compared to other similar sized councils, it recognises that it is increasingly important to maintain a very disciplined approach to future borrowing and ensure that Council operates within its prudent debt performance limits.

### ■ 1.14 AND TO BE ABLE TO PAY FOR DEBT...

Council's overall level of debt including internal borrowing at 1 July 2009 is projected to be \$275 million (\$357 million at 30 June 2010), and this figure is forecast to grow to \$699 million by 30 June 2019. While acknowledging the significant increase in debt, Council is of the view that the projected debt levels remain sustainable and is committed to taking necessary action as required in order to ensure that Council's self imposed debt servicing performance limits are adhered to throughout the course of this LTCCP.

Council's preferred method of managing the increased debt levels and the additional financial risks which these rising debt levels create is to actively monitor and be prepared to further defer and/or scale back on debt funded infrastructure projects (refer Section 1.4).

Council also recognises that in order to improve its debt servicing capacity it could consider targeting higher rating increases to generate a larger operating revenue base. There may be some capacity for Council to consider this option in these later years without having a significant impact on rating affordability and community well-being.

The following table outlines the projected debt for each financial year of the 2009-19 LTCCP, including the split between debt funded by rates and debt funded by development contributions.



COUNCIL'S DEBT BALANCE 2009-19										
IN \$ MILLIONS	2009/10 YR 1	2010/11 YR 2	2011/12 YR 3	2012/13 YR 4	2013/14 YR 5	2014/15 YR 6	2015/16 YR 7	2016/17 YR 8	2017/18 YR 9	2018/19 YR 10
Debt funded by Rates	234	263	274	305	323	335	342	348	342	335
Debt Funded by Development Contributions	123	145	164	189	242	271	300	315	341	364
<b>TOTAL DEBT</b>	<b>357</b>	<b>408</b>	<b>438</b>	<b>494</b>	<b>565</b>	<b>606</b>	<b>642</b>	<b>663</b>	<b>683</b>	<b>699</b>

While debt is forecast to double over the 10 years of the LTCCP, this needs to be considered in the longer term context of Hamilton's growing population base and the need to service this growth with expanded transportation, water, wastewater and stormwater infrastructure. It is this planned growth in infrastructure that is contributing to the significant forecast growth in development contributions funded debt. The proportion of Council's total debt that is funded by development contributions is forecast to increase from 34.5% in 2009/10 to 52.1% in 2018/19. Council's approach of funding capital expenditure by using debt and borrowing over extended periods helps to ensure that both current and future generations who benefit from these facilities will contribute their share to the upfront construction costs.

While deferring or cancelling projects is one of the ways Council manages its debt levels, this approach is not always the most appropriate option as major infrastructure projects that enable growth or replace worn out assets cannot be put off indefinitely.

The programme of works contained in the 2009-19 LTCCP assumes that Council will have the ability to raise the necessary debt to fund its overall operation. In the future this may become a limiting factor for some councils – particularly those that are experiencing significant growth. This is not the case for Council in this LTCCP, as debt from growth and capital projects has been managed through a mix of deferring and not funding some projects over the 2009-19 period. This is a crucial issue that will need to be addressed by both the local government sector and central government in the near future.

In the 2006-16 LTCCP a number of capital projects were budgeted to be funded from development contributions. This increased the perceived level of Council debt available for non-growth borrowing. The forecasted income did not predict the current downturn and hence current contributions in 2008/09 are projected

to be insufficient to meet all of the borrowing costs on current development contributions debt. Due to this, Council has been very conservative in assessing future development contributions and has significantly slowed down and limited the quantum of growth projects that will be funded by future development contributions.

With a slow down in the economy, it is particularly important that growth related assets funded through development contributions do not progress too far in front of the market, as any future deficit may have to be funded through the General Rate. Therefore the overall debt position, including development contributions debt, needs to be managed very carefully.

## ■ 1.15 INVESTMENTS ONLY CONTRIBUTE A SMALL PART OF COUNCIL'S REVENUE...

Unlike some other large councils in New Zealand, Council does not have investments that contribute significant dividends to its income, such as port or utility company shares.

Council's strategic investment-based assets include:

- Various properties throughout the city (including the BNZ building in Victoria Street and the SCA Hygiene building in Foreman Road).
- A 50% shareholding in the Hamilton International Airport (1.43 million shares – Council's share of net assets is \$30.16 million at 30 June 2008).
- A 41.38% shareholding in the Hamilton Riverview Hotel Ltd, which manages the Novotel and Hotel Ibis (6 million shares – Council's share of net assets is \$11.02 million at 30 June 2008).



Council is also a 63% capital beneficiary of the WEL Energy Trust.

It should be noted that Council is proposing to sell its share of the Hamilton Riverview Hotel in 2013/14. Funds received from this sale would be used to repay debt.

Council is also involved in the following initiatives as a means of promoting economic development in Hamilton:

- 34.85% shareholding in Hamilton Urban Fibre Network Ltd – Council's share in net assets is \$188,000 at 30 June 2008.
- \$2.4 million share in Innovation Park.  
**Note:** The \$2.4 million payment to Innovation Park was made in March 2009 and is subject to an interim funding agreement to secure Council's interest until the investment structure is determined. It is anticipated that the final structure will be confirmed in the latter half of 2009 with the finalised structure likely to be a Council Organisation.
- 40% shareholding in Soda Inc. – an incubator located at the Meteor Theatre for creative industry start-up businesses.

## ■ 1.16 IT COSTS MORE TO LOOK AFTER WHAT WE ALREADY HAVE...

Council currently retains just on \$3.2 billion of public infrastructure and property assets, which provides residents, businesses, other organisations and visitors to Hamilton with an extensive range of services and enables the city to function effectively, efficiently and sustainably.

Council recognises the importance of having a comprehensive renewals programme that ensures its existing infrastructure and assets are managed in a responsible and sustainable manner. Using available asset information data, Council has made funding provision of \$300 million over the 2009-19 period to fund specific asset renewal projects.

In recent years the value of Council's assets has increased significantly due to the impact of revaluations. The value of Council's assets has increased from \$1.7 billion in June 2005 to \$3.2 billion in June 2008. These large valuation increases suggest that the cost of asset renewals will be rising over time and Council must take this into account when budgeting for future asset renewal expenditure.

Council's response to the likelihood of rising asset renewal costs has been to establish a special asset renewal reserve fund that will represent an additional source of funding for asset renewals in the future should such a need arise. Over

the course of the 10 year budget Council is committing to contributing \$1.5 million per annum to this reserve fund in the first 3 years of the LTCCP, rising to \$9.4 million in 2018/19.

While Council has made additional funding provision to accommodate the potential for a more costly asset renewals program in this 10 year period, it is acknowledged that this additional provision may still not be enough. However, Council is comfortable that by establishing a dedicated reserve fund, it has made an appropriate response to this issue within the context of the current economic environment.

This special asset renewal reserve fund will help to ensure that Council will not find itself in the same situation as other councils have experienced where they have delayed replacement of critical infrastructure as a short-term means of saving money. In many of these cases this short term savings approach has resulted in significant additional costs for these councils in the long-term. Many have had to impose significant rate increases to fund critical infrastructure replacement works.

A more detailed explanation of this issue is provided in Section 2.2 of Volume Two of the 2009-19 LTCCP.

## ■ 1.17 BUT...WE MUST STILL PLAN FOR A POSITIVE AND VIBRANT FUTURE...

In addition to maintaining and renewing its existing city infrastructure, Council is also planning new capital projects and programmes that will cater for increased community expectations and the demands of Hamilton's ongoing population and business growth.

In considering new capital projects, Council has reassessed projects that have had existing or previous commitments, as well as those that are relatively new.

Examples of high profile projects that will be funded during the 2009-19 period include:

- Redevelopment of Claudelands Events Centre
- Construction of an Indoor Recreation Centre
- Review of Hamilton's District Plan
- Transfer of land in Ruakura and Te Rapa North into the city from Waikato District
- Infrastructure to support development of the Ruakura growth cell



- Infrastructure to support development of Rotokauri growth Stage 1
- Infrastructure to support development of Peacocke growth cell Stage 1
- Infrastructure and facilities to support development of a town centre at Rototuna (including the north- east sector Pool and Library)
- Design and construction of Wairere Drive – Crosby to Ruakura Road
- Upgrade of Wairere Drive – Te Rapa to Tramway
- Upgrade of the Water Treatment Station
- Upgrade of the Wastewater Plant
- CityHeart projects (Garden Place/Civic Square; Pedestrian link to Claudelands)
- Further development of Minogue Park
- The Event Sponsorship Fund
- Hamilton Gardens Development Programme
- Contribution towards construction of a Hydrotherapy Pool at Waterworld
- Contribution towards construction of northern growth corridor roading projects
- Construction of cycleways throughout the city
- Development of a bus Super Stop within the CBD
- Upgrade programme of Council's housing units for older people
- Upgrade of Council information systems and processes
- Development of an appropriate community facility behind ArtsPost.

Further detail on the above projects is outlined in Section 7.6.

When considering new projects, Council recognises the significant benefits that they can have for the construction sector and the local economy in general. In tough economic times, the contribution of projects can help to both insulate local businesses and stimulate growth, primarily through employment generation, purchases of goods and services and the subsequent flow-on effect through the local economy (known as the economic multiplier-effect). Council has considered these broader economic impacts when deciding whether or not to undertake certain projects in this 2009-19 LTCCP. Careful decision-making regarding

projects can help to sustain Hamilton's continued economic development and gives increased effect to Hamilton's Economic Development Strategy and Council's 'Buy Local Policy'.

Beyond construction projects, Council is also prepared to look at undertaking innovative initiatives that will result in positive benefits to the city's economy.

The full list of funded projects to be undertaken over the next 10 years is outlined in Volume Two of Council's 2009-19 LTCCP.

### ■ 1.18 THE CITY DESERVES QUALITY...

Council wishes to take a stronger and more visionary role in guiding the future development of the city's built environment to ensure that it can better reflect the aspirations of Hamilton's community. It is Council's vision that Hamilton's evolving urban form and built environment will deliver positive social, cultural, economic and environmental outcomes that have sometimes been missing from ad-hoc development in the past.

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

### ■ 1.19 AND BETTER SERVICE WHEN ENGAGING WITH COUNCIL...

Delivery of an effective and efficient programme of works over the 10 years of the 2009-19 LTCCP also relies on having the necessary internal systems and resources in place that are appropriate for the size and complexity of the organisation and city.

Subsequently, Council is investing approximately \$13 million over the 10 year period of the LTCCP in a comprehensive overhaul of its information processes and systems to ensure greater cross-Council integration and management of centralised information. This project will enhance service delivery to customers – making it easier and quicker to work with Council by producing more efficient processes and access to information that deliver time and cost savings (refer Section 7.8).



## ■ 1.20 IN ORDER TO MAKE IT AFFORDABLE, WE'VE HAD TO PRIORITISE, THEN REPRIORITISE...

Council developed a prioritisation tool that assisted in ascertaining the optimum staging and timing of projects (refer Section 5.5). The broad application of this tool has enabled the production of a programme of works and associated budget that is both deliverable and affordable. The prioritisation tool assisted Council to focus the staging of works around three main phases:

**'Mend'** – Occurs in the early years of the 2009-19 LTCCP. The concept of mending is making the most of what we currently have. It involves a period of consolidation and realignment of key plans and policies (such as the city's District Plan) with the City Strategic Framework and its eight constituent strategies, investment in Council's key information assets and a focus on gaining a better understanding of the condition of some key assets.

**'Extend'** – Occurs in the middle years of the 2009-19 LTCCP. Services will be expanded to address pressures on existing infrastructure and to meet proposed service levels of various facilities e.g. libraries and swimming pools. Deliverability will still be balanced with affordability.

**'Blend'** – Occurs in the latter years of the 2009-19 LTCCP. Expansion of infrastructure will continue but this period will also involve maintenance and upgrading of existing assets and planning for future growth cells.

Consequently, a number of projects that had an existing commitment in the 2006-16 LTCCP have had their timing reprioritised to assist in the delivery of a more affordable programme of works across each year of the 2009-19 LTCCP. This approach reflects the latest economic trends and a slower growth environment. For example the community facilities for the north-east sector, including swimming pool (total cost \$15.7 million) and community library (total cost \$14.4 million) are now proposed to be completed in 2014/15.

The Prioritisation Tool recognises that there is existing baseline expenditure relating to projects and programmes that are already underway and these projects and programmes run throughout the three phases (for example, CityHeart, Claudelands, Access Hamilton, Strategy Flagship projects and Council's renewals programmes).

## ■ 1.21 AND BE PRAGMATIC ABOUT HOW MUCH WORK CAN BE ACHIEVED...

Despite undertaking a significant number of projects over recent years to meet the needs of a growing city, Council has a number of existing commitments and associated funding (known as carryovers) that also need to be considered. The total carryover budget for the 10 year period is \$74.9 million and this is planned to be spent in the first four years of the LTCCP. The 2009-19 LTCCP has taken a measured approach to rephase these works with the majority being reprogrammed to occur in years 1 to 4 i.e. 2009/10 to 2012/13.

In order to minimise future carryovers, Council has critically assessed its own ability to deliver on the projects and programmes over the 10 year period. Rather than allowing debt and financial constraints to primarily define the size of the planned capital programme, there has been greater emphasis placed on the scale of capital construction and the phasing of these projects. This will ensure that the programme is practical and achievable with the available resources, given other commitments planned in the same year. This approach will help to ensure that Council is able to deliver projects in line with community expectations around project timing.

Council is clear that any agreed programme should ideally be deliverable within the current staffing levels across its operation. A key mechanism to manage Council's operating expenditure has been the introduction of a management cap on the number of full-time equivalent staff employed by the organisation. This cap was set in January 2008 and will remain in place until July 2010.

## ■ 1.22 AND WE'LL HAVE TO CHANGE THE WAY WE'VE PREVIOUSLY PLANNED AND PAID FOR GROWTH...

Significant risk exists for Council with the funding of growth-related infrastructure. While much of this infrastructure is funded through loans paid for by development contributions (paid for by developers), the majority of funds are only transferred to Council at a relatively late stage in the subdivision process. The potential exists for Council to have constructed growth-related infrastructure too early for the market and subsequently has to cover the servicing costs of loans for an extended period. The risk of this situation occurring is greater in periods of slow growth (as is currently the case).

Council has reviewed the pace at which it plans to provide growth-related infrastructure and has adopted a less aggressive 'just in time' approach. This means that the provision of growth infrastructure will have a shorter lead in time. This provides more flexibility to respond to growth 'as and when' it is needed,



while at the same time reducing the financial risk of planning too far out and having too much infrastructural investment 'in the ground' where the uptake of this investment may not occur for some considerable time.

By taking a more conservative approach to the programming of growth infrastructure, it is possible that the planned programme will not keep pace with developer demand for biblically funded services such as the provision of water and stormwater. In these circumstances, developers will need to work with Council to look at the option of advance funding projects themselves. This would have the effect of shifting the risk associated with early funding of infrastructure from Council to the development community.

As part of its annual Development and Financial Contributions Policy review, Council has made the following changes to the development and financial contribution charges.

GREENFIELD	2008/09 (\$) EXCL GST	2009/10 (\$) EXCL GST
Residential (per single household equivalent unit of demand)	25,142	31,629
Commercial (per 100m <sup>2</sup> )	6,582	12,331
Industrial (per 100m <sup>2</sup> )	5,005	6,462
INFILL	2008/09 (\$) EXCL GST	2009/10 (\$) EXCL GST
Residential (per single household equivalent unit of demand)	9,440	10,619
Commercial (per 100m <sup>2</sup> )	4,946	6,270
Industrial (per 100m <sup>2</sup> )	3,942	2,952

In addition, the revised policy also outlines Council's intent to consider modifying the methodology it uses for calculating development contribution charges for reserves. Consideration is to be given to a revised methodology based on local land prices, or a combined methodology based on a uniform charge for city wide projects and a catchment charge based on the value of land.

### ■ 1.23 UNFORTUNATELY THERE ARE SOME GREAT IDEAS WE JUST CAN'T YET AFFORD...

The combined effect of the increased cost of maintaining assets, the reduction in revenue from a slowing down of development, and commitments to previously agreed major projects has resulted in 90 unfunded projects in the 2009-19 LTCCP. Although these projects are still considered worthwhile to undertake, they are not of a critical enough nature to warrant including in the funded part of the budget at this point in time (refer Section 7.7).

The total value of projects in the unfunded part of the 2009-19 LTCCP amounts to \$168 million.

The full list of unfunded projects is contained in Volume Two of Council's 2009-19 LTCCP.

### ■ 1.24 EFFICIENCY GAINS AND REDUCTIONS HAVE HAD TO BE MADE ACROSS THE BOARD...

In developing the 2009-19 LTCCP, Council has been very disciplined with all areas of its budget and made cuts to previous expenditure levels where at all possible. Specific examples of reductions to operational budgets include:

- Event Sponsorship Fund has been reduced by \$1 million over the 10 years.
- CityNews publishing reduced by \$90,000 each year, anticipating savings from a change to the document format or size.
- Staff numbers – a cap on the total number of full time equivalent (FTE) staff positions has been in place since January 2008 and will remain in place until at least July 2010. A Council resolution is required to alter the cap. Despite the FTE cap increasing by 14.5 staff positions due to Council resolutions since it was established, the budgeted increase of FTEs in this plan is only 4.3 until 30 June 2010. This saving is due to a number of existing positions being disestablished and removed from the budget (through the likes of staff leaving or retiring).
- Consultant and legal costs have been cut or held at existing levels despite pressures from actual costs in 2008/09.
- Further staff savings (approximately \$7 million over 10 years) from positions yet to be identified. These savings will be achieved either through a reassessment of staff positions when existing staff leave, the service delivery review of Council's operations (programmed to commence in 2009/10) or targeted reductions in certain areas of the organisation.



- No growth in the fleet vehicle operating and capital budget, acknowledging that Council anticipates efficiencies to be identified from a fleet utilisation review.
- A variety of administrative expenses from travel to photocopying being reduced where practical.

A number of other operating budgets have also remained unchanged despite increased pressures from actual expenditure. Strict management controls have also been introduced to manage the budget and ensure that any discretionary expenditure is challenged before being committed to.

Also as part of developing the 2009-19 LTCCP, Council has also undertaken a review of the service levels for each of its activities (refer Section 7.5.1) and a thorough review of its operating and maintenance budgets.

As outlined in Section 1.4, feedback from the community guided Council in prioritising a desire for increased service levels in some areas including:

- The number of and quality of playgrounds in the city.
- More diversity in traffic island and street amenity planting.
- Increased provision of bus stops and shelters.
- Increased funding for the library collection.

However, when increases in service levels were assessed for these areas, they were considered largely unaffordable in the context of Council's overall budget priorities at this time.

The levels of service that Council has agreed on for each of its activities are outlined through the Performance Management Framework that is contained in Section 8.0. The purpose of the framework is to:

- Establish linkages between the activities Council provides and community well-being.
- Be clear about what the community will receive in return for the rates and charges they pay.
- Provide certainty for the community that the levels of service provided by Council's activities are sustainable.

The performance management framework includes the intended levels of service, as well as the performance measures and targets that Council will use to monitor the service delivery performance of its activities. These aspects of the framework outline what the community can expect to receive from Council's activities over the 10 year period of the LTCCP.

In addition, Council has adopted a more disciplined approach throughout the development of all of its operating budgets as one of the approaches to ensure a sustainable and affordable budget. This has resulted in a reduction to various components within operating budgets and the introduction of further controls such as the self-imposed current cap on the number of full-time equivalent Council employees and a reassessment of staff positions when existing staff leave. Care has been taken to ensure that any reductions in funding provision will not compromise the integrity of Council's existing assets or delivery of current services provided.

Looking forward, Council is undertaking a number of major change programmes that will assist to deliver further efficiencies. A service delivery review of Council's operations is programmed to commence in the first year of the 2009-19 LTCCP. While the LTCCP assumes no change as a result of this review, it is expected that there will be future amendments for more cost-effective service delivery mechanisms. In addition, a key objective of both the development of Council's Organisational Strategy and the programmed upgrade of Council's information systems and processes is to create greater efficiencies in Council's business and assist in minimising costs.

## ■ 1.25 IF THE ECONOMY CHANGES – WHAT WILL COUNCIL DO?

Council will continue to monitor and analyse the economic environment in which it operates and if the current economic climate continues to deteriorate over a longer period Council will need to reassess its programme of works in the 2009-19 LTCCP. Options that Council would consider implementing include:

- Further deferral of projects that are related to growth.
- Deletion or deferral of any new capital project, providing that it is not:
  - » a renewal of infrastructure.
  - » partly completed.
  - » contractually committed.
- A review of operational budgets that would examine reductions in levels of service provided and related staffing levels.
- A focus on maintaining existing infrastructural assets.



These measures would help to limit Council's exposure to debt and ensure that a prudent and conservative borrowing programme is adhered to and that rates remain at a level that is affordable and acceptable to the community. If any of these further measures were to be implemented, Council would ensure that the operation and service life of its existing infrastructure is not compromised.

Conversely, if the economy were to improve more rapidly than assumed, changes to the programme of works in the 2009-19 LTCCP would also need to be assessed. The advancement of any project would need to be assessed on a case-by-case basis in light of increased income generated through rating growth, development contributions and fees and charges.

### ■ 1.26 AND WE'LL LOOK AT NEW WAYS OF MAKING 'WHO PAYS WHAT' FAIRER...

In August 2007 the Local Government Rating Inquiry made a number of recommendations to government and local councils for changes to the way:

- Local government is funded.
- The way councils manage their finances.
- The way councils plan and explain their plans to the public.

Since August 2007 the previous Labour-led government spent a significant amount of time considering the Rating Inquiry's recommendations. In some areas (such as the rating of Māori freehold land and valuation), the previous government called for further information and discussion. In other areas, the previous government had not made any decisions before the November 2008 general elections. This includes decisions around the types of rates that councils are allowed to levy and whether some properties should be exempt from paying rates (mostly land owned by the government). All of the decisions made to date from the Rating Inquiry have resulted in little or no change for most ratepayers (refer Section 5.7.7).

However, in keeping with the intent of the Inquiry and in preparation for the 2009-19 LTCCP, Council has assessed and made changes to various parts of its rating system to make the system more effective and fairer to all ratepayers.

In addition to the Inquiry into local government rates, the new government is also looking at reviewing aspects of the Local Government Act 2002 (LGA 2002) that focus on the transparency, accountability and fiscal management of local government.

Changes are likely to be made to the LGA 2002 as a result of this review. Council will continue to monitor and input into this process through the likes of representation on various sector working groups as well as making submissions to subsequent discussion papers and Bills.

### Retention of the Land-Based Rating System

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

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

However, Council is also of the view that it would be desirable when introducing any new rates in the future, to have these based on a capital value rating system. This would have the effect of reducing the incidence of rating on land value and change the overall percentage split between land value and capital value over a period of time.

Council has also introduced changes to its revenue and financing mechanisms in this LTCCP including:

- A number of increases to fees and charges for Council services, including introduction of a tiered approach of charging for building consent fees based on the overall value of the building development.
- The introduction of a Business Improvement District Targeted Rate (and associated Policy) within the CityHeart to maintain its ongoing viability through economic and social revitalisation (refer Section 5.7.5).
- Income from Development and Financial Contributions updated to reflect the capital programme of works and growth assumptions contained in the 2009-19 LTCCP (refer Section 5.6).
- Incorporating 'Ruakura' and 'Te Rapa North A' into the City's Boundaries from 1 July 2011 (refer Section 5.7.6).



## 2.0 HAMILTON – A GROWING CITY

KIRIKIRIROA – HE TAONE WHAKATUPU

A photograph of two young girls riding on a paved path. The girl in the foreground is riding a scooter and wearing a light pink t-shirt with the text 'I ♥ DINGLE' and 'DINGLE' below it. The girl in the background is riding a bicycle and wearing a pink long-sleeved shirt. The path is surrounded by green grass and trees.

moving  
forward



## ■ 2.0 HAMILTON – A GROWING CITY

### CONTENT OF THIS SECTION

2.1	Introduction
2.2	Continued Population and Housing Growth
2.3	The Dynamics of Population Growth
2.4	Increase in Business Growth
2.5	Business and Employment Pressure from Surrounding Areas
2.6	Reasons for the City's Growth – Hamilton's X Factor
2.7	Other Things That You May Not Know About Hamilton
2.8	Preserving Hamilton's Unique Characteristics
2.9	Some Important Impacts of Growth on Hamilton <ul style="list-style-type: none"> <li>2.9.1 Transportation</li> <li>2.9.2 The Security of Hamilton's Water Supply from the Waikato River</li> <li>2.9.3 The Ongoing Viability of CityHeart – Hamilton's Central Area</li> <li>2.9.4 City Safety</li> <li>2.9.5 The Financial Capacity of the City to Fund Growth</li> </ul>

## ■ 2.1 INTRODUCTION

Hamilton is continuing to grow in both popularity and reputation, with the city now home to almost 142,000 residents (just on 50,000 houses). More than 8,000 Auckland residents moved to Hamilton and its immediate surroundings between 2001 and 2006<sup>1</sup> and results from Council's January – December 2008 Residents Survey showed that 92% of residents surveyed rated Hamilton as a good place to live.

## ■ 2.2 CONTINUED POPULATION AND HOUSING GROWTH

Hamilton continues to experience considerable population growth, as projected<sup>2</sup> by the 25.1% population increase and 26.7% housing increase between 1996 and 2009. On average this growth represents 42 extra people living in Hamilton each week, and 16 new houses being constructed each week.

Over the life of this LTCCP, long-term projections indicate that the city's population will increase to 166,500 (59,000 houses) by June 2019 – meaning that an additional 25,000 people (9,000 extra houses) will be living in Hamilton. This projected population increase is equivalent to two towns the size of Cambridge and would result in Hamilton's population being almost 90% of Wellington's current population of 193,000. Looking out to the year 2051 projections indicate that Hamilton's population could be almost 242,000 (just under 92,000 houses – refer following figures).

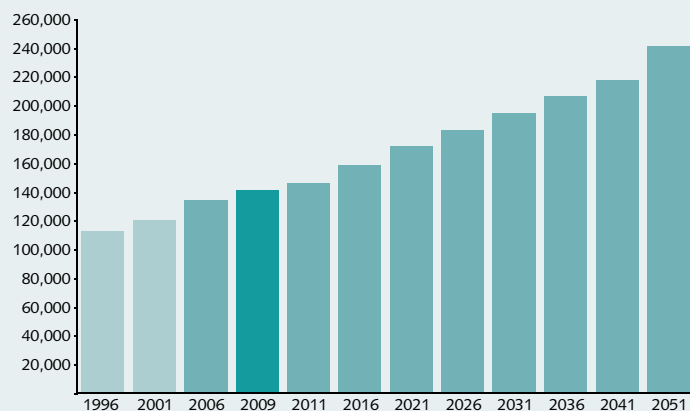
Like most other centres, the current economic downturn has impacted negatively on construction of new houses in Hamilton since 2008. This is regarded as being a short term trend (1 to 2 years), with Council anticipating a return to higher growth rates for development and building over the medium to longer term. In order to be well placed to respond to any changes in the wider economic environment, Council will continue to analyse and monitor a range of key leading indicators.

<sup>1</sup> Statistics New Zealand: 2006 Census of Population and Dwellings.

<sup>2</sup> The University of Waikato Population Studies Centre.

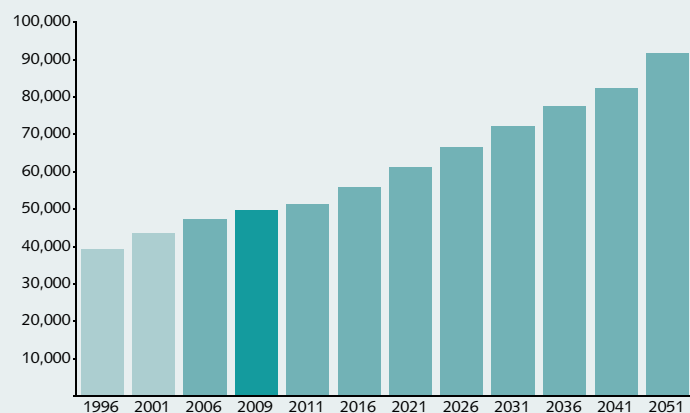


PROJECTED POPULATION – HAMILTON CITY 1996-2051



Source: The University of Waikato Population Studies Centre.

PROJECTED HOUSES – HAMILTON CITY 1996-2051



Source: The University of Waikato Population Studies Centre.

## 2.3 THE DYNAMICS OF POPULATION GROWTH

The dynamics of Hamilton's population growth, like any other city, are driven by two fundamental components:

- The net difference between the number of births over deaths of Hamilton residents. This is known as the 'natural increase'.
- The net difference between the number of people coming from other places to live in Hamilton (inwards migration) over the number leaving the city (outwards migration). This is known as 'net migration'.

In Hamilton's case, there has been a reasonably even split between a natural increase in population and an increase in net migration between 2001 and 2006. Looking forward, the natural increase in the city's projected population between the years 2006 and 2041 accounts for a slightly higher proportion than the increase from migration – averaging 52% over this period.

Beyond 2041 the trend reverses and net migration then accounts for a higher proportion of the city's projected population increase i.e. 54.6% in the period 2041- 2046 and 59.3% in the period 2046-2051 (refer table below).

COMPONENTS OF HAMILTON'S POPULATION GROWTH: 2006-2051

PERIOD	TOTAL POPULATION INCREASE	NET MIGRATION		NATURAL INCREASE (BIRTHS MINUS DEATHS)	
		NUMBER	% SHARE OF THE TOTAL INCREASE	NUMBER	% SHARE OF THE TOTAL INCREASE
2006-2011	12,179	5,545	45.5	6,634	55.5
2011-2016	13,006	6,086	46.8	6,920	53.2
2016-2021	13,761	7,221	52.5	6,540	47.5
2021-2026	12,561	6,241	49.7	6,320	50.3
2026-2031	12,330	5,779	46.9	6,552	53.1
2031-2036	12,815	5,975	46.6	6,840	53.4
2036-2041	13,049	6,400	49.0	6,649	51.0
2041-2046	13,432	7,333	54.6	6,099	45.4
2046-2051	13,533	8,024	59.3	5,510	40.7

Source: The University of Waikato Population Studies Centre.



## 2.4 INCREASE IN BUSINESS GROWTH

In line with population and housing growth, business growth in the city has also been increasing at a rapid rate. Between the years 2000 and 2008 Hamilton had a 31.5% increase in the number of businesses (10,048 to 13,211) and a 37.6% increase in the number of people employed (56,340 to 77,510). As shown in the table below, it is estimated that Hamilton will be home to 15,000 businesses employing 90,000 people by 2019.

BUSINESS AND EMPLOYMENT GROWTH IN HAMILTON

YEAR (FEBRUARY)	NUMBER OF BUSINESSES	NUMBER OF EMPLOYEES
2000	10,048	56,340
2001	9,987	59,500
2002	10,053	61,820
2003	10,522	64,920
2004	11,471	68,660
2005	12,093	71,570
2006	12,610	74,300
2007	12,977	77,500
2008	13,211	77,510
2009 (estimate)*	13,000	77,000
2014 (estimate)*	14,000	83,000
2019 (estimate)*	15,000	90,000

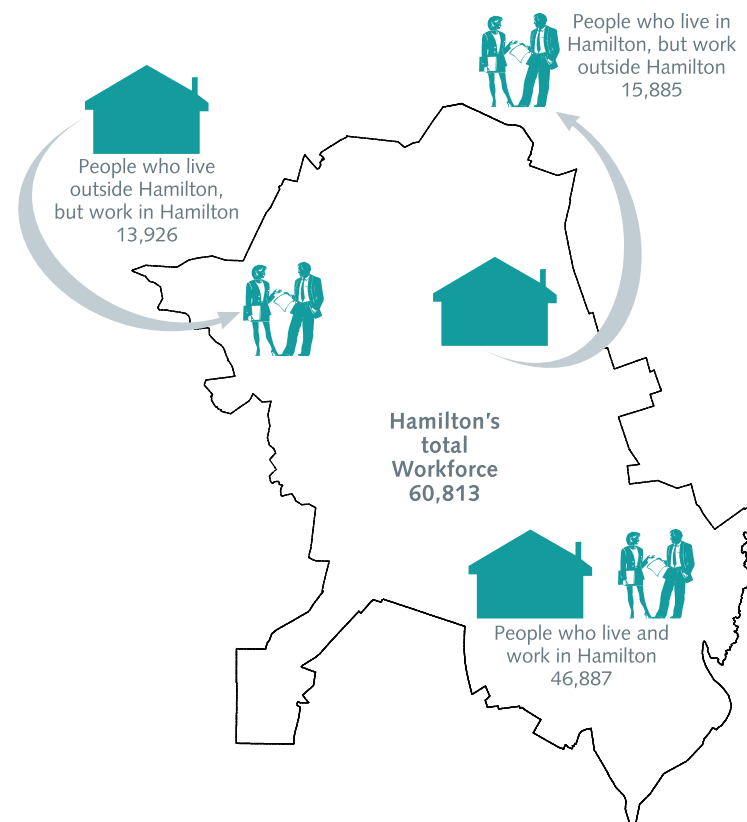
Source: Statistics New Zealand Annual Business Frame Update Survey.

\*Estimates for 2009, 2014 and 2019 are from Hamilton City Council.

## 2.5 BUSINESS AND EMPLOYMENT PRESSURE FROM SURROUNDING AREAS

Hamilton not only has to cater for the needs of its current and future residents. Further pressure is also placed on the city's infrastructure from people who live outside of Hamilton but work in the city. In March 2006, almost 14,000 people who lived outside of Hamilton travelled into the city to work. Similarly, just on 16,000 people who lived in Hamilton travelled to various work locations outside of the city<sup>3</sup> (refer figure below).

HAMILTON'S WORKFORCE: RELATIONSHIP BETWEEN WHERE PEOPLE LIVE AND WORK



3 Statistics New Zealand: 2006 Census of Population and Dwellings.



These daily work-based traffic movements place a considerable burden on both the city and region's transportation networks.

Tourists, as well as people visiting the city for business purposes and to see friends and family, add further pressure on Hamilton's physical infrastructure and its natural environment.

## ■ 2.6 REASONS FOR THE CITY'S GROWTH – HAMILTON'S X FACTOR

Established in 1864, Hamilton is a relatively young city. At 98 km<sup>2</sup> it is also very compact and is the country's smallest city in terms of land area (the next smallest being Napier at 105.6 km<sup>2</sup>, with Dunedin being the largest at 3,342 km<sup>2</sup>).

The city's relatively compact size, picturesque landscape, abundance of green space and parks with the Waikato River running through its centre, coupled with the constant buzz of activity through the city hosting hallmark events (such as the 'Hamilton 400', 'Balloons Over Waikato', 'The Great Race', 'Fuel Festivals' and the 'World Rally Championship') are some of the main reasons people like living in Hamilton over and above other New Zealand cities.

Residents also like Hamilton's central location and accessibility relative to Auckland, the Bay of Plenty and Coromandel, West Coast beaches (in particular Raglan – only 35 minutes away and offering one of the best left hand surf breaks in the world), and the outdoor pursuits offered around Taupo, Rotorua and the central plateau. Almost half of New Zealand's population (just under two million people) live within 160 km of the city. Hamilton is now very much a destination city in its own right.

Hamilton offers a range of quality tertiary educational facilities (including the University of Waikato and Wintec – with a combined total of just over 28,000 students<sup>4</sup> at 2008) as well as 38 primary and intermediate schools and 13 secondary schools. Around 1,200 retail shops<sup>5</sup> and an extensive and diverse range of entertainment facilities are also available to residents and visitors.

Located at the centre of New Zealand's golden growth triangle (comprising the Waikato, Auckland and the Bay of Plenty regions) Hamilton has considerable strengths in research and technology. A large proportion of New Zealand's research and development is undertaken at Innovation Park (New Zealand's growth hub for Ag-Biotech and Agritech business that houses over 50 businesses and 350 staff), which is adjacent to the internationally renowned Ruakura

Research Centre complex – the leading agriculture and life sciences research centre in New Zealand. This centre comprises AgResearch (including MIRNZ – the Meat Industry Research Institute of New Zealand), HortResearch, Landcare Research, and DairyNZ. Also close by is WaikatoLink (the commercialisation and technology transfer company of the University of Waikato), which maximises the economic potential of the University's intellectual property and bridges the gap between academic research and the realisation of technology potential.

Hamilton is at the centre of New Zealand's premier agricultural and pastoral region, with the agricultural sector contributing close to \$4.5 billion<sup>6</sup> into the local economy each year. The Waikato Region accounts for almost 30% of the country's total dairy production<sup>7</sup>.

The city is also home to a hi-tech innovative manufacturing sector, with a number of international companies having their head office or main operation located in Hamilton. Two of the largest companies are:

- Fonterra, New Zealand's largest export company and the world's largest producer of dairy products, which is owned by just over 11,000 New Zealand farmer shareholders and generates over a third of all international dairy trade.
- The Gallagher Group (with a focus on animal management systems and security industries), which employs over 600 people in New Zealand and as many overseas, with annual sales exceeding \$100 million and customers in over 130 countries.

## ■ 2.7 OTHER THINGS THAT YOU MAY NOT KNOW ABOUT HAMILTON

- The capital valuation of Hamilton (at 30 March 2009) was \$22.959 billion, with the central area (the city's main retail and commercial hub) accounting for 11.2% of this amount.
- Over \$1.7 billion of construction work has taken place in Hamilton since the year 2000.
- At February 2008 the city had over 13,200 businesses employing over 77,500<sup>8</sup> people.

<sup>6</sup> Hughs, Warren – The University of Waikato Regional Economic Bulletin (July 2007).

<sup>7</sup> Dairy NZ – Dairy production in the Waikato accounted for 28.2% of New Zealand's total milk solids production in the 2007-08 season.

<sup>8</sup> Statistics New Zealand Annual Business Frame Update Survey (February 2008).

<sup>4</sup> Ministry of Education – [www.educationcounts.govt.nz](http://www.educationcounts.govt.nz) (2008).

<sup>5</sup> Statistics New Zealand Annual Business Frame Update Survey (February 2008).



- Waikato Hospital (being part of the Waikato District Health Board – WDHB) is a 600 bed regional base hospital located in Hamilton and is one of the largest in New Zealand. The WDHB employs over 5,200 people and provides tertiary and trauma services to a catchment of over 800,000 people in the central North Island.
- Hamilton is the centre of the country's leading export region, accounting for around 20% of the country's total exports.
- The city hosts New Zealand's largest annual event – the Hamilton 400 V8 Supercars Stretrace (attended by over 121,000 spectators during the three days it ran for in April 2009 – the event is estimated to be worth close to \$30 million for the local economy).
- Transpower's National Coordination Centre (reputed to be the country's second most strategic operation) is based in Hamilton and Wellington. One of the primary reasons for this Centre being located in the city is the Waikato's relative geological stability i.e. it has a very low risk from natural disasters such as earthquakes, flooding and volcanic activity.
- Hamilton is home to several of New Zealand's major sports teams such as the Magic Netball team, Waikato and Chiefs Rugby teams and has produced a number of national representatives in sports such as rowing and cycling.

Further information that profiles the uniqueness of Hamilton, the surrounding area and what it has to offer can be found on Council's website [www.hamilton.co.nz/monitoring](http://www.hamilton.co.nz/monitoring).

## ■ 2.8 PRESERVING HAMILTON'S UNIQUE CHARACTERISTICS

There is an expectation from residents that a city the size of Hamilton should have certain key facilities that are available in other centres. These include the likes of museums, theatres, sports stadiums and venues capable of holding a range of local, national and international events. Due to the size and semi-commercial nature of such venues, in most cases it is unlikely that they would be provided by the private sector. Council recognises that these community expectations will continue to increase in line with a growing city and has taken this issue into account in developing this 2009-19 LTCCP.

In addition to community expectations for the construction of new large facilities, there is also a desire from the community to improve existing facilities and services. This too has potential to increase costs.

There is also evidence that in uncertain economic times additional pressure is placed on rate-subsidised Council facilities that are provided to the community at either no or little direct cost to users e.g. parks, swimming facilities and libraries. There is a financial impact to Council when this occurs due to the increases in additional operating and maintenance costs for these facilities.

Such growth pressure requires Council, in partnership with other organisations, to plan for how, where and when the city will develop and to implement responsive, forward-thinking projects and programmes that balance the city's social, economic, environmental and cultural needs with a prudent and sustainable approach to the city's finances.

The challenge then is for this to be undertaken in a way that retains and enhances the special features and characteristics that the community value about Hamilton.

## ■ 2.9 SOME IMPORTANT IMPACTS OF GROWTH ON HAMILTON

Prolonged growth in the city generates new economic activity and opportunities but also has the potential for some negative effects. A number of key impacts of significant city growth have emerged over recent years that have potential to be of concern to Council.

These impacts have been identified through a variety of mechanisms, including Council's Quarterly Residents Survey; Customer Satisfaction Survey Programme; submissions received to proposed strategies, plans and policies; coordination and participation in various benchmarking and indicator programmes (e.g. Hamilton's Community Outcomes Progress Indicators and participation in the Quality of Life Project – refer Section 3.4); general customer feedback; feedback through various organisations and task groups (e.g. the task groups that developed the eight City Strategies).

This section outlines five important areas of concern for Council and the community that have either contributed to or resulted from recent growth pressures in the city:

- Transportation.
- The security of Hamilton's water supply from the Waikato River.
- The ongoing viability of CityHeart – Hamilton's central area.
- City safety.
- The financial capacity of the city to fund growth.



### 2.9.1 TRANSPORTATION

Since June 2004, Council's Quarterly Residents Survey has identified transportation as the main issue that residents want Council to address. In the January – December 2008 Residents Survey, just under half (48.3%) of all survey respondents mentioned a transportation related issue as one of their three most important issues, i.e. Roads (22.5%), Traffic (17.0%), and Public Transport (12.5%).

The following provides some examples of transport-related comments received through Council's Quarterly Residents Survey.

*'Get real on transport (more roading, plan for 20 years not 3).'*

*'Maintenance contracts with roads; they need to be controlled and more value for money.'*

*'Traffic movement; the Victoria Bridge needs to be widened, something needs to be done there, because it's a bottleneck. Fairfield Bridge is another one that's a bottleneck. Both are only single lane each way; Cyclists – if there were improvements there, people would cycle more. When new roads are built, it'll be much easier to put cycle paths in. Footpaths and cycle paths could be combined and there'd be more space then, they'd have room to put them in better'.*

In keeping with the city's population growth, the number of motor vehicles in Hamilton increased by 10.5% between 2001 (40,965 vehicles) and 2006 (45,572 vehicles)<sup>9</sup>, placing additional pressure on the city's transportation network.

Through the Access Hamilton Strategy (refer Section 3.6) Council is aiming to provide Hamilton with a more sustainable and integrated multi-modal transportation system, and has made budget provision of \$116 million to maintain and enhance the city's transportation network over the 10 year period of this 2009-19 LTCCP. Recent data trends indicate that the work Council is undertaking is having a positive effect on traffic flows on the city's roads at peak times around key congestion points where motorists have experienced the most delays in the past. For example, the 2009 monitoring report on Hamilton's Community Outcomes (refer Section 3.4) shows that while off-peak and peak morning travel times have been increasing (on average) over the 2004-2008 period, peak afternoon traffic appears to have decreased (on average) between 2006-2008.

<sup>9</sup> Statistics New Zealand, 2001 and 2006 Census of Population and Dwellings.

A key aspect of moving Hamilton towards a more sustainable and integrated multi-modal transportation system to cater for the city's growing population is through the provision of an efficient and effective public transport service. Council will continue to work in partnership with Environment Waikato to consolidate and enhance Hamilton's bus service.

### Transportation in a Regional Context

The city's transportation network also needs to be looked at in both a regional and national context. Although the Waikato accounts for 9.4% of New Zealand's population<sup>10</sup>, almost 20% of the nation's freight passes through the region. Much of this movement is from goods being delivered to and from the country's two busiest ports – Auckland and Tauranga.

Up to 28,000 vehicles travel on State Highway 1 through the Waikato on any given day. Of these vehicles, up to 4,000 are heavy commercial vehicles, which often results in a number of negative effects for the city and region's transportation network. This issue will compound with traffic volumes on the Waikato's roads predicted to grow at an average rate of 3% per annum (over the 10 year period of the 2009-19 LTCCP), with road freight projected to almost double between 2006 and 2020<sup>11</sup>.

It is important then that planning and development of Hamilton's transportation network is coordinated with that of the region. To this end, Council is a key partner in the development of FutureProof (the growth strategy for the sub-region – refer Section 6.3) to provide a consistent land use planning strategy for the subregion that can be used for integrated transport planning purposes. In addition, the Waikato Regional Land Transport Programme for 2009-19 establishes the regional priority for many of Council's transport activities outlined in this 2009-19 LTCCP (including all state highway activities and some local road improvements – refer Section 8.8).

Council's participation in the Waikato Regional Transportation Model (anticipated to be completed in late 2009) will also enable it to determine and implement changes that will provide Hamilton with the most effective and efficient transportation networks. The model will enable testing of land use policy (e.g. structure plans, major resource consents) and assessment of roading schemes (e.g. Wairere Drive – Crosby to Cobham) and new bus services.

<sup>10</sup> Statistics New Zealand Subnational Population Estimates (30 June 2008).

<sup>11</sup> The Ministry of Transport, Ministry of Economic Development and Land Transport New Zealand (now part of the New Zealand Transport Agency) – 'National Freight Demands Study' (September 2008).



### 2.9.2 THE SECURITY OF HAMILTON'S WATER SUPPLY FROM THE WAIKATO RIVER

Council is committed to ensuring the long-term security of an adequate supply of water for Hamilton sourced primarily from the Waikato River. Under its recently awarded consent, Council can extract up to 105 million litres of water from the river on a daily basis for municipal use. This increases to 146 million litres per day in 2014 and has further steps beyond this to meet future growth.

Increasing dry conditions had seen Hamilton approach the maximum volumes of water that Council was permitted to source from the Waikato River. Although the new consent allows an increased volume to be extracted, it has introduced mechanisms that reflect the fact that water is a limited resource, and that treatment and distribution comes at a significant cost. Therefore the city needs to manage its use in a careful and sustainable manner.

Environment Waikato's recent variation to the Waikato Regional Plan (Variation 6) influences the manner in which freshwater is allocated throughout the region and as such deals with the current levels of demand and competition for water. This variation involves the introduction of a structured approach to the protection, allocation and use of the region's water resources, including a call for municipal water suppliers to demonstrate the efficient use of water.

A 'Smart Water Use' initiative between Council, Environment Waikato and other territorial authorities throughout the greater Waikato was introduced in December 2008 and is part of a regional collaborative effort aimed at promoting proactive water conservation. A key component of this programme is the introduction of a new water alert level system (outlined in the figure below) that commenced in Hamilton in December 2008.

#### WATER ALERT LEVEL SYSTEM

##### WATER ALERT LEVEL 1

###### Restrictions:

Sprinkler systems permitted between 6-8am and 6-8pm only.  
No restrictions on commercial/non residential properties.

##### WATER ALERT LEVEL 2

###### Restrictions:

Sprinkler systems permitted between 6-8am and 6-8pm on alternative days only.  
No restrictions on commercial/non residential properties.

##### WATER ALERT LEVEL 3

###### Restrictions:

Total ban on domestic sprinklers – only hand held hosing permitted.  
Restriction on outdoor water use for commercial/non residential properties.

##### WATER ALERT LEVEL 4

###### Restrictions:

Total ban on all external non essential use of water.  
Restrictions on all external water use for commercial/non residential properties.

The new water alert levels are a more comprehensive water conservation approach than the alternate day sprinkler restrictions used previously. Council will initiate a rise in water alert levels when a high volume of water has been consumed over a sustained period. Alternatively when consumption volumes are reduced over a sustained period, alert levels can be lowered. The water alert levels and their corresponding restrictions are designed to encourage residents to treat water as a 'limited and precious resource' and to ensure a consistent supply to the city's water users throughout the year. The alert levels are supported by educational and communication strategies that ensure that Hamilton's residents are aware of the need to conserve water and at what level of demand the city is currently experiencing.

Council acknowledges the iconic status of the Waikato River and the great significance that it holds both culturally and spiritually for Tainui. The River is also iconic for the people of Hamilton. In many ways the River defines and is the reason for the city's existence. The River is also a very important resource for the city and for these reasons Council has a very high level of interest in the sustainable management of the Waikato River and supports the co-management approach advocated through the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill (refer Section 4.2).

This support is seen in the recently awarded water consent where Council has committed to the development of an HCC Waikato Tainui Liaison group. The purpose of the group is to ensure that matters relating to the abstraction and use of water from the river have a forum for discussion.



### 2.9.3 THE ONGOING VIABILITY OF CITYHEART – HAMILTON'S CENTRAL AREA

Hamilton's central area is the city's main commercial and retail area, accounting for almost 30% of the city's total workforce and around 30% of the city's retail outlets.

The value of the land and buildings (the capital value) in the central area at 30 March 2009 was \$2.575 billion, accounting for 11.2% of the city's total capital value of \$22.959 billion. Rates levied from the central area accounted for \$11.6 million (10.6%) of the total rates levied in Hamilton of \$109.6 million for the 2008/09 financial year.

The central area is facing increasing pressure from other retail complexes throughout the city. The ongoing viability and vibrancy of this area is of key concern to Council, which is why it has commenced the CityHeart revitalisation programme. This programme is aimed at developing a quality urban environment that will attract people back into the city centre and assist in the revitalisation process. The CityHeart vision is "that Hamilton has a vibrant distinctive heart with easy access to a redeveloped Claudelands Event Centre and supported by a pedestrian friendly Victoria Street".

Over the 2009-19 period Council has made funding provision \$8.2 million to undertake a range of key projects through the CityHeart programme (refer Section 7.6).

Council's support for new initiatives to assist the central area's viability is further demonstrated through its trial of parking meter free weekends that commenced on 15 November 2008. Although it is free to park all day on Sundays, Council extended this to Saturdays for the trial period. Time limits on meters (in most cases one hour) were still enforced on the Saturdays during the trial period to ensure regular turnover of carpark spaces for the benefit of shoppers and visitors to the central area.

The parking trial ended following completion of the CityHeart Victoria Street upgrade in mid 2009. The cost to Council was estimated to be around \$5,800 in lost revenue from parking fees each Saturday during the trial period (with the overall reduction in parking revenue anticipated to be around \$300,000). This was considered acceptable given that the initiative drew people back into the central area (as well as making it a more vibrant place during the traditional Christmas and New Year shopping period).

Council is currently undertaking a thorough review of parking management for the city and the results of the parking trial will be an input into that review.

### 2.9.4 CITY SAFETY

City safety featured prominently as an issue of high concern to Hamilton residents in the January – December 2008 Residents Survey, with 29.9% rating 'Law and Order' (which includes safety, crime, and graffiti) as the most important issue they would like Council to address.

As Hamilton grows and develops, the need to plan and deliver safe social and physical environments is becoming increasingly important. Safety and crime are complex issues that territorial authorities can not solve on their own. Council therefore works alongside other organisations with the aim of reducing crime and disorder, and improving people's safety and perception of safety in the city centre.

Programmes already underway to improve safety in the city include enhancing the partnership with the Police, liquor licensing, late night transport options, improved lighting, reduced tagging (including the introduction of a tagging hotline for the public to phone to report graffiti anywhere in the city) and 'crime prevention through environmental design' or CPTED. CPTED is an approach to development based on the design and use of the built environment, which aims to help people feel safe. Some of the key principles of CPTED are that ensuring good visibility in public spaces helps avoid situations where people can hide or be trapped, providing alternative safer routes for more vulnerable users (particularly after dark), and that maintenance also signals that a place is cared for and more likely to deter undesirable behaviour.

Council also manages the central city crime prevention camera network, the City Safe night patrol team (who are present in the central city area on Thursday, Friday and Saturday nights), and the Liquor Control Bylaw that is in effect in areas of the city to ensure that drinking is managed appropriately.



### 2.9.5 THE FINANCIAL CAPACITY OF THE CITY TO FUND GROWTH

Growth occurring in the city requires Council to work with the development community to expand infrastructure into new areas (including roads, water, wastewater and stormwater and community infrastructure such as parks, libraries and pools). While many of the costs of this 'expansion' are able to be recovered by Council through Development Contribution funding, some of these costs have to be incurred by the existing ratepayer base as there is some city wide benefit from these new services. Therefore Council has to fund capital expenditure by using debt to fund projects required by growth in the city (irrespective of whether or not this debt is paid for by Development Contributions or rates from existing ratepayers).

While deferring or cancelling projects is one of the ways Council manages its debt levels, this approach is not always the most appropriate option, as major infrastructure projects that enable growth or replace worn out assets cannot be put off indefinitely. This means that at some point in the future (particularly for councils that are experiencing significant growth) debt levels may reach a level where critical projects cannot be undertaken as there will be a limited ability to borrow further funds. While this is not the case for Council in this 2009-19 LTCCP (as debt from growth and capital projects has been managed through reprioritisation) it is a crucial issue that will need to be addressed by the local government sector and central government in the near future.

Council takes a sustainable development approach when considering the funding of growth related projects, which includes a balanced consideration of economic, social, environmental and cultural factors and the effect that these factors may have on future generations. A key aspect of this approach includes the long-term ability for Council to borrow the necessary funds that will be required in the future to renew assets and provide quality services to the community.

“Hamilton is continuing to grow in both popularity and reputation, with the city now home to almost 142,000 residents”



### 3.0 THE FRAMEWORK THAT **SHAPES HAMILTON'S DEVELOPMENT** HE ANGA TAUTOKO MO KIRIKIROA TIPURANGA





### ■ 3.0 THE FRAMEWORK THAT SHAPES HAMILTON'S DEVELOPMENT

#### CONTENT OF THIS SECTION

3.1	Progressing Hamilton's Community Outcomes
3.2	Community Priorities
3.3	Collaborative Approach to Progressing the Community Outcomes
3.4	Monitoring and Reporting of Community Outcomes
3.5	The City Strategic Framework – Moving Towards Sustainable Development
3.6	The Eight City Strategies – their Development, Content and Direction
3.7	Council's Sustainable Development Approach 3.7.1 Defining Sustainable Development 3.7.2 City Form and Sustainable Development 3.7.3 Minimising the effects of Council's Activities on the Environment 3.7.4 Community Partnership Initiatives 3.7.5 Response to Climate Change 3.7.6 Emissions Trading Scheme

### ■ 3.1 PROGRESSING HAMILTON'S COMMUNITY OUTCOMES

The Local Government Act 2002 requires councils to get their local communities thinking about and identifying how they would like to see the area they administer develop over the next 10 years and beyond and to translate this thinking into what are known as Community Outcomes and priorities.

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

The set of Community Outcomes for Hamilton that were agreed to by the community towards the end of 2005 are shown on the following page.

“the community's desire for how the city should progress”



**HAMILTON'S COMMUNITY OUTCOMES**

<p><b>SUSTAINABLE AND WISE PLANNED</b></p> <p><i>"An attractive city that is planned for the well-being of people and nature, now and in the future"</i></p> <p><b>HAMILTON PEOPLE WANT A CITY THAT:</b></p> <ul style="list-style-type: none"> <li>1.1 Is easy to get around so everybody can access services and facilities.</li> <li>1.2 Is safe and enjoyable for walking and cycling, encourages innovative transport options and has quality public transport.</li> <li>1.3 Has integrated transport systems that connect it to New Zealand and the world.</li> <li>1.4 Protects and enhances its green spaces and natural environment for everyone to value and enjoy.</li> <li>1.5 Uses processes of sustainable urban design that enhance neighbourhood communities.</li> <li>1.6 Sustainably manages resources such as water and energy.</li> <li>1.7 Encourages and enables people to recycle and minimise waste.</li> </ul>	<p><b>VIBRANT AND CREATIVE</b></p> <p><i>"A city that encourages creativity for a vibrant lifestyle"</i></p> <p><b>HAMILTON PEOPLE WANT A CITY THAT:</b></p> <ul style="list-style-type: none"> <li>2.1 Is recognised for its wide range of events, activities, attractions and entertainment for everyone, including iconic events.</li> <li>2.2 Has a vibrant arts and music scene and supports and celebrates its artists, festivals and facilities.</li> <li>2.3 Acknowledges and celebrates the creativity of Maori arts and culture.</li> <li>2.4 Respects and celebrates its diverse communities.</li> <li>2.5 Values and protects heritage sites, buildings and landmarks.</li> <li>2.6 Has an attractive and lively city centre.</li> <li>2.7 Celebrates and promotes its talent and creativity.</li> </ul>	<p><b>UNIQUE IDENTITY</b></p> <p><i>"A city with a strong identity that recognises the significance of its river and history"</i></p> <p><b>HAMILTON PEOPLE WANT A CITY THAT:</b></p> <ul style="list-style-type: none"> <li>3.1 Treasures and enjoys the Waikato River.</li> <li>3.2 Acknowledges and celebrates the unique place of Waikato Maori.</li> <li>3.3 Is not too big and not too small, providing everything that makes life convenient without the problems of other cities.</li> <li>3.4 Fosters pride in its natural and built environments and encourages people to work together to keep these clean and tidy.</li> <li>3.5 Is a great place to learn, work and play where people are proud of the education sector and embrace student culture.</li> <li>3.6 Supports research, education and innovation, and is recognised as a centre of excellence.</li> <li>3.7 Supports its significant youth population by providing targeted activities and services.</li> </ul>
<p><b>SAFETY AND COMMUNITY SPIRIT</b></p> <p><i>"A safe, friendly city where all people feel connected and valued"</i></p> <p><b>HAMILTON PEOPLE WANT A CITY THAT:</b></p> <ul style="list-style-type: none"> <li>4.1 Has safe roads and low crime rates, where people can feel secure at all times.</li> <li>4.2 Promotes awareness and involvement in community activities and events.</li> <li>4.3 Enables ethnic communities to feel connected and valued.</li> <li>4.4 Addresses social issues and values volunteers.</li> <li>4.5 Builds socially engaged, responsive communities.</li> </ul>	<p><b>HEALTHY AND HAPPY</b></p> <p><i>"Active and healthy people with access to affordable facilities and services"</i></p> <p><b>HAMILTON PEOPLE WANT A CITY THAT:</b></p> <ul style="list-style-type: none"> <li>5.1 Provides opportunities for people of all ages and abilities to access and participate in sport and leisure activities that meet their diverse needs.</li> <li>5.2 Provides affordable, responsive and accessible activities and health care for people of all ages and abilities.</li> <li>5.3 Is an ideal place for family and whānau, with lots of activities and places for tamariki and rangatahi to enjoy.</li> <li>5.4 Provides access for all people to a range of healthy, affordable, quality housing.</li> </ul>	<p><b>INTELLIGENT AND PROGRESSIVE CITY</b></p> <p><i>"Business growth that is in harmony with the city's identity and community spirit"</i></p> <p><b>HAMILTON PEOPLE WANT A CITY THAT:</b></p> <ul style="list-style-type: none"> <li>6.1 Is recognised as the thriving economic hub for the Waikato region and provider of regional services.</li> <li>6.2 Attracts and retains sustainable, innovative businesses.</li> <li>6.3 Offers a range of job opportunities throughout the city to suit all skill levels.</li> <li>6.4 Is progressive and cosmopolitan, creating an environment for business success.</li> <li>6.5 Attracts and retains people and investment and grows great ideas.</li> </ul>
<p><b>WORKING TOGETHER</b></p> <p><i>"Collaborative decision-making and planning are common practice"</i></p> <p><b>HAMILTON PEOPLE WANT A CITY THAT:</b></p> <ul style="list-style-type: none"> <li>7.1 Engages all local communities in planning and developing the city's future.</li> <li>7.2 Ensures Maori are respected as a partner in decision-making and have a voice on issues that affect the city.</li> <li>7.3 Has organisations that work together to achieve all community outcomes.</li> </ul> <p><b>LET'S TAKE HAMILTON FORWARD TOGETHER</b></p>		

In keeping with the requirements of Section 91(1), of the Local Government Act 2002 (which states that Community Outcomes will be reviewed every six years), Council will be reviewing and updating Hamilton's current set of Community Outcomes in 2011 as a key input and driver in the development of its 2012-22 LTCCP.

## 3.2 COMMUNITY PRIORITIES

As part of developing Hamilton's Community Outcomes, the community was also given the opportunity to provide feedback on what they felt the top priorities were for Hamilton over the next 10 years. The community priorities that emerged in late 2005 were:

- Transport (including traffic congestion, public transport, parking, cycleways).
- City safety (including streets and neighbourhoods, policing, crime).
- The Waikato River (as a focus for the city).
- Community spirit (through use of promotion, events and activities).
- Arts and culture (including promotion).
- Activities for young people (focusing on positive opportunities).
- Urban planning (including suburban areas).

As evidenced through results from Council's various monitoring programmes (in particular the Quarterly Residents Survey), a number of these priorities are still very much 'top of mind' for Hamilton's community. The priorities are being addressed through ongoing implementation of the eight City Strategies (in particular through the flagship projects – refer Section 3.6), through various projects and programmes in this 2009-19 LTCCP, and through the initiatives and actions of other organisations and the wider community.

## 3.3 COLLABORATIVE APPROACH TO PROGRESSING THE COMMUNITY OUTCOMES

While it is acknowledged that Council performs a wide range of activities and contributes in different ways to a number of Hamilton's Community Outcomes, it needs to be emphasised that Council is only one of numerous organisations whose actions and direction assist in progressing the outcomes and overall community well-being in the city. Organisations such as the private sector, government agencies, health and social service agencies and iwi/Maori



organisations also have the mandate, resources and ability to influence and make significant progress towards Hamilton's Community Outcomes and to promote community well-being.

The Community Outcomes enable increased participation and collaboration between such organisations and also assist in making Hamilton a more sustainable city. However, it is the promotion and ongoing implementation of the eight City Strategies (that comprise the City Strategic framework) by Council and other organisations that provide the main means of giving effect to the Community Outcomes and the community's priorities.

An example of organisations working in partnership on projects that give effect to Hamilton's Community Outcomes is through the campaign for action on family violence that commenced in December 2008. This is a flagship project of Hamilton's Social Well-being Strategy and involves a number of organisations, including Work and Income, Child Youth and Family, and the New Zealand Police. The purpose of this project is to give a local dimension to the national campaign 'It's not OK'. This promotional campaign uses local and community leadership to create personal relevance around family violence. It supports the vision that all families/whanau have healthy respectful, stable relationships free from violence, and complements and supports existing local networks and actions that develop good outcomes for Hamilton.

### ■ 3.4 MONITORING AND REPORTING OF COMMUNITY OUTCOMES

Council is required to report at least once every three years on the progress being made towards Hamilton's Community Outcomes. The city's progress is measured through the set of 116 Community Outcomes Progress Indicators outlined below which are grouped under the seven themes of Hamilton's Community Outcomes.

This set of indicators draws on a number of monitoring programmes that Council is involved in and was agreed to by the community through Council's 2007/08 Annual Plan process.

#### HAMILTON'S COMMUNITY OUTCOMES AND COMMUNITY OUTCOMES PROGRESS INDICATORS

##### Sustainable and Well-Planned

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

##### Hamilton people want a city that:

- 1.1 Is easy to get around so everybody can access services and facilities.
- 1.2 Is safe and enjoyable for walking and cycling, encourages innovative transport options and has quality public transport.
- 1.3 Has integrated transport systems that connect it to New Zealand and the world.
- 1.4 Protects and enhances its green spaces and natural environment for everyone to value and enjoy.
- 1.5 Uses processes of sustainable urban design that enhance neighbourhood communities.
- 1.6 Sustainably manages resources such as water and energy.
- 1.7 Encourages and enables people to recycle and minimise waste.

##### Community Outcomes Progress Indicators

- Travel times on key routes
- Road traffic volumes
- Means of travel to work
- Car ownership per household
- Total passenger numbers using public transport
- Residents' rating of public transport in their city
- Residents' satisfaction with Council provided cycling facilities
- Residents' satisfaction with Council provided walkways/footpaths
- Road crashes and casualties involving pedestrians and cyclists
- Number of schools and children using walking school buses
- Air pollution (including particulate matter (PM<sub>10</sub>) levels, benzene levels, residents' perception of air pollution)
- Percent of confirmed contaminated sites remediated
- Residents' perception of neighbourhood noise
- Bird counts
- Area of green space in the city per resident
- Ratio of greenfield to infill development
- Percentage of resource consent applications that received pre-application urban design comments and percentage of those comments actioned
- Ecological health of the Waikato River



- Ecological health of Lake Rotorua (Hamilton Lake)
- Average daily water usage per person
- Hamilton's residential energy consumption
- Waste per person from the household kerbside collection
- Recyclables per person from the household kerbside collection
- Materials collected for reuse/recycling at Hamilton's Refuse Transfer Station
- Waste diverted from landfill via the Hamilton Organic Centre

### Vibrant and Creative

#### 2. "A city that encourages creativity for a vibrant lifestyle"

##### Hamilton people want a city that:

- 2.1 Is recognised for its wide range of events, activities, attractions and entertainment for everyone, including iconic events.
- 2.2 Has a vibrant arts and music scene and supports and celebrates its artists, festivals and facilities.
- 2.3 Acknowledges and celebrates the creativity of Maaori arts and culture.
- 2.4 Respects and celebrates its diverse communities.
- 2.5 Values and protects heritage sites, buildings and landmarks.
- 2.6 Has an attractive and lively city centre.
- 2.7 Celebrates and promotes its talent and creativity.

##### Community Outcomes Progress Indicators

- Visitor guest nights and hotel/motel occupancy rates
- Number of conferences held
- Number of events listed on the 'What's On Hamilton' website
- Residents' use of Council's arts and culture facilities
- Residents' perception that their city is a place that has a culturally rich and diverse arts scene
- Cultural industries
- Residents' perceptions of the effect of increased diversity in lifestyles and cultures on their city
- Number of built heritage and sites of archaeological, historic and cultural significance in the current District Plan
- Residents' rating of feeling safe in Hamilton's central city at night
- Number of people living in the central city area
- Value of building consents issued for the CBD (new, alterations, additions)

### Unique Identity

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

##### Hamilton people want a city that:

- 3.1 Treasures and enjoys the Waikato River.
- 3.2 Acknowledges and celebrates the unique place of Waikato Maaori.
- 3.3 Is not too big and not too small, providing everything that makes life convenient without the problems of other cities.
- 3.4 Fosters pride in its natural and built environments and encourages people to work together to keep these clean and tidy.
- 3.5 Is a great place to learn, work and play, where people are proud of the education sector and embrace student culture.
- 3.6 Supports research, education and innovation, and is recognised as a centre of excellence.
- 3.7 Supports its significant youth population by providing targeted activities and services.

##### Community Outcomes Progress Indicators

- Recreational health of the Waikato River
- Maaori involvement in public decision-making
- Percentage of people in Hamilton who can speak Maaori
- Proportion of Hamilton's Maaori population who can speak Maaori
- Number of street trees planted and number of trees protected
- Participation in native tree restoration projects
- Participation in the Enviro-schools programme
- Residents' rating of sense of pride in the way their city looks and feels
- Enrolments with Hamilton tertiary education organisations
- Participation in school-based community education courses
- School leaver qualifications
- Participation in early childhood education
- Number of modern apprenticeships currently in progress
- Percentage of pupils stood down, suspended, expelled and excluded
- Truancy rates
- Research funding received by tertiary education organisations
- Youth unemployment
- Teenage pregnancies
- Number of students enrolled in alternative education programmes
- Number of youth enrolled with Hamilton's Youth Transition Service



### Safety and Community Spirit

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

##### Hamilton people want a city that:

- 4.1 Has safe roads and low crime rates, where people can feel secure at all times.
- 4.2 Promotes awareness and involvement in community activities and events.
- 4.3 Enables ethnic communities to feel connected and valued.
- 4.4 Addresses social issues and values volunteers.
- 4.5 Builds socially engaged, responsive communities.

##### Community Outcomes Progress Indicators

- Crime (including house burglaries, theft from motor vehicles, unlawful theft and taking of motor vehicles, violent offences, family violence, sexual offences, dishonesty offences)
- Road crashes and casualties
- Residents' perception of dangerous driving as a problem
- Residents' perceptions of safety in the CBD and in neighbourhoods
- Number of discrimination complaints to the Human Rights Commission
- Residents' perception of the effect of increased diversity of lifestyles and cultures upon the community
- Number of food parcels supplied to residents
- Unpaid work
- Residents' rating of graffiti as a problem
- Number of care and protection notifications to Child Youth and Family Services
- Residents' sense of community within their local neighbourhood
- Residents' agreeing that it is important to feel a sense of community with others in their local neighbourhood
- Residents' frequency of feeling isolated in the past 12 months
- Residents' involvement in social networks and groups

### Healthy and Happy

#### 5. "Active and healthy people with access to affordable facilities and services"

##### Hamilton people want a city that:

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

##### Community Outcomes Progress Indicators

- Drinking water standard
- Life expectancy
- Health expectancy
- Prevalence of cigarette smoking
- Low birth weight babies
- Hospitalisations for attempted suicide/death by suicide
- Residents' rating of how happy they are
- Residents' rating of their own health
- Residents' frequency of physical activity
- Residents' use of Council's sports and recreational facilities
- Residents' satisfaction with quality and quantity of leisure time
- Number of doctors (GP's) per head of the population
- Residents' rating of access to medical services
- Number of consents issued for new houses
- Proportion of houses owned or rented by the occupants
- House sale price index
- Home mortgage affordability (Waikato Region)
- Median rent
- Percentage of weekly household expenditure spent on housing costs
- Number and priority status of applicants on the waiting list of Housing New Zealand housing
- Percentage of people in private houses living in crowded households
- Residents' perception that their income meets everyday needs



## Intelligent and Progressive City

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

**Hamilton people want a city that:**

- 6.1 Is recognised as the thriving economic hub for the Waikato Region and provider of regional services.
- 6.2 Attracts and retains sustainable, innovative businesses.
- 6.3 Offers a range of job opportunities throughout the city to suit all skill levels.
- 6.4 Is progressive and cosmopolitan, creating an environment for business success.
- 6.5 Attracts and retains people and investment and grows great ideas.

**Community Outcomes Progress Indicators**

- Number of businesses and total employment
- Number of businesses of different sizes
- Retail sales in Hamilton as a percentage of retail sales in the Waikato Region
- Proportion of employees in Hamilton to that of the Waikato Region
- Business gains, losses and survival rates
- Research and development undertaken by businesses
- Employment/unemployment rate
- Labour force participation rate
- Number of filled jobs
- Average hourly earnings
- Distribution of income
- Residents' rating of how well their skills are utilised in their current job
- Value of consents for new non-residential buildings
- Telecommunications infrastructure (awaiting the availability of data for this indicator)
- Number of employees by key Economic Development Strategy clusters
- Personal bankruptcies and involuntary company liquidations and receiverships

## Working Together

7. *"Collaborative decision-making and planning are common practice"*

**Hamilton people want a city that:**

- 7.1 Engages all local communities in planning and developing the city's future.
- 7.2 Ensures Maaori are respected as a partner in decision-making and have a voice on issues that affect the city.
- 7.3 Has organisations that work together to achieve all community outcomes.

**Community Outcomes Progress Indicators**

- Community satisfaction with Council's provision of opportunities for community involvement in decision-making
- Residents' rating of the extent of public influence on Council decision-making.
- Residents' rating of agreement that decisions made by Council are in the best interests of the city
- Percentage of voter turnout at general/local authority elections
- Maaori residents' satisfaction with Council's provision of opportunities for community involvement in decision-making
- Maaori residents' rating of the extent of public influence on Council decision-making
- Maaori residents' rating of agreement that decisions made by Council are in the best interests of the city
- Written description of formal relationships between Maaori organisations and local/central government in the city
- Number of organisations working collaboratively on Council-led city wide strategies

Results from the 2009 monitoring report on Hamilton's Community Outcomes Progress Indicators<sup>1</sup> show that the city is progressing well on a number of fronts including:

- Central city growth and development.
- Bus patronage.
- Remediation of contaminated sites.
- Planting of street trees.
- Youth unemployment.
- Visitor numbers and nights.
- Recycling volumes.

<sup>1</sup> 2009 Hamilton Community Outcomes Progress Report (prepared for Hamilton City Council by APR Consultants – March 2009).



- University research levels.

Areas where Hamilton is not doing so well as a city include:

- Traffic congestion and travel times.
- Housing affordability.
- Voter turnout (local authority and central elections).
- Access to General Practitioners.
- Student stand-downs and suspensions.
- Truancy.

- Deaths and injuries from motor vehicle crashes.
- Persistently above-average rates of reported criminal offending.
- Lower reported sense of community than residents in other parts of New Zealand.

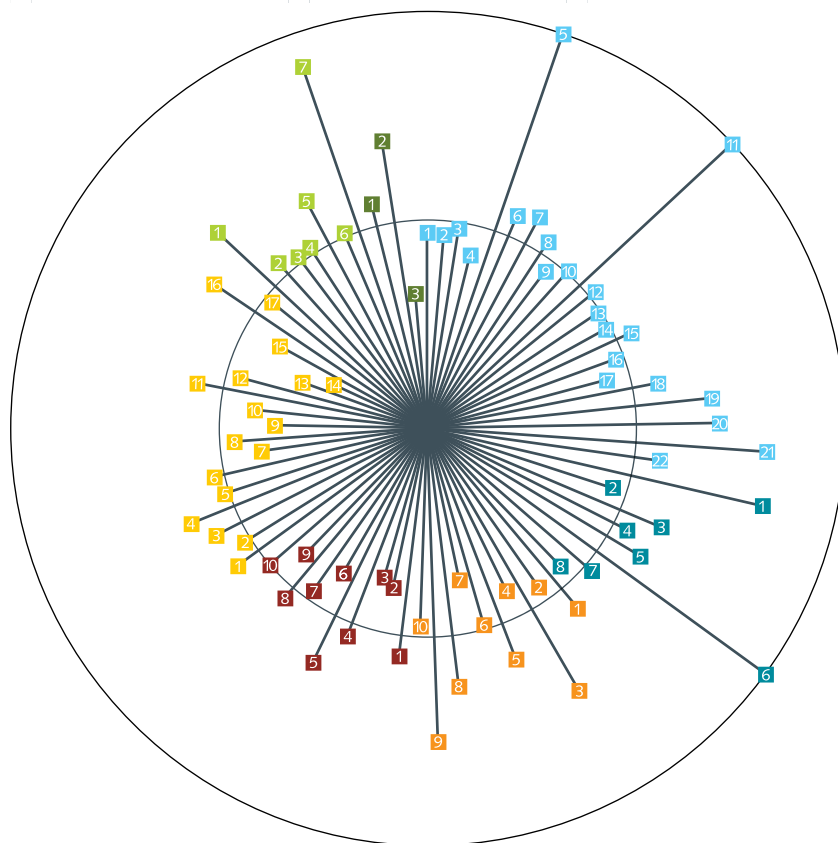
Key trends for Hamilton over the period 1998-2008 are summarised in the following figure (this shows only those indicators for which adequate historical data is available). The central circle represents community well-being in Hamilton during the 1990s and the spokes show progress to the early to mid 2000s.

“making Hamilton a more sustainable city”



Where a spoke extends outside the centre circle it means community well-being has improved over time. Where a spoke falls within the centre circle, community well-being has declined.

#### KEY TRENDS FOR HAMILTON: 1998 – 2008



#### KEY:

- |  |  |  |
|--|--|--|
| 1 Travel times                               | 3 Cultural diversity                   | 2 Life expectancy                          |
| 2 Traffic volumes                            | 4 Safety in CBD at night               | 3 Smoking                                  |
| 3 Travel to work                             | 5 People living in CBD                 | 4 Low birth weight                         |
| 4 Car ownership                              | 6 Building consents in CBD             | 5 Happiness                                |
| 5 Bus passengers                             | 7 Maaori speakers (total)              | 6 Self-reported health                     |
| 6 Satisfaction with buses                    | 8 Maaori speakers (Maaori)             | 7 Physical activity                        |
| 7 Satisfaction with cycling facilities       | 9 Recreational health of Waikato River | 8 Use of sports facilities                 |
| 8 Satisfaction with walkways/footpaths       | 10 City pride                          | 9 Number of GPs                            |
| 9 Crashes involving pedestrians and cyclists | 11 Tertiary enrolments                 | 10 Access to medical services              |
| 10 Air pollution                             | 12 Community education courses         | 11 New dwellings                           |
| 11 Contaminated sites remediated             | 13 School qualifications               | 12 Home ownership                          |
| 12 Neighbourhood noise                       | 14 Early childhood education           | 13 House prices                            |
| 13 Green space                               | 15 Stand-downs and suspensions         | 14 Mortgage affordability                  |
| 14 Ecological health of Waikato River        | 16 Tertiary research funding           | 15 Rent                                    |
| 15 Ecological health of Lake Rotorua         | 17 Youth unemployment                  | 16 Housing New Zealand waiting list        |
| 16 Water usage                               | 18 Teen pregnancies                    | 17 Household crowding                      |
| 17 Energy consumption                        | 19 Crime                               | 18 Businesses and employment               |
| 18 Waste                                     | 20 Road crashes                        | 19 City-based employees                    |
| 19 Recyclables from kerbside                 | 21 Dangerous driving                   | 20 Employment                              |
| 20 Recyclables from Hamilton Organic Centre  | 22 Safety in CBD                       | 21 Labour force participation              |
| 21 Street trees                              | 23 Food parcels                        | 22 Average earnings                        |
| 22 Native tree restoration                   | 24 Unpaid work                         | 23 Telecommunications                      |
| 23 Guest nights                              | 1 CYFS notifications                   | 24 Bankruptcies                            |
| 24 Use of arts and culture facilities        | 2 Sense of community                   | 1 Community involvement in decision-making |
|  | 3 Importance of sense of community     | 2 Decisions in best interests of city      |
|  | 4 Isolation                            | 3 Voter turnout                            |
|  | 5 Drinking water                       |  |

Information from the 2009 Hamilton Community Outcomes Progress Report that identify aspects where the city is not doing so well can be used by Council and other key stakeholders to address and take action where appropriate.

The 2009 report on Hamilton's Community Outcomes Progress Indicators was circulated to members of the Leadership Forums for each of the eight City Strategies for discussion and feedback.

The full 2009 report on Hamilton's Community Outcomes Progress Indicators is available on Council's website [www.hamilton.co.nz/communityoutcomes](http://www.hamilton.co.nz/communityoutcomes).

A monitoring report has also been undertaken for the Social Well-Being Strategy. Four 'scorecards' were drawn up under the headings of 'Community Safety', 'Community Capacity and Pride', 'Quality of Life', and 'Vibrant Young People'. Each scorecard identifies key issues, reports on a number of measures (ranging between 8 and 17 measures) and describes the trends of each measure since adoption of the Social Well-Being Strategy in October 2007.

Results from the four Social Well-Being Strategy scorecards are available on Council's website at [www.hamilton.co.nz/citystrategies](http://www.hamilton.co.nz/citystrategies).



Council does not rely solely on the results from the three-yearly report on Community Outcomes Progress Indicators to assess the progress being made towards Hamilton's Community Outcomes. It also has a number of additional ongoing monitoring and reporting programmes that incorporate many of the Community Outcomes Progress Indicators e.g. the Hamilton Quarterly Economic Update, Council's Quarterly Residents Survey and ongoing Customer Satisfaction Survey Programme, and the reporting undertaken in Council's Annual Report on the contribution that Council's activities make towards Hamilton's Community Outcomes (for example, data and trends for approximately 50 of the 116 Community Outcomes Progress Indicators are outlined in Council's 2007/08 Annual Report).

Council is also involved as a partner organisation in a number of monitoring programmes with other organisations that provide ongoing updates for a number of Hamilton's Community Outcomes. For example, Council is a contributing member council of the Quality of Life Project ([www.qualityoflifeproject.govt.nz](http://www.qualityoflifeproject.govt.nz)), which was initiated in response to increasing concern about the impacts of urbanisation and the effects of this on the well-being of residents. The purpose of this project is to provide information to decision-makers to improve the quality of life in major New Zealand urban areas. The project looks at 215 indicators that are used to provide an overall picture of people's quality of life. Involvement in this project allows Council to determine

the effectiveness of current practices relevant to other metropolitan local authorities. The project also enables participating councils to identify the links of the four well-beings outlined in the Local Government Act 2002 and to raise the profile of urban policy issues at a national level.

The MARCO project (Monitoring and Reporting Community Outcomes) which focuses on developing coordinated procedures for monitoring progress towards the achievement of community outcomes is another monitoring programme that Council participates in at a local level. MARCO comprises strategic planners from councils across the Waikato Region (as well as representatives from the Waikato District Health Board and various central government agencies) and meets on a regular basis. For further information about MARCO, refer to the website [www.choosingfutures.co.nz](http://www.choosingfutures.co.nz)

Council's website [www.hamilton.co.nz/communityoutcomes](http://www.hamilton.co.nz/communityoutcomes) contains information about the process used to develop Hamilton's Community Outcomes, the latest 2009 monitoring report that looks at data and trends of the Community Outcomes Progress Indicators (as well as the four scorecards outlining the progress and impact of the Social Well-Being Strategy), and other indicator programmes that Council is involved in.

The contribution that Council's 10 Activity Groups make towards Hamilton's Community Outcomes is outlined in Section 8.0.

“Hamilton is a diverse city of many cultures, ages and backgrounds”



### ■ 3.5 THE CITY STRATEGIC FRAMEWORK – MOVING TOWARDS SUSTAINABLE DEVELOPMENT

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

The following three key statements of strategic intent provide a more in-depth expression of what the *Vibrant Hamilton* vision means for Hamilton's community and highlight that the unique urban issues facing Hamilton are of a different nature to that of the region.

#### VIBRANT HAMILTON

##### Investing in Our People

Hamilton is a diverse city of many cultures, ages, and backgrounds. Our vision is to build a city that celebrates our diversity, building strong communities which excites us to achieve great things.

##### Creating Identity and Prosperity

Hamilton is a city that is making its mark on the political, social, cultural, and economic maps of New Zealand. Our vision is for a place of entertainment, celebration, and culture, enabled by a sharp and wealthy economy built on the city's strategic advantages, innovation, and entrepreneurial spirit.

##### Protecting Our Future

Hamilton is a city experiencing rapid and sustained growth. Our vision for the city is to see development achieved sustainably, efficiently and creatively. Good planning today will benefit the city of tomorrow.

Achievement of the *Vibrant Hamilton* vision will primarily be achieved through delivering on the principles, themes and initiatives of the eight City Strategies. The eight Strategies (in order of their development and adoption by Council) are:

- CityScope, Hamilton's urban design strategy (adopted December 2008), and its design guidelines 'Vista'.
- Social Well-Being Strategy (adopted October 2007).
- Creativity and Identity Strategy (adopted September 2007).
- Economic Development Strategy (adopted July 2008).
- Environmental Sustainability Strategy (adopted October 2008).
- Hamilton Urban Growth Strategy (adopted December 2008).
- Access Hamilton Strategy (anticipated to be completed by late 2009).
- Active Communities Strategy (anticipated to be completed by late 2009).

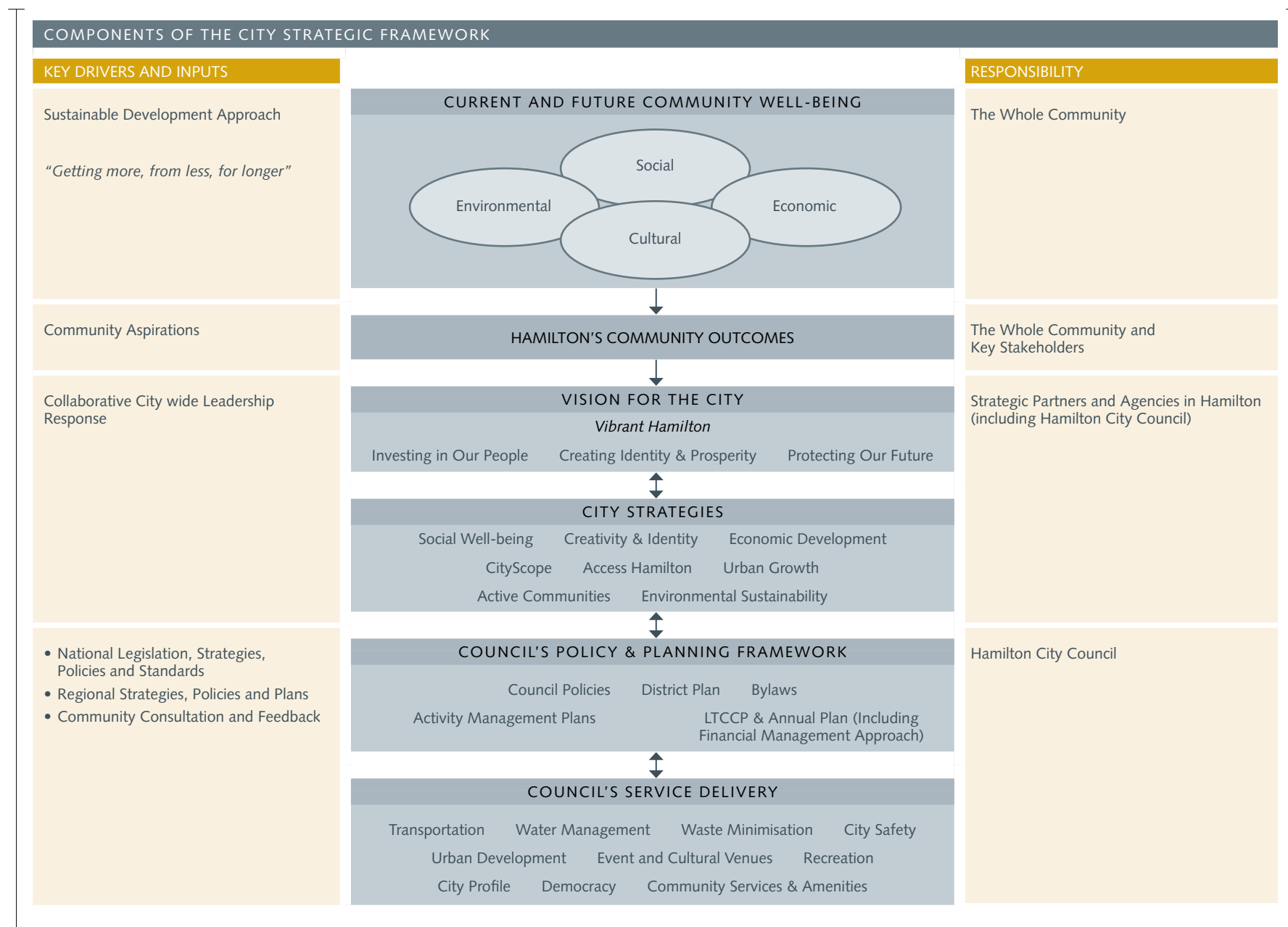
The ongoing promotion and implementation of the principles, themes, initiatives and flagship projects of the eight City Strategies is Council's primary means of delivering on Hamilton's Community Outcomes and community well-being, as well as promoting a sustainable development approach for Hamilton over the next 10 years and beyond. The Strategies in effect promote the four well-beings (social, economic, environmental and cultural) for Hamilton's current and future generations as advocated through the Local Government Act 2002.<sup>2</sup>

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

The main components of the City Strategic Framework (including key drivers, inputs and responsibilities for each component) and how they relate to one another are outlined in the following figure.

<sup>2</sup> Section 3 (d) of the Local Government 2002 "provides for local authorities to play a broad role in promoting the social, economic, environmental, and cultural well-being of their communities, taking a sustainable development approach".







### ■ 3.6 THE EIGHT CITY STRATEGIES – THEIR DEVELOPMENT, CONTENT AND DIRECTION

The eight City Strategies that comprise the City Strategic Framework have been developed in partnership with a range of key stakeholder organisations at various stages over the past two years.

Each Strategy involved the formation of a steering group of representatives from agencies with interests in Hamilton and those which had an ability to implement the Strategy outcomes and influence decision-making. The community outcomes identification process in Hamilton was a collaborative one, with many agencies involved. It therefore seemed appropriate that our response as city leaders will also be collaborative.

Teamwork is at the heart of these City Strategies. Their development process is based on the premise that achieving Hamilton's Community Outcomes and comprehensive improvement to the city's well-being will not be achieved by the actions of any one sector or by any single layer of government action alone. In taking this partnership approach, a strong collaborative leadership approach for Hamilton has been formalised. The Strategy development approach is cross cultural, recognising the place of tangata whenua and the diverse nature of the communities living within our city.

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

Each of the City Strategies has 'theme areas'. The Strategies did not attempt to cover all well-being issues but used the community outcomes as a platform and targeted a number of priority areas within those outcomes. This means that through collaborative action, the Strategy partners can focus their resources to deliver real results on the ground.

A number of the City Strategies contain what are known as 'flagship' projects. These projects have been agreed to and are in alignment with the work programmes of a number of key stakeholder agencies across the city and are the collective first response to some of the pressing issues facing Hamilton. The flagship projects complement and connect a wide range of projects, programmes and actions happening throughout the city and often have linkages to work occurring in the other key City Strategies.

Council has considered and prioritised the flagship projects and their timing through the development of specific Strategic Action Plans (known as SAPs) for a number of the eight City Strategies.

A brief outline of each strategy's focus, themes and flagship projects is provided below.

#### CITYSCOPE – URBAN DESIGN STRATEGY

*CityScope* is Hamilton's Urban Design Strategy. The intention of *CityScope* is to raise the standard of urban design throughout the city and to actively plan toward the building of communities as the city expands. Its purpose is to establish a framework to guide the city towards a more sustainable, quality urban environment.

Key themes of *CityScope* include:

- Principles – a visionary and strategic approach to city design.
- People – enabling others to act.
- Place – inspiring a shared vision.
- Process – challenging the process.
- Promotion – encouraging the heart.
- Projects – modelling the way.

#### Flagship Projects

Two of the key components of the *CityScope* strategy are *Vista* (Hamilton's Design Guide) and the *Hamilton Urban Design Panel*.

These flagship projects help to progress the following Community Outcomes:

- » Sustainable and well planned.
- » Vibrant and creative.
- » Unique identity.

#### SOCIAL WELL-BEING STRATEGY

The Social Well-Being Strategy represents a collaborative approach to improving social issues in Hamilton. The development of the Strategy was driven by a steering group representing organisations that have committed to unite strengths, resources and raise a voice for Hamilton's needs at a central government level.

Key themes of the Social Well-Being Strategy include:

- City leadership and collaboration.
- Community capacity and pride.



- Vibrant young people.
- Quality of life.
- Community safety.

### Flagship Projects

The Social Well-Being Strategy will deliver results through eight joint flagship projects. These projects include a community renewal project in Poets Corner, 'cool things for youth to do that don't cost much', and a campaign for action on family violence.

These flagship projects help to progress the following Community Outcomes:

- » Safety and community spirit.
- » Healthy and happy.
- » Working together.

### CREATIVITY AND IDENTITY STRATEGY

In July 2007 a group of key business and creative strategists were invited to engage with internationally renowned creative thinker, Charles Landry, in a conversation about Hamilton. It was a rich ideas-generating environment for a mix of minds from business, industry, Waikato Tainui, government, education and the creative sector. They shared their local perspectives on Hamilton's urban landscape and discussed ways of rising to the challenge of finding uniquely Hamilton ways to foster innovation and creativity in the city. Some key themes emerged. Central to each of these themes is the concept of Hamilton striving to be a city that introduces and explains itself. The Creativity and Identity Strategy is a visioning document – stretching our thinking to a new mindset.

Key themes of the Creativity and Identity Strategy include:

- Making small effective – recognising Hamilton's size as its advantage.
- Attracting and growing our talent – developing the city as a seeding ground for success.
- Enhancing the aesthetic experience – ensuring that as Hamilton grows it retains a sense of place and connectedness.
- Reconnecting to the river.

The establishment of a Creativity and Identity Forum will assist with implementation and will help to progress the following Community Outcomes:

- » Vibrant and creative.
- » Unique identity.
- » Intelligent and progressive city.

### ECONOMIC DEVELOPMENT STRATEGY

The Economic Development Strategy brought together 12 Hamilton agencies with an interest in economic development, to exchange ideas, build networks and explore potential opportunities. The resultant Strategy outlines a new strategic vision for Hamilton and a set of shared outcomes for the economy. As signatories to the Strategy, the partner agencies have committed to work together over the next three to five years to achieve these outcomes.

Key themes of the Economic Development Strategy are:

- Leadership for Hamilton.
- A thriving business environment.
- Building on economic strengths.
- Attracting and growing talent.
- Developing an enterprise culture.

### Flagship Projects

Council is a partner in a number of flagship projects. These are Business Hamilton Communication, Hamilton Economic Development Endowment Fund, Digital Hamilton, CityHeart Revitalisation, Ruakura Innovation Precinct, Visitor Attraction, Hamilton Network and Creative Industries Incubator.

These flagship projects help to progress the following Community Outcomes:

- » Intelligent and progressive city.
- » Unique identity.

### ENVIRONMENTAL SUSTAINABILITY STRATEGY

The Environmental Sustainability Strategy aims to respond to many of the environmental challenges now facing the city, in order to create a more sustainable Hamilton.



A collaborative approach is critical, as the outcomes sought are unlikely to be realised unless the whole community is engaged and committed to taking action. The key partners to the Strategy recognise that achieving real progress towards sustainability will only be possible if the values, attitudes and behaviours of Hamilton people are consistent with the goal of the Strategy.

Key themes of the Environmental Sustainability Strategy include:

- Mobilised responsive communities.
- Environmentally sensitive urban growth.
- Healthy ecosystems.
- Resource conservation.

### Flagship Projects

Key projects that Council is involved in that will give effect to the ambitions of the Strategy include a review of Hamilton's District Plan, 'Valuing water' – an investigation into managing water assets, and 'Back to Earth' focusing on organic waste reduction.

These flagship projects help to progress the following Community Outcome:

- » Sustainable and well planned.

### HAMILTON URBAN GROWTH STRATEGY

The Hamilton Urban Growth Strategy (HUGS) provides an outline of where new homes and jobs will be located within the city over the next 40 years. HUGS is based on the concept of 'mend before you extend' (refer Section 5.5), which suggests where viable we should first strengthen our existing communities and workplaces in order to maximise benefits and efficiencies from amenities, public services and infrastructure. Areas of expansion should be considered later and deliver diverse and wholesome settings for new communities, seamlessly connected with the city.

HUGS promotes four key growth propositions:

- 1 Providing an increasing number of new dwellings through regeneration of existing parts of the city.
- 2 In the short term, continue with residential development commitments in Rototuna and the early stages of Peacocke and Rotokauri.
- 3 In the longer term, prioritise residential growth in the remainder of the Peacocke area.

- 4 Develop a new general employment area in the east of the city that leverages off the high technology, innovation precinct in Ruakura.

In the past, growth decisions were mainly influenced by cost. The development of the new City Strategies has helped broaden the debate when looking at options. HUGS considers the value delivered to the city by growth and where it occurs, not just cost implications. In doing so, the Strategy rethinks the way Hamilton is growing and chooses the best future for the city.

These four key growth propositions help to progress the following Community Outcomes:

- » Safety and community spirit.
- » Healthy and happy.
- » Sustainable and well planned.

Section 6.1 contains further detail on HUGS.

### ACCESS HAMILTON STRATEGY

The Access Hamilton strategy identifies a way forward for transport development, committing the city to integrated transport and land use planning, and making greater travel choices a reality. The Strategy focuses on the future; providing balance and choice, and applies this approach to planning transport, providing infrastructure, managing demand for transport and responding to the changing environment of the city.

Key themes of the Access Hamilton Strategy include:

- Planning for the future.
- Providing for the future.
- Understanding our choices and their impacts.
- Managing and adapting for the future.

### Flagship Projects

Actions and projects from the Access Hamilton Strategy include travel demand management plans, school travel plans, intersection upgrades, improvements for pedestrians, road safety promotion programmes, and a review of street lighting on arterial and collector roads.

These action plans and projects help to progress the following Community Outcomes:



- » Safety and community spirit.
- » Healthy and happy.
- » Sustainable and well planned.

### ACTIVE COMMUNITIES STRATEGY

The Active Communities Strategy is currently being developed and is anticipated to be completed by mid 2009.

The aim of the Active Communities Strategy will be to support Hamilton residents in being physically active as well as providing an environment where people can enjoy participating in recreational activities. There are clear linkages to other strategies such as the Access Hamilton Strategy, which helps to provide an environment for active living e.g. provision of walking and cycle tracks.

Although Council plays a major role in sport and physical activity in owning and supporting a number of recreational facilities and public spaces, it understands that the provision of sport, recreation and leisure is also provided for across a wide variety of organisations and communities. As such, Council acknowledges the need to work with key partners to achieve the objectives of this Strategy.

The flagship projects to be developed as part of the Active Communities Strategy will help to progress the following Community Outcome:

- » Healthy and happy.

### Progressing the City Strategies Through Leadership Forums

Now that the majority of the City Strategies have been completed, the respective Steering groups have seen significant value in continuing to meet and share information. This is occurring on a quarterly basis through what are known as Leadership Forums. These Leadership Forums recognise that high level strategy discussions are critical for ongoing collaboration as well as for keeping the participating organisations up-to-date with the activities and plans of others. The quarterly Leadership Forum meetings have two key agenda items:

- 1 Discussing the progress of flagship projects.
- 2 Discussing emerging strategic issues.

For further information about the eight City Strategies, contact the Strategy and Research Unit (phone 838 6537, email [strategy@hcc.govt.nz](mailto:strategy@hcc.govt.nz)), or refer to Council's website [www.hamilton.co.nz/citystrategies](http://www.hamilton.co.nz/citystrategies).

## ■ 3.7 COUNCIL'S SUSTAINABLE DEVELOPMENT APPROACH

### 3.7.1 DEFINING SUSTAINABLE DEVELOPMENT

Sustainable development is about maintaining a delicate balance between the need to improve lifestyles and a feeling of well-being, while at the same time preserving natural resources and ecosystems, on which we and future generations depend. The term was used by the Brundtland Commission<sup>3</sup> which coined what has become the most often-quoted definition of sustainable development:

*'Development that meets the needs of the present without compromising the ability of future generations to meet their own needs'*

The following phrase provides an easier way to understand the concept of sustainable development, and is incorporated in the figure outlining the components of the City Strategic Framework in Section 3.5:

*'Getting more, from less, for longer'*<sup>4</sup>

Council has a strong interest in Hamilton's sustainability. It endorsed the principles and objectives of Agenda 21 in March 1993 and became a member of the International Council for Local Environmental Initiatives (ICLEI) in August 1993.

Agenda 21 is a non-binding global framework for action to achieve sustainable development resulting from the 1992 United Nations Conference on Environment and Development. New Zealand adopted the 27 principles of Agenda 21 in 1992.

Sustainable development, which is the cornerstone of Agenda 21, is also one of central government's key objectives and is an underlying principle of the Local Government Act 2002. It recognises that global issues need to be addressed at the local level – hence the expression:

*'Think globally – Act locally'*

The principles of sustainable development (particularly the concept of 'well-being' advocated through Section 3(d) of the Local Government Act 2002) were fundamental in developing Hamilton's Community Outcomes, the eight City Strategies that underpin the City Strategic Framework, and this 2009-19 LTCCP.

<sup>3</sup> Brundtland Report 1982 – Our common Future. London, Earth Scan.

<sup>4</sup> Office of the Parliamentary Commissioner for the Environment: Towards Sustainable Development – The Role of the Resource Management Act 1991 (August 1998).



Collectively the principles, themes, initiatives and flagship projects advocated through the eight City Strategies will ensure that Hamilton takes a sustainable development approach that promotes the Local Government Act's four well-beings (environmental, social, economic and cultural) for the city's current and future generations.

Council recognises that the natural environment is pivotal to the concept of sustainable development and that for Hamilton to function more sustainably it must not exceed the natural environment's capacity to provide for and absorb the effects of human activities.

Together the principles, initiatives and flagship projects outlined in the eight City Strategies support progress towards a more sustainable Hamilton. Promotion and ongoing implementation of the strategies aspirations will assist Council, other organisations and the community at large to ensure the enhancement and ongoing sustainability of the city's urban form and natural environment.

### 3.7.2 CITY FORM AND SUSTAINABLE DEVELOPMENT

As noted in Sections 1.0 and 6.1, Council recognises that Hamilton's physical form is probably the single biggest determinant as to how sustainable it currently is and can potentially be. The location of housing, industrial and commercial areas in relation to one another (and their relative density) has a large bearing on how effectively a city functions, particularly in regard to transportation movements and the subsequent impact this has on the likes of energy use and CO<sub>2</sub> emissions. The subsequent development and rollout of the Hamilton Urban Growth Strategy (HUGS – refer Section 6.1) should place Hamilton in the best possible position to more sustainably manage the city's projected population and business growth through to the year 2051 and beyond.

A key step in the early stages of preparing HUGS and this 2009-19 LTCCP was the Enquiry by Design (EBD) process on city growth issues coordinated by Council, which took place over four days in March 2008 (refer Section 6.1). The impact that Hamilton's continued growth has on the social, cultural, economic and natural environments was a major consideration of the EBD, with areas discussed and evaluated including ecology, open space, transportation, employment, economic development and infrastructure. These topics formed a clear framework for evaluation of options, with findings from this analysis forming a major determinant for the final four growth propositions outlined in HUGS.

### 3.7.3 MINIMISING THE EFFECTS OF COUNCIL'S ACTIVITIES ON THE ENVIRONMENT

Effects on the current and future well-being of the city's community are an important consideration for Council when planning for and carrying out its activities. As well as having positive effects, Council recognises that some activities can have either existing or potential negative effects on the city's social, economic, environmental or cultural well-being that need to be managed or mitigated.

Each of Council's 10 Activity Groups outlines any potential negative effects that each Group may potentially have on the city's social, economic, environmental and cultural well-being, and how Council mitigates or manages such effects (refer Section 8.0).

As a large organisation and consumer of resources, Council is aware that it must lead by example in terms of environmental sustainability.

#### Green Purchasing Guidelines

As part of its Corporate Environmental Policy, Council's Green Purchasing Guidelines aim to make purchasing environmentally sound products and services as simple as possible for everyone involved.

As a major purchaser, Council has a significant impact on the natural environment through the products and services it buys. By introducing environmentally conscious purchasing criteria, Council can make a significant difference to the sustainability of the organisation and city.

Council's Green Purchasing Guidelines state that wherever possible, goods should be made from recycled material or materials from sustainable sources and should be energy and water efficient, reusable or recyclable, have minimal packaging, and be biodegradable in addition to being high performing and durable.

#### Energy Management Programme

Council has had an energy management programme in place since 1999. The Energy Manager is employed to develop and implement a range of energy efficiency initiatives throughout Council's operations that deliver continual improvements in energy use and associated financial savings.

In the 10 years since the programme's inception, energy management initiatives have resulted in savings to Council of \$3.1 million – almost 18 million kWh. In 2007/08, Council reduced its energy use by approximately 3 million kWh, enough to power around 330 households for one year.



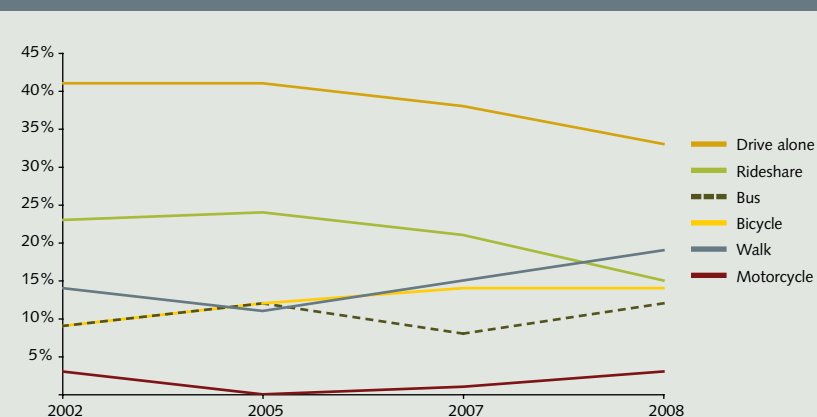
## Rethink

An internal education and awareness programme (known as 'Rethink') also ensures Council is focused on developing an environmentally conscious workforce that operates in an environmentally sensitive manner. The *Rethink* programme covers water, energy, waste, events and campaigns, purchasing, biodiversity, buildings and transport, and operates through programmes such as:

- Encouraging and rewarding staff that use public transport and/or active transport.
- Running energy saving campaigns (instrumental during times of energy shortages).
- Encouraging the use of Council 'Fleet Bikes' over vehicles.
- Better informing staff of what they can do at work and in the home to cut back on energy and costs.
- Encouraging waste minimisation.

For example, the 'Every Trip Counts' programme encourages Council staff to choose sustainable means of getting to and from work such as the bus, walking or cycling. A study undertaken in November 2008 of approximately 200 Council staff found that the number of single occupancy drivers has continued to decrease (from 41% in 2005 to 33% in 2008), while those walking, catching the bus and cycling continue to trend upwards (refer following figure).

HOW HAMILTON CITY COUNCIL STAFF TRAVEL TO WORK



## 3.7.4 COMMUNITY PARTNERSHIP INITIATIVES

Council recognises that promoting and coordinating initiatives that raise community awareness about the effects that their actions can have on the natural environment is a powerful way of changing people's behaviour. The resultant actions will assist in Hamilton becoming a more sustainable city. To this end Council facilitates and coordinates a number of community initiatives and programmes that have a natural environment focus. These include:

- The weekly kerbside collection of paper and recyclables (plastic, glass, aluminium, and steel cans).
- Coordination of Hamilton's Gully Restoration Programme and Envirofund.
- Commitment to the Hamilton EnviroSchools Programme.
- Promotion and ongoing development of the 'Know it?... Live it!' programme (a community environmental education programme that informs Hamilton's community of ways that they can live and work more sustainably – including production of five household guides on Water, Waste, Transport, Energy, and Shopping).
- Coordination of the Sustainable Urban Design Programme.
- Coordination of the collection of Hamilton's electronic waste through eDay (held annually in September/October since 2007).

## 3.7.5 RESPONSE TO CLIMATE CHANGE

### INTRODUCTION

Climate change or global warming refers to the progressive gradual rise of the earth's average surface temperature, thought to be caused in part by increased concentrations of greenhouse gases in the atmosphere which trap some of the heat the earth radiates back into space.

It is largely recognised that the increasing amount of human-caused emissions of greenhouse gases in the atmosphere is the reason the world is warming at a rate that is considered to be higher than natural climate variations (observed over comparable time periods).

While New Zealand's greenhouse gas emissions in a global context are small (0.2% of the world's greenhouse gas emissions), on a per-person basis our level of emissions ranks us 12<sup>th</sup> in the world. Given that New Zealand is a small trading nation with a strong land management sector as its base, climate change will have implications for the country's environment and economy.



## KYOTO PROTOCOL

The Kyoto Protocol is an international agreement linked to the United Nations Framework Convention on Climate Change. It sets binding targets for 37 industrialised countries and the European community for reducing greenhouse gas emissions. These reductions amount to an average of 5% against 1990 levels over the period 2008-2012.

Since the Kyoto Protocol was adopted in 1997 climate change has become a permanent fixture of the global political landscape. New Zealand's ratification of the Kyoto Protocol in December 2002 commits the country to reducing its average net emissions of greenhouse gases over the period 2008-2012 (the first commitment period of the Kyoto Protocol known as 'CP1') to 1990 levels or to take responsibility for the difference.

Central government reports on its provision for New Zealand's obligation under the Kyoto Protocol ('the Kyoto liability') on an annual basis through its Financial Statements. The financial estimate of New Zealand's obligation at 31 October 2008 was \$593 million.

While direct Kyoto obligations sit primarily with central government, responding to climate change (in particular achieving carbon neutrality) requires a nationwide effort involving not just central and local government, but also businesses, communities and individuals.

A climate treaty to replace the 1997 Kyoto Protocol is to be held in Copenhagen in December 2009.

Local government has a particularly critical role in implementing central government initiatives and ensuring that real changes are made on the ground. While it is difficult to say with great certainty what the implications of climate change will be for Hamilton, climate models predict an exacerbation of current weather patterns which could mean more frequent and extreme weather events such as droughts and floods.

The Ministry for the Environment has made the following statements regarding the potential impact of climate change for the Waikato.

*"In general, Waikato, like much of the west coast of New Zealand, is likely to become warmer and wetter."*

*Climate scientists estimate that Waikato's temperature could be up to 3°C warmer over the next 70-100 years. This compares to a temperature increase in New Zealand during last century of about 0.7°C. ... Waikato could be up to 20% wetter with more varied rainfall patterns and flooding could become up to four times as frequent by 2070".<sup>5</sup>*

Strategically, Council is positioning itself to respond to many of the challenges associated with climate change. This includes meeting any legal or regulatory obligations associated with addressing climate change, such as through the New Zealand Energy Strategy, the New Zealand Energy Efficiency and Conservation Strategy and the recently enacted Emissions Trading Scheme (whatever its eventual shape or form) as well as planning for the potential impacts of climate change on the city through the District Plan. Other programmes involve voluntary commitments that Council already undertakes along with many other local authorities throughout the world.

Council has committed to greenhouse gas reduction targets and in order to achieve them is actively promoting energy conservation within the community through a range of educational programmes, projects and other initiatives.

## COUNCIL'S INVOLVEMENT IN COMMUNITIES FOR CLIMATE PROTECTION

The CCP™- NZ programme provides a strategic framework through which councils and their communities can take action to reduce greenhouse gas emissions. The programme aims to reduce emissions from each council's own actions, as well as influencing reductions throughout the wider community.

Council has participated in the CCP™- NZ since October 2004. In order to assist councils and their communities address climate change the programme comprises five key milestones, each of which has an internal council component and a community component i.e.:

Milestone 1 – Conduct an inventory and forecast for greenhouse gas emissions.

Milestone 2 – Establish emission reduction goals.

Milestone 3 – Develop and adopt a Local Action Plan.

Milestone 4 – Implementation of the Local Action Plan.

Milestone 5 – Monitor and report on achievements.

<sup>5</sup> Information is at 2008 and is sourced from the Ministry for the Environment's website [www.mfe.govt.nz](http://www.mfe.govt.nz)



In 2008 Council was one of the first two councils in New Zealand to be awarded Milestone 4 for being able to demonstrate reductions in emissions from its facilities.

Despite the uncertainty surrounding the programme's future, Council is committed to undertaking initiatives that reduce the city's carbon emissions.

### STRATEGIC RESPONSES TO CLIMATE CHANGE

As outlined in Section 3.5, Council's strategic vision for a *"Vibrant Hamilton"* is expressed through the promotion and ongoing implementation of eight City Strategies. Although each Strategy has its own particular area of focus, some have more relevance than others when addressing climate change. For example:

- The Hamilton Urban Growth Strategy promotes additional options for more compact living environments in the existing city and encourages growth nodes that are more likely to invigorate the 'CityHeart', reduce travel times and encourage greater use of public transport.
- Access Hamilton, the city's integrated transport strategy, focuses on the critical interrelationship between landuse and transport planning as a means of reducing dependency on cars.
- The Environmental Sustainability Strategy also advocates for environmentally sensitive urban growth with more efficient or compact use of land to help slow the rate of urban development into greenfield areas.

In particular, the following three flagship projects from the Environmental Sustainability Strategy will assist Hamilton in reducing its greenhouse gas emissions, thereby minimising our contributions to global warming:

- 'Back to Earth', which investigates the best way to divert and utilise the city's greenwaste (which, if allowed to break down anaerobically in landfill, produces methane, a greenhouse gas approximately 25 times more powerful than carbon dioxide).
- The review of Hamilton's District Plan (anticipated to commence in mid 2009) to bring it in line with the shared outcomes of the Environmental Sustainability Strategy and the principles of CityScope.
- 'Breath Easy', Council's contribution to a project aimed at retrofitting Hamilton's pre-1978 homes with adequate insulation to reduce heat loss, allow for more efficient energy use and assist in improving the city's air quality.

### ENCOURAGING THE COMMUNITY TO RESPOND TO CLIMATE CHANGE

Fostering behavioural change in the community is essential for achieving a collective community response to climate change. Council continues to support many critical environmental projects and initiatives such as the nationally recognised EnviroSchools Foundation, which is helping to create the next generation of climate conscious citizens by providing them with the knowledge and skills to act.

### 3.7.6 EMISSIONS TRADING SCHEME

#### INTRODUCTION

Most of the provisions of the Climate Change Response (Emissions Trading) Amendment Act 2008 came into force on 26 September 2008. The Emissions Trading Scheme (ETS) has created an incentive for New Zealanders to develop and apply carbon-friendly techniques and technologies. In time, carbon will be viewed as a cost of production, just as labour, energy and capital are now costs of production. This will become an economic reality that the country needs to take into consideration.

The primary aim of the scheme is to lower the country's greenhouse gases in-line with those limits agreed to under the Kyoto Protocol. Within the urban context this concerns stationary energy, industrial processes, solid waste and liquid fossil fuels. The ETS covers emissions of the following six greenhouse gases: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF<sub>6</sub>). These are the greenhouse gases covered by the Kyoto Protocol.

The ETS has introduced a price on greenhouse gases to provide an incentive for New Zealanders to reduce emissions and enhance forest sinks. Emissions trading provides flexibility in how participants comply with their obligations, enabling a least-cost response. The scheme supports the achievement of New Zealand's international climate change obligations, shifting the cost of New Zealand's emissions from general taxpayers to the emitters and consumers who are best placed to take action to reduce emissions.

The new Government has formed a Select Committee to review the ETS legislation and wider climate change policy for New Zealand and has indicated that it wants the process (including legislative amendments) to be completed by September 2009. In the interim, officials continue to develop the regulations for the ETS, as legislated in September 2008.



Regulations completed to date include:

- Forestry regulations.
- Liquid fossil fuel regulations.
- Unit register regulations.

### IMPLICATIONS OF THE EMISSIONS TRADING SCHEME FOR COUNCIL

Although the ETS is unlikely to have a direct affect on Council's operations, it is likely to have a number of indirect effects, particularly in terms of electricity prices, the cost of waste disposal, and the cost of fuel i.e. as most goods and services are in some way tied to the price of oil and other key commodities, across the board price rises are likely to impact significantly on Council and the services it provides to the community.

It is important to remember that the ETS was intentionally designed to initiate a fundamental structural shift towards a less carbon intensive economy. As such, increases in fuel costs are likely to encourage greater use of public transport, cycling and walking, and may also encourage greater intensification in existing parts of Hamilton.

These potential cost and planning implications of the ETS need to be considered within a wider strategic context. The eight City Strategies present an ambitious vision going forward and are likely to have a considerable impact on Hamilton's future shape and form, particularly through the rollout of the Hamilton Urban Growth Strategy and ongoing implementation of the Environmental Sustainability Strategy. These changes are likely to give rise to a more compact city where sustainable transport choices are more viable. The ETS is therefore expected to complement Council's existing strategic direction for Hamilton.

“Council is positioning itself to respond to many of the challenges associated with climate change”







**4.0 COUNCIL'S PARTNERSHIP WITH MAAORI**  
**MAHI NGAATAHI O TE KAUNIHERA KI NGAAI MAAORI**





## ■ 4.0 COUNCIL'S PARTNERSHIP WITH MAAORI

### CONTENT OF THIS SECTION

4.1	Introduction
4.2	Council Relationship with Waikato-Tainui
4.3	Waikato Raupatu Claims Settlements Act 1995
4.4	The Waikato River – Deed of Settlement
4.5	Partnership and Service Agreements

## ■ 4.1 INTRODUCTION

Council acknowledges the special place of Maaori in Hamilton's history. The city enjoys both the benefits of the historic knowledge, experience and views of Maaori as well as the role that Maaori play in building Hamilton's future. Maaori comprise around 20% of Hamilton's residents and it is estimated that 40% of those identifying as Maaori are from hapu with close ties to the Hamilton area. Hamilton has one of the fastest growing urban Maaori populations.

Council has an important role in supporting its local communities, including working to improve the opportunities for Maaori to contribute to decision-making and playing an active role in the city's development. Council recognises Maaori as tangata whenua (indigenous people of the land) with kaitiakitanga (guardianship) status and ownership rights regarding their lands and that Maaori are assured the same rights as other citizens. The Local Government Act 2002 reinforces the importance of continuing to foster such relationships, the necessity of good communication and the value of Maaori heritage and values in New Zealand's progress as a distinctive nation.

## ■ 4.2 COUNCIL'S RELATIONSHIP WITH WAIKATO-TAINUI

Council continues to develop its partnership with the Waikato-Tainui Te Kauhanganui Incorporated (previously known as the Waikato Raupatu Trustee Company Ltd) – the iwi authority representing Waikato-Tainui across the Waikato Region. The Waikato-Tainui Te Kauhanganui Incorporated is the principal constitutional and legally mandated local iwi authority, encompassing some 33 hapu and 67 marae across several local authority boundaries. Waikato-Tainui as a whole takes on the wider governance focus for its people, its tribal culture, education and social responsibility.

“the health and well-being of the river is a key environmental issue”



#### ■ 4.3 WAIKATO RAUPATU CLAIMS SETTLEMENTS ACT 1995

The Waikato River claim (being part of Wai 30) dated 16 March 1987 was filed in the Waitangi Tribunal by Robert Te Kotahi Mahuta on behalf of himself, Waikato-Tainui, the Tainui Maaori Trust Board and Ngaa Marae Toopu.

In 1995, the Raupatu Lands component of the claim was settled. The Waikato Raupatu Claims Settlement Act 1995 gave effect to a Deed of Settlement between the Crown and Waikato-Tainui dated 22 May 1995. The components in this Act which are of significance to the Council include:

##### ■ Return of Lands

Certain lands within the Hamilton City boundary were returned to Waikato-Tainui to be held in the name of Potatau Te Wherowhero. These lands included only properties which were under existing Crown ownership such as the University of Waikato, Te Rapa Airforce base, Hamilton Court House and Police Station.

##### ■ Right of First Refusal

The Crown also agreed as a form of redress a right of first refusal over Residual Crown Land. This applies to all Crown bodies including Hamilton City Council. Therefore the Council when proposing to sell any Residual Crown Land must give notice to Waikato-Tainui of the proposed sale with proposed terms. This process acknowledges the principle 'i riro whenua atu, me hoki whenua mai', meaning 'as land was taken, land must be returned'.

This settlement excluded the Waikato River claim, the West Coast Harbours and certain landblocks in north Waikato.

#### ■ 4.4 THE WAIKATO RIVER – DEED OF SETTLEMENT

Waikato-Tainui regard the Waikato River as te tupuna awa (the ancestral river), representing the mana (authority) and mauri (life force) of the iwi. These values are paralleled by the very significant value the wider community places on the Waikato River as both a defining feature and critical resource for Hamilton. Consequently the overarching purpose for Waikato-Tainui and the Hamilton City Council is the protection and restoration of the health and well-being of the river.

A Deed of Settlement for the Waikato River Claim between Waikato-Tainui and the Crown was signed in August 2008 and is ushering in a new era of 'co-management' as well as providing opportunities to improve the health and well-being of the Waikato River. In 2007, as part of this process, a Guardians

Establishment Committee (GEC) was formed to develop a Vision for the Waikato River. The committee comprises members representing the interests of all River Iwi which includes Waikato-Tainui, Maniapoto, Tuwharetoa, Raukawa and Te Arawa, also Environment Waikato and others appointed by Ministers of the Crown (including Hamilton Mayor Bob Simcock) to represent the interests of all New Zealanders. The Deed, Vision and Strategy convey high expectations that the way the river is managed will improve and will be formalised through enactment of the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill. To this end, Council is continuing to work with Waikato-Tainui, the Crown and partner councils to develop appropriate projects and processes that contribute to realising the vision set out by the GEC and to consider any changes that might be necessary in the way we work to integrate the new co-management regime into Council processes. The results of these discussions will be the subject of wide public consultation over the next two years.

Council's relationship arrangements provide other key opportunities for Maaori to contribute. Most importantly, Maaori representation on steering groups for each of the eight City Strategies that comprise the City Strategic Framework has been a critical part of developing and implementing the strategies (refer Section 3.6).

#### ■ 4.5 PARTNERSHIP AND SERVICE AGREEMENTS

To assist in delivering services to Maaori, Council currently has specific partnership and service agreements with:

- Ngaa Mana Toopu o Kirikiriroa (NaMTOK) – an iwi group representing local mana whenua (Maaori with historic ties to the Hamilton/Kirikiriroa area) on issues relating to the management of Hamilton's natural and physical resources.
- Te Runanga o Kirikiriroa (TeROK) – an urban iwi authority representing maataa waka (Maaori/Pacific from other areas) on the impact of Council policies. Te Runanga provides a range of services, support, advice, and technical expertise that assist Council to meet the needs of the Maaori community in Hamilton.

These partnerships and agreements ensure mana whenua perspectives and maataa waka views are represented in decisions about the city, its community capacity and natural and physical resources.



It is to be expected that the relationships Council has with Maaori representative groups will evolve over time. Council is constantly exploring how these relationships can be improved through ongoing discussions with our partner organisations.



## 5.0 STRATEGIC OPERATING CONTEXT

HE **RAUTAKI** WHAKATUTUKI KAUPAPA



a wider  
view



## ■ 5.0 STRATEGIC OPERATING CONTEXT

### CONTENT OF THIS SECTION

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## ■ 5.1 ISSUES AND DRIVERS

Council, like any business or organisation, is influenced by what is happening locally, nationally and internationally. Issues such as the recent global financial credit crisis (that expanded out of the United States financial sector and permeated into the global economy in the latter part of 2008), falling commodity prices, and predictions of decreases in the country's Gross Domestic Product (GDP) over the initial period of this 2009-19 LTCCP will have significant impacts throughout the New Zealand economy.

On the upside, the personal tax cuts introduced by central government on 1 October 2008 and 1 April 2009 (along with reductions in interest rates in the latter part of 2008) will assist in stimulating personal and business confidence throughout the country. The tax cuts planned for 1 April 2010 and 1 April 2011 have now been deferred (these are to be reassessed as part of the future budget processes).

As noted in Treasury's latest economic forecast<sup>1</sup>:

### **"The world is undergoing its deepest downturn since World War II..."**

*The depth of the current global slowdown and the extent of its synchronisation across countries are unprecedented in the period since World War II. The economic performance of New Zealand's trading partners will play a crucial role in the performance of the New Zealand economy over the next few years. This outlook is highly uncertain, and will be partly dependent on the effectiveness of the numerous large-scale policy responses introduced by governments in response to the financial crisis. A number of the policies undertaken, at least on the current scale, are relatively untested and as such many governments find themselves in uncharted waters.*

*Uncertainty surrounds how long disruptions in financial markets will continue, as well as the ramifications for world growth. Although not independent, this is complicated by the fact that current adjustments in the world economy are occurring at a time when a number of countries, including New Zealand, have imbalances such as large current account deficits.*

### **Recession expected to be deeper with recovery relatively gradual...**

*The New Zealand economy is forecast to continue contracting through to the September quarter of 2009, with positive, albeit weak, growth occurring from the end of 2009. This is expected to result in an annual average decline in real gross domestic product (GDP) of 0.9% in the March 2009 year, followed by a further decline of 1.7% in the 2010 March year. This is significantly below*

<sup>1</sup> The Budget Economic and Fiscal Update 2009 (Treasury Report, 28 May 2009).



*the 0.3% and 0.8% positive rates of growth predicted in the December [2008] Forecasts. The slower growth reflects lower levels of export and domestic demand, with the outlook for investment particularly affected by tight credit conditions and business uncertainty. The impact of the downturn on households will intensify with household spending declining. Rising unemployment, which is expected to peak at 8% in September 2010, will be a contributing factor. A gradual improvement in world growth prospects, combined with a low dollar and low interest rates, sees real GDP growth staging a relatively hesitant recovery with growth of 1.8% in the March 2011 year, increasing to 2.9% and 4.0% in 2012 and 2013 respectively." (Refer following table.)*

PERCENTAGE CHANGE IN GDP PRODUCTION – NEW ZEALAND					
ACTUAL	FORECAST (MARCH YEAR)				
2008	2009	2010	2011	2012	2013
3.1%	-0.9%	-1.7%	1.8%	2.9%	4.0%

An example of the effect of international issues and their subsequent impact is the trend towards global increases in the price of oil, which in turn has a marked flow-on effect to the cost of fuel as well as bitumen used in road construction. The Bitumen Price Index<sup>2</sup> indicates that the cost of bitumen used for road construction increased by 55.6% between May 2004 and May 2009.

A number of organisations are predicting that “peak oil”<sup>3</sup> production will occur in less than 10 years i.e. before the year 2018. This will have significant ramifications worldwide and filter through to all parts of New Zealand's economy, including the cost to Council for delivering its services.

At the national level the change from a Labour to a National-led government in November 2008 and the new government's proposed policy changes will also have a substantial impact on the country's economy and the local government sector over the period of this 2009-19 LTCCP. For example, the new government is proposing to significantly increase spending on key infrastructure<sup>4</sup>, including an ultra-fast broadband network (\$1.5 billion over six years) and various new roading and transport initiatives (e.g. \$750 million over the next 10 years

<sup>2</sup> New Zealand Transport Agency – Cost Adjustment Factors (May 2009).

<sup>3</sup> The point at which global oil production gradually declines, never to return to its previous highs.

<sup>4</sup> The National Governments Infrastructure Plan 'Building for a Brighter Future' (October 2008).

on the Waikato Expressway). In consultation with local government, central government intend to develop a 20 year National Infrastructure Plan outlining their investment objectives.

Council, in consultation with various economic agencies and other organisations, has taken into account and analysed a number of these key issues and drivers that are currently impacting on, or have the potential to impact on, Hamilton's development and/or Council's operations. Information gained through development of the eight City Strategies (refer Section 3.6) over the past two years provided further input into this analysis.

A number of these issues were also looked at as part of the March 2008 four day Enquiry by Design workshop that was undertaken as a key input into the development of the Hamilton Urban Growth Strategy (refer Section 6.1). This workshop reviewed a range of social, cultural, environmental and economic data as well as examining the various options for how Hamilton could grow. This process involved a wide range of Council staff and elected members, as well as representatives from a number of key organisations, e.g. the New Zealand Transport Agency, Environment Waikato and the Ministry of Education.

The recent global economic downturn has also filtered through to the local scene, with the construction sector being particularly affected. For example, the number of building consents issued for new houses in Hamilton has decreased markedly since 2006/07:

NUMBER OF BUILDING CONSENTS ISSUED IN HAMILTON (FOR NEW HOUSES)	
2004/05	999
2005/06	1,004
2006/07	1,207
2007/08	848
2008/09 (JULY 2008 – MARCH 2009)	302

Such issues continue to be monitored by Council on an ongoing basis so that it can respond to changes readily, as and when the need arises. This monitoring also extends to submissions that Council makes to various external organisations, particularly on issues and proposals that have the potential to impact on the city's development and/or Council's operations.



## ■ 5.2 DEVELOPMENT OF ASSUMPTIONS

As a result of analysing and monitoring key issues, Council has made a number of assumptions in developing the projects and programmes that comprise this 2009-19 LTCCP. For example, one of the key assumptions is that the New Zealand Transport Agency subsidy rates towards transportation (particularly road construction and maintenance) within the city's boundaries will remain unchanged over the 2009-19 period.

A set of population and dwelling projections (refer Section 2.0) were developed for Hamilton through to the year 2051 by the University of Waikato's Population Studies Centre, and for other participating councils in the FutureProof Sub-Regional Growth Strategy (refer Section 6.3). These projections are the main underlying assumption of the Hamilton Urban Growth Strategy and the growth related projects and programmes in this 2009-19 LTCCP.

Examples of some of the other key assumptions used to develop this LTCCP include borrowing costs, debt servicing costs, and return rates on Council's property investments.

Council will be responding to changes to the economic climate and any key assumptions as information becomes available through adjustments to its programme of works and service delivery as part of each Annual Plan.

The full list of assumptions (including their potential risks and levels of uncertainty) used in the development of this 2009-19 LTCCP is outlined in Volume Two (Section 3).

## ■ 5.3 ADJUSTMENT FOR INFLATION

The types of issues outlined in Section 5.1 also have a marked impact on the country's current and projected inflation rates, which in turn impact significantly on the delivery of Council's services. Over recent years New Zealand's inflation rate, as measured through the Consumers Price Index (CPI), has increased markedly. However, as a number of the CPI components that relate to Council's business have had above average increases (such as labour, construction materials and oil) the impact for Council has been magnified. As noted in Section 5.1, the cost of bitumen used for road construction increased by 55.6% between May 2004 and May 2009.

Council is also facing additional costs of providing infrastructure due to higher design standards and outcomes sought by the community through the urban design expectations of CityScope (Council's Urban Design Strategy) and Vista (Council's Urban Design Guide – refer Section 3.6). In some instances, there are

also additional costs of providing infrastructure and services due to additional or increased central government standards and regulations or to comply with various resource consent requirements.

In developing this LTCCP, Council has looked at inflation levels based on research into price level change adjusters specific to the main component cost drivers for the local government sector. These were published in September 2008 by economic consultants BERL (Business and Economic Research Ltd). The BERL research is useful in developing a longer term forecast of inflation impacts, however due to the rapidly changing economic environment which has been experienced during the development of this LTCCP (and in particular since September 2008), it has been necessary to also consider research that has been more focused on shorter term inflation trends.

Therefore when considering the impact of inflation on the forecast financial statements in the first two years of the LTCCP, Council has also drawn on research input from other New Zealand based financial institutions. Given the recent falls in inflation rates, Council has made an updated assumption that inflation will be 1.5% for year 2 (2010/11). As the impact of inflation has already been incorporated into the base budget for 2009/10, there is no need for inflation provision in this year.

Council has made separate assumptions regarding inflation rates impacting on operating and capital budgets. This is a change from the 2006-16 LTCCP where a single inflation assumption was used across all operational and capital expenditure budgets.

The adjustors provided by BERL were used to amend the costings of projects and programmes in this LTCCP by using an average of their nine main categories i.e.:

- 1 Roothing and transport costs.
- 2 Property, reserves and parks costs.
- 3 Water – clean and dirty – including pipeline costs.
- 4 Staff costs.
- 5 Energy costs.
- 6 Other – adjustor for local government costs.
- 7 Pipeline costs (a sub-component of water costs).
- 8 Earthmoving costs (a sub-component of property, reserves and parks).
- 9 Private sector salary and wage costs (a sub-component of adjustors 1 through to 4 above).



Further detail on use of the BERL price level change adjustors can be found in Volume Two (Section 3) of this LTCCP.

#### ■ 5.4 OTHER FINANCIAL ISSUES CONSIDERED- REQUIREMENTS AND IMPACTS

To deliver an affordable 10 year profile for rating increases, fees and charges and the level of debt the organisation can sustain, Council has had to consider the economic environment that is likely to prevail over the next 10 years. A number of significant assumptions have had to be made regarding key factors of the budget such as city growth, finance costs and inflation.

In regard to rates, Council uses forecast inflation as the most appropriate measure against which to benchmark the projected increase in rates revenue over the 10 year period. Over the 2009 – 19 LTCCP period the average percentage increase in rates to existing ratepayers is forecast to be 1.7% per annum higher than the forecast rate of inflation. Council considers this modest increase, over and above the level of forecast inflation, to represent an affordable level of rating increase for Hamilton ratepayers.

When considering fees and charges, in addition to forecast inflation, Council also benchmarks against similar services provided by other organisations in other areas and considers the impact that different pricing levels can have on demand for particular services.

In regard to debt, Council maintains a number of internal debt management policy ratios that act as benchmarks against which to monitor the affordability of Council debt.

These ratios are reported in Section 10.0. Notwithstanding the forecast deterioration in a number of Council's debt ratios over the 2009-19 period, Council is comfortable that all ratios are forecast to remain within the present policy limits. Furthermore, assuming no significant deterioration in its operating budgets, Council's debt position relative to its revenue base remains sustainable.

#### ■ 5.5 COUNCIL'S PRIORITISATION TOOL

In developing this 2009-19 LTCCP, Council has also decided that the 'business as usual' approach that was reflected in the programme of works for the 2006-16 LTCCP is not sustainable in the medium to long-term, particularly given the impact of the global economic downturn that commenced in late 2008.

Council is constrained by its ability to pay for, fund and deliver on the ongoing operation and development of city services. Uncertainty in the wider economy is having a marked impact on Council's revenue streams and therefore its ability to continue delivering its current high level of service to the community and to pay for enhancements to the city's infrastructure. For example, Council is currently forecasting a significant reduction in revenue from new rating growth and from building and development fees for the financial year ending June 2009 as a result of the slowdown of construction in Hamilton's residential, commercial and industrial sector. As noted in Section 5.1, this slowdown was particularly evident in 2007/08 and 2008/09, with the revenue from development contributions currently down to just over 30% of that budgeted for 2008/09 (from \$18.6 million to \$6.0 million). This may mean that the revenue collected from these contributions for 2008/09 may not cover the cost of interest on debt raised for growth projects undertaken.

Council recognises that rates need to be kept to a realistic and acceptable level through sensible and prudent long term financial planning, while at the same time being balanced against a programme of works that still ensures the city can operate in an efficient, cost-effective and more sustainable manner.

To assist in delivering on a balanced and affordable 10 year work programme, Council developed a Prioritisation Tool that assisted in ascertaining the optimum staging and timing of projects over the 10 year period of the 2009-19 LTCCP. The broad application of this tool has enabled the production of a programme of works and associated budget that is both deliverable and affordable. The Prioritisation Tool assisted Council to focus the staging of works around three main phases:

**'Mend'** – Occurs in the early years of the 2009-19 LTCCP. The concept of mending is making the most of what we currently have. It involves a period of consolidation and realignment of key plans and policies (such as the city's District Plan) with the City Strategic Framework and its eight constituent strategies, investment in Council's key information assets and a focus on a better understanding of the condition of some key assets.

**'Extend'** – Occurs in the middle years of the 2009-19 LTCCP. Services will be expanded to address pressures on existing infrastructure and to meet proposed service levels of various facilities e.g. libraries and swimming pools. Deliverability will still be balanced with affordability.

**'Blend'** – Occurs in the latter years of the 2009-19 LTCCP. Expansion of infrastructure will continue but this period will also involve maintenance and upgrading of existing assets and planning for future growth cells.



The Prioritisation Tool recognises that there is existing baseline expenditure relating to projects and programmes that are already underway and these projects and programmes run throughout the three phases (for example, CityHeart, Claudelands, Access Hamilton, Strategy Flagship projects and Council's renewals programmes).

The three key phases that comprise the Prioritisation Tool are outlined below.

COUNCIL'S PRIORITISATION TOOL		
"MEND" REALIGN	"EXTEND" EXPAND	"BLEND" CONSOLIDATE
Early Years of the LTCCP	Middle Years of the LTCCP	Latter Years of the LTCCP
Carryovers Planning Environment (1) Organisational Review (2) Asset Investigation	Renewals Increase Community Infrastructure Delivery Growth Infrastructure (3) Boundary Adjustments	Rotokauri Stage 2 (Commercial) Future Residential (4) Asset Upgrades Strategy Review

#### 1: Planning Environment

- Review of Hamilton's District Plan.
- Complete Structure Plans.
- FutureProof implementation.

#### 2: Organisational Review

- Enhancing internal systems and processes.
- Service delivery review.
- Funding of depreciation.

#### 3: Growth Infrastructure

- Ruakura.
- Rototuna town centre.

#### 4: Future Residential

- Land purchases.
- Designations.
- Infrastructure design/ investigation.

As a result of using the Prioritisation Tool, a number of projects that had an existing commitment in the 2006-16 LTCCP have had their timing reprioritised to assist in the delivery of a more affordable programme of works across each year of the 2009-19 LTCCP and to reflect the latest economic trends and their impact on growth. Of particular note is the community facilities for the north-east sector, including swimming pool (total cost \$15.7 million) and community library (total cost \$14.4 million) are now proposed to be completed in 2014/15.

## ■ 5.6 INCOME FROM DEVELOPMENT AND FINANCIAL CONTRIBUTIONS

Income generated through the application of Council's Development and Financial Contributions Policy will be used to fund projects required to facilitate residential, commercial and industrial growth throughout the city. To date (1 July 2005 – 30 June 2008) the Policy has generated just on \$23.9 million in revenue.

The proportion of Council's total debt that is funded by development contributions is forecast to increase significantly over the 10 year period of the LTCCP i.e. from 34.5% (\$123 million) in 2009/10 to 52.1% (\$364 million) in 2018/19.

Since its introduction on 1 July 2005, Council has reviewed the policy on an annual basis through the LTCCP and Annual Plan process. The reviews ensure that the policy is continuing to meet Council's requirements under the Local Government Act 2002, that the policy reflects recent case law and that the benefits to current and future generations are also taken into account. In keeping with a sustainable development approach, Council currently loan funds all growth related capital expenditure to allow the costs to be spread across a number of years, which means that current generations are not burdened with the full cost.

“Council is influenced by what is happening locally, nationally, and internationally.”



Changes to the policy in 2009/10 include revised development contribution charges, small changes to the catchments used in the policy, and a revised transport "unit of demand" to reflect more up-to-date research.

As part of its annual Development and Financial Contributions Policy review, Council has made the following changes to the development and financial contribution charges.

#### CHANGES TO COUNCIL'S DEVELOPMENT AND FINANCIAL CONTRIBUTIONS POLICY

##### GREENFIELD

	2008/09 (\$) EXCL GST	2009/10 (\$) EXCL GST
Residential (per single household equivalent unit of demand)	25,142	31,629
Commercial (per 100m <sup>2</sup> )	6,582	12,331
Industrial (per 100m <sup>2</sup> )	5,005	6,462

##### INFILL

	2008/09 (\$) EXCL GST	2009/10 (\$) EXCL GST
Residential (per single household equivalent unit of demand)	9,440	10,619
Commercial (per 100m <sup>2</sup> )	4,946	6,270
Industrial (per 100m <sup>2</sup> )	3,942	2,952

Council's Development and Financial Contributions Policy is contained in Volume Two of the 2009-19 LTCCP.

For further information about Council's Development and Financial Contributions Policy, please contact the Strategy and Research Unit (phone 958 5855, email [strategy@hcc.govt.nz](mailto:strategy@hcc.govt.nz)).

## 5.7 APPROACH TO RATING

### 5.7.1 LAND-BASED RATING SYSTEM

As part of reviewing its 2006-16 LTCCP, Council investigated the impact of different rating scenarios on the city's ratepayers. Various rating options with targeted rates on a capital value basis and a uniform basis as alternative funding mechanisms for some services were considered. Council concluded that in the current economic environment any change to the existing land-based rating system would have some significant impact and affordability issues for a large number of ratepayers.

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

Continuation of the land-based rating system will also assist in providing economic stability for Hamilton residents and ratepayers. However, Council is also of the view that it would be desirable in the future when introducing any new rates to have these based on a capital value rating system. This would have the effect of reducing the incidence of rating on land value and change the overall percentage split between land value and capital value over a period of time.

### 5.7.2 SPECIAL RATING VALUES AND FARM POSTPONEMENT VALUES

The Local Government (Rating) Act 2002 repealed Sections 22-25 of the Rating Valuation Act 1998, which up until the new Act came into effect (1 July 2002) had provided for special rating values and farm postponement values. As a result, the Valuer General determined that from 1 September 2003 with effect from the 2004/05 rating year, no special rating values or farm postponement values will be assessed for rating purposes. Council then adopted a Rates Remission – Special Rating Values Policy in June 2004, which allowed those properties that qualified at 1 July 2003 to continue to receive the special values unless the property sold or the use changed. If this happened, the special values would be removed immediately.



As a result of the 2006 revaluation, which had significant land value increases, the difference in values has reduced leaving little justification or reason to continue the special land value remission.

Council resolved that no properties be provided a special value or farm postponement value as from 1 July 2010 in accordance with Rates Remission – Special Rating Values Policy and Rates Postponement – Farm Postponement Values Policy. The only exceptions are the AgResearch Ruakura property and any other property that could demonstrate a legal agreement that would show in perpetuity that it cannot be subdivided or changed from its current use or purpose. The Rates Postponement – Farm Postponement Policy will be terminated from 30 June 2010 and the Rates Remission – Special Rating Values Policy will be rewritten to reflect this change from 1 July 2010 and is included in the 2009-19 LTCCP.

### 5.7.3 RATING OF RETIREMENT VILLAGES COMMUNITY FACILITIES

Council has amended its Rating Policy (Section 6.7.14) to ensure that retirement villages which are operated entirely by an entity that has registered charitable status under the Charities Act 2005 continue receiving the 50% rates remission on the area of the complex that is used for recreation by residents and the wider community. Retirement villages that are not operated entirely by entities which have registered charitable status under the Charities Act 2005 will be rated at the full residential rate for the whole complex.

### 5.7.4 RATING OF CHARTERED CLUBS

These properties are operating on the same basis as a commercial business with a bar or restaurant and a gaming machine area, which is consistent with a hotel or commercial enterprise. A membership fee is charged and the facility is not available to the general public. They operate on a quasi-commercial basis.

Council has therefore resolved to rate the restaurant, bar and gaming machines area of these Chartered Clubs at the full commercial/industrial rating as from 1 July 2009.

### 5.7.5 BUSINESS IMPROVEMENT DISTRICT

A Business Improvement District (BID) programme is a partnership between local government, the business community and other stakeholders to develop projects and services that will benefit the trading environment and add vibrancy to the area. The driver for forming a BID is the understanding that place-based problems and issues demand specific place-based solutions and that businesses themselves are best placed to respond to these issues.

A BID approach was initiated by the Hamilton Central Business Association. The CityHeart BID partnership will link private and public interests in order to plan and manage events, marketing and the public environment in order to enhance local business.

A poll was conducted by the Hamilton Central Business Association in March/April 2009 to assess the level of support for a BID targeted rate from business or property owners. The postal vote recorded a 34% return rate from an eligible voting pool of 996 voters. Of those who voted 66.7% were in favour of Council striking a targeted rate to be used for the promotion and advancement of the CBD.

Council will contribute \$100,000 in each of years 2009/10 and 2010/11 to support the formation of the BID. The BID will operate within a defined area of the central city (refer Appendix 1 of Council's Rating Policy – Volume Two of the 2009-19 LTCCP). A targeted rate for property owners within this defined area will commence from 1 July 2009 (refer Section 6.7.6 (5) of Council's Rating Policy). The Hamilton Central Business Association intends to utilise funding from the targeted rate for a variety of programmes and activities.

The establishment and operation of the BID is guided by the BID Policy (refer Section 13.0 in Volume Two of Council's 2009-19 LTCCP for the Business Improvement District (BID) Policy 2009). This policy also provides guidance to Council in administering the BID programme and its associated targeted rate.



### 5.7.6 INCORPORATING 'RUAKURA' AND 'TE RAPA NORTH A' INTO HAMILTON'S BOUNDARY

In order to facilitate the ongoing development of the city as outlined in the Hamilton Urban Growth Strategy, five areas of land (to the immediate east and north of Hamilton) will need to transfer into the city from Waikato District Council. The transfer of two of these areas was first identified in the Strategic Agreement on Future Urban Boundaries between Hamilton City Council and Waikato District Council that was adopted in March 2005. The transfer of the other areas has arisen through subsequent developments.

The five areas that are proposed to be transferred are:

- R1 (Ruakura) – being approximately 730 hectares to the east of the city between Morrinsville Road (SH26) and Greenhill Road and to the edge of the proposed Waikato Expressway.
- R1a – being a 4.3 hectare strip of land between Borman Road and the proposed Waikato Expressway.
- HT2a (Te Rapa North A) – being the area on the western side of the Waikato River between the designation for the Horotiu/Te Rapa Bypass and the river but excluding area HT2b.
- HT2b (Te Rapa North B) – being the area to the west of the Waikato River, between the present SH1 and the River from the Te Rapa Fonterra Dairy Factory in the south of the designation for the Horotiu/Te Rapa bypass in the north.
- HT2c (Te Rapa North C) – a small area, adjacent to the west side of the Ruffell Road/Te Rapa Bypass interchange, that will be cut off from the District by proposed bypass developments.

Both councils have now agreed on the broad terms for Ruakura and Te Rapa North A to transfer into the city and initiated a joint process to facilitate the transfer of all five areas into the city as soon as possible (anticipated by 2011). This joint process is a formal statutory process overseen by the Local Government Commission. This will involve detailed consideration of how these areas will be administered and include thorough public consultation process.

It should be noted that Council's 2009-19 LTCCP is based on the current city boundary.

### 5.7.7 THE GOVERNMENT INQUIRY INTO LOCAL GOVERNMENT RATES

Shortly after Council adopted its 2006-16 LTCCP central government announced it had established an Independent Inquiry into local government rates.

The Inquiry reported back in August 2007, making 97 recommendations to government and to local councils for changes to the way:

- Local government is funded.
- The way councils manage their finances.
- The way councils plan and explain their plans to the public.

Following the August 2007 report, the previous government considered the recommendations. In some areas (such as the rating of Maaori freehold land, and valuation), the previous government called for further information and discussion. In some other areas the previous government had not made any decisions before the election was called. This includes decisions around the types of rates that councils are allowed to levy and whether some properties should be exempt from paying rates (mostly land owned by the Government).

All of the decisions as a result of the Rating Inquiry made to this point will result in little or no change for most ratepayers.

The previous government thought that rates are the best means of funding the services that councils provide. At the present time around one dollar in every seven dollars that councils spend comes from the government. The previous government thought that finances of councils are generally healthy and therefore that it need not provide additional funding for local authorities as a group.

The new government has not made it clear which of the recommendations it wants to adopt, if any. Until it does, Council, like most other councils, is not expecting to receive any additional funding as a result of the Rating Inquiry. It is therefore unlikely that there will be any real impact for Hamilton ratepayers as a result.

Council has put a considerable amount of effort into making sure that the information contained in this 2009-19 LTCCP clearly shows what its services cost and what the community receives in return.

For further information about Council's rating system and Rating Policy, please contact the Revenue Manager (phone 838 6747, email [john.gibson@hcc.govt.nz](mailto:john.gibson@hcc.govt.nz)). Council's Rating Policy is contained in Volume Two of this 2009-19 LTCCP.



### 5.7.8 REVIEWING ASPECTS OF THE LOCAL GOVERNMENT ACT 2002

In addition to the Inquiry into local government rates, the new government is also looking at reviewing aspects of the Local Government Act 2002. The Department of Internal Affairs released a Cabinet paper from the Minister of Local Government in May 2009 seeking Cabinet approval to commence a project focusing on the transparency, accountability and fiscal management of local government (known as the TAFM review). The overall purpose of the review is to *"give ratepayers and citizens better tools for controlling council costs, rates and activities"*.

Areas that the TAFM review will look at includes:

- Simplifying LTCCPs and giving them a more strategic focus.
- Using additional 'plain English' financial disclosures.
- Considering a local pre-election fiscal update and a local fiscal strategy.
- Exploration of a local government cost index for benchmarking purposes.
- Reviewing the community outcomes process.
- Developing a more focussed and less costly performance reporting system.
- Disclosing infrastructural asset management information to the community.
- Developing mechanisms for developing comparisons between councils.
- Decision-making processes (including use of polls and referenda).
- The role and future of the Audit process.

Changes are likely to be made to the Local Government Act 2002 as a result of the TAFM review. Council will continue to monitor and input into this process through the likes of representation on various sector working groups as well as making submissions to subsequent discussion papers and Bills.



## 6.0 PLANNING FOR HAMILTON'S GROWTH

HE KAUPAPA TIPURANGA MO KIRIKIRIROA



thinking big



## ■ 6.0 PLANNING FOR HAMILTON'S GROWTH

### CONTENT OF THIS SECTION

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| 6.1 | Hamilton's Urban Growth Strategy – HUGS  |
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## ■ 6.1 HAMILTON'S URBAN GROWTH STRATEGY – HUGS

Hamilton's physical form is probably the single biggest determinant as to how sustainable it currently is and can potentially be. The location of housing and employment areas in relation to one another (and their relative density) has a large bearing on how efficiently a city functions, particularly in regard to transportation movements and the subsequent impact this has on the natural and built environment from the likes of energy use and CO<sub>2</sub> emissions.

The issue of whether Hamilton should continue its growth in greenfield areas, or whether more encouragement should be given to focusing development options around more compact living environments (particularly around established areas in the city) to capitalise on the city's existing infrastructure has recently been debated as part of the Hamilton Urban Growth Strategy (HUGS).

The city's growth assumptions have been re-examined to form the basis of HUGS. HUGS takes a long-term view and is underpinned by a comprehensive set of population and dwelling projections (developed by the University of Waikato Population Studies Centre) that extend through to the year 2051. These same projections were also used to develop FutureProof (the Sub-Regional Growth Strategy) as well as the individual growth strategies of Waikato and Waipa District Councils (refer Section 6.3).

In developing HUGS, significant consideration has been given to how the principles and themes from each of the other seven City Strategies that comprise the City Strategic Framework (refer Section 3.5) inform and enhance the way the city grows. This approach has enabled Hamilton's growth debate to be broadened from looking primarily at the financial cost of various options through to a process that places greater priority on valuing and incorporating wider elements of social, environmental, cultural and economic well-being for the city. In particular, the promotion and implementation of the Environmental Sustainability Strategy will assist the drive towards enhancement and ongoing sustainability of the city's natural and built environment.

In addition to the direction provided by the other City Strategies, information inputs and outcomes from a four day Council coordinated Enquiry by Design (EBD) workshop (held in March 2008) also assisted considerably in shaping the development of HUGS. This workshop was attended by Council representatives and various key stakeholders, including Environment Waikato, the New Zealand Transport Agency, Te Runanga o Kirikiroa and the Ministry of Education.



The EBD process led to the development of four key growth propositions for the city's long-term growth (over the next 35 years). These propositions have had a direct impact on the development of this 2009-19 LTCCP as they influence the nature and timing of some projects contained in the LTCCP.

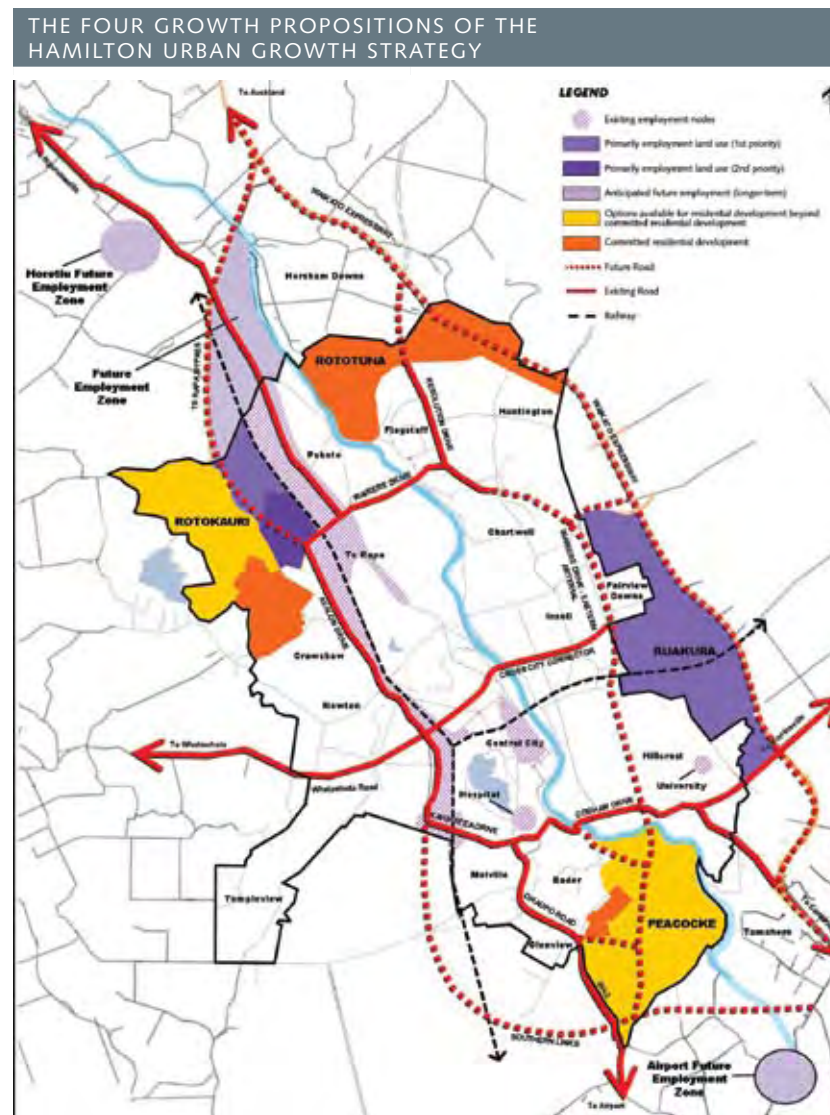
Ongoing discussions with a range of key stakeholders (such as valuers and local building companies) have also provided Council with further information and insight into the dynamics and requirements of the Hamilton property market.

The HUGS proposal was available for public consultation and submissions between 16 October and 17 November 2008 using the Special Consultative Procedure<sup>1</sup>. Four public meetings were also held at various locations throughout Hamilton during the submission period to outline the thinking and reasoning behind HUGS. The four key growth propositions that underpin HUGS represent the adopted Council aspirations on the desired future urban form for Hamilton. These propositions are:

- **Proposition 1** – Facilitating a move towards more choices for compact living environments in the existing city – with a greater focus on quality. This is to occur over the next 10-20 years, with regeneration to focus in and around key nodes i.e. the central city, transport hubs, town centres and areas of high public amenity such as parks and the river.
- **Proposition 2** – In the short to medium-term (2009 – 2023), recommitting to the development of Rototuna as the preferred residential growth cell, plus 900 sections in Rotokauri and 500 sections in Peacocke. The development of these areas will include greater choice in living environments. For instance, more compact type developments in key areas such as town centres or around parks and open spaces.
- **Proposition 3** – In the longer-term (beyond 2023) prioritising the development of the remainder of the Peacocke residential area. Proposition 3 outlined two options for future greenfield residential development i.e. continuing development of Rotokauri in the north-west of the city or making Peacocke in the south the primary long-term growth cell. The proposed strategy outlined the potential benefits and opportunities as well as the indicative financial costs of both options for the community to consider and provide feedback on.
- **Proposition 4** – The transfer of Ruakura land from Waikato District Council to be used as an innovation/employment area rather than residential (from around 2016).

<sup>1</sup> As per the requirements of Section 83 of the Local Government Act 2002.

The four growth propositions outlined in HUGS are shown in the following figure.





The four growth propositions outlined in HUGS have set the broad framework and approach for land use planning in the city for the foreseeable future. There are a number of mechanisms that will need to be used to progress the implementation of the strategy. For implementation to be successful it will require a multi-faceted approach that will include regulatory and non-regulatory responses by Council, developers and the wider community.

As part of the consultation on Proposition 3 of the HUGS Proposal, two options for future greenfield residential development were outlined – i.e. the continued development of Rotokauri in the north-west of the city or Peacockes in the south. The proposed strategy outlined the potential benefits and opportunities as well as the indicative financial costs of both options for the community to consider and provide feedback on.

Council considered a total of 84 submissions from the community to the HUGS proposal, with hearings held on 8 December 2008. The majority of submissions received supported the content and direction of the four growth propositions, with support favouring the option of continued development in Peacocke over Rotokauri (as outlined in Proposition 3).

Following the consideration of submissions, Council resolved to adopt HUGS on 10 December 2008 and to begin implementing component parts of the four growth propositions through Hamilton's District Plan (in particular through the rollout of Structure Plans) and through delivering on key growth-related projects and programmes in the 2009-19 LTCCP.

While HUGS sets the priorities for development, promotion and implementation of growth, the Environmental Sustainability Strategy ensures this growth supports the enhancement and ongoing sustainability of the city's natural and built environment.

In order to effectively implement HUGS there will also be a need to move the city boundary and transfer administration to the city for some areas of land currently in Waikato District. These areas had been foreshadowed in the existing Strategic Agreement between the two councils for transfer. In particular it is proposed that the future growth areas identified in Ruakura and to the north of the city (between Te Rapa and Horotiu) will come into the city. While the two council's have agreed for this to occur in principle, the actual transfer details will be subject to a Local Government Commission process to ensure that interests of various parties (including affected landowners) are appropriately recognised. Further work on the transfer process will be undertaken throughout 2009 (refer Section 5.7.6).

While HUGS outlines the broad approach and indicative timing for future urban growth developments within the city, the actual timing for these developments will be influenced by a number of factors. The current economic conditions and reduced growth rates will likely result in deferment of the development horizon dates that were indicatively outlined in HUGS. Council will use its future LTCCP and Annual Plan processes as necessary to update its growth projections and ensure that the related capital growth programme is appropriately matched to demand and remains affordable.

For further information about the Hamilton Urban Growth Strategy, please contact the Strategy and Research Unit (phone 838 6537, email [strategy@hcc.govt.nz](mailto:strategy@hcc.govt.nz)), or refer to the website [www.hamilton.co.nz/urbangrowth](http://www.hamilton.co.nz/urbangrowth).

## ■ 6.2 FORMALISING HUGS THROUGH HAMILTON'S DISTRICT PLAN

As already noted, Hamilton's Proposed District Plan will be instrumental in delivering on the four growth propositions outlined in HUGS. The upcoming review of Hamilton's District Plan (anticipated to commence in mid 2009) will be a key mechanism for assessing and delivering more detailed plans on where and how growth may occur.

As the Proposed District Plan was first notified in 1999, much of the philosophical underpinning is regarded as outdated and therefore it is unable to deliver on the aspirations identified in the City Strategies.

Since first notified, the District Plan has been subject to multiple variations, a number of which have responded to current thinking around the City Strategies. Council will now aim to resolve outstanding appeals to enable the Proposed District Plan to become operative in order to commence with the review. Themes and principles from each of the eight City Strategies will guide the direction of the review.

Through the District Plan review, the specific values of the different geographic communities throughout the city will be considered. New Structure Plans will also need to be developed to provide a development framework for greenfield areas that will transfer into the city. The principles and direction set by Vista (Council's Urban Design Guide) will need to be fully embraced by the development and building sectors in order to deliver an urban form that is aesthetically pleasing, universally functional and distinctively Hamilton.



## ■ 6.3 RELATIONSHIP OF HUGS TO THE SUB-REGIONAL GROWTH STRATEGY (FUTUREPROOF)

### 6.3.1 INTRODUCTION

Hamilton City Council, Environment Waikato, Waipa and Waikato District Councils have developed a sub-regional growth strategy, known as FutureProof. This strategy covers the administrative areas of the three territorial authorities and the associated area of Environment Waikato (refer figure below). Other key organisations and groups involved in the project include tangata whenua, New Zealand Transport Agency and Matamata-Piako District Council.

#### AREA COVERED BY THE FUTUREPROOF STRATEGY



With the population of the sub-region predicted to nearly double over the next 50 years from 223,000 people to 437,000 people, collective planning and action between government, residents and businesses is critical to its long-term viability. There are complex issues to consider including future urban and rural land use, natural and cultural resources, roads and essential infrastructure.

This growth strategy aims to manage growth in a collaborative manner for the benefit of the FutureProof area both from a community and physical perspective. The strategy will also provide a platform for ongoing co-operation and implementation.

The growth strategy is underpinned by a number of key principles that will take the sub-region forward and contribute to the effective management of growth, including:

- Protect versatile and quality farmland for productive purposes.
- Maintain and enhance ecological areas, landscapes, cultural and heritage values.
- Restore the health and well-being of the Waikato River.
- Ensure an energy efficient, low carbon, sustainable environment.
- Enable housing and lifestyle choices.
- Reinforce Hamilton's CityHeart as the commercial, arts and social centre of the sub-region.
- Ensure local communities are supported by their town centres.
- Ensure that green spaces separate settlements.
- Protect existing and future infrastructure and transport corridors.
- Direct development away from hazard areas and mineral locations.

The strategy provides a framework for co-operatively managing growth and setting goals for future implementation.

Each of the strategy partners will be responsible for the implementation of the strategy and the continued involvement of Tangata Whenua, other agencies, the private sector, and the wider community.

The FutureProof Strategy focuses on effective governance across a region that shows strong leadership and integration between the key parties. The aim is to create a place of choice for those looking for opportunities to live, work, invest and visit, with a diverse and vibrant metropolitan centre linked to thriving towns and rural communities.



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

The key features of this strategy include:

- A focus on providing housing and lifestyle choice.
- Increased densities in new residential development and more intensive redevelopment of existing urban areas that will reduce the need for dependence on cars with more people walking, cycling and using public transport.
- Hamilton city will be a vibrant and lively place that people want to live, work and play in and will retain its position as the centre of New Zealand's fourth largest urban area. At its heart it will have a vibrant and diverse mix of uses.
- The sub-region's towns will retain their individual identities as distinct towns that support people living, working and playing in. They will have thriving business centres that provide local employment opportunities.
- Development is directed away from hazard areas.
- Green spaces separate settlements.
- Planning focuses on resilience of communities and providing for and energy efficient and low carbon future.
- Protection of future infrastructure corridors, energy sites and mineral locations.
- Protection of versatile and productive farmland through limited rural lifestyle development around existing towns and villages.
- Maintenance and enhancement of biodiversity.
- Integration of transport and land use planning.

### 6.3.2 LINKS TO OTHER LOCAL GROWTH STRATEGIES

FutureProof is not a strategy that stands alone; it is a key component of the creation of a sustainable region for the next 50 years. FutureProof will provide an overall framework for aligning other plans and strategies of local and central government agencies and other organisations that deal with growth. Other strategy documents that will be influenced by FutureProof include the Regional Transport Strategy, each of the partner council's growth strategies, long-term community plans and district plans the Regional Policy Statement.

The focus of FutureProof is:

- Long term vision and outcomes.
- Growth forecasts for the sub-region.
- Broad environmental constraints and opportunities.
- Distribution and timing of growth in settlements and rural areas.
- Major infrastructure, including strategic roading projects.

The FutureProof strategy will be implemented through:

- The Environment Waikato Regional Policy Statement.
- The Environment Waikato Regional Transport Programme and Regional Land Transport Strategy.
- Long Term Council Community Plans.
- City and District Growth Strategies.
- District Plans.

City and District Growth Strategies were developed in parallel with the FutureProof project and aligned with FutureProof. The focus of these strategies is:

- Implementation within settlements.
- Local environmental constraints and opportunities.
- Distribution and timing of development.

City and District Growth Strategies will be implemented through:

- Long Term Council Community Plan.
- District Plans: Structure Plans and Zoning.



### 6.3.3 STRATEGY IMPLEMENTATION

The success of any strategy is reliant upon an efficient and integrated planning process. It is essential that the community has full opportunity to participate and provide input into any decision making process.

Implementation is an ongoing process that will continue to be addressed as part of the partner's own programmes, plans and strategies. It will also be important to continue to engage and involve Tangata Whenua, other government and non-government agencies, the private sector, and the wider community.

Integration at this phase is critical to the success of FutureProof as it involves identification of key funding options for significant infrastructure including roading, water, wastewater, stormwater and recreation and cultural facilities.

Strategy implementation requires ongoing partnerships and establishing the entities responsible for managing implementation and monitoring outcomes. FutureProof's success will be determined by the long-term, formal commitment to collaboration between the key agencies and authorities.

Further information regarding the FutureProof Strategy can be found on the website [www.futureproof.org.nz](http://www.futureproof.org.nz) or at Council offices throughout the sub-region.

“It is essential that the community has full opportunity to participate and provide input into any decision making process”







## 7.0 PROVISION OF INFRASTRUCTURE AND SERVICES

NGAA WAAHANGA TAKE MOO NGAA RATONGA



making it **easy**



## ■ 7.0 PROVISION OF INFRASTRUCTURE AND SERVICES

### CONTENT OF THIS SECTION

7.1	Investment in Physical Infrastructure
7.2	Strategic Investment-Based Assets
7.3	Condition of Assets
7.4	Activity Management Plans
7.5	Service Delivery through Activity Groups 7.5.1 Review of Service Levels and Service Drivers
7.6	Key Projects Planned Over the Next 10 Years
7.7	Unfunded Projects
7.8	Enhancing Council's Internal Systems and Processes
7.9	Summary of Council's Waste Management Plan
7.10	Summary Assessment of Council's Water and Other Sanitary Services

## ■ 7.1 INVESTMENT IN PHYSICAL INFRASTRUCTURE

Council is committed to maintaining and enhancing the substantial investment it has in the city's physical infrastructure to meet the community's current and future needs. Currently \$3.2 billion of public infrastructure and property assets are maintained, which provide residents, businesses, other organisations and visitors to Hamilton with an extensive range of services and enables the city to function in an effective, efficient and more sustainable way. Physical infrastructure that is owned and maintained by Council includes:

- Various water-based assets, such as stormwater, wastewater and water supply systems and treatment plants.
- Roads (including bridges and the traffic light control system), footpaths, car parking, cycling facilities, and the Hamilton Transport Centre.
- The Refuse Transfer Station in Frankton.
- A range of cultural and recreational services such as libraries (the Central Library in Garden Place and five community libraries), the Waikato Museum, three community theatres (Founders Theatre, Clarence Street Theatre and the Meteor), community centres, parks (including Hamilton Gardens), playgrounds, sportsgrounds (including Waikato Stadium and Westpac Park), Waterworld and Gallagher swimming pools, the Hamilton Cemetery at Newstead, and Hamilton Zoo.
- The main municipal office in Garden Place, and the Depot and Animal Control Centre in Duke Street.

Council's January – December 2008 Residents Survey shows an overall steady increase in the perception that Hamilton residents have of the quality of Council provided facilities and services (the dotted line on the following graph shows the trend in the improvement index between 2001 and 2008).



### QUALITY OF COUNCIL SERVICES AND FACILITIES (IMPROVEMENT INDEX)



Source: Council's Quarterly Residents Survey

The rapid rise in the value of Council's assets (from \$1.7 billion in June 2005 to \$3.2 billion in June 2008) is of concern to Council as it makes it more expensive to plan for asset replacement. Council has made additional funding provision in the 10 year budget to ensure that there are sufficient funds to replace assets when they reach the end of their useful service life. However, this additional funding does not yet fully meet the cost of asset replacement resulting from asset value increases. In the early years of this 2009-19 LTCCP a fully funded approach to meet these asset replacement costs (known as depreciation) is unaffordable for Council.

To begin addressing this issue a special asset renewal reserve fund has been created and is funded at a level of approximately \$1.5 million per annum for the first three years of the 2009-19 LTCCP, growing to \$9.4 million per annum by 2018/19. This reserve will be used to help fund the longer term renewal of assets as required. Although this approach has created additional expense, Council has tried to mitigate these increased costs by reducing both capital projects and operating budgets.

A register of Council's main strategic assets is contained in Council's Significance Policy (included in Volume Two of Council's 2009-19 LTCCP).

## 7.2 STRATEGIC INVESTMENT-BASED ASSETS

Unlike some other large councils in New Zealand, Hamilton City Council does not have investments of a nature that contribute significant dividends to its income, such as port or utility company shares.

Council's strategic investment-based assets include:

- Various properties throughout the city (including the BNZ building in Victoria Street and the SCA Hygiene building in Foreman Road).
- A 50% shareholding in the Hamilton International Airport (1.43 million shares – Council's share of net assets is \$30.16 million at 30 June 2008).
- A 41.38% shareholding in the Hamilton Riverview Hotel Ltd, which manages the Novotel and Hotel Ibis (6 million shares – Council's share of net assets is \$11.02 million at 30 June 2008).

Council is also a 63% capital beneficiary of the WEL Energy Trust.

It should be noted that Council is proposing to sell its share of the Hamilton Riverview Hotel in 2013/14. Funds received from this sale would be used to repay debt.

Other investments with long-term potential for the city include Council's:

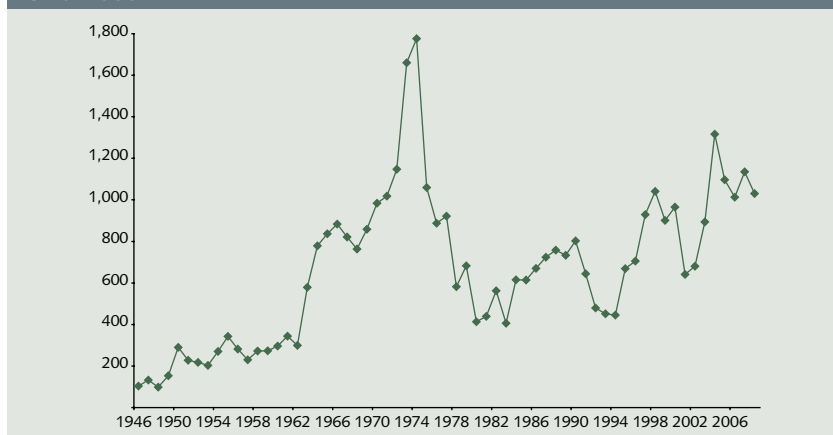
- 34.85% shareholding in Hamilton Urban Fibre Network Ltd – Council's share in net assets is \$188,000 at 30 June 2008.
- \$2.4 million share in Innovation Park.  
**Note:** The \$2.4 million payment to Innovation Park was made in March 2009 and is subject to an interim funding agreement to secure Council's interest until the final investment structure is determined. It is anticipated that the final investment structure will be confirmed in the latter half of 2009 with the finalised structure likely to be a Council Organisation.
- 40% shareholding in Soda Inc. – an incubator located at the Meteor Theatre for creative industry start-up businesses.



### 7.3 CONDITION OF ASSETS

A considerable amount of Hamilton's development (particularly residential) took place in the early 1970's – compared to other cities where the initial 'burst' of development occurred much earlier (refer figure below).

HISTORIC BUILDING CONSENTS FOR NEW DWELLINGS – HAMILTON  
1946-2008



Source: Council's Building Control Unit (building consent data).

As a result of this relatively 'late' growth, a significant amount of the city's physical infrastructure (such as the water, stormwater and wastewater networks) is still in relatively good condition, particularly when compared to other New Zealand cities. For example, most of Hamilton's stormwater network was installed in the period 1960-2000, and has an anticipated service life of between 75-100 years.

### 7.4 ACTIVITY MANAGEMENT PLANS

Activity Management Plans (AMPs) describe the key activities and infrastructural assets for specific areas of Council's operations. They outline how the financial, engineering and technical practices will be strategically managed to ensure that the activities and assets are maintained and developed to meet the requirements of the community over the long term. In comparison with the previous generation of Asset Management Plans, the emphasis of AMPs is on the services that are required to be provided, rather than focusing primarily on the physical assets themselves.

Council's 14 AMPs are:

- |                     |                       |
|---------------------|-----------------------|
| ■ Roading           | ■ Parks and Gardens   |
| ■ Property Services | ■ Swimming Facilities |
| ■ Fleet             | ■ Libraries           |
| ■ Refuse            | ■ Museum              |
| ■ Stormwater        | ■ Zoo Facilities      |
| ■ Wastewater        | ■ Theatre Services    |
| ■ Water Supply      | ■ Cemeteries.         |

The AMPs contributed significantly as 'building blocks' for developing this 2009-19 LTCCP, particularly the maintenance, renewal and capital works programme and resulting budget.

The AMPs also underpin much of the information that is outlined in Council's 10 Activity Groups, particularly around levels of service and performance measures and targets (refer Section 8.0), and will be a key driver and management tool for these Groups. Any changes to projects and programmes (and associated maintenance and renewals components), levels of service, performance measures and targets and associated budgets as a result of developing and finalising this LTCCP will flow through to the relevant AMPs. Council's AMPs are designed to be 'living' documents and will be updated on an ongoing basis as and when new information comes to hand.

Further information on AMPs can be obtained from Council's Finance Unit (phone 838 6739, email [finance@hcc.govt.nz](mailto:finance@hcc.govt.nz)).



## ■ 7.5 SERVICE DELIVERY THROUGH ACTIVITY GROUPS

Council's primary means of delivering its services (including maintenance, renewals and capital projects) is through the following 10 Activity Groups:

- City Profile
- City Safety
- Community Services and Amenities
- Democracy
- Event and Cultural Venues
- Recreation
- Transportation
- Urban Development
- Waste Minimisation
- Water Management.

The Activity Groups are based on commonalities in the nature of individual activities' functions and similarity in the contributions they make to Hamilton's Community Outcomes and the eight City Strategies. A considerable amount of the information outlined in the Activity Groups is sourced from Council's 14 Activity Management Plans as well as various business plans.

Section 8.0 provides a detailed description and assessment for each of the 10 Activity Groups, including why Council provides the Activity Group, what the Activity Group does, key infrastructural assets (and the value of those assets), service levels, and performance measures and targets. The funding for capital projects, renewals, and operational components for each of Council's 10 Activity Groups is shown in the appendices to Volume Two of Council's 2009-19 LTCCP.

The 10 Activity Groups in this 2009-19 LTCCP have been restructured and the names of some activities have been changed since the 2006-16 LTCCP to better reflect their functions and goals and to be more easily understood by the community. However, no new activities from those currently undertaken by Council are proposed within the period of this 2009-19 LTCCP, and no existing activities are proposed to cease.

## 7.5.1 REVIEW OF SERVICE LEVELS AND SERVICE DRIVERS

Council undertook a review of the service levels and service drivers for each of its activities as part of developing the 2009-19 LTCCP.

Services were selected for review based on information Council has received from the community via various feedback processes (including submissions, requests for service, surveys and informal feedback mechanisms) and also through internal drivers such as opportunities to explore efficiencies and industry benchmarking. The areas selected for review were:

- The Libraries collection and services provided.
- Swimming facilities lane allocation and hours of operation.
- City beautification standards.
- Neighbourhood playground and open space provision.
- Provision of bus shelters and bus stops.
- Community education and awareness in relation to the Access Hamilton Strategy.
- The renewal programmes for footpaths, kerb and channel, road resurfacing, stormwater networks, wastewater networks and water network mains.

Council decided to consider increased levels of service and renewal programmes for the following areas as part of the 2009-19 LTCCP process, subject to overall budget affordability:

- An increase in funding to align the library collection with industry standards and provide for additional library staff.
- Additional funding for traffic island and street amenity.
- Increased provision of neighbourhood playgrounds.
- Increased provision of bus shelters and bus stops.
- Increased funding for targeted community education and awareness programmes in relation to the Access Hamilton Strategy (in particular School Travel Plans and Large Business Travel Plans).
- Increased expenditure for condition assessments and network modelling for the water supply, wastewater and stormwater networks.



When increases for these areas were assessed in the context of Council's overall budget priorities, they were considered largely unaffordable. Increases that have been included are:

- An increase in expenditure in 2009/10, 2010/11 and 2011/12 of the LTCCP for renewal of items in the library collection. This will raise the standard of the current collection. Funding provision has also been made in 2012/13, 2013/14 and 2014/15 to refresh and grow the overall collection size in advance of the opening of the new north-east sector library. Construction of the new community library in the north-east sector is due to be completed in 2014/15.
- Increased expenditure in the early years of the 2009-19 LTCCP for condition assessments and network modelling for the water supply, wastewater and stormwater networks, which will better inform future maintenance and replacement programmes.

## ■ 7.6 KEY PROJECTS PLANNED OVER THE NEXT 10 YEARS

Over the 10 year period of this 2009-19 LTCCP, Council is planning to undertake 273 capital, renewal and special – based projects and programmes (known as Strategic Action Plans or SAPs) with an estimated cost of \$1.197 billion. Council has budgeted to fund this over the 2009-19 period by loan reserves (\$50 million), loan development contributions (\$313 million), loan rates (\$257 million), reserves (\$22 million), subsidies (\$85 million), other revenue (\$122 million) and rates (\$348 million).

In addition to maintaining and renewing its existing city infrastructure, Council is also planning new projects and programmes that will cater for increased community expectations and the demands of Hamilton's ongoing population and business growth.

In considering capital projects to include in this LTCCP, Council has given priority to those projects that have had existing or previous commitments as opposed to those that are viewed as being of a relatively new nature.

The complete list of all funded SAPs is outlined in the appendices to Volume Two of Council's 2009-19 LTCCP. This list provides the project title, costs, timing and funding source.

The information contained in individual SAPs includes a brief description of the project, other options that were considered and associated risks, the project's cost and timing, and the project's contribution to Hamilton's Community

Outcomes and alignment with the eight City Strategies (refer Section 3.0). Individual SAPs are available on request from Council's Finance Unit (phone 838 6739, or email [finance@hcc.govt.nz](mailto:finance@hcc.govt.nz)).

Examples of high profile capital projects that are to be undertaken in this LTCCP are outlined below. Each associated table shows the total project cost, any identified ongoing operating and maintenance cost impacts (O & M) through to 2018/19 and the project timing.

Note: Financial information for years 2-10 have been adjusted for inflation.

## REDEVELOPMENT OF CLAUDELANDS EVENTS CENTRE (SAP # 524.0)

Council has been given resource consent to build a 5,000 capacity indoor arena at Claudelands. The multipurpose arena is part of a major redevelopment, which would see the facility transformed into a premier event and conference venue for Hamilton. Located alongside a 1,500 capacity conference centre and upgraded exhibition facilities, the arena is expected to attract top national and international events to the city.

The indoor arena is will become a focal point for exciting events, and create tremendous city pride as well as generate considerable economic activity. It will be a major drawcard for a range of events including conferences, concerts, sporting events, exhibitions and banquets.

Total Cost:	\$46 million (taking the total project cost to \$68 million as budget of \$22.4 million had been allocated for this project prior to the 2009-19 LTCCP).  The operating revenues generated are expected to exceed operating costs (excluding finance costs) in year 3 (2011/12).
Timing:	2009/10 – 2010/11



**INDOOR RECREATION CENTRE (SAP # 921.0)**

This funding provision will enable construction of a new indoor community recreation facility. A feasibility study has been completed that demonstrates a need within the community for an eight court indoor sports centre. It is anticipated that this project would be funded by a combination of Council and community funding.

Total Cost:	\$22.6 million
Timing:	2013/14 – 2016/17
O & M Impact:	\$2.0 million

**REVIEW OF HAMILTON'S DISTRICT PLAN (SAP # 871.0)**

Funding provision has been made to undertake a comprehensive review of Hamilton's District Plan to better align planning outcomes with the City Strategic Framework. The planned review of the District Plan (anticipated to commence in mid 2009) will address issues of intensification and where, when and how that can occur.

Total Cost:	\$2.5 million
Timing:	2009/10 – 2014/15

**INFRASTRUCTURE TO SUPPORT DEVELOPMENT OF RUAKURA GROWTH CELL (SAP # 887.0, 990.0, 1001.0, 1006.0, 1007.0, 1008.0)**

Funding provision has been made for planning and infrastructure projects to enable initial development of the Ruakura growth cell as an additional employment area for Hamilton. This area is proposed to transfer into the city from 1 July 2011 with significant development beginning to occur from 2020. Limited funding is provided to enable ongoing development of Innovation Park over the 10 year period of this 2009-19 LTCCP.

Total Cost:	\$13.7 million
Timing:	2009/10 – 2018/19

**INFRASTRUCTURE TO SUPPORT DEVELOPMENT OF ROTOKAURI STAGE 1 (SAP # 554.0, 547.0, 548.0 AND 549.0)**

Funding provision for planning and infrastructure projects to enable the development of the Rotokauri growth cell. This stage of the Rotokauri growth cell primarily provides additional employment and industrial land for the city. SAPs include provision for:

- Trunk wastewater services including the extension of the 'Far Western Wastewater Interceptor'.
- Trunk stormwater services including the construction of floodways.
- Trunk and associated watermains.
- Construction of new arterial roads.
- Council upsizing of new collector roads that will be provided by the development community.
- Associated land purchases to enable infrastructure development.

Total Cost:	\$144.8 million
Timing:	2009/10 – 2018/19

**WASTEWATER INFRASTRUCTURE TO SUPPORT DEVELOPMENT OF PEACOCKE STAGE 1 (SAP # 797.0)**

This programme of works provides for investigation, design and implementation of works needed to upgrade the trunk wastewater pump stations and associated pipelines between Dixon Road and Lorne Street. This project will ensure that an appropriate level of service for wastewater drainage for Peacocke Stage 1 residential growth can be provided.

Total Cost:	\$3.2 million
Timing:	2009/10



### FACILITIES TO SUPPORT DEVELOPMENT OF A TOWN CENTRE AT ROTOTUNA

The Rototuna Town Centre contains two key community facilities for the north-east area of Hamilton:

#### North-East Sector Pool (SAP # 351.0)

A 10 lane 25 metre pool, leisure fun pool, learners pool, toddlers pool, and a cafe and gym facilities. The facility also includes two meeting rooms and offices for community use.

Total Cost:	\$15.7 million
Timing:	2013/14 – 2014/15
O & M Impact:	\$4.7 million

#### North-East Sector Library (SAP # 783.0)

Construction of a new 2,100m<sup>2</sup> purpose-built library in the north-east of the city will cater for an estimated catchment of 30,000 people. The funding will enable incorporation of a number of environmentally sustainable features, fit out, and operating costs (including staffing).

Total Cost:	\$14.4 million
Timing:	2011/12 – 2014/15
O & M Impact:	\$7.9 million

### CONSTRUCTION OF WAIRERE DRIVE – CROSBY TO RUAKURA ROAD (SAP # 375.0 AND 529.0)

This project is part of an integrated approach to travel demand in the city which will investigate, design and build a new East Hamilton arterial road with new intersections connecting to the existing network, all forming a section of the Access Hamilton Strategy Ring Road.

Total Cost:	\$26.6 million
Timing:	2010/11 – 2014/15

### CONSTRUCTION AND UPGRADE OF WAIRERE DRIVE – TE RAPA TO TRAMWAY (SAP # 544.0)

This project involves upgrading Wairere Drive from Te Rapa to Tramway Road (including intersections) as part of improving the Ring Road network and provide strategic intersections to connect to the existing network and new access roads as necessary. Completion of the Hukanui Road to Tramway Road sections, four-laning of Wairere Drive (between Pukete Road to Resolution Drive) and further development beyond the 2009-19 LTCCP.

Total Cost:	\$25.0 million
Timing:	2011/12 – 2013/14

### UPGRADE OF WATER TREATMENT STATION (SAP # 556.0 AND 519.0)

SAP number 556.0 is to ensure water treatment capacity meets growth projections. It includes a feasibility study to consider whether to upgrade the existing facility or to construct a new water treatment station, as well as design and construction costs for the selected option.

SAP number 519.0 is a capital improvement programme over the 2009-19 period to improve the reliability, security and effective operation of the existing Water Treatment Station and to ensure compliance with public health requirements and drinking water standards.

Total Cost:	\$27.7 million
Timing:	2009/10 – 2018/19
O & M Impact:	\$8.6 million



**UPGRADE OF WASTEWATER PLANT (SAP # 238.0)**

Funding provision for this project will enable provision of a world-class Wastewater Treatment Plant that meets the needs of a growing city and incorporates effective environmental sustainability and continuous improvements at the lowest possible cost.

The objective is to facilitate the delivery of a Wastewater Treatment Plant that complies with resource consent conditions, minimises negative impacts on the local community and tangata whenua, delivers a fit-for-purpose wastewater treatment system, maintains public health, and meets Council's energy efficiency objectives.

Total Cost:	\$19.3 million
Timing:	2009/10 – 2011/12
O & M Impact:	\$8.9 million

**CITYHEART REVITALISATION**

A CityHeart office has been opened at 391 Victoria Street as a drop-in centre where retailers and residents will be able to get information and questions answered. It will also be the venue for a series of weekly Victoria Street meetings to ensure all affected parties are kept informed.

Over the 10 year period of the LTCCP, Council has made a total funding provision of \$8.2 million to undertake a range of key projects through the CityHeart programme including:

**Garden Place/Civic Square (SAP # 917.0)**

Upgrading the public spaces of Garden Place and Civic Square to create a more vibrant heart of the city, a space that is very safe where people come to celebrate, create, experience and share. One of the design objectives will be to explore creative connections to the Waikato River and enhance the linkage with the Wintec Hub and campus.

Total Cost:	\$3.8 million
Timing:	2009/10 – 2010/11

**Pedestrian Link to Claudelands (SAP # 1004.0)**

To improve cross city pedestrian links by providing easy and very safe pedestrian and cycle access to and from the CityHeart and Claudelands. This project will include an upgrade to O'Neil Street (including a widening of the footpath and enhanced lighting) and the construction of a landmark pedestrian/cyclist clip-on to the existing bridge that crosses the Waikato River.

Total Cost:	\$2.0 million
Timing:	2011/12

**EVENT SPONSORSHIP FUND (SAP # 614.0)**

This fund supports the city's strategy to be an events destination to attract visitors to Hamilton, generate economic benefit for the local economy and create a sense of pride for city residents. It aims to retain the city's existing portfolio of events and attract further frequent and high profile events.

Total Cost:	\$29.3 million
Timing:	2009/10 – 2018/19

**HAMILTON GARDENS DEVELOPMENT PROGRAMME (SAP # 99.0)**

Funding provision has been made for completion of at least two of the gardens as outlined in the Hamilton Gardens Management Plan 1999. The project aims to continue developing the Hamilton Gardens as a major city visitor attraction, ensuring that development is consistent with the design integrity of each garden, and providing a number of gardens that are suitable as event venues.

Total Cost:	\$1.5 million
Timing:	2010/11 – 2016/17
O & M Impact:	\$0.5 million



### CONTRIBUTION FOR CONSTRUCTION OF A HYDROTHERAPY POOL AT WATERWORLD (SAP # 714.0)

A hydrotherapy pool for disabled and rehabilitation users is proposed for construction at Waterworld. The total estimated cost is \$2.2 million, and to date Council has spent \$180,000 for detailed designs.

Council has allocated funding provision for the capital construction cost (\$1.43 million) with the Community Hydrotherapy Trust funding the remainder of the capital cost (\$686,000). Council will also seek funding support from Waikato DHB to construct and operate the facility.

Total Cost:	\$1.43 million
Timing:	2010/11
O & M Impact:	\$2.4 million

### CONTRIBUTION TO NEW ZEALAND TRANSPORT AGENCY FOR NORTHERN GROWTH CORRIDOR ROADING PROJECTS (SAP # 861.0)

In partnership with the New Zealand Transport Agency and the Waikato District Council, Council is contributing to a managed package of works for the Northern Growth Corridor. The project aims to maintain the current level of network congestion in the North West of the city, and is required as a consequence of urban growth in the area.

Total Cost:	\$14.3 million
Timing:	2011/12 – 2013/14

### CONSTRUCTION OF CYCLEWAYS THROUGHOUT THE CITY (SAP # 545.0)

This programme provides for the construction of a cycle network across the city, combining both on-road and off-road routes. Completion of this programme is planned for 2016 in line with commitments made in 2006-2016 LTCCP. Nominal costs are provided for the last three years of the 2009-19 LTCCP to address remaining issues on the cycle network. The programme includes localised improvements for pedestrians and all other road users where possible. The programme endeavours to obtain a 55% subsidy from the New Zealand Transport Agency for all schemes.

Total Cost:	\$10.5 million
Timing:	2009/10 – 2018/19

### BUS 'SUPER STOP' WITHIN THE CENTRAL CITY (SAP # 1028.0)

A Super Stop is a bus-stop generally located within leased shop space converted for use as a passenger waiting lounge with some compatible retail use such as a cafe or convenience store. The stops are intended to provide waiting space in high use areas and designed to offer an attractive alternative for public transport users to board their bus rather than putting added pressure on the Transport Centre. This is a new initiative for public transport and is proving successful elsewhere to promote public transport as a viable alternative to the private vehicle.

Total Cost:	\$355,000
Timing:	2009/10 – 2010/11
O & M Impact:	\$0.5 million



### UPGRADE PROGRAMME FOR COUNCIL'S OLDER PERSON'S HOUSING STOCK (SAP # 654.0)

In July 2008, Council approved the sale of two older persons' housing sites (Walker Terrace and Te Aroha Street complexes) that are no longer considered fit-for-purpose, with the proceeds to contribute to a revised 10 year upgrade programme for pensioner housing. As well as this anticipated income, additional funding has been allocated for the upgrade programme. The programme includes the design and implementation of improvements to existing pensioner housing in Sullivan's Crescent and Johnson Street.

The programme also includes funding for a feasibility study to be completed regarding provision of housing for people with disabilities, and to also consider increasing the portfolio of properties as a result of population growth. Council will continue to work with Housing New Zealand and central Government for future capital funding to contribute to the upgrades.

Total Cost:	\$3.0 million
Timing:	2009/10 – 2010/11
O & M Impact:	\$0.5 million

### UPGRADE OF COUNCIL INFORMATION SYSTEMS AND PROCESSES (SAP # 904.0)

This project aims to provide cross-Council integration and management of information. It will enhance service delivery to customers, making it easier and quicker for them to work with Council by producing more efficient processes that deliver time and cost savings (refer also Section 7.8).

Total Cost:	\$12.9 million
Timing:	2009/10 – 2018/19
O & M Impact:	\$2.0 million

### ENHANCING PEDESTRIAN SAFETY PROJECT (SAP # 1037.0)

To further improve pedestrian and cycle outcomes at key locations throughout the city where safety is compromised (including the cross-city connector) funding provision has been made for a specialised study and subsequent capital projects. This project is in addition to existing cycleway programmes contained in Council's 2009-19 LTCCP and will include assessment of innovative solutions (such as signalling various roundabouts) in the City where there are ongoing issues.

Total Cost:	\$6.3 million
Timing:	2009/10 – 2012/13

### WAIWHAKAREKE NATURAL HERITAGE PARK (SAP # 609.0)

Funding to maintain an ongoing level of development of Waiwhakareke Natural Heritage Park in Rotokauri (a 60 hectare park with ecosystems typical of pre-human Waikato). The park will encourage the involvement of communities of interest in the protection and conservation of indigenous biodiversity.

Total Cost:	\$2.0 million
Original Timing:	2009/10 – 2018/19
O & M Impact:	\$0.8 million

### PUBLIC ART FUNDING (SAP # 935.0)

An annual commitment to a fund that enables the installation of public art works by local artists and artists of significant national reputation. This would happen over a number of identified sites that connect the river, key points of the city, and key stories together in a visual narrative that celebrates our creativity and identity.

Total Cost:	\$0.57 million
Original Timing:	2009/10 – 2018/19



### DEVELOPMENT OF AN APPROPRIATE COMMUNITY FACILITY BEHIND ARTSPOST

Council owns land that is located behind the ArtsPost site and beside the Waikato Museum. This land is currently being used as an off-road pay and display carparking venue. Council is considering options to contribute this land in return for a share in a mixed use development over this site for an appropriate community facility.

Part of this development could include construction of an Art Gallery that provides quality display space and community use opportunities and benefits to the art and cultural community. Support would need to be obtained from various funding agencies and other sources to construct the gallery with Council providing the land and potentially any ongoing operational costs. However, Council would need to be satisfied that any proposal agreed on has sufficient capital raised to meet the construction costs. It should be noted that any ongoing operating costs associated with such a mixed use development are currently not funded.

### ■ 7.7 UNFUNDED PROJECTS

The combined effect of the increased cost of maintaining assets, reduction in revenue from a slowing down of development and commitments to previously agreed major projects has resulted in 90 projects being unfunded in this 2009-19 LTCCP. Although these projects are still considered worthwhile to undertake, they are not of a critical enough nature to warrant including in the funded part of the budget at this point in time.

Inclusion of a project in the unfunded section of Council's 2009-19 LTCCP indicates Council's support in principle for a project and may assist external organisations in obtaining funding support from other sources.

The total value of projects in the unfunded part of the 2009-19 LTCCP amounts to \$168 million.

A full list of unfunded projects is provided in Volume Two of this 2009-19 LTCCP.

### ■ 7.8 ENHANCING COUNCIL'S INTERNAL SYSTEMS AND PROCESSES

Delivery of an effective and efficient programme of works over the next 10 years of this LTCCP means that Council needs to have the necessary internal systems and resources in place. Currently the organisation's systems cannot deliver the level of integration required for Council's future needs to support the level of service required. In a technology and business process sense, Council has recognised the need to take a fresh approach to managing its cross-organisation integration of information.

Subsequently, Council is investing \$12.9 million over the 10 year period of the 2009-19 LTCCP in a comprehensive overhaul of its information processes and systems to ensure greater integration and management of information. This project will enhance service delivery to customers, making it easier and quicker for them to work with Council by producing more efficient processes that deliver time and cost savings.

Key organisational initiatives that the project will seek to deliver are:

- Customer-focused service provision, e.g. on-line payments/transactions, e-business, single interface for customers rather than multiple points of contact.
- More integrated information.
- Service improvement through innovation – infrastructure that allows Council to deliver information across multiple channels.
- A Council-wide improvement process.
- Protection of knowledge and information assets and mitigation of the risk of data integrity being compromised.
- Compliance with legislative, regulatory and central government requirements.

Taking the steps to implement change programmes and taking a more holistic view of its customers will enable Council to realign with industry best practice and provide a more streamlined, user-friendly system.



## ■ 7.9 SUMMARY OF COUNCIL'S WASTE MANAGEMENT PLAN

Council is required by Schedule 10 (Clause 3) of the Local Government Act 2002 to provide a summary of its Waste Management Plan (WMP). The WMP was first adopted by Council on 18 August 2004 and is based on key targets adapted from the New Zealand Waste Strategy 2002. The WMP identifies five key target areas:

- Business and industry waste.
- Building regulations.
- Diversion of construction and demolition waste.
- Diverting green waste from landfill.
- Internal waste management for Hamilton City Council.

Since 2004 the waste management and minimisation landscape in New Zealand has changed dramatically. The introduction of the Waste Minimisation Act 2008, which brings in a waste minimisation levy, will positively influence how waste is minimised and managed in Hamilton. It is anticipated that initial funding received from the component of the Waste Levy Fund distributed directly to local authorities will focus on making progress within the theme areas of the WMP. The WMP expires in 2010 and Council will therefore be undertaking a comprehensive review of it during 2009/10 to ensure alignment with the Waste Management Act 2008, the Hamilton City Refuse Bylaw, and to ensure consistency with any changes made to the New Zealand Waste Strategy 2002.

Since 2004, good progress has been made in delivering on the actions outlined in the WMP. Some of the highlights are outlined below:

- The Waikato Waste Advisory Service has provided advice and contact information to businesses in Hamilton for four years. Since the beginning of 2008 the service is being offered through a Sustainable Business Advisor who is working directly with different sectors of business to provide sector-wide advice on waste reduction.
- Since 2005 recycling services have been made available to all primary, intermediate and secondary schools within Hamilton.
- Council has undertaken waste audits of all its facilities and put in place waste minimisation actions. Where appropriate some units have put worm bins and Bokashi bins in place to deal with organic waste.

- Recycling is now part of Council's RFP (Request for Proposal) contracting process for cleaning contracts. A measuring programme and scoping report has identified the scope of organic waste issues in both residential and commercial waste streams. This work informs Council's approach to organic waste management.
- The 'Back to Earth' flagship project of the Environmental Sustainability Strategy (refer Section 3.7) looks at planning with other authorities to ensure the city has a longer-term strategic solution for organic waste.
- Council's Waste Management Plan can be viewed or downloaded from Council's website [www.hamilton.co.nz](http://www.hamilton.co.nz) (under 'Policies and Bylaws' / 'Policies Required by Legislation').

For further information about Council's Waste Management Plan, please contact the Strategy and Research Unit (phone 838 6810, email [strategy@hcc.govt.nz](mailto:strategy@hcc.govt.nz)).

## ■ 7.10 SUMMARY ASSESSMENT OF COUNCIL'S WATER AND OTHER SANITARY SERVICES

Council is also required by Schedule 10 (Clause 3) of the Local Government Act 2002 to provide a summary assessment of its water and other sanitary services.

There are a number of critical assessments, programming and compliance processes relating to the assessment of water and other sanitary services currently taking place. Given this situation, Council plans to allow a number of these processes to be advanced further before undertaking any review. The following lists various internal and external processes that Council considered would critically affect the accuracy and completeness of a revised assessment:

- Various sub-regional processes, including FutureProof and the sub-regional Water Supply Strategy (currently under development and which looks at the long-term opportunities for cross-boundary water supply plants).
- Council's recently awarded consent to increase its water take from the Waikato River. As noted in Section 2.9.2, this new consent allows Council to extract up to 105 million litres of water on a daily basis from the Waikato River. This amount will increase to 146 litres per day in 2014.
- Development of Council's 2009-19 LTCCP and the subsequent updates that are required to be made to Activity Management Plans.



## 2005 SUMMARY ASSESSMENT OF WATER AND OTHER SANITARY SERVICES

The existing Summary Assessment of Water and Other Sanitary Services contained in Volume 2 (Section 14.0) of Council's 2006-16 LTCCP is reproduced below.

### Introduction

The assessments of water and sanitary services have been completed, as required by the Local Government Act 2002. Council adopted the Water and Sanitary Services Assessments Report on 27 June 2005 as part of the adoption of the 2005/06 Annual Plan. Water and sanitary services comprise water supply, wastewater services, stormwater services, cemeteries, crematoria, public toilets and waste disposal. These services are considered important to maintaining public health within a local government district.

### Assessments

The assessments describe the level of services provided to the current population within Hamilton City, the demands on infrastructure and identify potential health risks. The assessments also summarise likely future situations, estimated population growth and demand and Council's proposed methods to meet these demands.

The adopted Water and Sanitary Services Assessments Report is available upon request from the Finance Unit (phone 838 6746, email [finance@hcc.govt.nz](mailto:finance@hcc.govt.nz)).

## Linkages to other Council Plans and Reports

The water and sanitary services assessments summarises information in other relevant Council plans and reports or makes references to them. These Council plans and reports provide significant information on the nature and provision of these services. The main references being:

- 2004-14 Hamilton's Community Plan (LTCCP).
- 2003 Asset Management Plans. These being: Cemeteries and Crematorium, Public Toilets, Stormwater, Refuse, Wastewater and Water Supply.
- Cemeteries Management Plan 1999-2008.
- Hamilton City Structure Plans.
- Hamilton City Wastewater Treatment Plan Process Capacity Review 2003.
- Hamilton City Council Water Treatment Station 2003 Milestone Development Plan.
- 2020 Water Supply Network Strategic Planning.

## Consultation

Consultation on the water and sanitary services assessments was completed as part of the process to adopt the 2005/06 Annual Plan. No submissions were received from the public in relation to these assessments.

Consultation has been held with the Medical Officer of Health for the Waikato District Health Board as required under Part 128 of the Local Government Act 2002 when making these assessments. Comments and suggestions from the Medical Officer of Health have been considered and incorporated into the adopted report.

Consultation has also been held with Environment Waikato, Tainui and Ngaa Mana Topu o Kirikiriroa.



## 8.0 SERVICE DELIVERY THROUGH COUNCIL'S 10 ACTIVITY GROUPS

KO TE UMANGA AWHINA MAI TE KAUNIHERA **TEKAU ROOPU-A-MAHI**





## ■ 8.0 SERVICE DELIVERY THROUGH COUNCIL'S 10 ACTIVITY GROUPS

### CONTENT OF THIS SECTION

8.1	Introduction to the Activity Groups
8.2	City Profile
8.3	City Safety
8.4	Community Services and Amenities
8.5	Democracy
8.6	Event and Cultural Venues
8.7	Recreation
8.8	Transportation
8.9	Urban Development
8.10	Waste Minimisation
8.11	Water Management



## 8.1 INTRODUCTION TO THE ACTIVITY GROUPS

WHAKATAKI KI NGAA ROOPU MAHI

# overview





## 8.1 INTRODUCTION TO THE ACTIVITY GROUPS

Council has structured its activities by ten groups. The Activity Groups are based on commonalities in the nature of individual activities' functions and similarity in the contributions they make to Hamilton's Community Outcomes and the City Strategies.

The Activity Groups bring together complex and detailed information for Council's activities, for which comprehensive Activity Management Plans and business plans have also been prepared. Activity Management Plans are available to the public on request, but are not included in full in this document.

Since the 2006-16 LTCCP, the Activity Groups have been restructured and the names of some activities have been changed to better reflect the activities' combined functions and goals. However, no new activities from those currently undertaken by Council are proposed within the period of the 2009-19 LTCCP, and no existing activities are proposed to cease.

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

COUNCIL'S TEN ACTIVITY GROUPS

ACTIVITY GROUP	PRIMARY COMMUNITY OUTCOMES	PRIMARY CITY STRATEGIES	ACTIVITIES
City Profile Whakaaturanga Taaone-nui	<ul style="list-style-type: none"> <li>Intelligent and Progressive City</li> <li>Unique Identity</li> </ul>	<ul style="list-style-type: none"> <li>Economic Development</li> </ul>	<ul style="list-style-type: none"> <li>City Promotion</li> <li>Economic Development</li> <li>Strategic Property Investment</li> </ul>
City Safety Haumarū Taaone-nui	<ul style="list-style-type: none"> <li>Safety and Community Spirit</li> </ul>	<ul style="list-style-type: none"> <li>Social Well-being</li> </ul>	<ul style="list-style-type: none"> <li>Emergency Management</li> <li>Animal Care and Control</li> <li>Central City Safety</li> <li>Environmental Health</li> </ul>
Community Services and Amenities He Ratonga Tikanga-a-Iwi	<ul style="list-style-type: none"> <li>Safety and Community Spirit</li> <li>Healthy and Happy</li> </ul>	<ul style="list-style-type: none"> <li>Social Well-being</li> </ul>	<ul style="list-style-type: none"> <li>Community Development</li> <li>Hamilton City Libraries</li> <li>Community Centres and Halls</li> <li>Housing for Older People</li> <li>Cemeteries and Crematorium</li> <li>Public Toilets</li> </ul>
Democracy Taa te nuinga i whakatau ai	<ul style="list-style-type: none"> <li>Working Together</li> </ul>	<ul style="list-style-type: none"> <li>Social Well-being</li> </ul>	<ul style="list-style-type: none"> <li>Representation and Civic Affairs</li> <li>Partnership with Māori</li> </ul>



ACTIVITY GROUP	PRIMARY COMMUNITY OUTCOMES	PRIMARY CITY STRATEGIES	ACTIVITIES
Event and Cultural Venues Taiwhanga Tikanga-a-Iwi	<ul style="list-style-type: none"> <li>• Vibrant and Creative</li> <li>• Intelligent and Progressive City</li> </ul>	<ul style="list-style-type: none"> <li>• Creativity and Identity</li> <li>• Economic Development</li> </ul>	<ul style="list-style-type: none"> <li>• Waikato Stadium</li> <li>• Claudelands Events Centre</li> <li>• Hamilton City Theatres</li> <li>• Seddon Park</li> <li>• Waikato Museum</li> </ul>
Recreation Haakinakina	<ul style="list-style-type: none"> <li>• Healthy and Happy</li> </ul>	<ul style="list-style-type: none"> <li>• Active Communities</li> </ul>	<ul style="list-style-type: none"> <li>• Parks and Gardens</li> <li>• Sports Areas</li> <li>• Hamilton Zoo</li> <li>• Swimming Facilities</li> </ul>
Transportation Haria i ngaa waka	<ul style="list-style-type: none"> <li>• Sustainable and Well-Planned</li> </ul>	<ul style="list-style-type: none"> <li>• Access Hamilton</li> </ul>	<ul style="list-style-type: none"> <li>• Transportation Network</li> <li>• Parking Enforcement</li> </ul>
Urban Development Tapu a-te-Taaone	<ul style="list-style-type: none"> <li>• Sustainable and Well-Planned</li> </ul>	<ul style="list-style-type: none"> <li>• Hamilton Urban Growth</li> <li>• CityScope</li> <li>• Environmental Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• City Planning</li> <li>• Planning Guidance</li> <li>• Building Control</li> <li>• Sustainable Environment</li> </ul>
Waste Minimisation He Parawhakakino	<ul style="list-style-type: none"> <li>• Sustainable and Well-Planned</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Refuse and Recycling</li> </ul>
Water Management Whakahaere-Wai	<ul style="list-style-type: none"> <li>• Sustainable and Well-Planned</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Water Supply</li> <li>• Wastewater</li> <li>• Stormwater</li> </ul>



## ■ THE PERFORMANCE FRAMEWORK

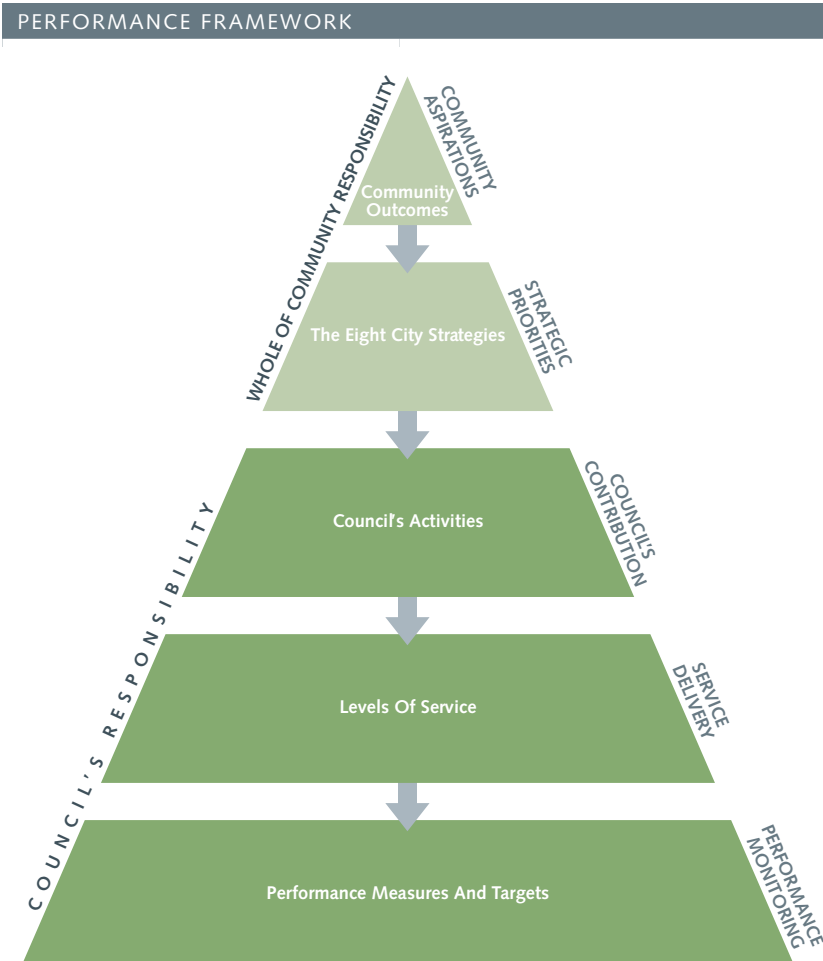
The information included for each Activity Group is structured within an overall performance framework. The purpose of the performance framework is to:

- Establish linkages between the activities Council provides and community well-being.
- Be clear about what the community will receive in return for the rates and charges they pay.
- Provide certainty for the community that the levels of service provided by Council's activities are sustainable.

The Local Government Act requires Council's performance framework to:

- Identify the reason for delivery of the Activity Group, including the Community Outcomes to which the activity group primarily contributes. As Council's approach to giving effect to the Community Outcomes is focused around the development of the eight City Strategies, the contribution the Activity Groups make to the Strategies is also highlighted.
- Outline any significant negative effects that need to be managed in the course of delivering the Activity Group.
- Provide information about the planned levels of service in detail for the first three years of the LTCCP (2009/10 – 2011/12) and in outline for the subsequent seven years (2012/13 – 2018/19).
- Set performance measures and targets to allow the actual levels of service provision (as reported at the end of each financial year in the Annual Report) to be meaningfully assessed.

The following diagram expresses the overall performance framework.





## ■ ACTIVITY GROUP SECTIONS

### INTRODUCTION

The introductory text at the beginning of each Activity Group sets the scene for the Activity Group and outlines its wider context for community well-being. It also identifies the activities that make up the Activity Group and provides a brief description of each one.

### POLICY AND PLANNING CONTEXT

Council's planning and operating environments are shaped by a wider context of national, regional and city wide priorities and objectives. This section includes a diagram that identifies the key legislation, strategies, policies and plans that link to and provide direction for the Activity Group.

### REASON FOR PROVIDING THE ACTIVITY GROUP

This is an explanation of why Council undertakes the Activity Group and the benefits it provides to the community. The primary Community Outcomes and City Strategies that the Activity Group contributes to are also identified.

In a number of cases, Council is required by law to provide an activity or aspects of an activity. However, the reason for providing the Activity Group also moves beyond simply stating legal requirements, and identifies what it is about the Activity Group that is important to community well-being.

### CONTRIBUTION TO HAMILTON'S COMMUNITY OUTCOMES AND THE CITY STRATEGIES

This section shows in a diagram, which primary Community Outcomes and City Strategies the activities contribute to and also describes how they contribute.

This section also includes descriptions of City Strategy 'flagship projects' that Council has a role in. These projects have been agreed to with strategy partners and are in alignment with the work programmes of a number of stakeholder agencies across the city.

The Community Outcomes Progress Indicators that the Activity Group has a role in influencing are also identified. Indicators provide ways in which we can measure, directly or indirectly, changes to social, environmental, economic and cultural well-being over time. They provide a picture of what is going on around us that we can use to guide our future planning. Indicators can assist in identifying areas where progress is being made towards the Community Outcomes and alert us to areas that require action. The indicators identified in this section will also be reported in Council's Annual Report.

## MEASURING SERVICE DELIVERY PERFORMANCE

This section includes the intended levels of service, performance measures and targets that Council will use to monitor the service delivery performance of the Activity Group.

Levels of service, performance measures and targets represent Council's service commitments to the community and outline what the community can expect to receive from the Activity Group over the 10 year period of the LTCCP.

The levels of service focus on the key service delivery attributes of the Activity Group. They draw on a number of factors, including the aspirations and goals of Hamilton's Community Outcomes and the City Strategies, legislative requirements and national objectives, national and industry standards and community expectations.

Performance information is provided in detail for the first three years of the LTCCP (2009/10 – 2011/12), and in outline for the remaining seven years (2012/13 – 2018/19). Additional information is also included where necessary to give further context to performance measures and targets.

Unless otherwise stated, all performance measures will be completed on or before 30 June for each financial year. Performance against the intended levels of service, performance measures and targets will be reported in Council's Annual Report.

### Performance Baselines and Targets

Performance targets estimate the best performance that can be achieved within given budgets and resources.

Each performance measure includes a baseline, which is the most recent result. The baseline provides an indication of how Council has been performing and is a point of reference to help put the targets into context.

In some cases, a target may be set lower than the baseline result. There are a number of reasons for this, including budget and resource constraints, changes in the operating environment, dependence on others such as partner organisations, and trends over time. All of these factors are taken into account when setting performance targets.

In some cases, satisfaction score targets may be lower than the baseline results. These targets show a realistic level of service that the community can expect to receive from Council services over a longer term. While the level is decreasing from the baseline result, the service levels provided still remain acceptably high.



### Residents Survey and Customer Satisfaction Surveys

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

The Residents Survey, which is completed each quarter, is one of the main methods of obtaining Hamilton residents' views on how effectively Council is operating, particularly in regard to its provision of key facilities and services. This survey has been carried out since 1984 by an independent research company, and provides a useful measure of community opinion over time. The survey is conducted by telephone and interviews 175 Hamilton residents each quarter, providing a sample size of 700 respondents annually. The annual results have a margin of error of plus or minus 3.7% at the 95% confidence level.

Council also operates a comprehensive Customer Satisfaction Survey Programme for a large number of its activities, to gain detailed customer feedback on an ongoing basis. This feedback is then used to implement changes that ensure continual improvement to Council's services and facilities. The methodologies for the Customer Satisfaction Surveys vary, for example face-to-face interviews and mail return questionnaires, depending on the service characteristics.

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

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

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

This framework covers two streams of Council provided services, those with 'customer choice' and those where there is 'no customer choice'. Each of these streams has a different satisfaction score interpretation. 'Customer choice' services and facilities would normally expect to receive higher satisfaction scores, as dissatisfied customers can take their business elsewhere. For 'no customer choice' services and facilities, the customer cannot change service provider, therefore dissatisfied customers remain as users, which can result in a lower score.

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

### SIGNIFICANT NEGATIVE EFFECTS

Effects on the current and future well-being of the community are an important consideration for Council when planning and carrying out its activities. As well as having positive effects, some activities can have either existing or potential negative effects on social, economic, environmental or cultural well-being that need to be managed or mitigated.

Council aims to find a balance that is acceptable to the community and provides for the well-being of current and future generations and the city's ongoing sustainable development.

This section looks at *significant* negative effects that any activity may have on community well-being. The significance of an effect has been determined through its likely impact on and consequences for:

- The current and future social, economic, environmental, or cultural well-being of the city.
- The extent to which communities are likely to be affected.
- The capacity of Council to perform its role, including financial and other costs.



### CURRENT AND FUTURE ASSET CAPACITY

For Activity Groups that have key assets (e.g. land, buildings, roads and equipment), this section includes the following information:

- Existing key assets (as at December 2008).
- Information on the maintenance and replacement of assets.
- Information on additional asset capacity requirements.

### COST OF SERVICE STATEMENTS

The cost of service statements are designed to provide a comprehensive record of the budgeted expenditure, revenue and other funding sources associated with delivering on the operating activities and capital programmes of each Activity Group.

Readers should refer to Note 11 of the financial statements (Section 10 of this document) for an explanation of how the funding surplus/(deficit) reported in the Cost of Service Statements is reconciled to the net surplus reported in the Statement of Comprehensive Income.

The funding surplus/(deficit) in each Cost of Service Statement represents the difference between the total operating expenditure requirements and the total funding, including group of activity revenue.

Note 12 provides an overall summary of the surplus/(deficit).







## 8.2 CITY PROFILE

WHAKAATURANGA TAAONE-NUI



hello  
world



## ■ 8.2 CITY PROFILE

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

Economic development seeks to improve the economic well-being and quality of life of a community. A prosperous economy results in better opportunities for residents, for example, gaining a higher income, increased spending on material possessions and non-essential services, and improved access to quality healthcare. This in turn leads to rising standards of living and individuals' self esteem, greater social connectedness, educational advancement, wider employment options and increased life expectancy.

Council's City Profile Activity Group includes the following activities:

### City Promotion

Focuses on marketing the city to a variety of audiences through the Hamilton brand, aiming to communicate the points of difference and advantages that Hamilton has to offer to local residents and those living outside the city. Encouraging and supporting event development is a key mechanism for promoting the city, which Council contributes to through its Event Sponsorship Fund. Council seeks to support icon events that add to the vitality of the city (such as the Hamilton 400, Balloons over Waikato and the Hamilton Gardens Summer Festival). This activity also manages the i-Site Visitor Information Centre, which offers a travel and accommodation booking service and acts as a 'shop window' for visitors to Hamilton.

### Economic Development

Ensures a city wide collaborative approach to fostering economic development in and around Hamilton. Areas of focus include the recruitment of business operations, assisting in the expansion or retention of business operations, supporting the start-up of new businesses, and providing funding for an Economic Development Agency in Hamilton. Council recognises that the growth of key city partnerships is important for economic development, and through the adoption of Hamilton's Economic Development Strategy, has committed to work with Hamilton's foremost economic development players.

### Strategic Property Investment

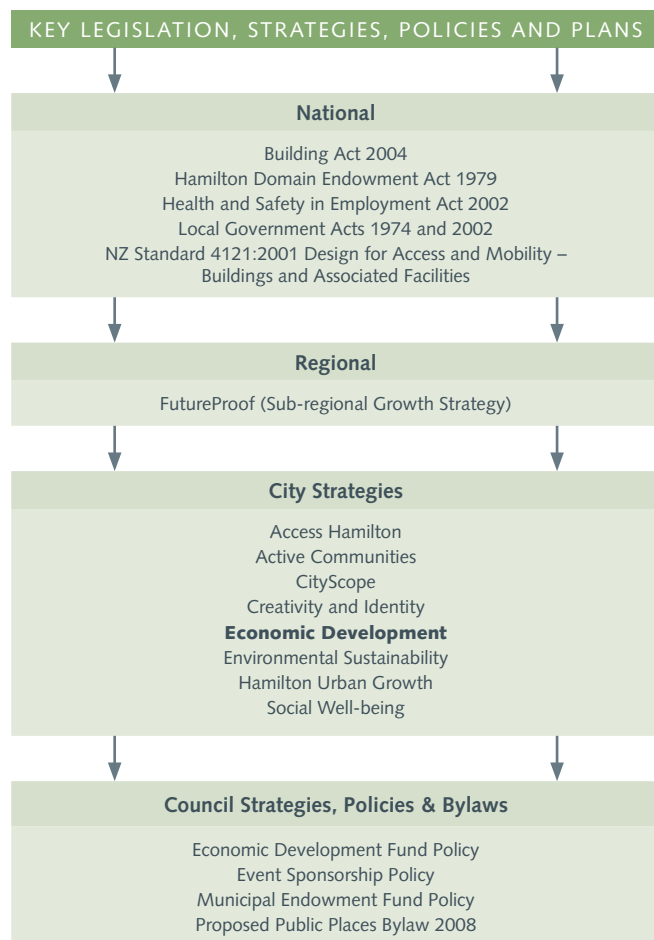
This activity manages two funds – the Domain Endowment Fund and the Municipal Endowment Fund and administers 114 Council owned properties throughout Hamilton. Both funds are required by legislation to be invested in property, in order to maximise the financial return for the city. The Domain Endowment Fund proceeds are used for the purchase of land for reserves and for the creation, improvement and development of reserves and parks within the city. The Municipal Endowment Fund is invested in commercial properties and income from the fund is used to reduce the rates requirement of the city. Other properties that this activity manages include Council owned and occupied buildings and Council owned and leased buildings.

“enables residents to feel proud of their city”



## ■ POLICY AND PLANNING CONTEXT

Council's planning and operating environments are shaped by a wider context of national, regional and city wide priorities and objectives. This diagram identifies the key legislation, strategies, policies and plans that link to and provide direction for the City Profile Activities.



## ■ REASON FOR PROVIDING THIS ACTIVITY GROUP

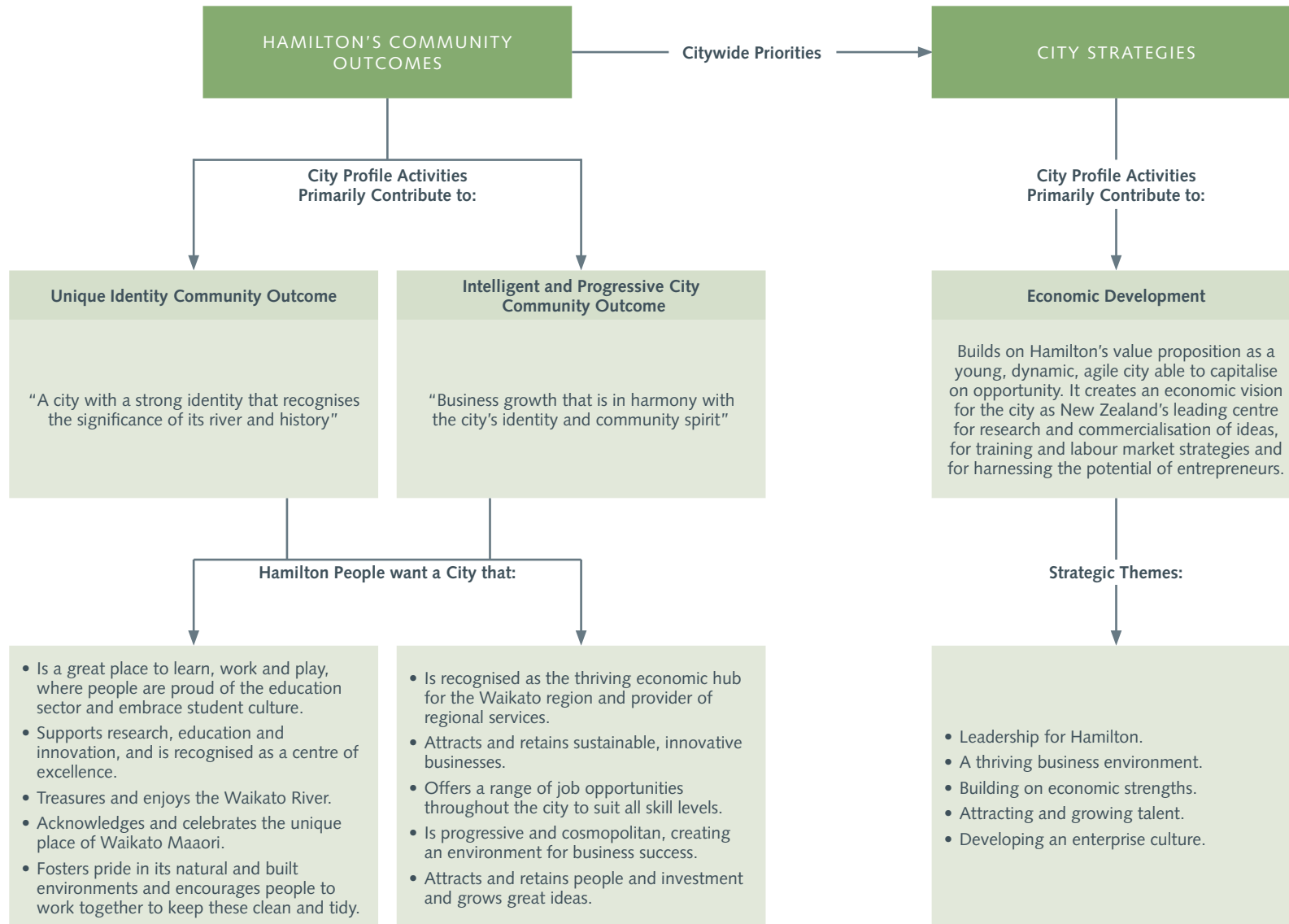
Promoting Hamilton to its residents has a positive influence on how people feel about their city and their quality of life. Promoting the city to people who live outside Hamilton (nationally and internationally) also has a positive effect on the city's local economy. Attracting visitors, residents and jobs to the city through the promotion of Hamilton are all important contributors to city growth and add value to our economy. The Local Government Act 2002 requires greater levels of communication from local authorities, which is one of the primary areas of this Activity Group.

Council has an important leadership role to play in making Hamilton a competitive, attractive and profitable place for businesses to operate. A healthy economy and employment base will in turn contribute towards improved living standards across the city. To fulfil this role, Council fosters and facilitates economic development through partnerships and initiatives that contribute to the city's sustainable economic future. Council also maintains a portfolio of commercial investments as a means of reducing the rates requirement of ratepayers within the city.

The City Profile Activity Group primarily contributes to the 'Unique Identity' and 'Intelligent and Progressive City' Community Outcomes, and the Economic Development Strategy.



## ■ CONTRIBUTION TO HAMILTON'S COMMUNITY OUTCOMES AND THE CITY STRATEGIES





## HOW THE CITY PROFILE ACTIVITIES CONTRIBUTE TO HAMILTON'S COMMUNITY OUTCOMES

The City Profile Activities enable Council to take a leadership role for Hamilton in terms of developing the local economy and raising the profile of the city. Through collaboration and partnership between Council, businesses and the community, Hamilton can continue to position itself as a young, dynamic city that is able to capitalise on opportunities.

### City Promotion:

Promoting Hamilton as a great place to live, study, work and visit has a positive impact on the sense of pride and confidence that the community has in the city. By marketing the lifestyle, attractions and opportunities available in Hamilton, both nationally and internationally, people are attracted to the city. This creates prosperity and boosts the local economy, improving the well-being of residents of the city.

### Economic Development:

Council plays a key role in advancing the economic interests of the community, and boosting the quality of the local business environment in Hamilton. The impact of Council on the economy of the city can already be seen through a range of activities carried out every day, such as the provision of infrastructure e.g. roads and water supplies, and regulation of certain activities e.g. building consent procedures which may impact on the speed and cost with which construction can take place. Council also has a wider leadership role in this area, through providing a strong strategic direction and facilitating partnerships and projects that contribute to the development of Hamilton's economy.

### Strategic Property Investment:

The Strategic Property Investment Activity contributes to the community outcome of an 'Intelligent and Progressive City'. The benefits of this activity are a mixture of both public and private benefits. The private benefits are to groups, clubs and community organisations that benefit from leasing municipal and domain endowment properties. There is a public benefit to the community as a whole from the property assets that are held and will be available for future community use. The public also benefit from the development of property in a way that is consistent with the community's interest.

Proceeds from the Domain Endowment Fund contribute directly or indirectly towards the development and improvement of public facilities on Council reserves. The new Verandah Café located on the Lake Domain Reserve is an example of a new facility part-funded through contributions from the Domain Endowment Fund.

## CITY STRATEGY FLAGSHIP PROJECTS

The City Strategies contain what are known as 'flagship projects'. These projects have been agreed to by and are in alignment with the work programmes of a number of stakeholder agencies across the city. Flagship projects from the Economic Development Strategy that Council has a role in are:

### Business Hamilton Communication:

Council, along with the Business Development Centre, the Waikato Chamber of Commerce and the Hamilton International Airport, aim to develop a shared business brand for the city based on Council's successful Hamilton city branding. The project includes development of a set of key messages about our business and lifestyle offer, which can be used to promote the city as a business and employment location.

### Hamilton Economic Development Endowment Fund:

Council and the Business Development Centre will explore options for the establishment of a Hamilton Economic Development Fund. This will include identifying potential funders, scoping out the range of initiatives that could be funded and exploring potential governance arrangements.

### Digital Hamilton:

Council, WINTEC and the University of Waikato will work together to develop a digital strategy for the city. The strategy will consider the infrastructure required to support high speed broadband networks, the role of the statutory agencies in supporting this, how penetration rates for high speed broadband can be increased and the potential for Hamilton to build on the ICT expertise and infrastructure that exists in the city to enhance our ICT sector.

### Creative Industries Incubator at the Meteor:

This project develops an incubator for start-up businesses in the creative and cultural industries sector. The incubator provides desk space with on-hand mentoring and support for new business start-ups, access to a range of specialised business development services, as well as access to shared facilities such as meeting rooms and reception services. The Creative Industries Incubator



is a joint venture between Council and the Waikato Institute of Technology and partner agencies New Zealand Trade and Enterprise and the Business Development Centre.

### MEASURING PROGRESS TOWARDS HAMILTON'S COMMUNITY OUTCOMES

Progress towards Hamilton's Community Outcomes is monitored through a selection of indicators. Indicators provide ways in which we can measure, directly or indirectly, changes to social, environmental, economic and cultural well-being over time. They provide a picture of what is going on around us that we can use to guide our future planning. Indicators can assist in identifying areas where progress is being made towards the Community Outcomes and alert us to areas that require action.

Council is one of numerous organisations whose actions and direction assist in progressing the outcomes and overall community well-being. The following Community Outcomes Progress Indicators (drawn from the full outcome set – refer Section 3.4) will assist in demonstrating the effect that the City Profile Activity Group has on progressing Hamilton's Community Outcomes. The monitoring undertaken for these indicators will be reported each year in Council's Annual Report.

#### Key:

- M = Moderate Contribution
- S = Significant Contribution
- O = Council is the only Provider

#### Community Outcomes Progress Indicators:

- S Residents' rating of sense of pride in the way their city looks and feels.
- M Number of businesses and total employment.
- M Proportion of employees in Hamilton to that of the Waikato Region.
- M Visitor guest nights and hotel/motel occupancy rates.
- S Number of events listed on the 'What's On Hamilton' website.
- M Business gains, losses and survival rates.

### ■ MEASURING SERVICE DELIVERY PERFORMANCE

This section includes the intended levels of service for the City Profile Activity Group and the performance measures and targets that Council will use to monitor service delivery performance. The levels of service, performance measures and targets represent Council's service commitments to the community and outline what the community can expect to receive from this Activity Group over the 10 year period of the LTCCP.

The levels of service focus on the key service delivery attributes of this Activity Group. They draw on a number of factors including the aspirations and goals of Hamilton's Community Outcomes and the City Strategies, legislative requirements and national objectives, national and industry standards and community expectations.

This Activity Group primarily contributes to the 'Unique Identity' and 'Intelligent and Progressive City' Community Outcomes. The levels of service that specifically contribute towards progressing the goals of these outcomes are identified by the following key.

Unique Identity Community Outcome	
"A city with a strong identity that recognises the significance of its river and history"	
1	Supports research, education and innovation, and is recognised as a centre of excellence.
Intelligent and Progressive City Community Outcome	
"Business growth that is in harmony with the city's identity and community spirit"	
1	Is recognised as the thriving economic hub for the Waikato region and provider of regional services.
2	Attracts and retains sustainable, innovative businesses.
3	Is progressive and cosmopolitan, creating an environment for business success.
4	Attracts and retains people and investment and grows great ideas.



Performance information is provided in detail for the first three years of the LTCCP and in outline for the remaining seven, through a projected target for year 10 (2018/19). Unless otherwise stated, all performance measures will be completed on or before 30 June for each financial year.

A number of performance measures and targets are from Council's Residents Survey and Customer Surveys. The Introduction to the Activity Groups (Section 8.1) provides information on these surveys, including explanations of the performance scores and categories.

KEY SERVICE ATTRIBUTES	LEVELS OF SERVICE	PERFORMANCE MEASURES	TARGETS					ADDITIONAL INFORMATION
			BASELINE	YEAR 1 2009/10	YEAR 2 2010/11	YEAR 3 2011/12	PROJECTED YEAR 10 2018/19	
Cost Effectiveness	Grant monies are used effectively. ① ① ② ③ ④	Economic Development Agency achieves all annually set performance targets relating to the Hamilton Business Gateway Project.	No baseline, new measure.	Initiatives result in: – 1,000 website visits – 2 new businesses attracted to Hamilton	*Initiatives result in: – 1,000 website visits – 2 new businesses attracted to Hamilton	*Initiatives result in: – 1,000 website visits – 2 new businesses attracted to Hamilton	*Initiatives result in: – 1,000 website visits – 2 new businesses attracted to Hamilton	The Business Gateway Project is a Council funded business attraction service provided by a contracted Economic Development Agency. *NB. Targets are negotiated annually and are indicative for years beyond 2009/10.
	Return on investments is appropriate. ④	Achieve an annual gross return on Municipal Endowment Fund investment properties that is typical for the Hamilton property market.	2007/08 result: 100% of target achieved. Independent assessor confirmed returns as typical for Hamilton property market.	Gross return typical for Hamilton property market	Gross return typical for Hamilton property market	Gross return typical for Hamilton property market	Gross return typical for Hamilton property market	As assessed by an independent registered valuer.



KEY SERVICE ATTRIBUTES	LEVELS OF SERVICE	PERFORMANCE MEASURES	TARGETS					ADDITIONAL INFORMATION
			BASELINE	YEAR 1 2009/10	YEAR 2 2010/11	YEAR 3 2011/12	PROJECTED YEAR 10 2018/19	
Cost Effectiveness	Return on investments is appropriate. ④	Achieve an annual gross return on Domain Endowment Fund that is in line with the average market return of similar properties.	2007/08 result: 100% of target achieved. Independent assessor confirmed returns as typical for Hamilton property market.	Gross return in line with average market return	Gross return in line with average market return	Gross return in line with average market return	Gross return in line with average market return	As assessed by an independent registered valuer.
	Buildings in the Municipal Endowment Fund (MEF) are appropriately utilised.	Commercial and Retail premises across the MEF portfolio return an annual occupancy level of 90%	2007/08 result: 100% occupancy rate	90% occupancy rate	90% occupancy rate	90% occupancy rate	90% occupancy rate	Assessment is based on the sum of vacant days multiplied by the number of tenancies as a percentage of 365 multiplied by the number of tenancies.
Quality	High quality information is provided. ③	Residents' satisfaction with:	2007/08 result:					Measured through Council's Residents Survey. A score of 78-81 indicates Very Good Performance, and 73-77 indicates Good Performance for a 'customer choice' service. The Visitor Information Centre is planned to be relocated during the timeframe of the LTCCP. A change to City News format to provide costs savings is likely to result in a drop in satisfaction levels.
		• The Visitor Information Centre	Very good performance (score of 78.2)	78 – 81	78 – 81	78 – 81	78 – 81	
		• The City News Publication	Very good performance (score of 78.5)	73 – 77	73 – 77	73 – 77	73 – 77	
		Number of unique visitors to the Hamilton City Council website	2007/08 result: An average of 25,000 visitors per month	An average of 25,000 visitors per month	An average of 25,000 visitors per month	An average of 25,000 visitors per month	An average of 25,000 visitors per month	'Unique visitors' are a count of how many different people access a website. Unique visitors are counted only once no matter how many times they visit the site.



## SIGNIFICANT NEGATIVE EFFECTS

Effects on the current and future well-being of the community are an important consideration for Council when planning and carrying out its activities. As well as having positive effects, some activities can have either existing or potential negative effects on social, economic, environmental or cultural well-being that need to be managed or mitigated.

The significance of an effect is determined through its likely impact on and consequences for:

- The current and future social, economic, environmental, or cultural well-being of the city.
- The extent to which communities are likely to be affected.
- The capacity of Council to perform its role, including financial and other costs.

Council has determined that there are no significant negative effects on community well-being as a result of providing the City Profile Activity Group.

## CURRENT AND FUTURE ASSET CAPACITY

### EXISTING KEY ASSETS (AS AT DECEMBER 2008)

KEY ASSETS	DEPRECIATED REPLACEMENT COST (\$000)
Strategic Property Investment	
Land and Buildings	60,559
<b>Total Depreciated Replacement Cost</b>	<b>60,559</b>

## MAINTENANCE AND REPLACEMENT OF ASSETS

Council's objective when maintaining existing assets is to achieve the least long-run cost, while still delivering the required levels of service. Annual programmes for the maintenance, renewal and replacement of assets are prepared by staff using a combination of asset age and condition information, customer feedback and maintenance records.

The Property Portfolio comprises a number of premises held in the Municipal Endowment Fund Investment which are let to commercial, retail or industrial tenants. The aim of the Municipal Endowment Fund Investment is to minimise

vacancy and increase long-term revenue from Council's income generating assets. Currently the Municipal Endowment Fund Investment properties are fully leased to high-calibre tenants. The necessity to retain existing tenants during lease renewals and to attract new tenants on lease expiry may require Council to fund the cost of fit-out or alteration to premises from year to year. There are a number of leases due for renewal in 2010/11 and 2011/12 and a significant number of lease terminations in 2012/13 and 2013/14. The risk for Council in not meeting tenant expectation is a longer period of vacancy and the associated loss of income.

## ADDITIONAL ASSET CAPACITY REQUIREMENTS

Council reviews the management of the Municipal Endowment Fund Investment annually to ensure that the objectives of the fund are achieved and are consistent with Council's objectives and with the LTCCP. Council's annual review ensures that management of the Strategic Property Investment is prudent and exposure to specific property and portfolio risk is minimised. Council also reviews the asset holding of the Strategic Property Investment and considers the disposal of under-performing assets and the acquisition of new assets.

Demand within the Strategic Property Investment Activity is driven by the Council's requirement for a return on its investment consistent with market lease returns.

Acquisition of additional assets is dependent on the balance of the Strategic Property Investment Reserves accumulated from the free-holding of endowment lands providing sufficient capital for the purchase of new property.

## COST OF SERVICE FOR THE YEARS ENDED 30 JUNE 2010 – 2019

The following table identifies the forecast expenditure and the revenue sources associated with providing the City Profile Activities for the 10 year period of the LTCCP.

The table also includes:

- Capital expenditure by type i.e. growth, renewal and increased level of service.
- Funding source (i.e. loans, subsidies, reserves or rates) for significant assets associated with the City Profile Activities.



## FORECAST COST OF SERVICE FOR THE TEN YEARS ENDING 30 JUNE 2010 – 2019

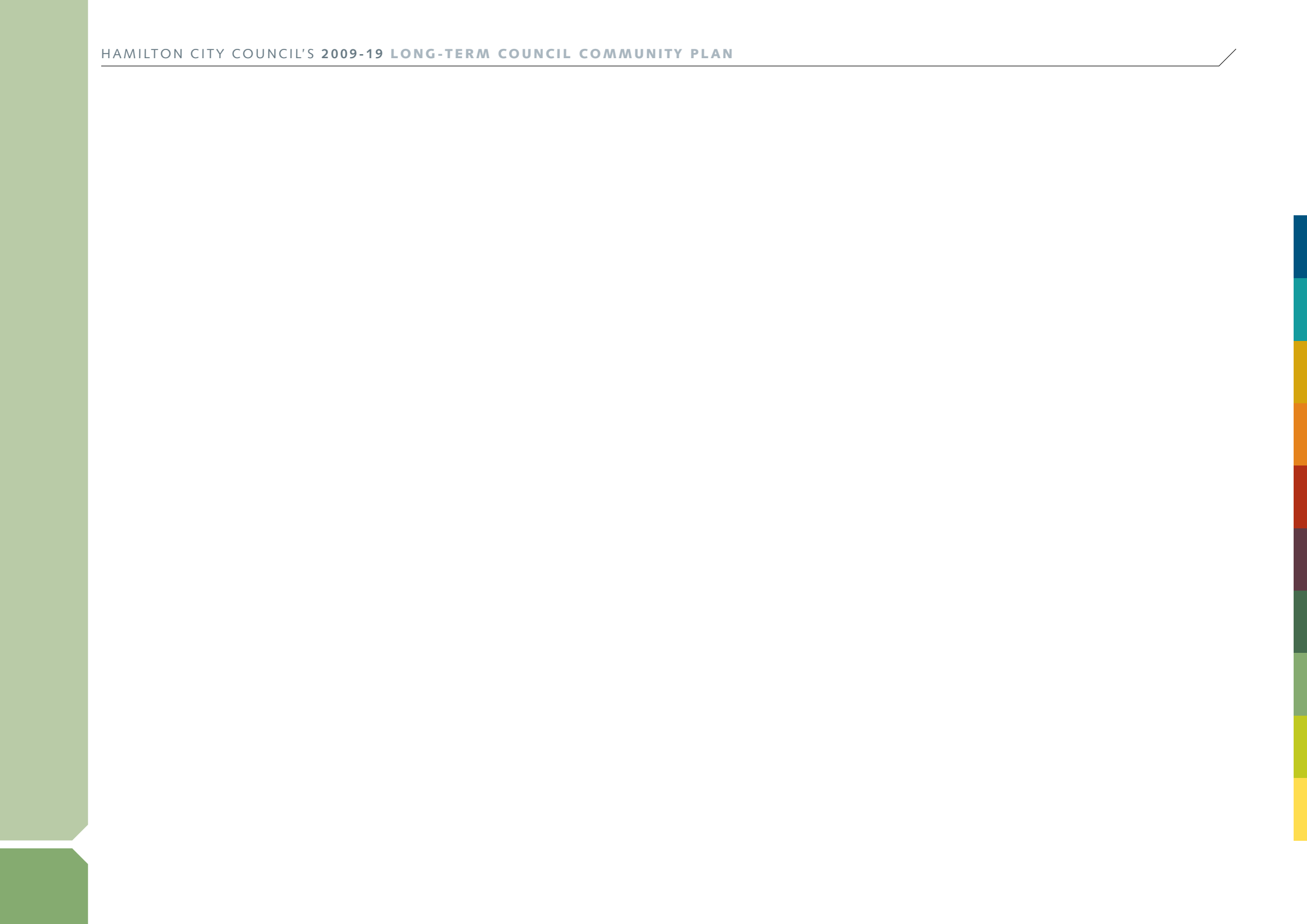
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>GROUP OF ACTIVITY – OPERATING STATEMENT</b>										
<b>OPERATING REVENUE</b>										
Activity revenue – User charges and fees	8,582	8,882	9,204	9,455	9,565	8,976	9,187	9,444	9,650	9,963
General rates	2,633	3,133	4,146	3,704	4,138	3,994	4,208	4,368	4,458	4,615
Other general sources	20	34	33	32	32	22	20	18	15	24
<b>Total operating revenue</b>	<b>11,217</b>	<b>12,049</b>	<b>13,383</b>	<b>13,191</b>	<b>13,735</b>	<b>12,992</b>	<b>13,415</b>	<b>13,830</b>	<b>14,213</b>	<b>14,602</b>
<b>OPERATING EXPENDITURE</b>										
City Promotion	5,526	5,841	5,754	6,094	6,218	6,260	6,336	6,467	6,527	6,608
Economic Development	3,659	3,688	3,738	3,782	3,834	3,527	2,354	2,397	2,441	2,483
Strategic Property Investment	2,458	2,580	2,726	2,799	2,992	3,088	3,181	3,263	3,352	3,424
<b>Total operating expenditure</b>	<b>11,643</b>	<b>12,109</b>	<b>12,218</b>	<b>12,675</b>	<b>13,044</b>	<b>12,875</b>	<b>11,871</b>	<b>12,127</b>	<b>12,320</b>	<b>12,515</b>
<b>Operating surplus/(deficit)</b>	<b>(426)</b>	<b>(60)</b>	<b>1,165</b>	<b>516</b>	<b>691</b>	<b>117</b>	<b>1,544</b>	<b>1,703</b>	<b>1,893</b>	<b>2,087</b>



	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>GROUP OF ACTIVITY – CAPITAL AND RESERVES FUNDING STATEMENT</b>										
<b>CAPITAL EXPENDITURE</b>										
Growth	0	0	0	0	0	0	0	0	0	0
Increased level of service	1,414	2,612	157	122	78	50	113	45	38	44
Renewal	132	127	160	136	163	151	192	188	187	190
<b>Total capital expenditure</b>	<b>1,546</b>	<b>2,739</b>	<b>317</b>	<b>258</b>	<b>241</b>	<b>201</b>	<b>305</b>	<b>233</b>	<b>225</b>	<b>234</b>
Loan repayments	304	671	703	779	727	756	710	784	896	1,004
Transfers to reserves	1,804	1,909	3,185	1,989	2,220	1,159	1,163	1,183	1,242	1,278
Operating deficit	426	60	0	0	0	0	0	0	0	0
<b>Total funding required</b>	<b>4,080</b>	<b>5,379</b>	<b>4,205</b>	<b>3,026</b>	<b>3,188</b>	<b>2,116</b>	<b>2,178</b>	<b>2,200</b>	<b>2,363</b>	<b>2,516</b>
<b>Funded by:</b>										
Operating surplus	0	0	1,165	516	691	117	1,544	1,703	1,893	2,087
Funding from non-cash expenses	1,614	2,143	2,085	2,175	2,251	1,786	428	420	413	411
Loans raised	1,455	2,642	161	142	92	59	132	48	38	46
Transfers from reserves	620	420	448	5	5	5	4	4	4	5
<b>Total funding applied</b>	<b>3,689</b>	<b>5,205</b>	<b>3,859</b>	<b>2,838</b>	<b>3,039</b>	<b>1,967</b>	<b>2,108</b>	<b>2,175</b>	<b>2,348</b>	<b>2,549</b>
<b>Funding surplus/(deficit)</b>	<b>(391)</b>	<b>(174)</b>	<b>(346)</b>	<b>(188)</b>	<b>(149)</b>	<b>(149)</b>	<b>(70)</b>	<b>(25)</b>	<b>(15)</b>	<b>33</b>

Group of activity expenditure is not fully funded. See section 2.2 of the Revenue and Financing Policy in Volume Two of this LTCCP for an explanation of the funding shortfall.  
 'General rates' funding above includes rates from all sources excluding Access Hamilton and water rates which are shown separately where applicable.







## 8.3 CITY SAFETY

HAUMARU TAAONE-NUI



playing it  
safe



### ■ 8.3 CITY SAFETY

The ability for people to feel safe and secure in their homes, communities and urban areas is a basic human right. Feeling and being safe is key to overall health in the community. Safety and perceptions of safety feature highly in people's view of their living and working environments, their sense of well-being and their quality of life. As Hamilton grows and develops, the need to plan and deliver safe social and physical environments where people are able to participate fully in their communities becomes increasingly important.

In response to Council's Residents Survey, Hamiltonians have identified 'Law and Order' (which includes factors such as safety and crime) as an important issue that Council needs to consider. The presence of 'Law and Order' high up the list of issues that people want Council to address indicates that this topic is at the heart of making their communities safer places in which to live, work, learn, and play.

Council's City Safety Activity Group includes the following activities:

#### Emergency Management

Focuses on developing and maintaining an appropriate level of planning and support to ensure that the Waikato Valley Emergency Operating Area (WVEOA) can respond to and recover from any disaster event. Five neighbouring local authorities comprising Waikato, Waipa, Otorohanga, Waitomo and Hamilton form the WVEOA. Hamilton is the administering authority for the WVEOA. The Emergency Operations Centre is located at the Council's Duke Street Depot in Hamilton.

#### Animal Care and Control

Contributes to making Hamilton a safe city by ensuring dog owners comply with dog legislation and by promoting responsible dog ownership through education initiatives. Animal Care and Control is based in Ellis Street, Frankton. In their day to day operations, staff ensure that the maximum number of dogs are registered, investigate complaints, provide public education on dog ownership and control, and provide for the impounding of stray and seized dogs. They also deliver a range of additional functions and services, including a dog adoption programme, managing requirements for dogs classified as dangerous and menacing and control of other animals such as wandering stock.

#### Central City Safety

Engages with crime prevention partners to develop and implement initiatives that form an overall approach to safety, with the aim to reduce crime and disorder and improve people's safety and perceptions of safety in the city centre. Aspects include partnership with the Police, liquor licensing, late night transport options, improved lighting, reduced tagging and 'crime prevention through environmental design' (a crime prevention philosophy based on the proper design and effective use of the built environment leading to a reduction in incidence and fear of crime). Council manages the central city crime prevention camera network (which also assists the police in their investigation of crime), the 'City Safe' night patrol team that is present in the central city on Thursday, Friday and Saturday nights, and has a Liquor Control bylaw in effect in areas of the city to ensure that drinking is appropriately managed.

#### Environmental Health

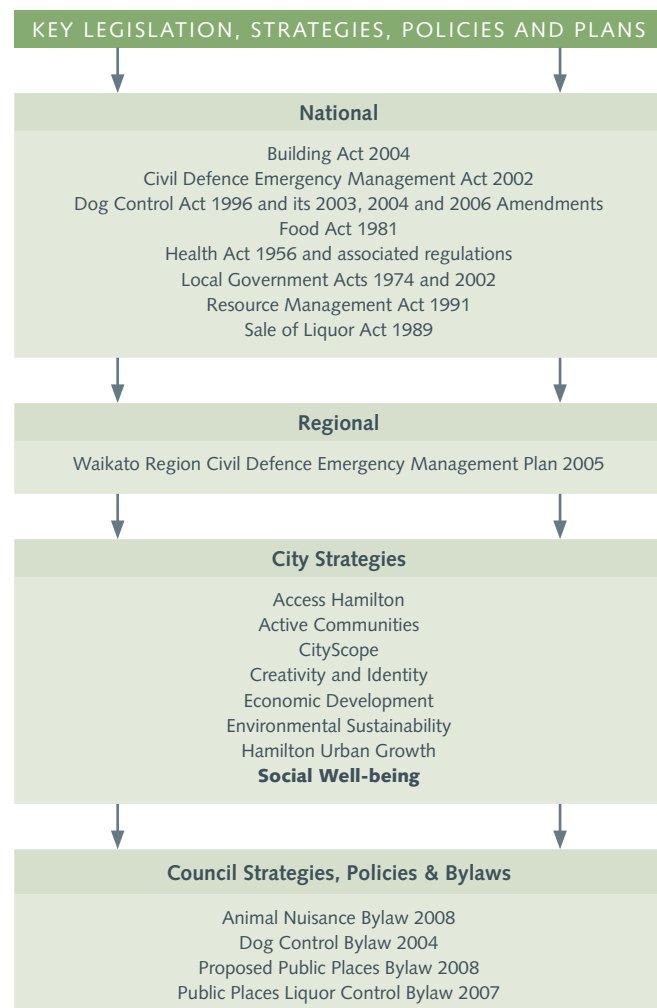
Provides protection and promotion of public health and safety in the city. This is achieved by undertaking the monitoring, inspection, registration and enforcement of standards in relation to food businesses, hairdressers and other regulated businesses (under the Health Act 1956) and the monitoring of recreational water quality (including public swimming pools). The activity also investigates reported cases of communicable disease, manages hazardous substances in public places and residential areas, provides a noise control service, carries out an environmental noise monitoring programme and controls the use of contaminated land.

“Feeling and being safe is key to overall health in the community”



## ■ POLICY AND PLANNING CONTEXT

Council's planning and operating environments are shaped by a wider context of national, regional and city wide priorities and objectives. This diagram identifies the key legislation, strategies, policies and plans that link to and provide direction for the City Safety Activities.



## ■ REASON FOR PROVIDING THIS ACTIVITY GROUP

Public safety and security is increasingly recognised as a central aspect of economic and social development. Vibrant environments invite participation and create a sense of belonging, which creates a sense of safety. People are more likely to go to places where they feel safe, which keeps the city exciting, enhances social cohesion and benefits the business sector. The way we design, use, and manage spaces in our community influences perceptions of safety.

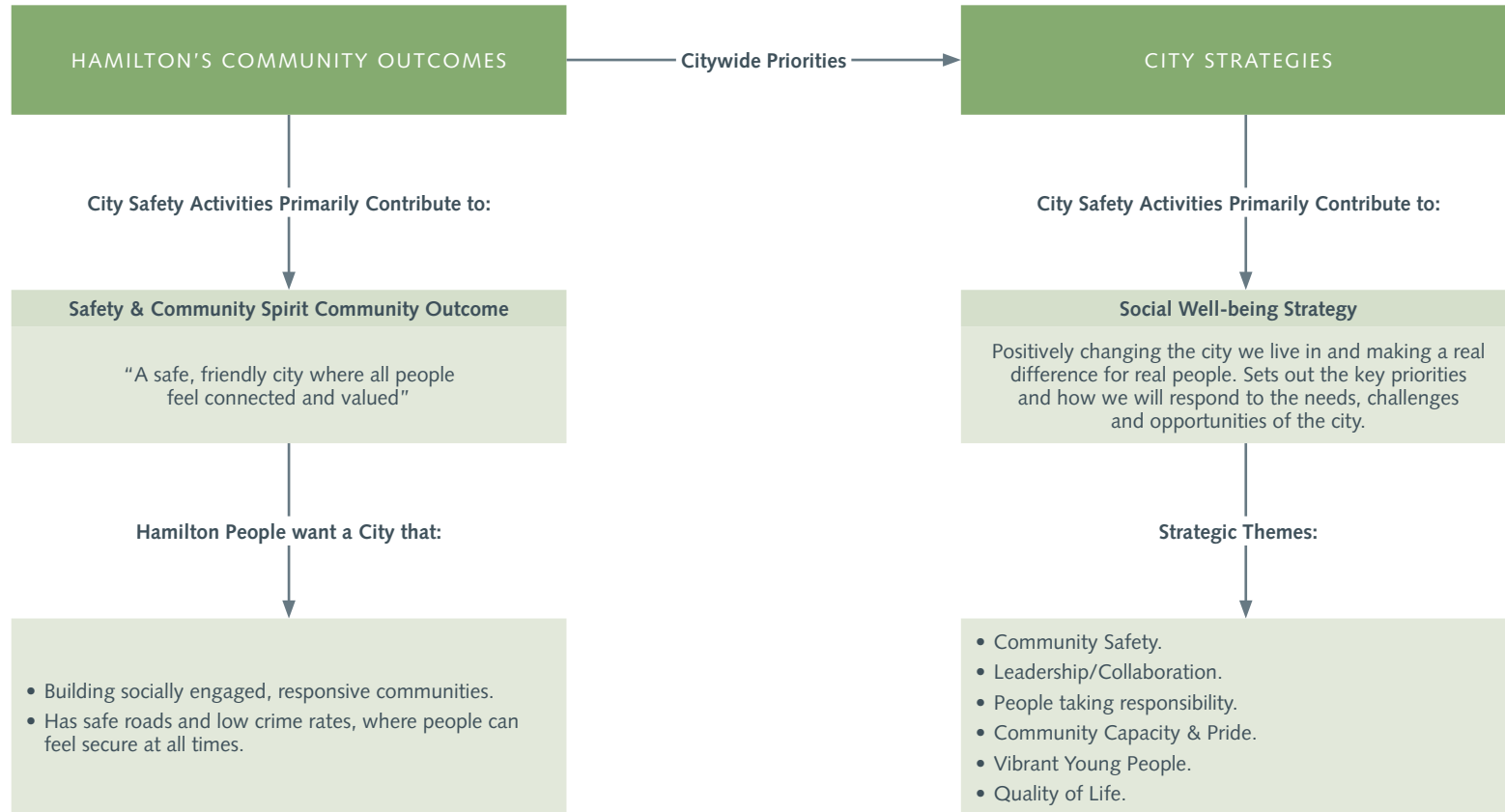
Public confidence in the safety of the city's central business district and suburbs is a priority for Hamilton. Council's City Safety Activities contribute directly towards progressing the Community Outcome of 'Safety and Community Spirit', which identifies that people want to live in a safe and friendly city. Promoting the well-being of the community is a core responsibility of Council under the Local Government Act 2002. In addition other legislation, such as the Dog Control Act 1996 and the Civil Defence Emergency Management Act 2002, also require Council to promote and protect public safety.

The City Safety Activity Group contributes to the Social Well-being Strategy, through which Council aims to foster community pride by encouraging people to take responsibility for themselves and celebrate the community in which they live.

“Public confidence in the safety of the city's central business district and suburbs is a priority”



## ■ CONTRIBUTION TO HAMILTON'S COMMUNITY OUTCOMES AND THE CITY STRATEGIES



“encouraging people to take responsibility for themselves”



## HOW THE CITY SAFETY ACTIVITIES CONTRIBUTE TO HAMILTON'S COMMUNITY OUTCOMES

The City Safety Activities contribute to residents and visitors feelings of safety in the city. Safety and crime are complex issues that territorial authorities cannot solve on their own and it is vital that Council adopts a collaborative approach to safety in the city.

### Emergency Management:

This activity is designed and implemented to ensure that the community is more aware of, prepared for, able to prevent, mitigate, respond to, and recover from the effects of emergencies or disaster events. Staff work with many sectors of the community to coordinate, develop and implement public awareness programmes, training and welfare systems. Close links are maintained with other emergency response agencies such as the Police, Fire Service and the Red Cross. These activities enable Council to protect life and property by coordinating an immediate and effective response to support communities during emergency events.

### Animal Care and Control:

Domestic animals enrich the lives of many Hamilton residents. However, if not cared for properly, these animals can also be disruptive to a neighbourhood. Animal Care and Control can help resolve animal control problems such as stray animals, noise complaints and reports of cruelty to animals. This activity protects the safety and well-being of people and animals by ensuring animal owners comply with legislation and by promoting responsible dog ownership through education and publicity campaigns.

### Central City Safety:

A key aspect to achieving results in community safety is to create partnerships with other organisations such as the Police. Working in partnerships brings together different points of view, knowledge, skills and experience to generate new approaches to crime prevention. The benefits to the community as a result of successful partnerships include:

- Increased community engagement – partnership members often have a good understanding of the key people in their communities and how to access local knowledge and resources. Their networks can enable greater and more efficient community participation in consultation processes, appraisal of options, implementation and evaluation. The engagement of local people can be critical to success.

- Better use of resources – coordinating resources and organisational responses to a particular crime problem increases their overall impact and gets results that agencies are unlikely to achieve on their own.
- Increased commitment – participating in partnerships requires joint operational and/or strategic planning and decision-making, increasing the commitment to getting results. Working together requires each partner to examine their policies and plans in terms of crime prevention and their implications for community safety.
- Local solutions to local problems – partners bring a range of perspectives that increase understanding of the specific problem and allow crime prevention measures to be tailored to local circumstances.

### Environmental Health:

Environmental Health programmes and services are necessary for ensuring the health and safety of people in Hamilton, as they benefit the entire community including residents, tourists, visitors, and businesses. Anyone who eats food prepared by a food business or swims in a community swimming pool benefits from the monitoring and inspection processes. Businesses also benefit from having a safe community that attracts visitors and encourages residents to use their services. Environmental Health activities also aim to minimise the impact on the community of potentially harmful nuisances such as noise pollution, air pollution, hazardous substances and contaminated sites.



### MEASURING PROGRESS TOWARDS HAMILTON'S COMMUNITY OUTCOMES

Progress towards Hamilton's Community Outcomes is monitored through a selection of indicators. Indicators provide ways in which we can measure, directly or indirectly, changes to social, environmental, economic and cultural well-being over time. They provide a picture of what is going on around us that we can use to guide our future planning. Indicators can assist in identifying areas where progress is being made towards the Community Outcomes and alert us to areas that require action.

Council is one of numerous organisations whose actions and direction assist in progressing the outcomes and overall community well-being. The following Community Outcomes Progress Indicators (drawn from the full outcome set – refer Section 3.4) will assist in demonstrating the effect that the City Safety Activity Group has on progressing Hamilton's Community Outcomes. The monitoring undertaken for these indicators will be reported each year in Council's Annual Report.

#### Key:

- M = Moderate Contribution
- S = Significant Contribution
- O = Council is the only Provider

#### Community Outcomes Progress Indicators:

- S Residents' perceptions of safety in the CBD and their neighbourhood.
- M Residents' perception of neighbourhood noise.
- S Number of confirmed contaminated sites that have been remediated or managed.
- M Crime (including dwelling burglaries, theft from motor vehicles, unlawful theft and taking of motor vehicles, violent offences, family violence, sexual offences, dishonesty offences).
- M Resident's agreeing that it's important to feel a sense of community with others in their local neighbourhood.
- M Residents' sense of community within their local neighbourhood.

### ■ MEASURING SERVICE DELIVERY PERFORMANCE

This section includes the intended levels of service for the City Safety Activity Group and the performance measures and targets that Council will use to monitor service delivery performance. The levels of service, performance measures and targets represent Council's service commitments to the community and outline what the community can expect to receive from this Activity Group over the 10 year period of the LTCCP.

The levels of service focus on the key service delivery attributes of this Activity Group. They draw on a number of factors including the aspirations and goals of Hamilton's Community Outcomes and the City Strategies, legislative requirements and national objectives, national and industry standards and community expectations.

This Activity Group primarily contributes to the 'Safety and Community Spirit' Community Outcome. The levels of service that specifically contribute towards progressing the goals of these outcomes are identified by the following key.

Safety and Community Spirit Community Outcome "A safe, friendly city where people feel connected and valued"	
1	Building socially engaged, responsive communities.
2	Has safe roads and low crime rates, where people can feel secure at all times.

Performance information is provided in detail for the first three years of the LTCCP and in outline for the remaining seven, through a projected target for year 10 (2018/19). Unless otherwise stated, all performance measures will be completed on or before 30 June for each financial year.

A number of performance measures and targets are from Council's Residents Survey and Customer Surveys. The Introduction to the Activity Groups (Section 8.1) provides information on these surveys, including explanations of the performance scores and categories.



KEY SERVICE ATTRIBUTES	LEVELS OF SERVICE	PERFORMANCE MEASURES	TARGETS					ADDITIONAL INFORMATION
			BASELINE	YEAR 1 2009/10	YEAR 2 2010/11	YEAR 3 2011/12	PROJECTED YEAR 10 2018/19	
Preparedness	Emergency Management response systems have been tested. ①	Number of preparedness exercises held each year.	2007/08 result: Two test exercises were held in March and June 2008	One exercise	One exercise	One exercise	One exercise	The exercises test the Civil Defence Emergency Management response systems and processes, and can be used to assess preparedness for a disaster event.
Quality	Dog Control and CitySafe Patrol services are effective in protecting the community. ① ②	Residents' satisfaction with:	2007/08 result:					Measured through Council's Residents Survey. A score of 77-78 indicates Excellent Performance and 73-76 indicates Very Good Performance for a 'no customer choice' service.
		• Dog Control Service	Exceptional performance (score of 79.8)	77 – 78	77 – 78	77 – 78	77 – 78	
		• CitySafe Patrol Team	Very good performance (score of 75.5)	73 – 76	73 – 76	73 – 76	73 – 76	



KEY SERVICE ATTRIBUTES	LEVELS OF SERVICE	PERFORMANCE MEASURES	TARGETS					ADDITIONAL INFORMATION
			BASELINE	YEAR 1 2009/10	YEAR 2 2010/11	YEAR 3 2011/12	PROJECTED YEAR 10 2018/19	
Reliability/Responsiveness	A reliable and timely response is provided. <b>1 2</b>	Percentage of complaints relating to excessive noise responded to within 30 minutes.	2007/08 result: 95%	95%	95%	95%	95%	Response to a noise complaint is a visit to the location by a Noise Control Officer.
		Residents' satisfaction with the handling of noise complaints.	2007/08 result: Exceptional performance (score of 79.4)	77 – 78	77 – 78	77 – 78	77 – 78	Measured through Council's Residents Survey. A score of 77-78 indicates Excellent Performance for a 'no customer choice' service.
		Percentage of urgent requests for service involving dog threats to public safety responded to within one hour.	2007/08 result: 100%	80%	80%	80%	80%	Response to an urgent request is either a phone call or a visit to the location by an Animal Control Officer.
		Percentage of routine requests for service relating to dog control responded to within 48 hours.	2007/08 result: 99.2%	90%	90%	90%	90%	Response to a routine request is a visit to the location by an Animal Control Officer.
		Number of inspections of licensed premises per year.	2007/08 result: 200 inspections	200 inspections	200 inspections	200 inspections	200 inspections	This is in accordance with the Sale of Liquor Act 1989 and Council's monthly inspection schedules.
		Percentage of licensed food premises complying with notices of improvement within agreed time frames.	2007/08 result: 100%	100%	100%	100%	100%	In the event that a licensed food premise does not comply with a notice of improvement, their license is removed.



## SIGNIFICANT NEGATIVE EFFECTS

Although the City Safety Activities provide many vital and important benefits to the community in terms of protecting and promoting public health and safety, there are potential negative effects that could arise from the activities. These include adverse reactions from people being investigated for noise complaints, and financial implications for registered businesses that need to improve their processes to meet legislation and standards. Some negative effects are beyond the control of Council, but in some cases measures can be taken to alleviate the effects. This is taken into account during the planning of new projects and reviews of existing ongoing programmes and other work.

The following table identifies the *significant* existing or potential negative effects for City Safety Activities. The significance of an effect is determined through its likely impact on and consequences for:

- a) The current and future social, economic, environmental, or cultural well-being of the city.
- b) The extent to which communities are likely to be affected.
- c) The capacity of Council to perform its role, including financial and other costs.

SIGNIFICANT NEGATIVE EFFECTS		HOW COUNCIL MITIGATES OR MANAGES THE EFFECTS
Potential Social or Financial Effects	Potential financial and health impact on owners of contaminated land if remediation or active management is required.	Advice is provided on requirements at an early stage of the process to minimise any adverse impacts.
	Potential adverse publicity where significant action is required to abate nuisance or adverse effects.	Council liaises with the relevant media to ensure clear lines of communication are maintained. Standard operating procedures are followed to ensure consistency.
	Potential for adverse reaction from city centre revellers if confronted regarding breach of the Liquor Control Bylaw.	Council works with the contractor responsible for providing the City Safe night patrol to ensure they are trained in the purpose and objectives of the service and in relating these to the people they have contact with.
	Potential for adverse reactions by noise-makers following the investigation of complaints in relation to excessive noise.	Council provides for comprehensive staff training in the purpose and objectives of the noise control service and in relating these to the people responsible for making the noise. Customer confidentiality is maintained at all times.

## CURRENT AND FUTURE ASSET CAPACITY

There are no significant assets associated with this Activity Group.

## COST OF SERVICE FOR THE YEARS ENDED 30 JUNE 2010 – 2019

The following table identifies the forecast expenditure and revenue sources (including fees and charges, and subsidies), associated with providing the City Safety Activities for the 10 year period of the LTCCP.

The table also includes:

- 1 Capital expenditure by type i.e. growth, renewal and increased level of service.
- 2 Funding source (i.e. loans, subsidies, reserves or rates) for significant assets associated with the City Safety Activities.



## FORECAST COST OF SERVICE FOR THE TEN YEARS ENDING 30 JUNE 2010 – 2019

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>GROUP OF ACTIVITY – OPERATING STATEMENT</b>										
<b>OPERATING REVENUE</b>										
Activity revenue – User charges and fees	1,572	1,620	1,667	1,711	1,757	1,791	1,847	1,902	1,955	2,006
– Subsidy for operating expenditure	58	59	61	62	64	65	67	69	71	73
General rates	2,068	2,235	2,310	2,424	2,522	2,576	2,781	2,841	2,974	3,113
Other general sources	0	0	0	0	0	0	0	0	0	0
<b>Total operating revenue</b>	<b>3,698</b>	<b>3,914</b>	<b>4,038</b>	<b>4,197</b>	<b>4,343</b>	<b>4,432</b>	<b>4,695</b>	<b>4,812</b>	<b>5,000</b>	<b>5,192</b>
<b>OPERATING EXPENDITURE</b>										
Emergency Management	446	447	462	473	487	498	511	526	543	555
Animal Care and Control	1,270	1,300	1,343	1,377	1,417	1,451	1,492	1,534	1,581	1,620
Central City Safety	1,019	1,036	1,063	1,090	1,120	1,148	1,179	1,213	1,250	1,282
Environmental Health	1,128	1,125	1,164	1,196	1,231	1,259	1,290	1,326	1,366	1,400
<b>Total operating expenditure</b>	<b>3,863</b>	<b>3,908</b>	<b>4,032</b>	<b>4,136</b>	<b>4,255</b>	<b>4,356</b>	<b>4,472</b>	<b>4,599</b>	<b>4,740</b>	<b>4,857</b>
<b>Operating surplus/(deficit)</b>	<b>(165)</b>	<b>6</b>	<b>6</b>	<b>61</b>	<b>88</b>	<b>76</b>	<b>223</b>	<b>213</b>	<b>260</b>	<b>335</b>

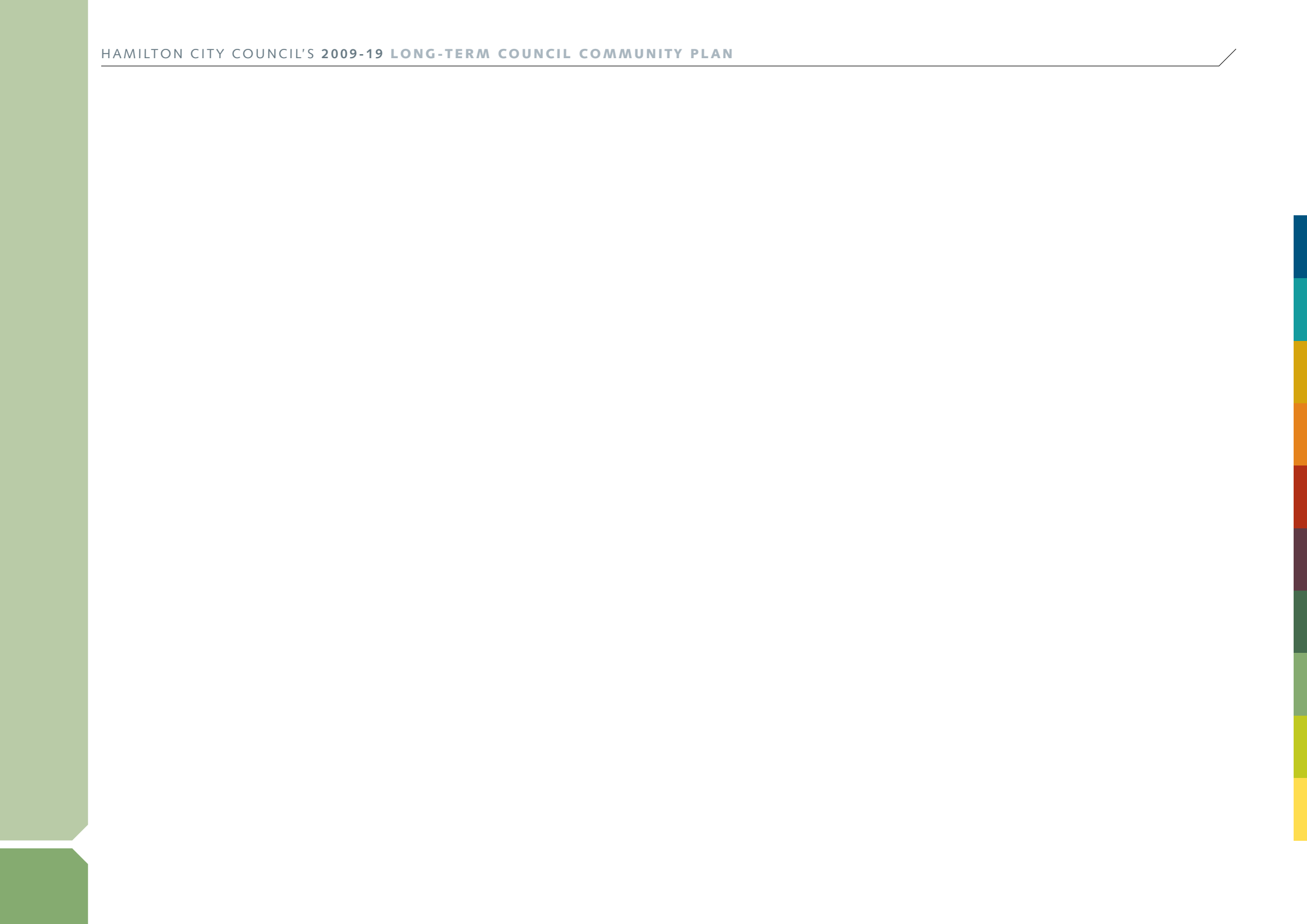


	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>GROUP OF ACTIVITY – CAPITAL AND RESERVES FUNDING STATEMENT</b>										
<b>CAPITAL EXPENDITURE</b>										
Growth	0	0	0	0	0	0	0	0	0	0
Increased level of service	72	73	75	64	33	16	57	12	6	10
Renewal	124	111	110	111	122	120	151	148	147	154
<b>Total capital expenditure</b>	<b>196</b>	<b>184</b>	<b>185</b>	<b>175</b>	<b>155</b>	<b>136</b>	<b>208</b>	<b>160</b>	<b>153</b>	<b>164</b>
Loan repayments	1	4	2	4	3	3	3	3	4	4
Transfers to reserves	33	34	34	67	78	88	104	115	154	183
Operating deficit	165	0	0	0	0	0	0	0	0	0
<b>Total funding required</b>	<b>395</b>	<b>222</b>	<b>221</b>	<b>246</b>	<b>236</b>	<b>227</b>	<b>315</b>	<b>278</b>	<b>311</b>	<b>351</b>
<b>Funded by:</b>										
Operating surplus	0	6	6	61	88	76	223	213	260	335
Funding from non-cash expenses	46	49	42	42	42	40	43	46	47	48
Loans raised	0	1	1	0	0	0	0	0	0	0
Transfers from reserves	2	2	2	2	2	2	2	2	2	2
<b>Total funding applied</b>	<b>48</b>	<b>58</b>	<b>51</b>	<b>105</b>	<b>132</b>	<b>118</b>	<b>268</b>	<b>261</b>	<b>309</b>	<b>385</b>
<b>Funding surplus/(deficit)</b>	<b>(347)</b>	<b>(164)</b>	<b>(170)</b>	<b>(141)</b>	<b>(104)</b>	<b>(109)</b>	<b>(47)</b>	<b>(17)</b>	<b>(2)</b>	<b>34</b>

Group of activity expenditure is not fully funded. See section 2.2 of the Revenue and Financing Policy in Volume Two of this LTCCP for an explanation of the funding shortfall.

'General rates' funding above includes rates from all sources excluding Access Hamilton and water rates which are shown separately where applicable.







## 8.4 COMMUNITY SERVICES AND AMENITIES

### HE RATONGA TIKANGA-A-IWI

A young girl with brown hair tied back is sitting in a library, reading a book. She is wearing a white sweater with colorful floral patterns. The background is filled with bookshelves containing many books, creating a warm and studious atmosphere. The text "live and learn" is overlaid in white on the right side of the image.

live and learn



## ■ 8.4 COMMUNITY SERVICES AND AMENITIES

A sense of community and belonging are values that are sometimes difficult to define and will mean different things to different people. Even so, they are an important aspect of the city and residents' overall quality of life. The city's physical and social infrastructure offer key services, present opportunities for organised community activities and contribute to social cohesion generally.

Hamilton is home to people from diverse cultures, age groups and lifestyles. Diversity helps to shape the cultural and social make-up of our city, influencing our attitudes, values, institutions and systems. It also influences the range of facilities and services that need to be provided and the way that they are provided. Understanding and providing for our changing population will ensure that facilities and services continue to meet the needs of our communities as the city grows and evolves.

Council's Community Services and Amenities Activity Group includes the following activities:

### Community Development

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

### Hamilton City Libraries

As places where knowledge and imagination are accessible to all, Hamilton City Libraries contribute towards growing a strong, intelligent community with a passion for knowledge. A diverse range of services are provided across the city through a central library in Garden Place and five community libraries at Chartwell, St Andrews, Dinsdale, Hillcrest and Glenview; and through the Libraries website. The Libraries provide an increasing range of electronic information and media in addition to traditional hard copy reading and research material. Free membership is offered to the city's residents.

### Community Centres and Halls

Council owns and manages three community centres – Enderley Park Community Centre, the Celebrating Age Centre and Te Rapa Sportsdrome. Enderley Park Community Centre is the hub of the Enderley area, providing a place for running activities and programmes for the local community. The Celebrating Age Centre, located at the south end of the CBD, is a vibrant and thriving focal point for Hamilton's diverse older community, providing and encouraging services and activities for older people. Te Rapa Sportsdrome, located in the north of the city is a multi-purpose community house and sports hall ideally suited for indoor sports such as volleyball and badminton. Council also provides community halls for a wide range of recreation, leisure and community activities.

### Housing for Older People

Healthy, affordable, secure housing is provided to people over 60 years of age with limited income and assets, who meet a set of eligibility criteria. There are currently 443 units in 25 complexes throughout the city. Council undertakes a landlord role and has a long-term maintenance and renewal programme for the assets. Proactive management of the facilities ensures costs are recovered to an appropriate level.

### Cemeteries and Crematorium

Council's cemeteries and crematorium provide burial and cremation facilities and appropriate environments for memorialisation. Hamilton Park Cemetery has served the community since 1957, with the crematorium and chapel facilities operating since 1963. The cemetery currently operates on fourteen hectares with a further eighteen hectares available for future development. Council is also responsible for Hamilton West Cemetery, which opened in 1869 and was closed in 1975, and Hamilton East Cemetery, which opened in 1866. The services aim to cater for individual cultural and religious needs and will continue to evolve to meet changing community needs.

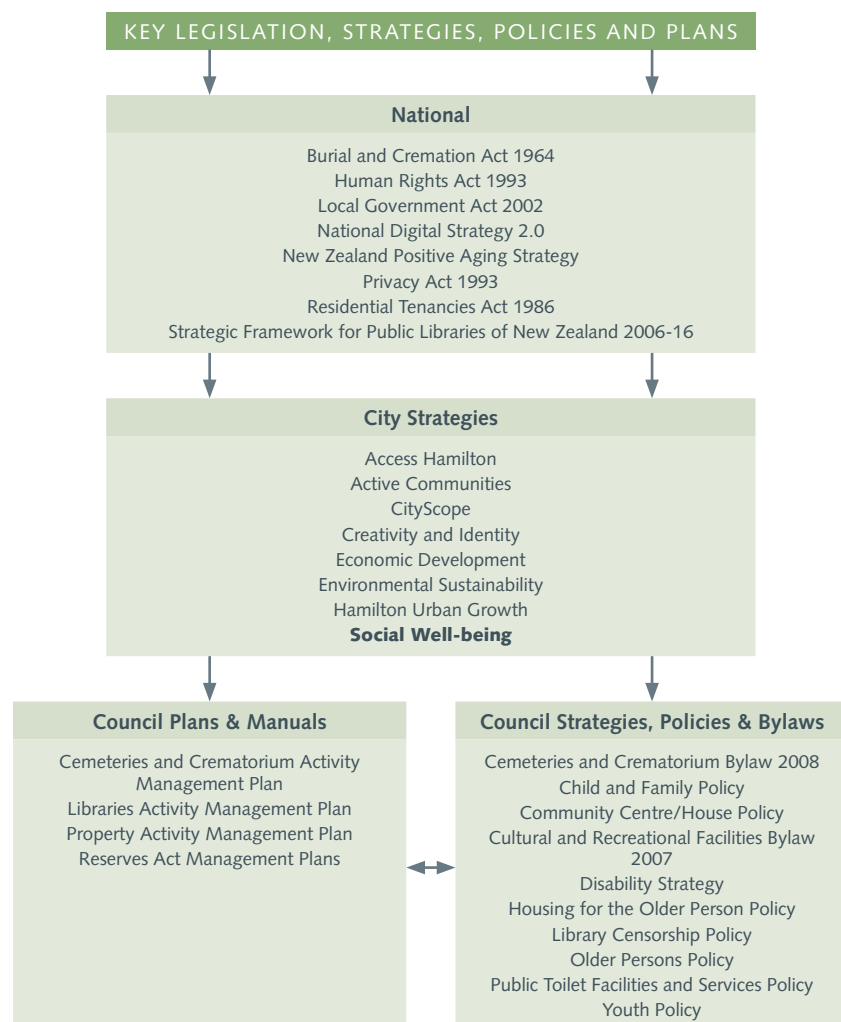
### Public Toilets

Council provides public toilets in areas where people are likely to visit and gather. Fifty three public toilets are provided in total throughout the city, with 24 in sports areas and 29 in other locations.



## ■ POLICY AND PLANNING CONTEXT

Council's planning and operating environments are shaped by a wider context of national, regional and city wide priorities and objectives. This diagram identifies the key legislation, strategies, policies and plans that link to and provide direction for the Community Services and Amenities Activities.



## ■ REASON FOR PROVIDING THIS ACTIVITY GROUP

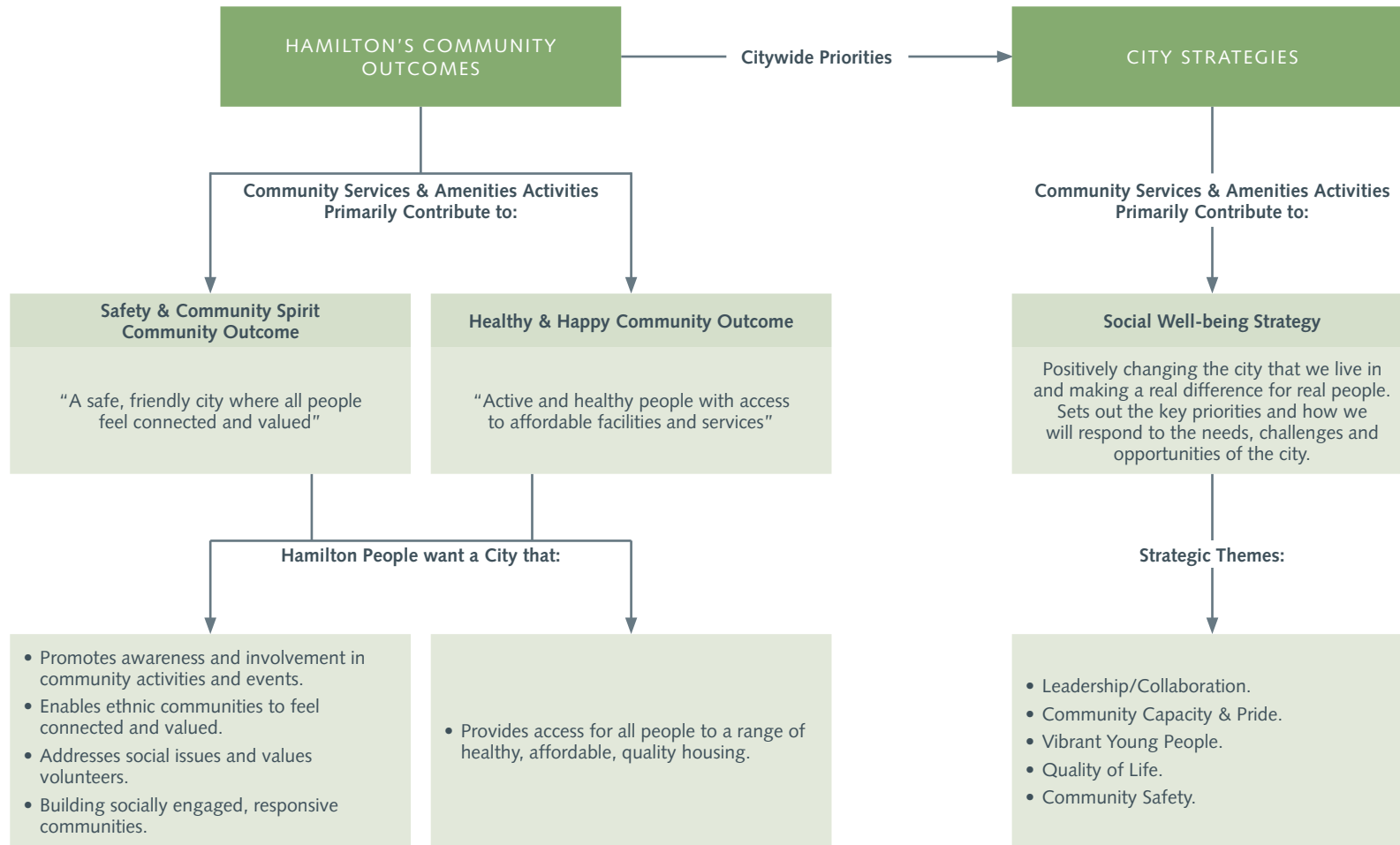
The Community Services and Amenities activities are provided in response to identified community needs and expectations and a desire from the community for Council to provide services that support the city's social and cultural well-being. Social support, good social networks, places for social interaction and learning and access to affordable services and facilities are essential components of any urban environment. Strong, healthy and connected communities in turn foster many other benefits, such as economic development and prosperity, innovation, creativity and a sense of identity and pride.

This activity group primarily contributes to the "Safety and Community Spirit" and "Healthy and Happy" Community Outcomes, and the Social Well-being Strategy; all of which recognise the importance of social connectedness and the shared responsibility of working together to support and promote community well-being.

“Diversity helps shape the cultural and social make-up of our city, influencing attitudes, values, and systems”



## ■ CONTRIBUTION TO HAMILTON'S COMMUNITY OUTCOMES AND THE CITY STRATEGIES





## HOW THE COMMUNITY SERVICES AND AMENITIES ACTIVITIES CONTRIBUTE TO HAMILTON'S COMMUNITY OUTCOMES

Although each of the activities have quite different functions, they have a collective purpose in working towards social and cultural well-being for Hamilton's communities. Community spirit, healthy and happy communities and social well-being are complex issues requiring a range of responses that cannot be achieved by the actions of any one sector. However, Council's Community Services and Amenities Activities have clear linkages to the aspirations expressed through Hamilton's Community Outcomes and the City Strategies and have important contributions to make.

### Community Development:

The Community Development Activity includes five teams – the Social, Neighbourhood, Employment and Youth Development Teams and the Community Facilities Team. These teams promote and lead social well-being for Hamilton's communities in the areas of strategy, policy, research, community assistance, services and collaboration. They address a wide range of areas including funding for community groups, coordination of community information and resources, promotion of cultural and ethnic diversity, transition to work programmes, collaboration between agencies and policy advice. The broad and collaborative nature of the work undertaken by this activity means that it responds across the Safety and Community Spirit and Healthy and Happy Community Outcomes; as well as the Social Well-being Strategy.

### Hamilton City Libraries:

By providing affordable access to material for information, recreation and life-long learning, the Libraries contribute to the overall well-being and happiness of residents. There is something for everyone at the Libraries, with access provided to lending and heritage collections and a programme of community events, access to free internet and online resources and community spaces for learning and interaction. As well as promoting social wellbeing, the Libraries also have strong links to the research and education aspects of the Unique Identity Community Outcome and the Creativity and Identity Strategy.

### Community Centres and Halls:

Community centres and halls provide 'grass roots social infrastructure' in targeted locations throughout the city. Community centres in particular support a broad range of the goals for the Safety and Community Spirit Community Outcome and Social Well-being Strategy. They provide a 'hub' for community

interaction within local neighbourhoods, are multi-purpose facilities and can be used for a broad range of social, recreational and educational activities and programmes.

### Housing for Older People:

This activity has a strong link to the Healthy and Happy Community Outcome, delivering on the aspiration for access to healthy, affordable, quality housing. Council recognises the needs of people 60 years of age plus, who have limited assets and income and cannot afford housing in the general market.

### Cemeteries and Crematorium and Public Toilets:

These activities provide key facilities and services that are expected by the community. They contribute to the principles of the Healthy and Happy Community Outcome by supporting access to affordable facilities and services.

## CITY STRATEGY FLAGSHIP PROJECTS

The City Strategies contain what are known as 'flagship projects'. These projects propose collaborative work programmes by a number of stakeholder agencies across the city. Flagship projects from the Social Well-being Strategy that Council has a role in are:

### Campaign for Action on Family Violence – Hamilton:

The aim of this project is to create a city where family violence is not tolerated. It supports the national 'It's Not Ok' campaign launched in September 2007, while giving a local dimension to create personal relevance. Council, the Police and the Ministry of Social Development are the lead agencies for this campaign.

### Poets Corner Community Renewal Project:

Council and Housing New Zealand are taking a lead role in redeveloping the Poet's Corner area of the city, to ensure that it becomes a great place for people to live. A key aspect of this community-based project will be the re-development of Housing New Zealand Corporation stock. The timing and extent of this re-development will be influenced by the government's funding priorities. Community support programmes and services will also be developed with the community's involvement.



### Cool Things for Youth to do:

Providing an environment for youth that is vibrant, interesting and stimulating will contribute to a city where young people are vibrant. This has the potential to greatly impact their future. This project aims to increase the range of organised activities that young people can participate in throughout the year. Council is the lead agency, in partnership with the Ministry for Youth Development, the Police, Work and Income New Zealand, Te Puni Kokiri and the Ministry of Education.

### Young People and Gangs:

Council is taking a lead role in this research project, in collaboration with key agencies and service providers, to support young people involved in gang culture to make the transition into sustainable employment, training or back into schools. Working together will save time and resources, and, will expedite the successful transition of youth into sustainable employment or training. The research phase has been completed and the focus will now move to the implementation.

### Kaumatua Housing:

This project is a collaboration between Housing New Zealand Corporation and the Rauawaawa Kaumatua Trust. It recognises that for many older Maaori people, traditional bed-sitters and one bed units do not meet their needs. The aim of this project is to construct two bedroom (minimum) homes to accommodate any visiting whanau. The accommodation, primarily aimed at meeting the needs of Maaori, has recently been opened and has supportive wrap around services including an on site community nurse/health worker to support residents with health and wellness issues.

## MEASURING PROGRESS TOWARDS HAMILTON'S COMMUNITY OUTCOMES

Progress towards Hamilton's Community Outcomes is monitored through a selection of indicators. Indicators provide ways in which we can measure, directly or indirectly, changes to social, environmental, economic and cultural well-being over time. They provide a picture of what is going on around us that we can use to guide our future planning. Indicators can assist in identifying areas where progress is being made towards the Community Outcomes and alert us to areas that require action.

Council is one of numerous organisations whose actions and direction assist in progressing the outcomes and overall community well-being. The following Community Outcomes Progress Indicators (drawn from the full outcome set – refer Section 3.4) will assist in demonstrating the effect that the Community Services and Amenities Activity Group has on progressing Hamilton's Community Outcomes. The monitoring undertaken for these indicators will be reported each year in Council's Annual Report.

### Key:

- M = Moderate Contribution
- S = Significant Contribution
- O = Council is the only Provider

### Community Outcomes Progress Indicators:

- M Residents' perception of the effect of increased diversity of lifestyles and cultures on the community.
- M Residents who felt a sense of community within their local neighbourhood.
- M Residents' agreement that it is important to feel a sense of community with others in their neighbourhood.
- S Residents' rating of graffiti as problem in the city.
- O Residents' use of Council's arts and culture facilities (libraries).
- M Residents' frequency of feeling isolated.
- M Residents' involvement in social networks and groups.



## ■ MEASURING SERVICE DELIVERY PERFORMANCE

This section includes the intended levels of service for the Community Services and Amenities Activity Group and the performance measures and targets that Council will use to monitor service delivery performance. The levels of service, performance measures and targets represent Council's service commitments to the community and outline what the community can expect to receive from this Activity Group over the 10 year period of the LTCCP.

The levels of service focus on the key service delivery attributes of this Activity Group. They draw on a number of factors including the aspirations and goals of Hamilton's Community Outcomes and the City Strategies, legislative requirements and national objectives, national and industry standards and community expectations.

This Activity Group primarily contributes to the 'Safety and Community Spirit' and 'Healthy and Happy' Community Outcomes. The levels of service that specifically contribute towards progressing the goals of these outcomes are identified by the following key.

Safety and Community Spirit Community Outcome	
"A safe, friendly city where people feel connected and valued"	
1	Promotes awareness and involvement in community activities and events.
2	Addresses social issues and values volunteers.
3	Building socially engaged, responsive communities.
Healthy and Happy Community Outcome	
"Active and healthy people with access to affordable facilities and services"	
1	Provides access for all people to a range of healthy, affordable, quality housing.

Performance information is provided in detail for the first three years of the LTCCP and in outline for the remaining seven, through a projected target for year 10 (2018/19). Unless otherwise stated, all performance measures will be completed on or before 30 June for each financial year.

A number of performance measures and targets are from Council's Residents Survey and Customer Surveys. The Introduction to the Activity Groups (Section 8.1) provides information on these surveys, including explanations of the performance scores and categories.



KEY SERVICE ATTRIBUTES	LEVELS OF SERVICE	PERFORMANCE MEASURES	TARGETS					ADDITIONAL INFORMATION
			BASELINE	YEAR 1 2009/10	YEAR 2 2010/11	YEAR 3 2011/12	PROJECTED YEAR 10 2018/19	
Quality	Community Centres and halls are fit for purpose. <b>1 2 3</b>	Stakeholders' satisfaction with Community Centres and Fairfield Hall.	2007 Result: Exceptional performance (score of 86.7).	77-78	77-78	77-78	77-78	Measured through the annual Community Development Stakeholder Survey. A score of 77-78 indicates Excellent Performance for a 'no customer choice' service. The Community Centres include Enderley Park Community Centre, the Celebrating Age Centre and Te Rapa Sportsdrome.
	Employment opportunities are provided through the transition-to-work programme. <b>2 3</b>	Percentage of long-term unemployed, who complete the transition-to-work programme, placed in employment.	2007/08 result: 25% placed in employment	25% placed in employment	25% placed in employment	25% placed in employment	25% placed in employment	The transition-to-work programme for the unemployed ('Task Force Green') is run in conjunction with Work and Income New Zealand (50% funded by WINZ).

“Social support, good social networks, places for social interaction and learning and access to affordable services and facilities”



KEY SERVICE ATTRIBUTES	LEVELS OF SERVICE	PERFORMANCE MEASURES	TARGETS					ADDITIONAL INFORMATION
			BASELINE	YEAR 1 2009/10	YEAR 2 2010/11	YEAR 3 2011/12	PROJECTED YEAR 10 2018/19	
Quality	Up-to-date, relevant library resources are provided to meet customer needs. <b>3</b>	Number of items held in the collection per capita.	2007/08 result: 2.6 items per capita.	2.53 items per capita	2.49 items per capita	2.45 items per capita	2.82 items per capita	The industry standard is 3 items per capita. The focus in the first 3 years is limited to renewing the collection, rather than increasing the overall size of the collection. From years 4 to 6, refreshing and growing the overall collection size will increase, in advance of the opening of the new north-east library in year 7.
		Number of items in the collection renewed each year per capita.	2007/08 result: 0.29 items renewed per capita.	0.34 items renewed per capita	0.34 items renewed per capita	0.34 items renewed per capita	0.35 items renewed per capita	The industry standard of 0.35 items renewed per capita will be achieved by year 4.
	Libraries provide a good quality experience for customers. <b>1 3</b>	Customer satisfaction with the library services overall.	2008 result: Exceptional performance (score of 92.1)	84 or above	84 or above	84 or above	84 or above	Measured through the annual survey of library visitors. A score of 84 or above indicates Exceptional Performance for a 'customer choice' service.
	Housing units are maintained to an appropriate level. <b>1</b>	Housing tenants' overall satisfaction with the housing units and service provision.	2007 result: Exceptional Performance (score of 88.1)	82 – 83	Survey not undertaken in this year.	82 – 83	82 – 83	Measured through the Customer Satisfaction Survey of housing tenants. A score of 82-83 indicates Excellent Performance for a 'customer choice' service. Surveys are undertaken every two years.
		Occupancy rate of housing units.	2007/08 result: 90% occupancy rate.	Minimum of 90% occupancy rate.	Minimum of 90% occupancy rate.	Minimum of 90% occupancy rate.	Minimum of 90% occupancy rate.	There is generally around 10% of housing units unoccupied at any one time, due to changes of tenants and upgrade work.



KEY SERVICE ATTRIBUTES	LEVELS OF SERVICE	PERFORMANCE MEASURES	TARGETS					ADDITIONAL INFORMATION
			BASELINE	YEAR 1 2009/10	YEAR 2 2010/11	YEAR 3 2011/12	PROJECTED YEAR 10 2018/19	
Quality	Cemetery and Crematorium Facilities are provided to an appropriate level, are well-maintained and provide a quality service.	Key stakeholders' satisfaction with the overall service provided by Hamilton Park Cemetery and Crematorium.	2008 result: Exceptional performance (score of 88.9)	79 or above	79 or above	79 or above	79 or above	Measured through the annual Customer Satisfaction Survey. A score of 84 or above indicates Exceptional Performance for a 'no customer choice' service.
	Public toilets are maintained to an appropriate level.	Residents' satisfaction with public toilets in the city.	2007/08 result: Fair performance (score of 66.8)	62-67	62-67	62-67	62-67	Measured through the Council's Residents Survey. A score of 62-67 indicates Fair Performance for a 'no customer choice' service.
Accessibility	A range of library services and resources are provided and customers are aware of how to access them. <b>1 3</b>	Number of visits to the Libraries' website per annum.	2007/08 result: 573,995 web visits	Greater than 560,000 visits	Greater than 580,000 visits	Greater than 600,000 visits	Greater than 650,000 visits	The number of web visits is expected to increase in the first three years due to the planned introduction of a new library information system. This system will allow for more web based library services. It is expected that this increase will level out by year 10.
		Number of physical visits to the Libraries per annum.	2007/08 result: 1,075,472 physical visits	Greater than 1 million physical visits.	Greater than 1 million physical visits.	Greater than 1 million physical visits.	Greater than 1.2 million physical visits.	The library has experienced slightly falling visitor numbers since 2003/04. Visitor numbers are expected to increase due to free internet access and the marginal impact of population increases. It is also expected that the number of physical visits will increase from year 7 when the new north-east Library opens.
		Percentage of city residents who are active registered library borrowers.	2007/08 result: 48%	Between 47% – 50%	Between 47% – 50%	Between 47% – 50%	Between 47% – 50%	



KEY SERVICE ATTRIBUTES	LEVELS OF SERVICE	PERFORMANCE MEASURES	TARGETS					ADDITIONAL INFORMATION
			BASELINE	YEAR 1 2009/10	YEAR 2 2010/11	YEAR 3 2011/12	PROJECTED YEAR 10 2018/19	
Responsiveness	Graffiti is removed promptly. ②	Percentage of requests for graffiti removal responded to within 2 working days of reporting.	2007/08 result: 80%	85% – 95%	85% – 95%	85% – 95%	85% – 95%	All graffiti removal functions will be consolidated under the Employment Development Team from 1 July 2009. This will enable a quicker response time.
		Residents' satisfaction with Council's graffiti clean-up programme.	2007/08 result: Good performance (score of 71.5).	68 – 72	68 – 72	68 – 72	68 – 72	Measured through Council's Residents Survey. A score of 68-72 indicates Good Performance for a 'no customer choice' service.
Community Engagement	Social Well-being outcomes are improved through work with key community stakeholders. ③	Stakeholders' satisfaction with the service provided by the Community Development Team.	2007 result: Excellent performance (score of 77).	77 – 78	77 – 78	77 – 78	77 – 78	Measured through the Community Development Stakeholder Survey. A score of 77-78 indicates Excellent Performance for a 'no customer choice' service. Satisfaction levels are predicted to increase over time as the Social Well-being Strategy projects and initiatives become more established.
Affordability	Housing units are provided at an affordable level. ①	Housing tenants' satisfaction with the value for money of their rental unit.	2007/08 result: Exceptional performance (score of 91.0)	84 or above	84 or above	84 or above	84 or above	Measured through the Customer Satisfaction Survey of housing tenants. A score of 84 or higher indicates Exceptional Performance for a 'customer choice' service.



■ SIGNIFICANT NEGATIVE EFFECTS

The Community Services and Amenities Activities are provided in response to identified community needs and expectations and a desire from the community for Council to provide services that support the city's social and cultural well-being. The effects that the activities have on community well-being are primarily positive, with some exceptions that have the potential for negative effects on the environment and on public safety and well-being.

The following table identifies the *significant* existing or potential negative effects of the activities. The significance of an effect is determined through its likely impact on and consequences for:

- a) The current and future social, economic, environmental, or cultural well-being of the city.
- b) The extent to which communities are likely to be affected.
- c) The capacity of Council to perform its role, including financial and other costs.

SIGNIFICANT NEGATIVE EFFECTS		HOW COUNCIL MITIGATES OR MANAGES THE EFFECTS
Potential Environmental Effects	Leachate to groundwater from burial grounds.	Development of new burial lawns is undertaken only after assessments of groundwater tables and proximity of waterways are carried out. The latest assessment suggests that this risk is low.
	Discharge to air from cremator unit.	Planned maintenance regimes as per manufacturers guidelines are undertaken, as are testing of soils and water as required by resource consent. The latest assessment suggests this risk is low.
Potential Effects on Public Safety and Well-being	The location of public toilets may create security and privacy issues for nearby residents, businesses, and the wider community.	Public toilets are located, designed and constructed in a manner that has regard to public safety.



## CURRENT AND FUTURE ASSET CAPACITY

### EXISTING KEY ASSETS (AS AT DECEMBER 2008)

KEY ASSETS	DEPRECIATED REPLACEMENT COST (\$'000)
<b>Community Development</b>	
Buildings	4,977
Equipment	6
<b>Hamilton City Libraries</b>	
Library Collections	6,936
Library Heritage Collection	8,340
Buildings	9,808
Equipment	374
<b>Community Centres and Halls</b>	
Buildings	6,802
<b>Housing for Older People</b>	
Land	12,378
Buildings	17,805
<b>Cemeteries and Crematorium</b>	
Land	4,350
Landscaping	105
Buildings	1,607
Equipment	260
<b>Public Toilets</b>	
Community Toilets and Changing Facilities	11,063
<b>Total Depreciated Replacement Cost</b>	<b>84,811</b>

## MAINTENANCE AND REPLACEMENT OF ASSETS

Renewal needs vary from year to year depending on the condition of assets (age and use related) and economic lives of individual assets. However, the funding for the 10 year renewal programme has been generally smoothed to remove the peaks and troughs. This helps to manage annual work flow requirements.

Condition assessments are undertaken to identify long-term maintenance requirements. Part of the condition assessment process is to predict when an asset component needs to be repaired, replaced, refurbished or modernised. As part of the condition assessment exercise the asset life is assessed and these life-cycles are reassessed and reviewed every three years on a rolling basis.

Renewal and replacement work is undertaken by:

- Contractors who are part of Council's preferred suppliers list.
- In-house trades staff.
- Architectural and professional engineering companies.

## ADDITIONAL ASSET CAPACITY REQUIREMENTS

A new 2,100m<sup>2</sup> library is planned to be constructed in the proposed Rototuna town centre to serve the growing north-east population of the city. Based on current population projections it is estimated that the new total library space provision will cater for the city beyond the 2009-19 LTCCP. Construction is planned to start in February 2013, with completion in late 2014.

Council is also proposing to improve the overall quality of the library collection by incrementally increasing the renewal rate and overall collection size. The number of items in the collection renewed each year per capita will be increased in years 1-3 (2009/10-2011/12) of the LTCCP to meet industry standards. In years 4-6 (2012/13-2014/15) the number of items held in the collection per capita will also be increased towards industry standard in advance of the opening of the north-east sector library.

A feasibility study is proposed for 2009/10 to investigate future requirements for the housing portfolio. The study will consider whether the portfolio needs to be expanded to cater for growth in the city; and also whether it should provide for people with disabilities. It will also consider funding options, with any new funding requirements resulting from the study to be considered as part of the 2012-22 LTCCP.



### ■ COST OF SERVICE FOR THE YEARS ENDED 30 JUNE 2010 – 2019

The following table identifies the forecast expenditure and revenue sources (including fees and charges, and subsidies), associated with providing the Community Development and Amenities Activities for the 10 year period of the LTCCP.

The table also includes:

- 1 Capital expenditure by type i.e. growth, renewal and increased level of service.
- 2 Funding source (i.e. loans, subsidies, reserves or rates) for significant assets associated with the Community Development and Amenities Activities.

#### FORECAST COST OF SERVICE FOR THE TEN YEARS ENDING 30 JUNE 2010 – 2019

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>GROUP OF ACTIVITY – OPERATING STATEMENT</b>										
<b>OPERATING REVENUE</b>										
Activity revenue – User charges and fees	3,817	3,939	4,118	4,282	4,405	4,587	4,758	4,935	5,102	5,275
– Subsidy for operating expenditure	245	249	256	263	270	277	284	292	301	309
General rates	13,739	15,193	15,577	16,591	17,008	18,176	20,723	20,841	21,776	22,876
Other general sources	0	6	6	6	5	3	3	3	2	4
<b>Total operating revenue</b>	<b>17,801</b>	<b>19,387</b>	<b>19,957</b>	<b>21,142</b>	<b>21,688</b>	<b>23,043</b>	<b>25,768</b>	<b>26,071</b>	<b>27,181</b>	<b>28,464</b>
<b>OPERATING EXPENDITURE</b>										
Community Development	4,456	4,514	4,620	4,713	4,823	4,906	5,008	5,125	5,242	5,349
Libraries	8,700	9,208	9,452	9,807	10,302	11,499	12,862	13,339	13,823	14,323
Community Centres and Halls	1,073	1,098	1,130	1,161	1,200	1,221	1,252	1,294	1,328	1,363
Housing for Older People	1,697	1,847	1,852	1,902	1,976	1,968	1,994	2,062	2,111	2,154
Cemeteries and Crematorium	1,291	1,330	1,360	1,451	1,501	1,605	1,653	1,601	1,702	1,672
Public Toilets	701	736	768	815	857	883	915	962	1,016	1,054
<b>Total operating expenditure</b>	<b>17,918</b>	<b>18,733</b>	<b>19,182</b>	<b>19,849</b>	<b>20,659</b>	<b>22,082</b>	<b>23,684</b>	<b>24,383</b>	<b>25,222</b>	<b>25,915</b>
<b>Operating surplus/(deficit)</b>	<b>(117)</b>	<b>654</b>	<b>775</b>	<b>1,293</b>	<b>1,029</b>	<b>961</b>	<b>2,084</b>	<b>1,688</b>	<b>1,959</b>	<b>2,549</b>



	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>GROUP OF ACTIVITY – CAPITAL AND RESERVES FUNDING STATEMENT</b>										
<b>CAPITAL EXPENDITURE</b>										
Growth	44	45	450	464	4,326	3,448	53	59	84	93
Increased level of service	710	3,660	1,399	3,009	4,683	4,067	626	278	85	79
Renewal	2,369	2,281	2,343	2,631	2,545	2,707	3,390	3,259	3,374	3,757
<b>Total capital expenditure</b>	<b>3,123</b>	<b>5,986</b>	<b>4,192</b>	<b>6,104</b>	<b>11,554</b>	<b>10,222</b>	<b>4,069</b>	<b>3,596</b>	<b>3,543</b>	<b>3,929</b>
Loan repayments	54	119	125	138	129	134	126	139	159	178
Transfers to reserves	213	223	221	453	522	614	766	839	1,123	1,339
Operating deficit	117	0	0	0	0	0	0	0	0	0
<b>Total funding required</b>	<b>3,507</b>	<b>6,328</b>	<b>4,538</b>	<b>6,695</b>	<b>12,205</b>	<b>10,970</b>	<b>4,961</b>	<b>4,574</b>	<b>4,825</b>	<b>5,446</b>
<b>Funded by:</b>										
Operating surplus	0	654	775	1,293	1,029	961	2,084	1,688	1,959	2,549
Funding from non-cash expenses	864	1,321	1,218	1,371	1,656	1,822	2,250	2,509	2,734	3,064
Loans raised	296	288	1,370	3,055	8,800	7,408	270	255	125	100
Transfers from reserves	8	2,952	8	8	8	8	9	9	9	9
<b>Total funding applied</b>	<b>1,168</b>	<b>5,125</b>	<b>3,371</b>	<b>5,727</b>	<b>11,493</b>	<b>10,199</b>	<b>4,613</b>	<b>4,461</b>	<b>4,827</b>	<b>5,722</b>
<b>Funding surplus/(deficit)</b>	<b>(2,339)</b>	<b>(1,113)</b>	<b>(1,167)</b>	<b>(968)</b>	<b>(712)</b>	<b>(771)</b>	<b>(348)</b>	<b>(113)</b>	<b>2</b>	<b>276</b>

Group of activity expenditure is not fully funded. See section 2.2 of the Revenue and Financing Policy in Volume Two of this LTCCP for an explanation of the funding shortfall.

'General rates' funding above includes rates from all sources excluding Access Hamilton and water rates which are shown separately where applicable.







## 8.5 DEMOCRACY

TAA TE NUIINGA I WHAKATAU AI



Speak  
up



## ■ 8.5 DEMOCRACY

The participation of citizens in decision-making processes at community, local government and national levels is a critical component of democracy. It is important that citizens exercise their right to elect representatives and that their concerns and opinions are heard. Enabling democratic local decision-making is one of the key purposes of local government and is also important in promoting the social, economic, environmental and cultural well-being of the community.

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

Te Tiriti o Waitangi/The Treaty of Waitangi underpins relationships between tangata whenua<sup>1</sup> and central and local government. This relationship is of great importance to effective governance and the enactment of democracy in Aotearoa/New Zealand. Council is committed to the principles of Te Tiriti o Waitangi/The Treaty of Waitangi and its partnership relationship with Maaori. Council also recognises the importance of Kingitanga<sup>2</sup> in the Waikato.

With Hamilton's population becoming increasingly diverse and the city embracing people from different ethnic groups and cultural backgrounds, it is even more important that residents are provided with a range of different ways to participate in local decision-making and that they are encouraged to have an active role in the city's development.

<sup>1</sup> Tangata whenua: Indigenous people of the land.

<sup>2</sup> Kingitanga: The Maaori King movement.

Council's Democracy Activity Group includes the following activities:

### Partnership with Maaori

Council maintains a relationship with the Waikato Raupatu Trustee Company (Tainui) as the iwi authority representing the views of Waikato-Tainui across the Waikato and King Country region. Council recognises Tainui's guardianship role over the Waikato River and acknowledges Tainui as a significant player in the future development of the city. The Guardian Establishment Committee has created a vision for the Waikato River, which is shared by Hamilton City Council. The vision is for a future where a healthy Waikato River sustains abundant life and prosperous communities who, in turn, are all responsible for restoring and protecting the health and wellbeing of the Waikato River. Council is continuing to work with Waikato-Tainui to consider ways in which together we can realise this vision.

Council also has partnerships and service contracts with Ngaa Mana Toopu o Kirikiriroa (NaMTOK) and Te Runanga o Kirikiriroa (TeROK), who assist Council in ensuring Hamilton is a city where people from different cultures work together and respect each other's views, heritages, culture and strengths. These partnerships and agreements ensure mana whenua<sup>3</sup> perspectives and maataa waka<sup>4</sup> (urban Maaori/Pacific) views are represented in decisions about the city; its community capacity and natural and physical resources.

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

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

<sup>3</sup> Mana whenua: Maaori who are tied to the area/land by whakapapa (genealogy) whose ancestors have lived and died there. As a result they are kaitiaki (guardians) of that area of land.

<sup>4</sup> Maataa waka: Maaori of different tribal affiliations who are living within the area/land of the mana whenua group, i.e. Maaori living outside their own tribal boundaries.



## Representation and Civic Affairs

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

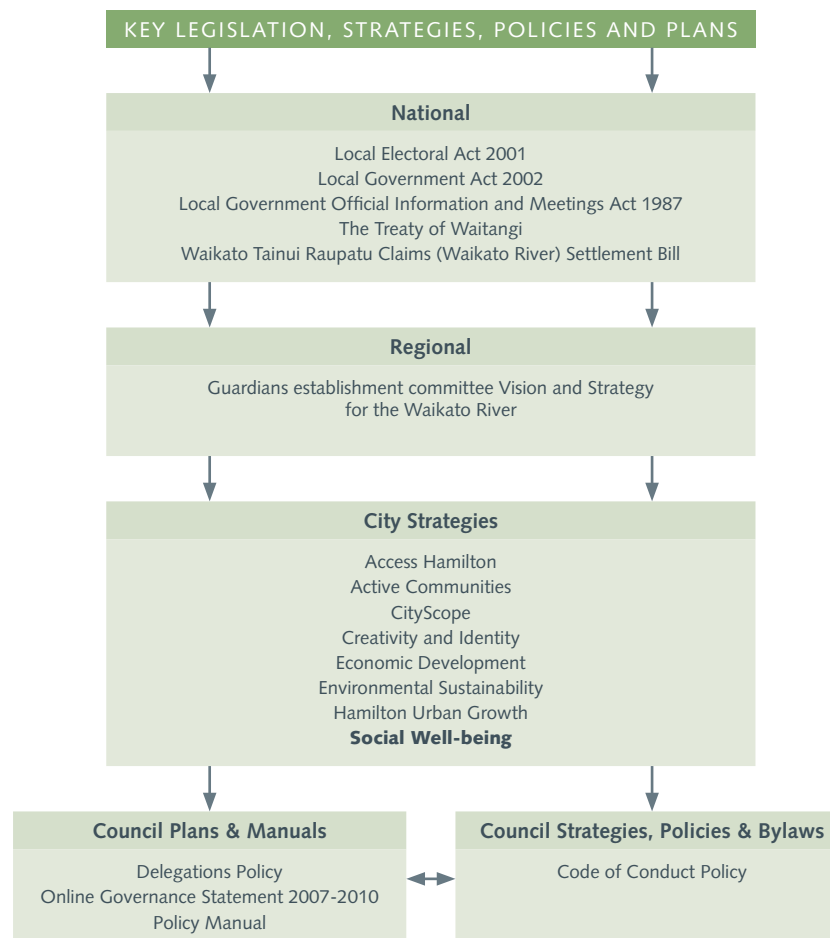
Hamilton's Council of Elders and Youth Council are both key representative partners. The Council of Elders act as an advisory/kaumatua to Hamilton City Council. Comprising 15 people aged over 60, they are elected by Hamilton residents and are a voice for both young and old on current issues and future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

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

“residents are encouraged to have an active role in the city's development”

## POLICY AND PLANNING CONTEXT

Council's planning and operating environments are shaped by a wider context of national, regional and city wide priorities and objectives. This diagram identifies the key legislation, strategies, policies and plans that link to and provide direction for the Democracy Activities.





### ■ REASON FOR PROVIDING THIS ACTIVITY GROUP

The Local Government Act (LGA) 2002 states that the purpose of local government is to enable democratic decision-making and action by, and on behalf of communities and to promote the social, economic, environmental and cultural well-being of communities, in the present and for the future. In providing this activity group, Council ensures that Hamilton residents are able to be involved in transparent and democratic decision-making processes and can express their views on matters that will affect them.

Council has an important role in supporting its local communities, including working to improve the opportunities for Maaori to contribute to and play an active role in the city's development. The LGA 2002 reinforces the importance of continuing to foster such relationships, the necessity of good communication and the importance of Maaori heritage and values in the development of the country. The LGA 2002 acknowledges Te Tiriti o Waitangi/The Treaty of Waitangi as the foundation of relationships between government and tangata whenua. The

Resource Management Act 1991 also protects Maaori interests in natural and physical resources and Council consults specifically with Maaori to ensure their views are incorporated in order to protect these resources.

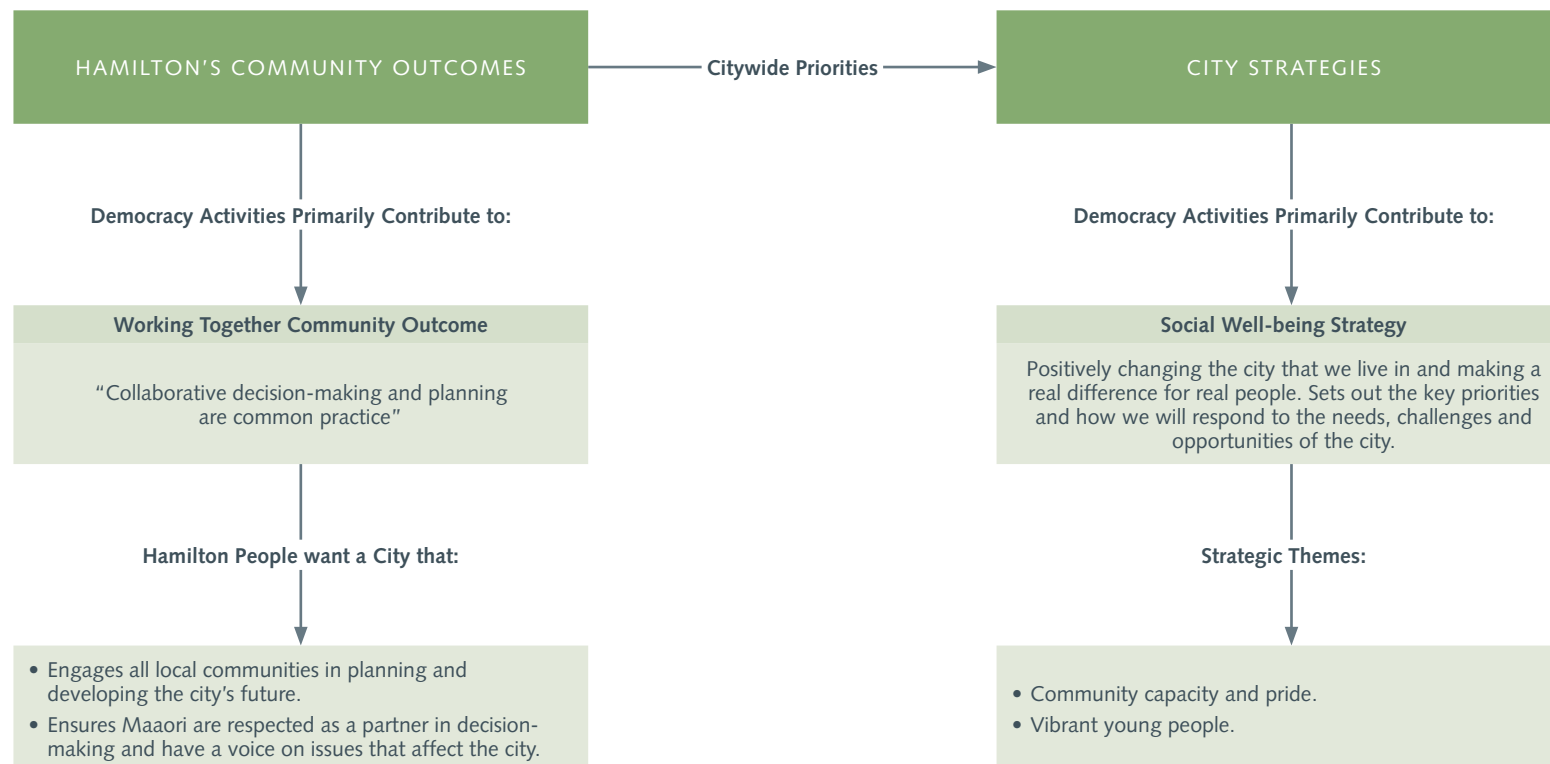
Council recognises that Maaori constitute a significant part of the community within Hamilton and seeks to uphold the principles of Te Tiriti o Waitangi/The Treaty of Waitangi. Council is of the view that its partnerships with Maaori organisations add value to the quality of life of all residents in the city. It is expected that the relationships Council has with Maaori representative groups will evolve over time. Council is constantly exploring how those relationships can be improved through discussion with our partner organisations.

This Activity Group primarily contributes to the 'Working Together' Community Outcome, which identifies the value of collaborative decision-making and planning. The Activities also support principles and goals of the Social Well-being Strategy.

“Council is committed to the principles of Te Tiriti o Waitangi/The Treaty of Waitangi and its partnership relationship with Maaori”



## ■ CONTRIBUTION TO HAMILTON'S COMMUNITY OUTCOMES AND THE CITY STRATEGIES





## HOW THE DEMOCRACY ACTIVITIES CONTRIBUTE TO HAMILTON'S COMMUNITY OUTCOMES

The Democracy Activities work to ensure the city is represented through Council's decisions, by providing opportunities for residents to be involved in local decision-making processes.

All local communities have the opportunity to express their views on Council decision-making through the variety of consultation processes used.

Council ensures that Maaori are respected as a partner in decision-making and that their views are sought in relation to all major Council decisions to ensure Maaori have a voice on issues that affect the city.

Council works towards increasing awareness of democratic processes in order to encourage the community to participate in decision-making. A range of different techniques are used to communicate Council's ideas and plans to those affected, including city expo's, open days, information leaflets and website information.

Council encourages a range of different groups to get involved including young people through the schools voting programme.

All Council processes are transparent and culturally appropriate.

“providing opportunities for residents to be involved”

## MEASURING PROGRESS TOWARDS HAMILTON'S COMMUNITY OUTCOMES

Progress towards Hamilton's Community Outcomes is monitored through a selection of indicators. Indicators provide ways in which we can measure, directly or indirectly, changes to social, environmental, economic and cultural well-being over time. They provide a picture of what is going on around us that we can use to guide our future planning. Indicators can assist in identifying areas where progress is being made towards the Community Outcomes and alert us to areas that require action.

Council is one of numerous organisations whose actions and direction assist in progressing the outcomes and overall community well-being. The following Community Outcomes Progress Indicators (drawn from the full outcome set – refer Section 3.4) will assist in demonstrating the effect that the Democracy Activity Group has on progressing Hamilton's Community Outcomes. The monitoring undertaken for these indicators will be reported each year in Council's Annual Report.

### Key:

- M** = Moderate Contribution
- S** = Significant Contribution
- O** = Council is the only Provider

### Community Outcomes Progress Indicators:

- O** Community satisfaction with Council's provisions of opportunity for community involvement in decision-making.
- S** Residents' rating of the extent of public influence on Council decision-making.
- O** Residents' rating of agreement that decisions made by their council are in the best interest of the city.
- M** Percentage of voter turnout at general/local authority elections.
- O** Maaori residents' satisfaction with Council's provision of opportunity for community involvement in decision-making.
- S** Maaori residents' rating of the extent of public influence on Council decision-making.
- O** Maaori residents' rating of agreement that decisions made by Council are in the best interest of the city.
- O** Number of organisations working collaboratively on Council-led city wide strategies.



■ MEASURING SERVICE DELIVERY PERFORMANCE

This section includes the intended levels of service for the Democracy Activity Group and the performance measures and targets that Council will use to monitor service delivery performance. The levels of service, performance measures and targets represent Council's service commitments to the community and outline what the community can expect to receive from this Activity Group over the 10 year period of the LTCCP.

The levels of service focus on the key service delivery attributes of this Activity Group. They draw on a number of factors including the aspirations and goals of Hamilton's Community Outcomes and the City Strategies, legislative requirements and national objectives, national and industry standards and community expectations.

This Activity Group primarily contributes to the 'Working Together' Community Outcome. The levels of service that specifically contribute towards progressing the goals of these outcomes are identified by the following key.

Working Together Community Outcome	
"Collaborative decision-making and planning are common place"	
1	Engages all local communities in planning and developing the city's future.
2	Ensures Maaori are respected as a partner in decision-making and have a voice on issues that affect the city.

Performance information is provided in detail for the first three years of the LTCCP and in outline for the remaining seven, through a projected target for year 10 (2018/19). Unless otherwise stated, all performance measures will be completed on or before 30 June for each financial year.

A number of performance measures and targets are from Council's Residents Survey and Customer Surveys. The Introduction to the Activity Groups (Section 8.1) provides information on these surveys, including explanations of the performance scores and categories.



KEY SERVICE ATTRIBUTES	LEVELS OF SERVICE	PERFORMANCE MEASURES	TARGETS					ADDITIONAL INFORMATION
			BASELINE	YEAR 1 2009/10	YEAR 2 2010/11	YEAR 3 2011/12	PROJECTED YEAR 10 2018/19	
Quality	Robust and transparent decision-making processes are used. <b>1 2</b>	Residents' satisfaction with processes used for Council decision-making.	2007/08 result: Fair: needs improvement (score of 67.2)	68 – 72	68 – 72	68 – 72	68 – 72	Measured through Council's Residents Survey. A score of 68-72 indicates Good Performance for a 'no customer choice' service. The results for this measure fluctuate and can be influenced by factors outside Council's control.
	Legislative requirements are met.	Legislative requirements for the LTCCP, Annual Plan and Annual Report are met and Council receives unqualified audits.	2007/08 result: Unqualified audits received.	Unqualified audits received.	Unqualified audits received.	Unqualified audits received.	Unqualified audits received.	An unqualified audit means that audit requirements have been met. Note: audit requirements do not relate to all legislation governing Council's business.
		Council committee and subcommittee meetings are held in accordance with the provisions of the Local Government Official Information and Meetings Act 1987.	2007/08 result: No successful challenges on committee and subcommittee meeting records.	No successful challenges.	No successful challenges.	No successful challenges.	No successful challenges.	All meeting minutes are confirmed by Council and signed by the Chairperson of the committee.



KEY SERVICE ATTRIBUTES	LEVELS OF SERVICE	PERFORMANCE MEASURES	TARGETS					ADDITIONAL INFORMATION
			BASELINE	YEAR 1 2009/10	YEAR 2 2010/11	YEAR 3 2011/12	PROJECTED YEAR 10 2018/19	
Accessibility	Opportunities are provided for community involvement in Council decision-making. <b>1 2</b>	Residents' satisfaction with opportunities Council provides for community involvement in decision-making.	2007/08 result: Fair: needs improvement (score of 65.4).	62 – 67	62 – 67	62 – 67	62 – 67	Measured through Council's Residents Survey. A score of 62-67 indicates Fair: Needs Improvement for a 'no customer choice' service. The results for this measure fluctuate and can be influenced by factors outside Council's control.
		Advice is sought from tangata whenua on all notified resource consent applications.	2007/08 result: Advice received and incorporated into 100% of notified resource consent applications.	100%	100%	100%	100%	
		Representation of Maaori organisations on City Strategy leadership forums.	No baseline, new measure.	Minimum of 1 Maaori organisation represented on each leadership forum.	Minimum of 1 Maaori organisation represented on each leadership forum.	Minimum of 1 Maaori organisation represented on each leadership forum.	Minimum of 1 Maaori organisation represented on each leadership forum.	
	Access to funding is provided through the Maaori/Pacific Projects Fund. <b>2</b>	Percentage of projects allocated Maaori/Pacific project funding that align with the principles and objectives of the Social Well-being Strategy.	No baseline, new measure.	100%	100%	100%	100%	



KEY SERVICE ATTRIBUTES	LEVELS OF SERVICE	PERFORMANCE MEASURES	TARGETS					ADDITIONAL INFORMATION
			BASELINE	YEAR 1 2009/10	YEAR 2 2010/11	YEAR 3 2011/12	PROJECTED YEAR 10 2018/19	
Responsiveness/Reliability	Official information requests are responded to in a timely manner with accurate information.	All Official Information requests are responded to within the statutory timeframe (20 working days).	2007/08 result: 100% of requests responded to within 20 working days.	All requests responded to within 20 working days.	All requests responded to within 20 working days.	All requests responded to within 20 working days.	All requests responded to within 20 working days.	
		No complaints are upheld that are received under the Local Government Official Information and Meetings Act 1987.	2007/08 result: No complaints upheld.	No complaints upheld.	No complaints upheld.	No complaints upheld.	No complaints upheld.	
	The community are informed about triennial election results in a timely manner. <b>1</b>	Timeframes for confirmation of triennial election results.	October 2007 Elections:  • Preliminary results declared on polling night (13 October 2007).  • Final results (including special votes) declared one week later (20 October 2007)		Preliminary results declared on polling night.  Final results (including special votes) declared on the Wednesday following the election.			



SIGNIFICANT NEGATIVE EFFECTS

Effects on the current and future well-being of the community are an important consideration for Council when planning and carrying out its activities. As well as having positive effects, some activities can have either existing or potential negative effects on social, economic, environmental or cultural well-being that need to be managed or mitigated.

Negative effects often occur when there are competing priorities or objective and high demand for resources. For example, construction of new roads provide for growth in the city, but will inevitably have environmental consequences. Council aims to find a balance that is acceptable to the community and provides for the well-being of current and future generations and the city's ongoing sustainable development.

The following table identifies the *significant* existing or potential negative effects for the Democracy Activities. The significance of an effect is determined through its likely impact on and consequences for:

- a) The current and future social, economic, environmental, or cultural well-being of the city.
- b) The extent to which communities are likely to be affected
- c) The capacity of Council to perform its role, including financial and other costs.

SIGNIFICANT NEGATIVE EFFECTS		HOW COUNCIL MITIGATES OR MANAGES THE EFFECTS
Potential Effect on Well-being	Decisions made through the democratic process have the potential to impact negatively across all four well-beings.	In addition to using formal and informal consultation, Council relies on a range of information and inputs to inform decision-making. The Local Government Act 2002 guides Council on how to conduct consultation in an open and transparent manner. Council's Consultation Policy also outlines processes that ensure that consultation with the community is meaningful, transparent, fair and honest. Council seeks to make sound, balanced decisions that maximise the community's well-being and minimise negative effects.

CURRENT AND FUTURE ASSET CAPACITY

There are no significant assets associated with this Activity Group.



### ■ COST OF SERVICE FOR THE YEARS ENDED 30 JUNE 2010 – 2019

The following table identifies the forecast expenditure and the revenue sources associated with providing the Democracy Activities for the 10 year period of the LTCCP.

The table also includes:

- 1 Capital expenditure by type i.e. growth, renewal and increased level of service.
- 2 Funding source (i.e. loans, subsidies, reserves or rates) for significant assets associated with the Democracy Activities.

#### FORECAST COST OF SERVICE FOR THE TEN YEARS ENDING 30 JUNE 2010 – 2019

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>GROUP OF ACTIVITY – OPERATING STATEMENT</b>										
<b>OPERATING REVENUE</b>										
Activity revenue – User charges and fees	34	229	34	36	248	38	39	269	41	43
General rates	4,806	5,519	5,488	5,759	6,138	6,047	6,480	6,857	6,928	7,246
Other general sources	0	0	0	0	0	0	0	0	0	0
<b>Total operating revenue</b>	<b>4,840</b>	<b>5,748</b>	<b>5,522</b>	<b>5,795</b>	<b>6,386</b>	<b>6,085</b>	<b>6,519</b>	<b>7,126</b>	<b>6,969</b>	<b>7,289</b>
<b>OPERATING EXPENDITURE</b>										
Representation and Civic Affairs	4,984	5,486	5,268	5,411	5,929	5,667	5,767	6,373	6,129	6,284
Partnership with Maaori	265	265	265	265	265	265	265	265	265	265
<b>Total operating expenditure</b>	<b>5,249</b>	<b>5,751</b>	<b>5,533</b>	<b>5,676</b>	<b>6,194</b>	<b>5,932</b>	<b>6,032</b>	<b>6,638</b>	<b>6,394</b>	<b>6,549</b>
<b>Operating surplus/(deficit)</b>	<b>(409)</b>	<b>(3)</b>	<b>(11)</b>	<b>119</b>	<b>192</b>	<b>153</b>	<b>487</b>	<b>488</b>	<b>575</b>	<b>740</b>

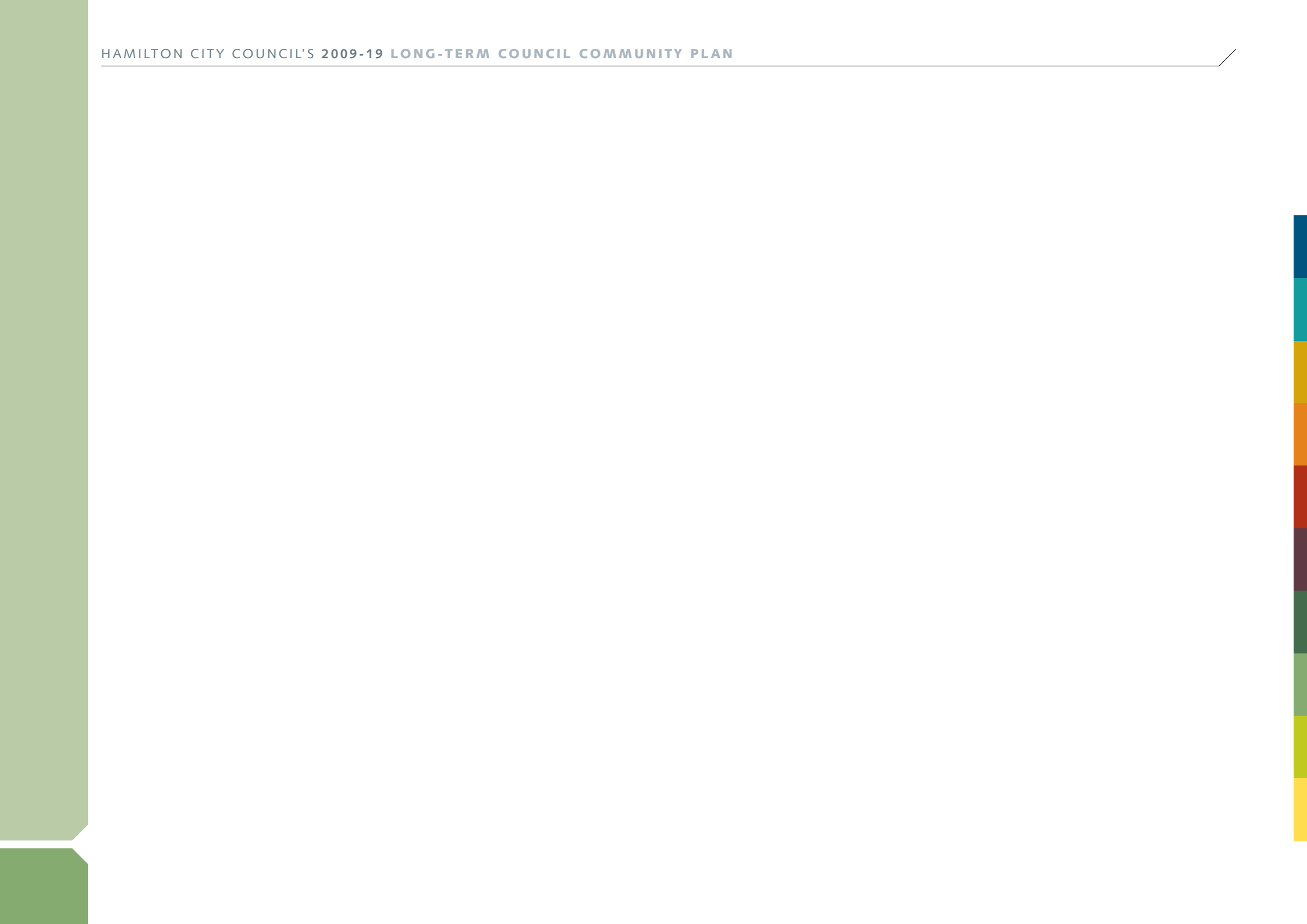


	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>GROUP OF ACTIVITY – CAPITAL AND RESERVES FUNDING STATEMENT</b>										
<b>CAPITAL EXPENDITURE</b>										
Growth	0	0	0	0	0	0	0	0	0	0
Increased level of service	168	181	177	153	80	37	134	28	15	24
Renewal	242	224	212	211	243	229	296	296	285	298
<b>Total capital expenditure</b>	<b>410</b>	<b>405</b>	<b>389</b>	<b>364</b>	<b>323</b>	<b>266</b>	<b>430</b>	<b>324</b>	<b>300</b>	<b>322</b>
Loan repayments	0	0	0	0	0	0	0	0	0	0
Transfers to reserves	74	80	77	156	187	204	239	275	357	423
Operating deficit	409	3	11	0	0	0	0	0	0	0
<b>Total funding required</b>	<b>893</b>	<b>488</b>	<b>477</b>	<b>520</b>	<b>510</b>	<b>470</b>	<b>669</b>	<b>599</b>	<b>657</b>	<b>745</b>
<b>Funded by:</b>										
Operating surplus	0	0	0	119	192	153	487	488	575	740
Funding from non-cash expenses	8	11	0	0	0	0	0	0	0	0
Loans raised	0	0	0	0	0	0	0	0	0	0
Transfers from reserves	2	2	2	2	2	2	2	2	2	2
<b>Total funding applied</b>	<b>10</b>	<b>13</b>	<b>2</b>	<b>121</b>	<b>194</b>	<b>155</b>	<b>489</b>	<b>490</b>	<b>577</b>	<b>742</b>
<b>Funding surplus/(deficit)</b>	<b>(883)</b>	<b>(475)</b>	<b>(475)</b>	<b>(399)</b>	<b>(316)</b>	<b>(315)</b>	<b>(180)</b>	<b>(109)</b>	<b>(80)</b>	<b>(3)</b>

Group of activity expenditure is not fully funded. See section 2.2 of the Revenue and Financing Policy in Volume Two of this LTCCP for an explanation of the funding shortfall.

'General rates' funding above includes rates from all sources excluding Access Hamilton and water rates which are shown separately where applicable.







## 8.6 EVENT AND CULTURAL VENUES

### TAIWHANGA TIKANGA-A-IWI

A young girl with curly hair, wearing a blue t-shirt, is looking intently at a large, curved digital display in a museum or gallery. The display shows a bright, abstract image. The word "inspire" is overlaid in a large, light blue, sans-serif font across the center of the image. The background is dark and out of focus, showing other museum exhibits.

inspire



## ■ 8.6 EVENT AND CULTURAL VENUES

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

Council has a strategic goal to promote the city through the support of events in Hamilton. This goal is based on positioning Hamilton as New Zealand's premier events destination staging high-quality events and developing, retaining and supporting strategically important events, some of these being recognised as world-class.

In many cases, to achieve this, the city needs to have the right venues. The venues need to cater for variety – sports, music, theatre, exhibitions, conferences and expos. They need to be at a standard that is fit for local, national and in some cases international events. Most importantly, they need to reflect the expectations that residents have for lifestyle opportunities in the city.

Council's Event and Cultural Venues Activity Group includes the following activities:

### Claudlands Events Centre ('Claudlands')

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

The redevelopment of Claudlands will include a new multi-purpose indoor arena for up to 5,000 spectators, conference facilities for up to 1,500 delegates and upgraded exhibition and show facilities. Claudlands will be able to offer a significant range of events and activities from conferences and banquets to indoor sporting events, music and entertainment and exhibitions and shows. Due to open in early 2011, Claudlands is set to become an opportunity for Hamilton residents to see more quality shows and events as well as bringing positive economic benefits to the community.

### Waikato Stadium

Waikato Stadium has earned its reputation as one of New Zealand's premier venues for international and national sports, live performances and functions. It has hosted a range of events including international rugby and rugby league, music concerts, cultural festivals and other sporting and cultural events. Waikato Stadium has a capacity of 25,800 including 10,000 covered seats, with the ability to extend the capacity in excess of 30,000 with 5,000 temporary additional seats. The stadium also has a number of lounges for corporate functions, private banquets, seminars, product launches and receptions.

### Seddon Park

Seddon Park is a purpose-built international standard cricket facility in the heart of Hamilton, with a spectator capacity of 11,500. Seddon Park is home for Northern Districts Cricket and their flagship team the State Northern Knights. Although the venue is predominantly used for cricket, it has also been used for other sports events during the cricket off-season. Within the pavilion, there are two lounges suitable for private and corporate functions.

### Hamilton City Theatres

Hamilton City Theatres provide professional venue and event management at three theatrical venues in Hamilton: Founders Theatre (medium scale theatre with 1,249 capacity), Clarence St Theatre (smaller theatre with 550 capacity that can also be configured as a showroom with reduced capacity) and The Meteor (a black box venue able to be configured in many ways with a capacity ranging from 100-500). These three venues are managed as a single operation and are designed for live performing arts and entertainment events, conferences, seminars and social functions. Each is complemented with gallery/exhibition spaces and some rehearsal spaces. Together these venues provide a distinctive yet complementary range of performance facilities.

### Waikato Museum

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

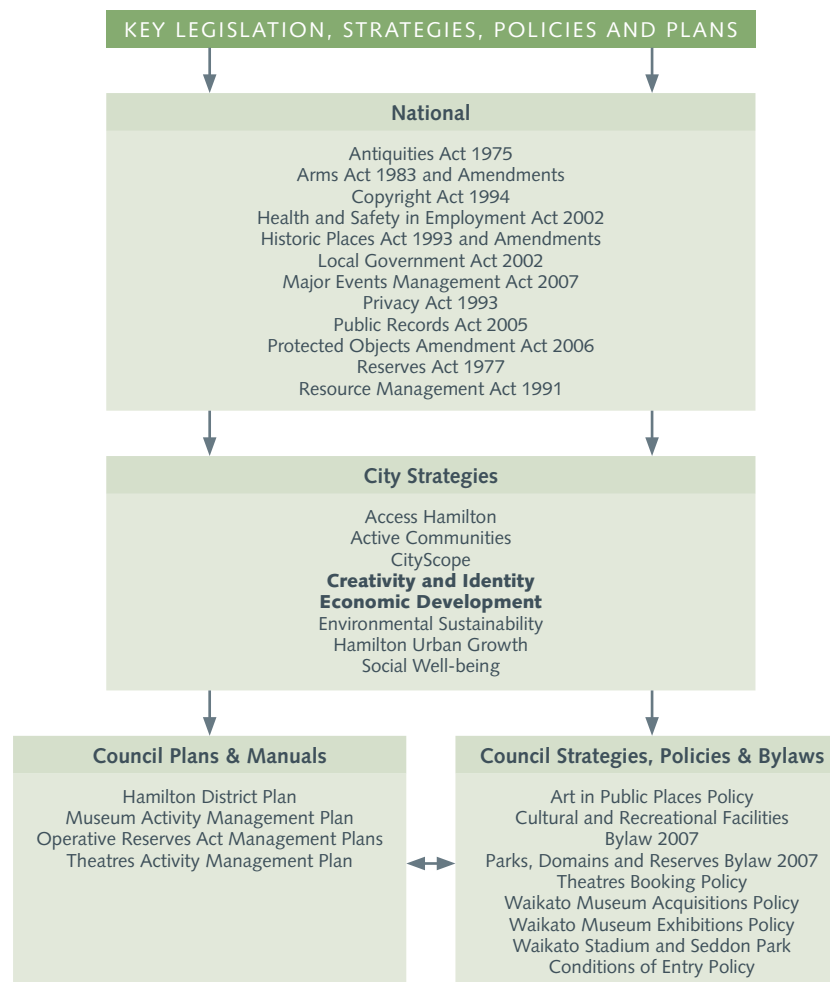


This activity also includes the management of ArtsPost gallery and shop, Beale Cottage in Hamilton East (one of Hamilton's longest surviving examples of colonial architecture), the historic vessel Rangiriri on the riverbank of Memorial Park (which represents the arrival of founding militia settlers to Hamilton) and various pieces of public art in the city.

“support the city's distinctive cultural and artistic identity”

## ■ POLICY AND PLANNING CONTEXT

Council's planning and operating environments are shaped by a wider context of national, regional and city wide priorities and objectives. This diagram identifies the key legislation, strategies, policies and plans that link to and provide direction for the Event and Cultural Venues Activities.





### ■ REASON FOR PROVIDING THIS ACTIVITY GROUP

The more Hamilton grows, the greater the expectation that the city will provide for lifestyle events and cultural activities for residents. It is important that Council invests in facilities that cater for diversity and choice. The venues provided ensure that local, national and international events are held in Hamilton, which in turn provides a range of economic and social benefits for the city. Due to the size and semi-commercial nature of the venues it is unlikely that they would be provided by the private sector.

Council also aims to foster identity and pride in Hamilton and to support the city's distinctive cultural and artistic identity. The Waikato Museum preserves and cares for Hamilton's heritage and provides opportunities for the public to value the city's rich culture and artistic achievements.

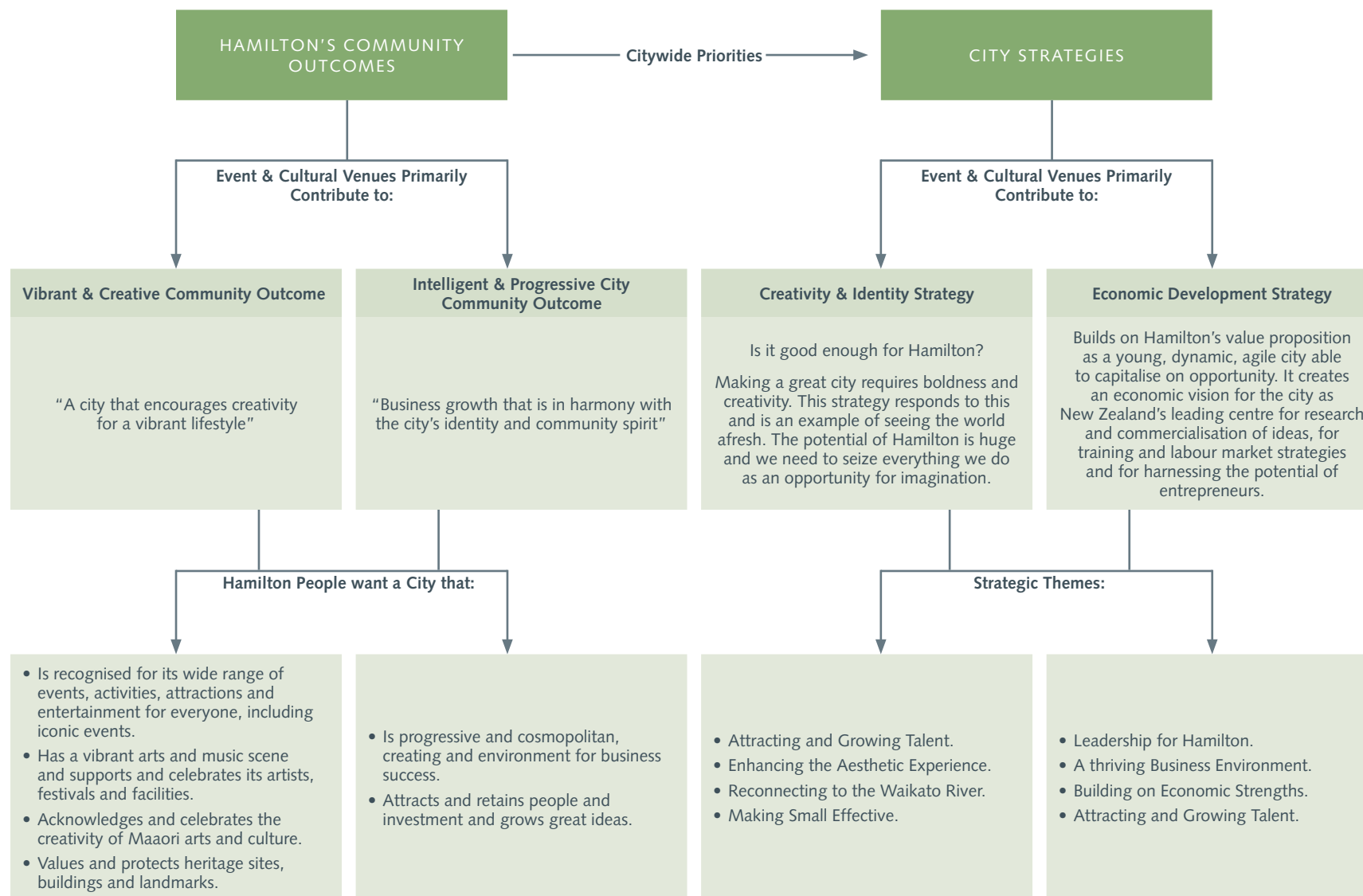
Through hosting the events of others and through its own programme of events, Hamilton City Theatres bring cultural and performing arts experiences within the reach of all of Hamilton's residents, ensuring that the city has a thriving arts and culture sector.

The Event and Cultural Venues Activity Group primarily contributes to the 'Vibrant and Creative' and 'Intelligent and Progressive' Community Outcomes, and the Creativity and Identity and Economic Development Strategies.

“events contribute to the city's economic and social life and further enhance its reputation”



## ■ CONTRIBUTION TO HAMILTON'S COMMUNITY OUTCOMES AND THE CITY STRATEGIES





## HOW THE EVENT AND CULTURAL VENUES ACTIVITIES CONTRIBUTE TO HAMILTON'S COMMUNITY OUTCOMES

The contributions made by these activities towards Hamilton's Community Outcomes and the City Strategies focus on social, cultural and economic benefits for the city. The activities are diverse in their functions; however they have a common purpose to provide the community with opportunities to engage in artistic, cultural, sporting and entertainment activities. By providing venues that attract local, national and international events they contribute to the city's economic and social life and further enhance its reputation.

### Claudeland, Waikato Stadium and Seddon Park:

Claudeland is a key part of Council's commitment to growing events and activities in the city. The redevelopment of Claudeland is set to become an opportunity for Hamilton residents to see more quality shows and events as well as participate in large scale conferences and exhibitions. This facility will bring positive economic and social benefits to the community. The Waikato Stadium and Seddon Park contribute similarly, through a focus on sporting events and corporate functions.

### Waikato Museum:

The Waikato Museum delivers a dynamic programme of exhibitions, events, public and educational activities that celebrate the arts and share the stories of our heritage. These initiatives are developed through consultation and in collaboration with the community. The Museum's valuable collection, historical sites and public art are managed and preserved for current and future generations.

### Hamilton City Theatres:

Each of the theatre venues provides distinctive facilities to match different client needs, providing Hamilton residents with access to a diverse and high quality range of arts and entertainment events. The theatres provide the opportunity for local, national and international individuals and organisations to stage their events in Hamilton, enhancing and strengthening the cultural fabric of the city.

## MEASURING PROGRESS TOWARDS HAMILTON'S COMMUNITY OUTCOMES

Progress towards Hamilton's Community Outcomes is monitored through a selection of indicators. Indicators provide ways in which we can measure, directly or indirectly, changes to social, environmental, economic and cultural well-being over time. They provide a picture of what is going on around us that we can use to guide our future planning. Indicators can assist in identifying areas where progress is being made towards the Community Outcomes and alert us to areas that require action.

Council is one of numerous organisations whose actions and direction assist in progressing the outcomes and overall community well-being. The following Community Outcomes Progress Indicators (drawn from the full outcome set – refer Section 3.4) will assist in demonstrating the effect that the Event and Cultural Venues Activity Group has on progressing Hamilton's Community Outcomes. The monitoring undertaken for these indicators will be reported each year in Council's Annual Report.

### Key:

- M = Moderate Contribution
- S = Significant Contribution
- O = Council is the only Provider

### Community Outcomes Progress Indicators:

- O Residents' use of Council's arts and culture facilities.
- S Residents' perception that their city is a place that has a culturally rich and diverse arts scene.
- O Residents' use of Council's sports and recreational facilities.
- O Residents' satisfaction with Council's sports and recreational facilities.



## ■ MEASURING SERVICE DELIVERY PERFORMANCE

This section includes the intended levels of service for the Event and Cultural Venues Activity Group and the performance measures and targets that Council will use to monitor service delivery performance. The levels of service, performance measures and targets represent Council's service commitments to the community and outline what the community can expect to receive from this Activity Group over the 10 year period of the LTCCP.

The levels of service focus on the key service delivery attributes of this Activity Group. They draw on a number of factors including the aspirations and goals of Hamilton's Community Outcomes and the City Strategies, legislative requirements and national objectives, national and industry standards and community expectations.

This Activity Group primarily contributes to the 'Vibrant and Creative' and 'Intelligent and Progressive City' Community Outcomes. The levels of service that specifically contribute towards progressing the goals of these outcomes are identified by the following key.

Vibrant and Creative Community Outcome	
"A city that encourages creativity for a vibrant lifestyle"	
1	Is recognised for its wide range of events, activities and entertainment for everyone, including iconic events.
2	Has a vibrant arts and music scene and supports and celebrates its artists, festivals and facilities.
3	Acknowledges and celebrates the creativity of Maaori arts and culture.
4	Values and protects heritage sites, buildings and landmarks.
Intelligent and Progressive City Community Outcome	
"Business growth that is in harmony with the city's identity and community spirit"	
1	Is progressive and cosmopolitan, creating an environment for business success.
2	Attracts and retains people and investment and grows great ideas.

Performance information is provided in detail for the first three years of the LTCCP and in outline for the remaining seven, through a projected target for year 10 (2018/19). Unless otherwise stated, all performance measures will be completed on or before 30 June for each financial year.

A number of performance measures and targets are from Council's Residents Survey and Customer Surveys. The Introduction to the Activity Groups (Section 8.1) provides information on these surveys, including explanations of the performance scores and categories.

“catering for diversity and choice”



KEY SERVICE ATTRIBUTES	LEVELS OF SERVICE	PERFORMANCE MEASURES	TARGETS					ADDITIONAL INFORMATION
			BASELINE	YEAR 1 2009/10	YEAR 2 2010/11	YEAR 3 2011/12	PROJECTED YEAR 10 2018/19	
Quality	The venues provide a quality experience for customers/patrons. ① ② ① ②	Customer satisfaction with the Waikato Museum exhibitions.	2008 result: Exceptional performance (score of 85.4 CSI)	78-81	78-81	78-81	78-81	Measured through the Waikato Museum Visitors Survey. A score of 78-81 indicates Very Good Performance for a 'customer choice' service.
		Customer satisfaction with:	2007/08 results:					Measured through the Customer Satisfaction Surveys of venue patrons.
		• Claudelands	Needs significant improvement (score of 57.0)	No survey undertaken in this year due to Claudelands re-development.	No survey undertaken in this year due to Claudelands re-development.	78-81	84 or above	A score of 67-72 indicates Fair Performance, 78-81 indicates Very Good Performance, 82-83 indicates Excellent Performance, and 84 or above indicates Exceptional Performance; for a 'customer choice' service.
		• Waikato Stadium	Exceptional performance (score of 87.7)	84 or above	84 or above	84 or above	84 or above	Satisfaction for Claudelands is anticipated to increase from 2011/12 onwards due to the Claudelands redevelopment.
		• Seddon Park	Fair: needs improvement (score of 71.6)	67 – 72	67 – 72	67 – 72	73-77	Satisfaction for Seddon Park and Hamilton City Theatres is also anticipated to increase, due to planned improvements to areas such as security processes and food and beverage services.
		• Hamilton City Theatres	Very good performance (score of 80.9)	78-81	78-81	78-81	82-83	
	ArtsPost provides a channel to facilitate the promotion and development of local artists. ②	Number of exhibitions by local artists in the galleries per annum.	2007/08 result: 34 exhibitions	Greater than 30 exhibitions.	Greater than 30 exhibitions.	Greater than 30 exhibitions.	Greater than 30 exhibitions.	



KEY SERVICE ATTRIBUTES	LEVELS OF SERVICE	PERFORMANCE MEASURES	TARGETS					ADDITIONAL INFORMATION
			BASELINE	YEAR 1 2009/10	YEAR 2 2010/11	YEAR 3 2011/12	PROJECTED YEAR 10 2018/19	
Accessibility	The venues provide for a wide range of events and interests. ① ② ③ ① ②	Equal percentage of Waikato Museum exhibitions for each of the following categories: • Visual arts • Social history • Tangata whenua • Sciences.	2007/08 result: 25% balance achieved for each category.	25% balance for each category.	25% balance for each category.	25% balance for each category.	25% balance for each category.	
		Number of visitors to Waikato Museum and ArtsPost.	2007/08 result: Waikato Museum: 110,298 visitors.	Waikato Museum: Minimum of 110,000 visitors.	Waikato Museum: Minimum of 110,000 visitors.	Waikato Museum: Minimum of 110,000 visitors.	Waikato Museum: Minimum of 112,000 visitors.	These numbers have been compared with other museums of similar size and nature and indicate good performance. The increase in visitor numbers in year 10 is based on the projected population increase.
			2007/08 result: ArtsPost: 38,038 visitors.	Minimum of 38,000 visitors.	Minimum of 38,000 visitors.	Minimum of 38,000 visitors.	Minimum of 39,000 visitors.	
		Number of international events/shows held at:	2007/08 results:					An increase in the number of events will occur with the redevelopment of Claudelands.
		• Claudelands	1 event	1 event	1 event	5 events	7 events	
		• Waikato Stadium and Seddon Park	10 events	10 events	10 events	10 events	10 events	
		• Hamilton City Theatres	10 events	10 events	10 events	10 events	10 events	



KEY SERVICE ATTRIBUTES	LEVELS OF SERVICE	PERFORMANCE MEASURES	TARGETS					ADDITIONAL INFORMATION
			BASELINE	YEAR 1 2009/10	YEAR 2 2010/11	YEAR 3 2011/12	PROJECTED YEAR 10 2018/19	
Accessibility	The venues provide for a wide range of events and interests. ① ② ③ ④ ⑤	Number of national/local events/shows held at:	2007/08 results:					An increase in the number of events will occur with the redevelopment of Claudelands.
		• Claudelands	50 events	30 events	30 events	40 events	65 events	
		• Waikato Stadium and Seddon Park	25 events	25 events	25 events	25 events	25 events	
		• Hamilton City Theatres	150 events	150 events	150 events	150 events	150 events	
	The Waikato Museum collection is accessible to the community. ③ ④	Percentage of high value items in the collection digitised.	2007/08 result: 100%	100%	100%	100%	100%	The increase over the 10 year period for the total collection reflects dedicated funding and resource for the electronic cataloguing of collection items. As well as being measures of accessibility, these performance measures are also a reflection of the preservation and protection of the city's heritage and taonga.
		Percentage of items in the total collection digitised.	2007/08 result: 42%	50%	52%	54%	70%	
Sustainability	The Claudelands redevelopment will incorporate sustainable design features. ① ②	Equivalent Green Star rating for the upgraded facilities at Claudelands.	Claudelands is currently not Green Star rated.	Construction occurring in this year.	Construction occurring in this year.	Equivalent of a 4-5 NZ Building Council Green Star rating achieved.	Equivalent of a 4-5 NZ Building Council Green Star rating maintained.	The building design at Claudelands will be developed to the equivalent of a 4 – 5 green star office rating. This represents 'best practice' in building standards with particular emphasis placed environmental measures.



## SIGNIFICANT NEGATIVE EFFECTS

There are a range of existing and potential negative effects associated with the use and management of the venues provided by this Activity Group. The majority are associated with larger scale events that are held at Waikato Stadium, Seddon Park and Claudelands. Predominantly, the negative effects are associated with potential impacts on residents and neighbourhoods surrounding the venues and on health and safety.

The following table identifies the *significant* existing or potential negative effects of providing the activities. The significance of an effect is determined through its likely impact on and consequences for:

- The current and future social, economic, environmental, or cultural well-being of the city.
- The extent to which communities are likely to be affected.
- The capacity of Council to perform its role, including financial and other costs.

SIGNIFICANT NEGATIVE EFFECTS		HOW COUNCIL MITIGATES OR MANAGES THE EFFECTS
Effects on Surrounding Residents	Excessive noise from events and activities held at the venues.	The number of noisy events is limited as per resource consent allowances. Events that are deemed noisy are managed via monitoring and contract conditions. The public and neighbours are advised of upcoming events that could generate noise.
	Pyrotechnic displays held during events at the venues.	Council manages this through resource consent conditions, public and neighbourhood communication, and policy. Health and safety obligations are adhered to.
	Floodlight spill onto surrounding residents' properties.	Usage of floodlights is kept within resource consent conditions. The spill onto neighbours' properties is measured on an annual basis.
	Traffic management, congestion and parking issues during events.	Traffic Management Plans are instigated for any event over 8,000 patrons. Road closures and 'no parking' areas are publicly notified along with communication with neighbours. Pre 'no parking' notification is undertaken for roads affected by commuter parking if an event is held during the working week.
	Litter and debris on surrounding streets after an event.	Litter is cleared away from the streets during the event and by early the following morning.
Effects on Health and Safety.	Anti-social crowd behaviour with alcohol influences before, during and after events.	There are security patrols on the streets during and after an event to move patrons along and to react to any complaints from neighbours or to provide assistance. Patrons are not allowed to take alcohol out of the venues after an event. Risk management and health and safety plans are also completed.
	Potential health and safety issues for patrons attending an event.	Risk management and health and safety plans are completed for each venue and pre-venue checks are undertaken prior to and during events. A Health and Safety Officer is always on duty and Police are present during any large event. There are also adequate numbers of security staff present and staff are trained to react to any emergency.



## ■ CURRENT AND FUTURE ASSET CAPACITY

EXISTING KEY ASSETS (AS AT DECEMBER 2008)	
KEY ASSETS	DEPRECIATED REPLACEMENT COST (\$'000)
<b>Claudeland Events Centre</b>	
Buildings	6,648
Equipment	255
<b>Waikato Stadium</b>	
Land	10,000
Buildings	37,702
Equipment	683
Landscaping, Structures and Amenities	274
<b>Seddon Park</b>	
Land	17,500
Buildings	4,542
Equipment	205
Landscaping, Structures and Amenities	731
<b>Hamilton City Theatres</b>	
Buildings	17,552
Equipment	368
<b>Waikato Museum</b>	
Buildings	20,218
Museum Collection	21,857
Reference Collection	132
Equipment	303
<b>Total Depreciated Replacement Cost</b>	<b>136,970</b>

## MAINTENANCE AND REPLACEMENT OF ASSETS

Council's objective when maintaining existing assets is to achieve the least long-run cost, while still delivering the required levels of service. Asset renewal needs vary from year to year depending on the condition of the assets (age and use related) and economic lives of individual assets. Annual programmes for the maintenance and replacement of assets are prepared by staff using a combination of user expectations, utilisation demands, asset age, condition information, customer feedback and maintenance records.

Condition assessments are designed to identify long-term maintenance requirements. Part of the condition assessment process is to predict when an asset component needs to be repaired, replaced, refurbished or modernised.

Council's Property Management Unit manages the maintenance requirements for all buildings in this activity group, while onsite staff manage the furniture, fixtures and equipment, and non-building related assets, e.g. turf and landscape. Maintenance and renewal work is undertaken by:

- Contractors who are part of Council's preferred suppliers list.
- Council staff.
- Architectural and professional engineering companies.

## ADDITIONAL ASSET CAPACITY REQUIREMENTS

There is no provision in the 2009-19 LTCCP for additional capacity requirements for Waikato Museum or Hamilton City Theatres.

The Claudelands redevelopment involves a mix of new buildings as well as upgrading existing facilities. The redevelopment is a reflection of increased demand in key activity components of the growing exhibition, conferencing and arena market. Additional capacity is in the form of increased space for these activities and for large spectator or delegate numbers i.e. 10,000m<sup>2</sup> of indoor exhibition space, 5,000 spectator seats for the Arena and the capacity to host a 1,500 delegate conference.

Both Waikato Stadium and Seddon Park offer a temporary solution to the increased spectator demands during key events. Waikato Stadium has the ability to introduce an extra 5,000 temporary seats along with supporting infrastructure and amenities, while Seddon Park can offer 3,000 extra temporary seats. Being event based and cost recoverable, these temporary solutions are seen as viable options compared to built infrastructure that is only used on an occasional basis.



## ■ COST OF SERVICE FOR THE YEARS ENDED 30 JUNE 2010 – 2019

The following table identifies the forecast expenditure and the revenue sources associated with providing the Events and Cultural Venues Activities for the 10 year period of the LTCCP.

The table also includes:

- 1 Capital expenditure by type i.e. growth, renewal and increased level of service.
- 2 Funding source (i.e. loans, subsidies, reserves or rates) for significant assets associated with the Events and Cultural Venues Activities.

### FORECAST COST OF SERVICE FOR THE TEN YEARS ENDING 30 JUNE 2010 – 2019

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>GROUP OF ACTIVITY – OPERATING STATEMENT</b>										
<b>OPERATING REVENUE</b>										
Activity revenue – User charges and fees	7,420	9,187	17,421	18,261	19,205	19,939	20,401	21,006	21,619	22,225
General rates	12,052	13,724	11,782	11,783	12,310	11,811	12,560	12,835	13,358	14,037
Other general sources	1	22	21	21	20	14	12	11	10	16
<b>Total operating revenue</b>	<b>19,473</b>	<b>22,933</b>	<b>29,224</b>	<b>30,065</b>	<b>31,535</b>	<b>31,764</b>	<b>32,973</b>	<b>33,852</b>	<b>34,987</b>	<b>36,278</b>
<b>OPERATING EXPENDITURE</b>										
Waikato Stadium	7,440	7,701	8,033	8,100	8,388	8,513	8,680	8,921	9,141	9,335
Claudeland Events Centre	2,475	4,465	10,216	10,541	10,872	11,222	11,515	11,832	12,170	12,488
Theatres	3,441	3,541	3,751	3,846	4,348	4,013	4,092	4,213	4,326	4,426
Seddon Park	1,396	1,426	1,475	1,546	1,589	1,718	1,671	1,647	1,693	1,749
Waikato Museum	5,230	5,385	5,584	5,751	5,960	6,059	6,195	6,372	6,552	6,705
<b>Total operating expenditure</b>	<b>19,982</b>	<b>22,518</b>	<b>29,059</b>	<b>29,784</b>	<b>31,157</b>	<b>31,525</b>	<b>32,153</b>	<b>32,985</b>	<b>33,882</b>	<b>34,703</b>
<b>Operating surplus/(deficit)</b>	<b>(509)</b>	<b>415</b>	<b>165</b>	<b>281</b>	<b>378</b>	<b>239</b>	<b>820</b>	<b>867</b>	<b>1,105</b>	<b>1,575</b>



	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>GROUP OF ACTIVITY – CAPITAL AND RESERVES FUNDING STATEMENT</b>										
<b>CAPITAL EXPENDITURE</b>										
Growth	1,601	1,620	0	0	0	0	0	0	0	0
Increased level of service	21,867	22,160	578	410	468	248	366	340	215	164
Renewal	2,130	1,343	1,330	1,089	1,168	1,062	1,269	1,245	1,217	1,369
<b>Total capital expenditure</b>	<b>25,598</b>	<b>25,123</b>	<b>1,908</b>	<b>1,499</b>	<b>1,636</b>	<b>1,310</b>	<b>1,635</b>	<b>1,585</b>	<b>1,432</b>	<b>1,533</b>
Loan repayments	194	431	450	500	465	484	455	502	575	643
Transfers to reserves	221	237	206	362	419	442	508	561	735	869
Operating deficit	509	0	0	0	0	0	0	0	0	0
<b>Total funding required</b>	<b>26,522</b>	<b>25,791</b>	<b>2,564</b>	<b>2,361</b>	<b>2,520</b>	<b>2,236</b>	<b>2,598</b>	<b>2,648</b>	<b>2,742</b>	<b>3,045</b>
<b>Funded by:</b>										
Operating surplus	0	415	165	281	378	239	820	867	1,105	1,575
Funding from non-cash expenses	413	961	1,287	1,307	1,381	1,399	1,537	1,528	1,571	1,646
Loans raised	24,078	23,416	286	173	351	197	175	300	192	129
Transfers from reserves	9	10	12	12	12	12	12	12	12	13
<b>Total funding applied</b>	<b>24,500</b>	<b>24,802</b>	<b>1,750</b>	<b>1,773</b>	<b>2,122</b>	<b>1,847</b>	<b>2,544</b>	<b>2,707</b>	<b>2,880</b>	<b>3,363</b>
<b>Funding surplus/(deficit)</b>	<b>(2,022)</b>	<b>(989)</b>	<b>(814)</b>	<b>(588)</b>	<b>(398)</b>	<b>(389)</b>	<b>(54)</b>	<b>59</b>	<b>138</b>	<b>318</b>

Group of activity expenditure is not fully funded. See section 2.2 of the Revenue and Financing Policy in Volume Two of this LTCCP for an explanation of the funding shortfall.  
 'General rates' funding above includes rates from all sources excluding Access Hamilton and water rates which are shown separately where applicable.



## 8.7 RECREATION

### HAAKINAKINA

time to  
play



## ■ 8.7 RECREATION

Recreation and leisure are important components of a balanced and healthy lifestyle. Recreation time provides the opportunity to refresh both mind and body and unwind from everyday stresses, away from work and other commitments. Recreation and leisure play an important role in social well-being by providing people with opportunities for socialising, allowing people to connect and network with others and participate in local community events. They can also contribute to family bonding, by allowing families to take part in recreation activities together.

Recreation often involves physical activities such as sport, walking or cycling; and also includes passive leisure, which brings rest, relaxation and opportunities to enjoy nature. Both are equally important to people's physical and mental well-being. Providing open green spaces for recreation purposes also has a wider benefit of contributing to the ecological health and aesthetic appeal of the city.

The nature of activities people undertake in their leisure time can vary greatly depending on their personal circumstances and the opportunities available to them in the area they live. Location, access to facilities and affordability are factors that impact on people's use and enjoyment of their recreation time.

Council's Recreation Activity Group includes the following activities:

### Parks and Gardens

Provides recreation open space, ranging from small neighbourhood parks to key city parks such as Hamilton Gardens, Hamilton Lake Domain and Claudelands Park. Parks and Gardens enhance Hamilton's urban ecology through the development of a green network. This activity also provides for city beautification, by maintaining planting within open spaces, parks, streets and traffic islands, trees and fountains, and develops and maintains playgrounds in many parks.

### Sports Areas

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

- National level venues such as Waikato Stadium and Seddon Park (see the 'Event and Cultural Venues' Activity Group – Section 8.6).
- Senior code headquarters parks such as Porritt Stadium, Minogue Park, Innes Common, Galloway Park, Resthills Park and Gower Park.
- Community Parks such as Grosvenor Park, Kahikatea Park and Bremworth Park, which cater predominantly for lower grade and junior sport.

Sports areas are complemented by participant and public facilities such as grandstands, clubrooms, changing rooms and public toilets.

### Hamilton Zoo

Focuses on the delivery and development of a modern zoo that works to conserve wildlife in a natural environment and provide a recreational resource for local residents and visitors. The zoo aims to fulfil this purpose through customer service, animal husbandry and education programmes, as well as by support for appropriate scientific study whilst minimising impact on the local environment. Hamilton Zoo is situated within 21 hectares of landscaped grounds and is home to more than 400 exotic and native New Zealand animals. As well as being a tourism and recreational park, Hamilton Zoo is a contributor to international breeding programmes for endangered species of animals.

### Swimming Facilities

Provides swimming facilities that cater to the needs of the community, clubs, sporting groups and schools. Council provides two swimming complexes – Waterworld in the north of the city and Gallagher Aquatic Centre in the south of the city.

Waterworld is one of the largest indoor/outdoor aquatic centres in New Zealand, comprising a 50 metre pool, a 25 metre pool, a toddlers pool, a deep water dive pool and a 50 metre outdoor lido pool with toddlers beach area. Waterworld also has hydrosides and speedsides, an outdoor Splash Pad area for toddlers, spa, sauna and steam rooms, BBQs and picnic area, learn to swim classes, a crèche and gym facility.

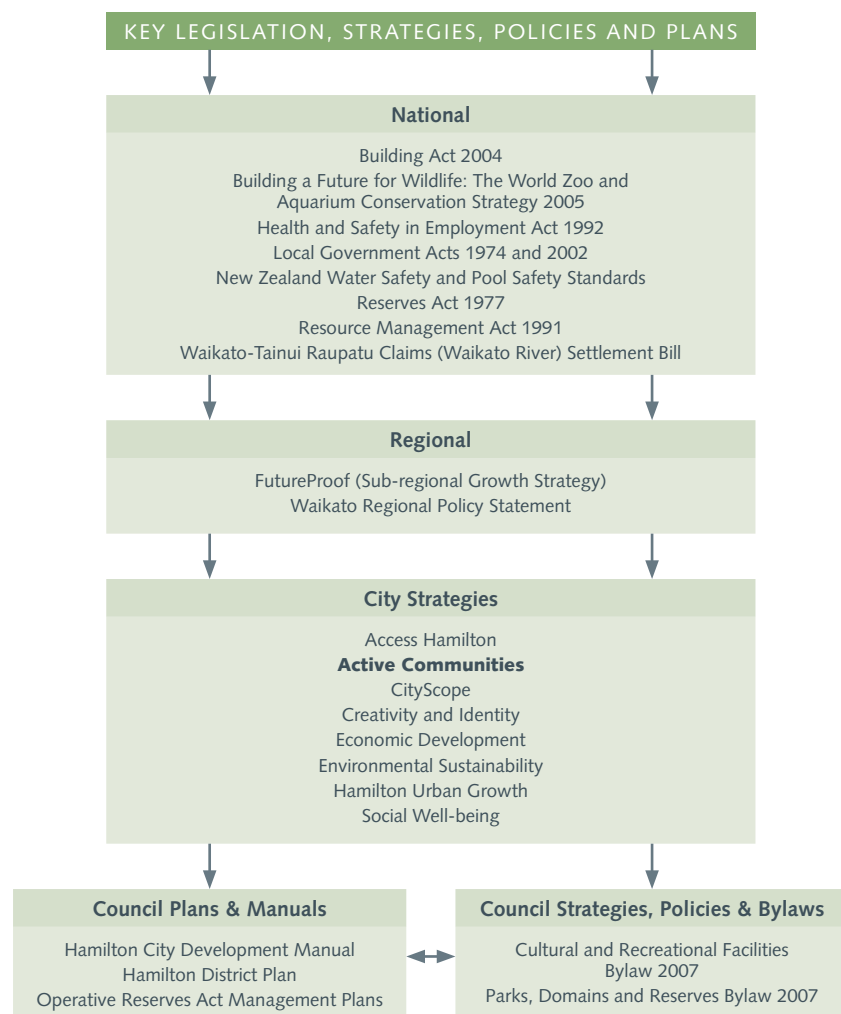
Gallagher Aquatic Centre has a 25 metre pool and toddlers pool, BBQs and picnic area, and learn to swim classes.

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



## ■ POLICY AND PLANNING CONTEXT

Council's planning and operating environments are shaped by a wider context of national, regional and city wide priorities and objectives. This diagram identifies the key legislation, strategies, policies and plans that link to and provide direction for the Recreation Activities.



## ■ REASON FOR PROVIDING THIS ACTIVITY GROUP

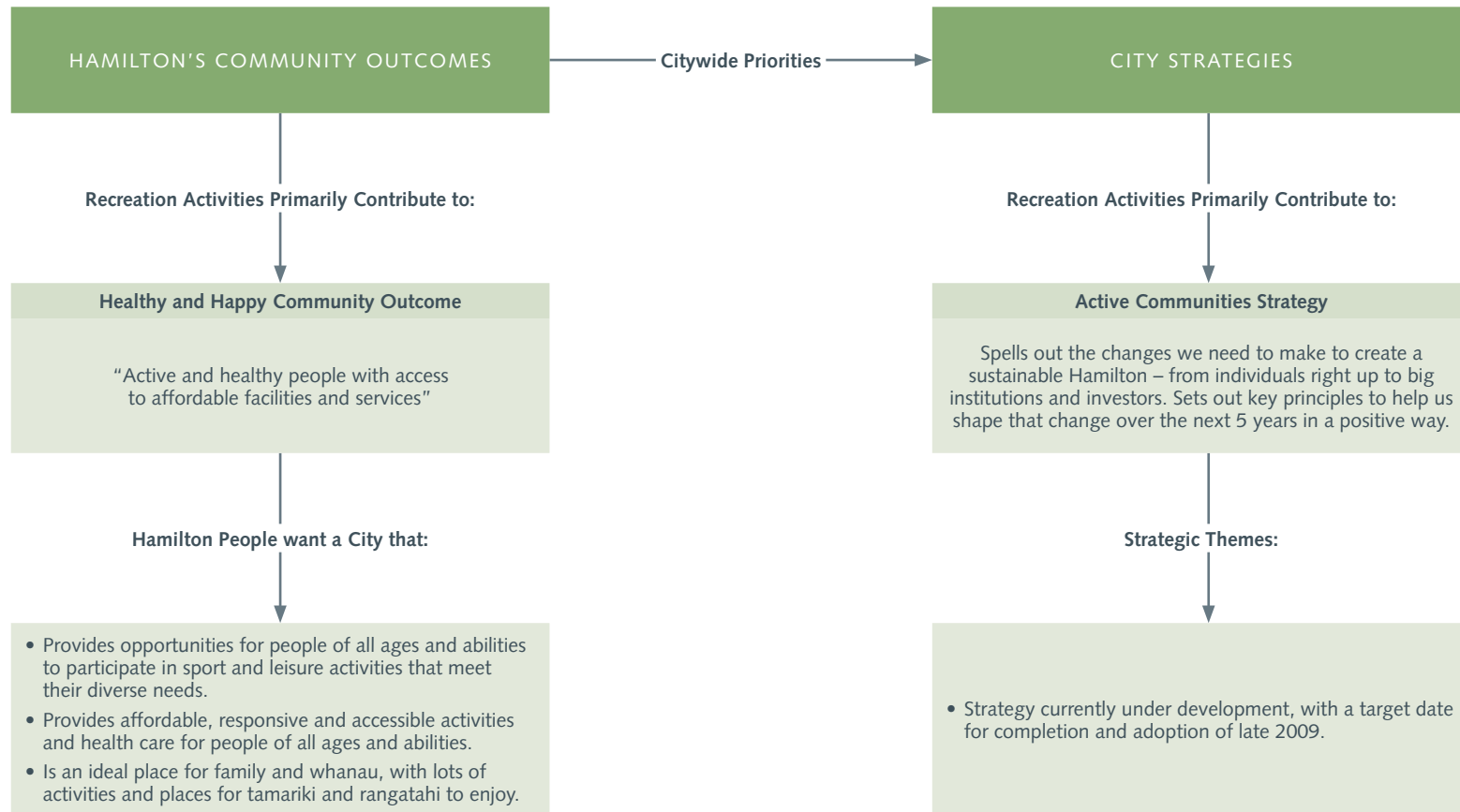
Council has a responsibility under the Local Government Act 2002 to provide leisure and recreation facilities for the community that promote social and cultural well-being. Council's Recreation Activities aim to provide open green spaces and facilities where residents of all ages and abilities can meet and participate in both active and passive recreation, which brings the health benefits of activity and exercise to people. Some facilities, such as Hamilton Gardens and Hamilton Zoo also provide significant economic benefits to the city through tourism opportunities.

Hamilton's Community Outcome of 'Healthy and Happy' identifies that people want access to affordable facilities and services that enable them to be active and healthy. Council's Recreation Activities play a key role in progressing this Community Outcome and the objectives of the Active Communities Strategy, through the provision of recreational facilities and public open spaces. In addition, Council understands that the provision of sport, recreation and leisure activities is also provided for across a wide variety of organisations and communities, and therefore acknowledges the need to work collaboratively with key partners, such as sporting codes, to achieve the objectives of these activities.

“refresh both mind and body and unwind from everyday stresses”



## ■ CONTRIBUTION TO HAMILTON'S COMMUNITY OUTCOMES AND THE CITY STRATEGIES





## HOW THE RECREATION ACTIVITIES CONTRIBUTE TO HAMILTON'S COMMUNITY OUTCOMES

Recreation facilities have many benefits for individuals, the community, the local economy and environment. Fun, happiness, and play are vital to growth and development, and contribute greatly to people's sense of well-being. Facilities, services and opportunities for recreation offered by local government and recreation agencies positively impact on people's quality of life and society as a whole. Council recognises that it is important that recreation facilities meet the diverse requirements of sectors of the community, are accessible to all, and are well-maintained, attractive and protected into the future.

### Parks and Gardens:

Hamilton's parks and gardens have a range of effects on people's sense of well-being. They provide for the passive and active recreational needs of residents, beautify the city and preserve and enhance the city's ecological value. Parks and gardens provide spaces that enhance the interpretation of the city's Maaori and European heritage, giving residents a sense of place and pride in their city and neighbourhood.

### Sports Areas:

Sports areas provide safe places to play and learn, as well as encouraging activities that promote health and well-being. These facilities also play an integral role in providing opportunities for interacting with friends, family, work groups, neighbourhoods and communities.

### Hamilton Zoo:

Hamilton Zoo benefits individuals and the community by providing experiences that educate and inform visitors about wildlife conservation. The Zoo's attractive natural environment of garden settings, paved pathways and boardwalks make it ideal for a recreational visit. In addition, the Zoo has an economic impact for the city, as it provides an important visitor experience.

### Swimming Facilities:

Provision of swimming pools encourages healthy lifestyles by providing people of all ages with opportunities to engage in social, sporting and recreational activities. It makes the city an appealing place to live, attracts visitors, and raises the city's profile by providing facilities to host events.

### ACTIVE COMMUNITIES STRATEGY

The 'Active Communities' Strategy, currently being developed, has a target date for completion and adoption by July/August 2009. It will represent a partnership approach between Council and key agencies in the sport and recreation area, with potential partners including Sports and Recreation New Zealand (SPARC), Sport Waikato, University of Waikato, Wintec, Waikato District Health Board, Waikato Primary Health and LIFE Unlimited (an organisation for people with disabilities).

The aim of the Active Communities Strategy will be to support Hamilton residents in being physically active as well as providing an environment where people can enjoy participating in recreational activities.

### CITY STRATEGY FLAGSHIP PROJECTS

The Active Communities strategy flagship projects are not defined at this stage.



## MEASURING PROGRESS TOWARDS HAMILTON'S COMMUNITY OUTCOMES

Progress towards Hamilton's Community Outcomes is monitored through a selection of indicators. Indicators provide ways in which we can measure, directly or indirectly, changes to social, environmental, economic and cultural well-being over time. They provide a picture of what is going on around us that we can use to guide our future planning. Indicators can assist in identifying areas where progress is being made towards the Community Outcomes and alert us to areas that require action.

Council is one of numerous organisations whose actions and direction assist in progressing the outcomes and overall community well-being. The following Community Outcomes Progress Indicators (drawn from the full outcome set – refer Section 3.4) will assist in demonstrating the effect that the Recreation Activity Group has on progressing Hamilton's Community Outcomes. The monitoring undertaken for these indicators will be reported each year in Council's Annual Report.

### Key:

M = Moderate Contribution

S = Significant Contribution

O = Council is the only Provider

### Community Outcomes Progress Indicators:

- O Area of green space (parks and gardens areas only) in the city per resident.
- O Area of green space (sports areas only) in the city per resident.
- O Residents' use of Council's sports and recreational facilities (sports areas).
- O Residents' use of Council's sports and recreational facilities (Waterworld and Gallagher Aquatic Centre).
- O Residents' use of Council's sports and recreational facilities (Hamilton Zoo).
- O Number of street trees planted.
- O Residents' satisfaction with Council provided walkways.
- O Residents' satisfaction with Council provided cycling facilities.
- S Residents' rating of sense of pride in the way their city looks and feels.

## MEASURING SERVICE DELIVERY PERFORMANCE

This section includes the intended levels of service for the Recreation Activity Group and the performance measures and targets that Council will use to monitor service delivery performance. The levels of service, performance measures and targets represent Council's service commitments to the community and outline what the community can expect to receive from this Activity Group over the 10 year period of the LTCCP.

The levels of service focus on the key service delivery attributes of this Activity Group. They draw on a number of factors including the aspirations and goals of Hamilton's Community Outcomes and the City Strategies, legislative requirements and national objectives, national and industry standards and community expectations.

This Activity Group primarily contributes to the 'Healthy and Happy' Community Outcome. The levels of service that specifically contribute towards progressing the goals of these outcomes are identified by the following key.

Healthy and Happy Community Outcome	
"Active and healthy people with access to affordable facilities and services"	
1	Provides opportunities for people of all ages and abilities to participate in sport and leisure activities that meet their diverse needs.
2	Provides affordable, responsive and accessible activities and health care for people of all ages and abilities.
3	Is an ideal place for family and whanau, with lots of activities and places for tamariki and rangatahi to enjoy.

Performance information is provided in detail for the first three years of the LTCCP and in outline for the remaining seven, through a projected target for year 10 (2018/19). Unless otherwise stated, all performance measures will be completed on or before 30 June for each financial year.

A number of performance measures and targets are from Council's Residents Survey and Customer Surveys. The Introduction to the Activity Groups (Section 8.1) provides information on these surveys, including explanations of the performance scores and categories.



KEY SERVICE ATTRIBUTES	LEVELS OF SERVICE	PERFORMANCE MEASURES	TARGETS					ADDITIONAL INFORMATION
			BASELINE	YEAR 1 2009/10	YEAR 2 2010/11	YEAR 3 2011/12	PROJECTED YEAR 10 2018/19	
Accessibility	Recreation facilities are accessible to everyone. ① ② ③	Provide one neighbourhood playground within 500m of every home.	2007/08 result: 90% of target achieved	90%	90%	90%	100%	
		Percentage of residents who use walkways per year.	2007/08 result: 75.3%	70%	70%	70%	70%	Measured through Council's Residents Survey.
		Number of customer visits to Council owned and operated swimming pools per year.	2007/08 result: 624,899 visits	600,000 – 630,000	600,000 – 630,000	600,000 – 630,000	600,000 – 630,000	The target range for the number of customer visitors ensures that the pools are not overcrowded and that patrons therefore enjoy a pleasant experience.
		Number of customer visits to Hamilton Zoo per year.	2007/08 result: 124,240 visits	110,000	110,000	110,000	110,000	The 2007/08 result showed exceptionally high visitor numbers. The targets are reflective of trend data and that no new major exhibits are planned for the zoo over the next 10 years.



KEY SERVICE ATTRIBUTES	LEVELS OF SERVICE	PERFORMANCE MEASURES	TARGETS					ADDITIONAL INFORMATION
			BASELINE	YEAR 1 2009/10	YEAR 2 2010/11	YEAR 3 2011/12	PROJECTED YEAR 10 2018/19	
Quality	Provide attractive and well-maintained parks, gardens and walkways. ① ③	Residents' satisfaction with:	2007/08 result:					Measured through Council's Residents Survey. A score of 84 or above indicates Exceptional Performance and 78-81 indicates Very Good Performance for a 'customer choice' service. A score of 79 or above indicates Exceptional Performance for a 'no customer choice' service.
		• Hamilton Gardens	Exceptional performance (score of 88.3)	84 or above	84 or above	84 or above	84 or above	
		• Parks and Gardens	Exceptional performance (score of 81.0)	79 or above	79 or above	79 or above	79 or above	
		• Walkways	Very good performance (score of 81.6)	78 – 81	78 – 81	78 – 81	78 – 81	
	Sports areas and playground equipment provided are fit for purpose. ① ③	• Hamilton Lake Domain	Excellent performance (score of 79.8)	78 – 81	78 – 81	78 – 81	78 – 81	Measured through Council's Residents Survey. A score of 67-72 indicates Fair: Needs Improvement for a 'customer choice' service.
		Residents' satisfaction with:	2007/08 result:					
		• Sports Areas	Fair: needs improvement (score of 72.1)	67 – 72	67 – 72	67 – 72	67 – 72	
		• Playground Equipment	Fair: needs improvement (score of 69.5)	67 – 72	67 – 72	67 – 72	67 – 72	



KEY SERVICE ATTRIBUTES	LEVELS OF SERVICE	PERFORMANCE MEASURES	TARGETS					ADDITIONAL INFORMATION
			BASELINE	YEAR 1 2009/10	YEAR 2 2010/11	YEAR 3 2011/12	PROJECTED YEAR 10 2018/19	
Quality	Swimming facilities and Hamilton Zoo provide a quality experience for customers/patrons. <b>1 2 3</b>	Residents' satisfaction with:	2007/08 result:					Measured through Council's Residents Survey. A score of 82-83 indicates Excellent Performance, 73-77 indicates Good Performance and 67-72 indicates Fair: Needs Improvement for a 'customer choice' service. There is no planned budget increase for the Hamilton Zoo, therefore the satisfaction score is predicted to decrease slightly.
		• Hamilton Zoo	Exceptional performance (score of 85.9)	82 – 83	82 – 83	82 – 83	82 – 83	
		Swimming facilities: • Waterworld	Good Performance (score of 76.3)	73 – 77	73 – 77	73 – 77	73 – 77	
		• Gallagher Aquatic Centre	Fair: Needs Improvement (score of 71.3)	67 – 72	67 – 72	67 – 72	67 – 72	
Safety	Facilities comply with safety standards	Council owned and operated swimming pools meet Pool Safe Accreditation standards.	2007/08 result: Pools comply with standards	Standards met	Standards met	Standards met	Standards met	Pool Safe Accreditation is an industry based standard for all pools that open to the public. The standard includes water quality, supervision, and health and safety standards.
		Zoo operations comply with MAF Zoo License standards	2007/08 result: Zoo complies with standards	Standards met	Standards met	Standards met	Standards met	The Zoo can only open to the public when a license has been issued by MAF. In order to gain a license, the facility has to have correct procedures and containment standards for the housing of animals.



### ■ SIGNIFICANT NEGATIVE EFFECTS

The Recreation Activities provide many important benefits to the community and in some cases, such as Hamilton Gardens, also contribute significantly to tourism and the local economy. However, the provision of recreation and leisure facilities can have some negative effects. For example, construction of a new park provides for the recreation needs of residents in newer areas of the city, but may increase noise levels and affect security and privacy for park neighbours. Council aims to find a balance that is acceptable to the community and provides for the well-being of current and future generations and the city's ongoing sustainable development.

The following table identifies the *significant* existing or potential negative effects for Recreation Activities. The significance of an effect is determined through its likely impact on and consequences for:

- a) The current and future social, economic, environmental, or cultural well-being of the city.
- b) The extent to which communities are likely to be affected.
- c) The capacity of Council to perform its role, including financial and other costs.

“open green spaces and facilities where residents of all ages and abilities can meet and participate in both active and passive recreation”



SIGNIFICANT NEGATIVE EFFECTS		HOW COUNCIL MITIGATES OR MANAGES THE EFFECTS
Potential Nuisance Effects on Neighbours	Use of parks and sports areas may create security, privacy and noise issues for park neighbours.	Park layout, planting and fencing minimise any negative effects on nearby residents as a result of the park being used. Noise levels are required to comply with District Plan requirements and potential effects are taken into consideration during the design of new parks and sports areas.
	Use of a park or sports areas may create traffic problems for nearby residents.	Plans to manage traffic are developed for existing affected parks and sports areas and potential effects are considered during the design of new parks and sports areas.
	Use of sports areas in the evening may create lighting issues for nearby residents.	Council ensures that lighting provisions comply with the District Plan and that potential negative effects are taken into consideration during the design of new sports areas.
	Street trees may have negative effects on residents and road users, e.g. overhanging branches or dropping leaves.	Street trees are managed (e.g. trimmed) within City Beautification Guidelines, and Council operates a request for service system for residents to use. Council operates a regular leaf sweeping/collection programme for streets identified as high leaf drop areas. Council also operates a request for service system where leaf drop is excessive.
Potential Effects on Public Health	Chemical use on parks and gardens (e.g. spraying for weeds) may affect nearby residents and visitors.	Signage is used to inform visitors of the chemical use regime, and precautions are taken to ensure chemical use is conducted only in acceptable weather conditions. Public notices may be published in local newspapers to inform the public of spraying programmes. Council's policy on Herbicide Use aims to control the use of herbicides in a way that achieves levels of service and outcomes agreed with the community, protects human health, meets Council's legal obligations and is environmentally, socially and economically sustainable.
	The potential for the public to catch infectious diseases from imported zoo animals.	Policies and procedures have been established to ensure that any new animal added to the collection is held in the Zoo's quarantine facilities until a registered vet has passed the animal as a non-threat to the collection and the public.
	The potential for a drowning to occur at either Waterworld or Gallagher Aquatic Centre.	Council ensures that staff receive comprehensive training and that all life-guards are certified. The standard operating procedures for pool supervision are endorsed by Pool Safe Accreditation (New Zealand Recreation Association and Water Safety New Zealand accreditation). Health and safety protocols are in place. Staff are trained in first aid procedures.
	The potential for swimmers to have infectious diseases that may be passed on through contamination of the pool water.	Council ensures that staff are trained and certified in the correct chemical dosing procedures for pools. Health and safety protocols are in place, and testing of the water occurs frequently. Communication links are also maintained with the Department of Health.
Potential Effects on the Environment	Chemical use in the management of parks and sports areas may leach into nearby water bodies.	Fertiliser and spray regimes are kept to the minimum necessary to maintain standards. Where possible, park and sports area drainage systems bypass sensitive aquatic areas.
	The use and storage of dangerous chemicals on site at Waterworld and Gallagher Aquatic Centre.	Council ensures that staff are trained and certified in the correct dosing and handling procedures for chemicals. The standard operating procedures for chemical handling are endorsed by Pool Safe Accreditation (New Zealand Recreation Association and Water Safety New Zealand accreditation). Chemicals are stored in secure facilities and health and safety protocols are in place.



## ■ CURRENT AND FUTURE ASSET CAPACITY

EXISTING KEY ASSETS (AS AT DECEMBER 2008)	
KEY ASSETS	DEPRECIATED REPLACEMENT COST (\$000)
<b>Parks and Gardens</b>	
Land	374,081
Landscaping, Structures and Amenities	14,509
<b>Sports Areas</b>	
Land	257,593
Landscaping, Structures and Amenities	11,305
Buildings and Structures	7,212
<b>Hamilton Zoo</b>	
Land	1,285
Buildings	1,655
Zoo Animals	246
Equipment	86
Landscaping, Structures and Amenities	2,494
<b>Swimming Facilities</b>	
Buildings and Pools	24,859
Equipment	1,636
Landscaping, Structures and Amenities	15
Car parks	88
<b>Total Depreciated Replacement Cost</b>	<b>697,064</b>

## MAINTENANCE AND REPLACEMENT OF ASSETS

Council's objective when maintaining existing assets is to achieve the least long-run cost, while still delivering the required levels of service. Annual programmes for the maintenance, renewal and replacement of assets are prepared by staff using a combination of asset age and condition information, customer feedback, maintenance records and Council policy decisions. Any necessary design work is completed either by Council's Programme Management Unit or by external consultants and physical works contracts are let by tender for all renewal work, either in combination with maintenance work or as separate renewal contracts.

Over past years a sound programme of renewals has been implemented and the condition of assets has been maintained. However, the average age of some asset types is increasing, and although present condition is adequate, an increase in renewal work will be needed over the next 10 years to avoid a decline in levels of service and overall asset condition.

## ADDITIONAL ASSET CAPACITY REQUIREMENTS

A new 25m 10-lane swimming pool is planned to be constructed in the proposed Rototuna town centre. The development of a new pool in the north-east sector is a high priority, as increasing demand (largely due to city growth) is putting pressure on existing swimming facilities, leading to overcrowding and public dissatisfaction. The development of this asset will provide benefit to both existing and future ratepayers and therefore funding contains a percentage of development contribution funding.

Generally, new reserves and associated facilities for active recreation are required in proportion to population increase. Structure plans in the Hamilton City Proposed District Plan identify sites that need protection as public open space. The total amount of open space required for active recreation is calculated on a city wide basis and the location of the required parks is fixed through the structure planning process. Neighbourhood reserves are sited and acquired in the process of development of new areas in consultation with developers.

Acquisition and initial development of reserves is resourced through Financial Contributions under the Resource Management Act 1991. Subsequent development of parks is set out in the LTCCP and is resourced through development contributions under the Local Government Act 2002.



## ■ COST OF SERVICE FOR THE YEARS ENDED 30 JUNE 2010 – 2019

The following table identifies the forecast expenditure and revenue sources (including fees and charges, and subsidies), associated with providing the Recreation Activities for the 10 year period of the LTCCP.

The table also includes:

- 1 Capital expenditure by type i.e. growth, renewal and increased level of service.
- 2 Funding source (i.e. loans, subsidies, reserves or rates) for significant assets associated with the Recreation Activities.

### FORECAST COST OF SERVICE FOR THE TEN YEARS ENDING 30 JUNE 2010 – 2019

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>GROUP OF ACTIVITY – OPERATING STATEMENT</b>										
<b>OPERATING REVENUE</b>										
Activity revenue – User charges and fees	4,359	4,509	4,785	4,953	5,109	5,590	5,770	6,477	6,777	7,022
– Subsidy for operating expenditure	85	86	89	91	94	96	99	101	104	107
Development and financial contributions	1,867	2,638	4,559	4,665	4,638	4,919	4,754	5,178	5,570	6,218
General rates	20,678	24,842	25,054	27,545	29,383	31,651	33,334	34,968	36,881	39,463
Other general sources	1,645	1,651	1,658	1,171	3,364	632	6,092	3,499	554	625
<b>Total operating revenue</b>	<b>28,634</b>	<b>33,726</b>	<b>36,145</b>	<b>38,425</b>	<b>42,588</b>	<b>42,888</b>	<b>50,049</b>	<b>50,223</b>	<b>49,886</b>	<b>53,435</b>
<b>OPERATING EXPENDITURE</b>										
Parks and Gardens	13,153	13,948	14,951	15,689	16,738	17,579	18,435	19,083	19,894	20,603
Sports Areas	5,015	5,274	5,713	6,207	6,760	7,177	7,772	9,146	9,915	10,167
Zoo	3,094	3,184	3,188	3,314	3,420	3,505	3,625	3,727	3,845	3,958
Swimming Facilities	6,480	6,652	7,182	7,621	7,868	8,971	9,395	9,660	9,951	10,202
<b>Total operating expenditure</b>	<b>27,742</b>	<b>29,058</b>	<b>31,034</b>	<b>32,831</b>	<b>34,786</b>	<b>37,232</b>	<b>39,227</b>	<b>41,616</b>	<b>43,605</b>	<b>44,930</b>
<b>Operating surplus/(deficit)</b>	<b>892</b>	<b>4,668</b>	<b>5,111</b>	<b>5,594</b>	<b>7,802</b>	<b>5,656</b>	<b>10,822</b>	<b>8,607</b>	<b>6,281</b>	<b>8,505</b>



	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>GROUP OF ACTIVITY – CAPITAL AND RESERVES FUNDING STATEMENT</b>										
<b>CAPITAL EXPENDITURE</b>										
Growth	410	278	4,444	2,679	11,110	8,108	3,357	6,254	1,610	3,832
Increased level of service	5,091	4,249	8,787	3,546	10,274	3,827	16,943	8,050	1,586	1,908
Renewal	2,060	2,379	2,295	2,730	2,738	3,397	3,006	3,008	2,787	3,736
<b>Total capital expenditure</b>	<b>7,561</b>	<b>6,906</b>	<b>15,526</b>	<b>8,955</b>	<b>24,122</b>	<b>15,332</b>	<b>23,306</b>	<b>17,312</b>	<b>5,983</b>	<b>9,476</b>
Loan repayments	2,031	4,490	4,709	5,214	4,865	5,056	4,753	5,246	5,993	6,716
Transfers to reserves	3,800	4,628	7,192	6,582	6,675	6,893	6,713	7,333	8,445	9,323
Operating deficit	0	0	0	0	0	0	0	0	0	0
<b>Total funding required</b>	<b>13,392</b>	<b>16,024</b>	<b>27,427</b>	<b>20,751</b>	<b>35,662</b>	<b>27,281</b>	<b>34,772</b>	<b>29,891</b>	<b>20,421</b>	<b>25,515</b>
<b>Funded by:</b>										
Operating surplus	892	4,668	5,111	5,594	7,802	5,656	10,822	8,607	6,281	8,505
Funding from non-cash expenses	1,434	1,966	1,951	2,261	2,443	2,829	3,405	4,070	4,637	4,914
Loans raised	4,541	3,397	7,271	4,358	19,012	11,862	14,754	11,326	3,155	5,691
Proceeds from sale of assets	0	0	200	0	0	200	0	0	200	0
Transfers from reserves	3,122	4,211	11,081	6,990	5,220	5,441	5,294	5,734	6,155	6,807
<b>Total funding applied</b>	<b>9,989</b>	<b>14,242</b>	<b>25,614</b>	<b>19,203</b>	<b>34,477</b>	<b>25,988</b>	<b>34,275</b>	<b>29,737</b>	<b>20,428</b>	<b>25,917</b>
<b>Funding surplus/(deficit)</b>	<b>(3,403)</b>	<b>(1,782)</b>	<b>(1,813)</b>	<b>(1,548)</b>	<b>(1,185)</b>	<b>(1,293)</b>	<b>(497)</b>	<b>(154)</b>	<b>7</b>	<b>402</b>
Included in the group of activity expenditure above are these costs of maintaining assets	7,908	8,872	9,061	9,242	9,423	9,608	9,802	10,015	10,234	10,448

Group of activity expenditure is not fully funded. See section 2.2 of the Revenue and Financing Policy in Volume Two of this LTCCP for an explanation of the funding shortfall.  
 'General rates' funding above includes rates from all sources excluding Access Hamilton and water rates which are shown separately where applicable.



## 8.8 TRANSPORTATION

HARIA I NGAA WAKA

getting  
there



## ■ 8.8 TRANSPORTATION

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

In the past few years rapid growth has occurred in the northern part of the city, for example, in the Rototuna residential area and north western commercial and industrial centre around The Base and Te Rapa. This has placed increasing pressure on the transport system. It is critical therefore that we plan now to ensure transportation will meet the needs of our growing city and will do so in a way that supports vibrancy, choice and liveability.

In 2008 the Government Policy Statement on Land Transport Funding set targets for transportation in the areas of single occupant vehicle use, road crashes and fatalities, freight transfers to other modes, travel time security and public transport usage.

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

Access Hamilton commenced initially in 2002/03, since then the collective understanding of issues has deepened, thinking around integrated transport has grown and a stronger leadership role within the transport sector has emerged.

Hamilton is now well placed to consider, prepare and act upon its future transport needs, implementing changes that will help to protect the lifestyle we all enjoy whilst maintaining consistent journey times during peak travel times for all forms of transport.

Council's Transportation Activity Group includes the following activities:

### Transportation Network

Focuses on providing and efficiently managing a safe, effective and sustainable transport system that integrates freight and private vehicles with other forms of transport such as buses, walking and cycling. Services include the day-to-day operation and maintenance of the existing traffic network (carriageways, footpaths, traffic signals, verges, street lights, bus stops, etc.), planning for future development and growth of the network, developing and delivering network improvements and raising public awareness of the options and effects of travel behaviour and travel choices.

### Parking Enforcement

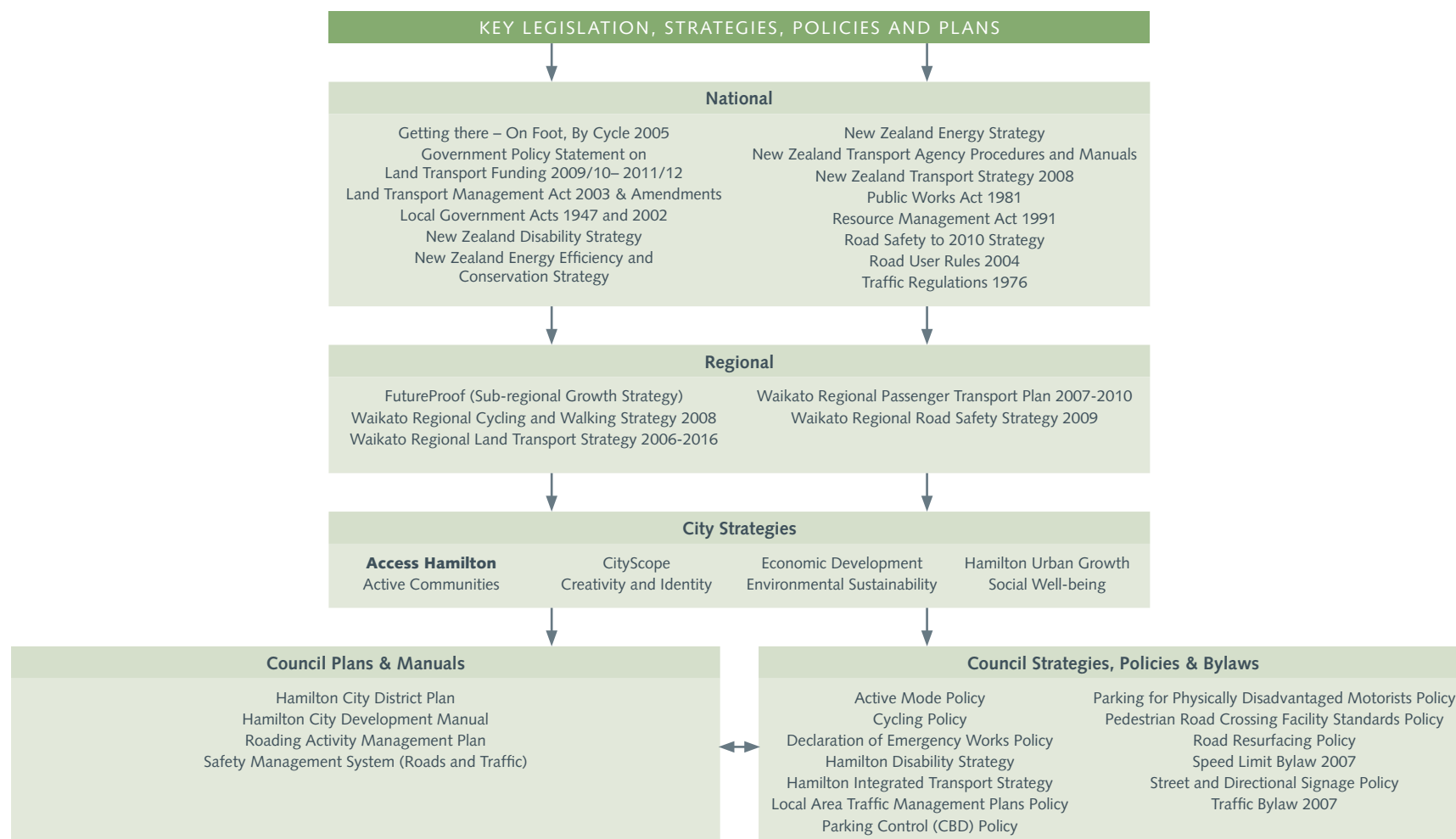
Manages the turnover and availability of on-street and Council operated off-street parking spaces in Hamilton. Parking Officers enforce heavy motor vehicle parking regulations, abandoned vehicle removal, bus lanes and clearways, and give aid and assistance to the public in the course of their duties.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

“recent growth has placed increasing pressure on the transport system”



## POLICY AND PLANNING CONTEXT

Council's planning and operating environments are shaped by a wider context of national, regional and city wide priorities and objectives. This diagram identifies the key legislation, strategies, policies and plans that link to and provide direction for the Transportation Activities.





“It is critical that we plan now to ensure transportation will meet the needs of our growing city”

#### ■ REASON FOR PROVIDING THIS ACTIVITY GROUP

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

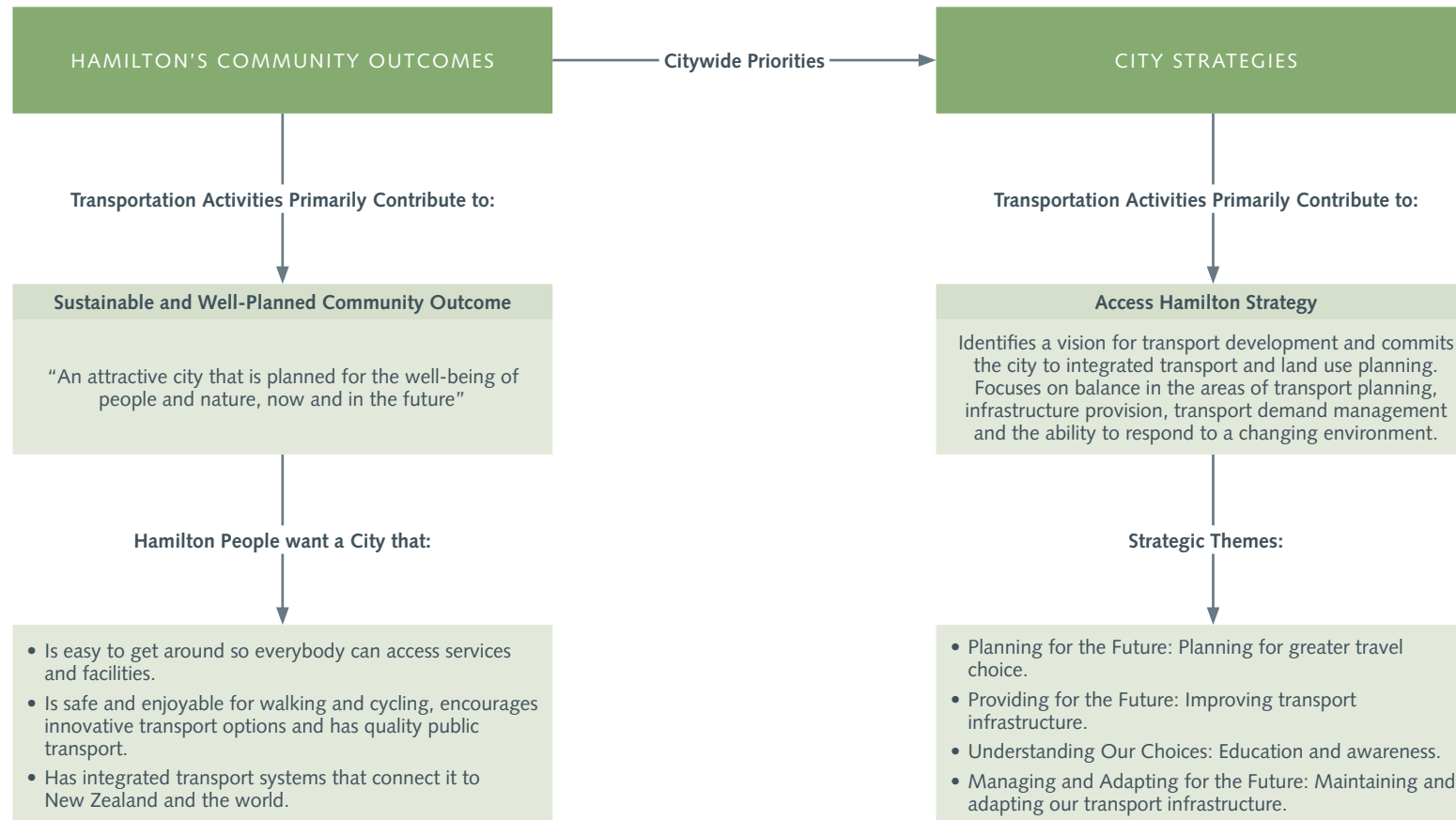
Council is the owner and controlling authority for most public roads within Hamilton and therefore has a duty to ensure that the roads are safe and sustainably managed, including planning for future capacity and demand. Responsible and sustainable management of infrastructure is a core responsibility of Council under the Local Government Act (LGA) 2002. Council is also required to provide parking enforcement under the LGA 2002 and the Land Transport Act 1998.

Over recent years, respondents to Council's Residents Survey have identified roads, traffic, transport and parking issues as one of the major areas for Council to consider. The high value that people place on being connected with the services and locations they want and need to access highlights the impact of transport systems on people's daily lives and their quality of life.

Hamilton's Community Outcomes and the Access Hamilton Strategy identify the importance of a sustainable and well-planned city that caters for a variety of different transport modes. Council's Transportation Activities have a key part to play in working towards these goals.



## ■ CONTRIBUTION TO HAMILTON'S COMMUNITY OUTCOMES AND THE CITY STRATEGIES





## HOW THE TRANSPORTATION ACTIVITIES CONTRIBUTE TO HAMILTON'S COMMUNITY OUTCOMES

A safe and efficient transport network is essential for economic activities to occur in the city. The network enables goods and people to be moved around the city so that normal daily activities can be undertaken. In addition, the street network is a conduit for other networks such as sewage, data transmission, power, gas and water. It also provides significant areas of public space and amenity.

Part of providing the transport network is about understanding that small changes can make a difference. This includes providing bus shelters to keep passengers dry, crossing points to help pedestrians navigate roads, smoothing crossing points for the mobility impaired and reduced speed zones around schools to promote child safety.

During the design of new routes and upgrading the existing networks, a full assessment is undertaken to ensure safety of vehicle and people movement as well as ensuring that the design meets the requirements of CityScope (Urban Design Strategy) and other environmental outcomes required by district planning. These designs require provision for all modes of transport and especially enhance the movement of the mobility impaired portions of the community.

An ongoing programme driven through Council's safety management system addresses the safety issues on the networks. Many of these safety issues involve a high level of public consultation and education to ensure people are aware of all the transport choices that are available to them and the effects of their transportation choices.

## MEASURING PROGRESS TOWARDS HAMILTON'S COMMUNITY OUTCOMES

Progress towards Hamilton's Community Outcomes is monitored through a selection of indicators. Indicators provide ways in which we can measure, directly or indirectly, changes to social, environmental, economic and cultural well-being over time. They provide a picture of what is going on around us that we can use to guide our future planning. Indicators can assist in identifying areas where progress is being made towards the Community Outcomes and alert us to areas that require action.

Council is one of numerous organisations whose actions and direction assist in progressing the outcomes and overall community well-being. The following Community Outcomes Progress Indicators (drawn from the full outcome set – refer Section 3.4) will assist in demonstrating the effect that the Transportation

Activity Group has on progressing Hamilton's Community Outcomes. The monitoring undertaken for these indicators will be reported each year in Council's Annual Report.

### Key:

- M = Moderate Contribution
- S = Significant Contribution
- O = Council is the only Provider

### Community Outcomes Progress Indicators:

- M Residents' means of travel to work.
- M Car ownership per household.
- M Passenger numbers using public transport.
- O Residents' satisfaction with Council provided cycling facilities.
- O Residents' satisfaction with Council provided footpaths.
- M Road crashes and casualties.
- M Air pollution – particulate matter and Benzene levels.
- M Residents' perception of air pollution as a problem.
- M Residents' perception of dangerous driving as a problem.
- M Road traffic volumes.
- M Residents' satisfaction with the Hamilton City bus service.
- M Residents' perception of traffic congestion when driving on Hamilton roads.
- S Travel times on key routes.
- M Residents' rating of public transport.
- S Number of schools and children using walking school buses.



## REGIONAL LAND TRANSPORT PROGRAMME

The Waikato Regional Land Transport Programme (RLTP) for 2009-19 establishes the regional priority for many district transport activities, including all state highway activities and some local road improvements, as outlined in this LTCCP. To request a copy of the RLTP please contact Environment Waikato, phone 07 859-0999.

“Vibrancy,  
choice and  
liveability”

## MEASURING SERVICE DELIVERY PERFORMANCE

This section includes the intended levels of service for the Transportation Activity Group and the performance measures and targets that Council will use to monitor service delivery performance. The levels of service, performance measures and targets represent Council's service commitments to the community and outline what the community can expect to receive from this Activity Group over the 10 year period of the LTCCP.

The levels of service focus on the key service delivery attributes of this Activity Group. They draw on a number of factors including the aspirations and goals of Hamilton's Community Outcomes and the City Strategies, legislative requirements and national objectives, national and industry standards and community expectations.

This Activity Group primarily contributes to the 'Sustainable and Well-Planned' Community Outcome. The levels of service that specifically contribute towards progressing the goals of these outcomes are identified by the following key.

Sustainable and Well-Planned Community Outcome	
“An attractive city that is planned for the well-being of people and nature now and in the future”	
1	Is easy to get around so everybody can access service and facilities.
2	Is safe and enjoyable for walking and cycling, encourages innovative transport options and has quality public transport.
3	Has integrated transport systems that connect it to New Zealand and the world.

Performance information is provided in detail for the first three years of the LTCCP and in outline for the remaining seven, through a projected target for year 10 (2018/19). Unless otherwise stated, all performance measures will be completed on or before 30 June for each financial year.

A number of performance measures and targets are from Council's Residents Survey and Customer Surveys. The Introduction to the Activity Groups (Section 8.1) provides information on these surveys, including explanations of the performance scores and categories.



KEY SERVICE ATTRIBUTES	LEVELS OF SERVICE	PERFORMANCE MEASURES	TARGETS					ADDITIONAL INFORMATION
			BASELINE	YEAR 1 2009/10	YEAR 2 2010/11	YEAR 3 2011/12	PROJECTED YEAR 10 2018/19	
Quality	The road network is in good condition and is 'fit for purpose'. <b>1 2 3</b>	The percentage of roads defined as smooth by the New Zealand Transport Agency.	November 2007 result: 85.4%	85%	Survey not undertaken in this year.	85%	85%	This measure is an indicator of the effectiveness of the road maintenance and reseal programmes. It is measured by the New Zealand Transport Agency every two years.
		Residents' satisfaction with:	2007/08 result:					Measured through Council's Residents Survey. A score of 62-67 indicates Fair Performance, 68-72 indicates Good Performance, and 73-76 indicates Very Good Performance for a 'no customer choice' service.
		• Streets in the city in general.	Good performance (score of 70.8)	68 – 72	68 – 72	68 – 72	68 – 72	
		• Cycling facilities.	Fair performance (score of 67.7)	62 – 67	68 – 72	68 – 72	68 – 72	
		• Pedestrian areas and facilities.	Good performance (score of 72.2)	68 – 72	68 – 72	68 – 72	73 – 76	



KEY SERVICE ATTRIBUTES	LEVELS OF SERVICE	PERFORMANCE MEASURES	TARGETS					ADDITIONAL INFORMATION
			BASELINE	YEAR 1 2009/10	YEAR 2 2010/11	YEAR 3 2011/12	PROJECTED YEAR 10 2018/19	
Safety	The pedestrian network feels safe to use. <b>2</b>	Residents' satisfaction with the safety of pedestrian areas.	2007/08 result: Good performance (score of 70.3).	68-72	68-72	68-72	68-72	Measured through Council's Residents Survey. A score of 68-72 indicates Good Performance and 73-76 indicates Very Good Performance for a 'no customer choice' service.
	Traffic signs and markings are easy to see and understand. <b>1 2</b>	Residents' satisfaction with traffic management (e.g. road markings, lights, signs and traffic islands).	2007/08 result: Very good performance (score of 73.0)	73-76	73-76	73-76	73-76	
	Lighting is provided to enhance safety for all road users and to aid navigation and security. <b>1 2</b>	Residents' satisfaction with street lighting in general.	2007/08 result: Very good performance (score of 74.7)	73-76	73-76	73-76	73-76	



KEY SERVICE ATTRIBUTES	LEVELS OF SERVICE	PERFORMANCE MEASURES	TARGETS					ADDITIONAL INFORMATION
			BASELINE	YEAR 1 2009/10	YEAR 2 2010/11	YEAR 3 2011/12	PROJECTED YEAR 10 2018/19	
Accessibility	Parking spaces are carefully managed to support the economic viability of the city and the promotion of alternate transport modes. <b>1 2</b>	Coverage of parking officer patrols on a continuous scheduled basis through the CBD and suburbs.	2007/08 result: 82%	75% or greater	75% or greater	75% or greater	75% or greater	
		Turnover of parking spaces in the city that is less than or equal to the time limits set for those areas.	2007/08 result: 83%	75% or greater	75% or greater	75% or greater	75% or greater	
	City streets and footpaths are easy to use and promote cycling and walking. <b>1 2</b>	Residents' satisfaction with the convenience of the location of pedestrian crossings, paths and access ways.	2007/08 result: Good performance (score of 71.9)	68-72	68-72	68-72	73-76	Measured through Council's Residents Survey. A score of 68-72 indicates Good Performance and 73-76 indicates Very Good Performance for a 'no customer choice' service.
		Kilometres of cycle lanes on existing city roads.	2007/08 result: 91km	94.8km	98.6km	102.4km	110km	Funding provision has been made up to 2014 to provide cycle lanes on existing city roads. The target of 110km is projected for 2013/14.



KEY SERVICE ATTRIBUTES	LEVELS OF SERVICE	PERFORMANCE MEASURES	TARGETS					ADDITIONAL INFORMATION
			BASELINE	YEAR 1 2009/10	YEAR 2 2010/11	YEAR 3 2011/12	PROJECTED YEAR 10 2018/19	
Reliability	Motor vehicle travel times are predictable. ① ② ③	Average travel speed on 5 key routes.	2008 results: Peak AM = 23 km/ph Peak PM = 26 km/ph Non-peak = 37 km/ph	Peak AM/PM = 24 km/ph Non-peak = 35 km/ph	Peak AM/PM = 24 km/ph Non-peak = 35 km/ph	Peak AM/PM = 24 km/ph Non-peak = 35 km/ph	Peak AM/PM = 24 km/ph Non-peak = 35 km/ph	Travel speed is measured on 5 selected main arterial routes throughout the city in March and November each year. The target is to maintain 2008 Journey speed levels.
		Residents' satisfaction with getting around in peak and non-peak traffic.	2007/08 result:					Measured through Council's Residents Survey. A score of 61 or lower indicates 'Needs Significant Improvement' and 73-76 indicates Very Good Performance for a 'no customer choice' service. This is a perception measure, which traditionally scores low for people's perception of peak traffic. It is also balanced with the measures of travel times on key routes above.
			Peak traffic – Needs significant improvement (score of 48.3)	45 – 61	45 – 61	45 – 61	45 – 61	
			Non-peak traffic – Very good performance (score of 76.7)	73-76	73-76	73-76	73-76	



### ■ SIGNIFICANT NEGATIVE EFFECTS

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

- Construction of the road – noise, dust, etc.
- Use of the land for roads instead of other activities.
- Noise from vehicles.
- Emissions – air and water pollution.
- Accident costs, both economic and social.
- Roads forming possible barriers between areas of the community.

Some of these negative effects are beyond the control of Council, but in many cases measures can be taken to alleviate the effects. This is taken into account during the design and construction of projects through travel demand management and land use planning, through maintenance and replacement programmes, community education and awareness programmes and consultation with the community.

The following table identifies the *significant* existing or potential negative effects for the Transportation Activities. The significance of an effect is determined through its likely impact on and consequences for:

- a) The current and future social, economic, environmental, or cultural well-being of the city.
- b) The extent to which communities are likely to be affected.
- c) The capacity of Council to perform its role, including financial and other costs.

SIGNIFICANT NEGATIVE EFFECTS		HOW COUNCIL MITIGATES OR MANAGES THE EFFECTS
Effects on Sustainability	Roads have a high land requirement and increasing amounts of productive land are used for roads.	Council ensures robust decision-making around land requirements and land use. Road widths are reduced in low use streets, but conversely high use streets require wider road reserve width to accommodate traffic volumes, cycle lanes, footpaths, utility services, safety and noise buffers. Shared use of footpaths by both pedestrians and cyclists is used where practicable to reduce land requirements. Noise and visual buffers require additional land width, but this is minimised where possible. Surplus road reserve land is offered for sale where practicable. Council also promotes alternative forms of transport to maximise the existing road network.
	The construction of new roads has the potential to impact negatively on natural heritage	Construction projects are extensively investigated to identify possible heritage artefacts prior to construction. Consultation with tangata whenua and other affected parties is also undertaken.
	Traffic congestion is a negative effect impacting on most growing cities.	Measures to maintaining consistent journey times during peak travel times for all forms of transport are a key part of the Access Hamilton Strategy. This strategy encourages alternatives to the single occupant of a car and protects residential areas from unwanted and unnecessary traffic/noise/speed. It also promotes the effective integration of land use and transport planning, including opportunities to reduce the amount of trips needed. Traffic controls are also used to minimise delays on the traffic network, such as optimising signal control.
	Road construction and maintenance (for example road resurfacing and street lighting) and vehicle operation have high energy requirements.	Energy use by vehicles can best be mitigated by reducing congestion delays and selecting road surfacing treatments that minimise vehicle operating costs where viable. Alternative street lighting technology with reduced energy requirements is being trialled.
	Negative effect on air quality from vehicle emissions, particularly from busy intersections at peak travel times.	Best practice roading design ensures the efficient and effective movement of traffic throughout the city and minimises congestion points within the road network. Council operates a transport model which is used to minimise congestion and assist in the smooth flow of traffic within the city. Council provides infrastructure to support cycling, walking and bus patronage and promotes these modes through community education initiatives.



SIGNIFICANT NEGATIVE EFFECTS		HOW COUNCIL MITIGATES OR MANAGES THE EFFECTS
Effects on Social Well-being and Safety	Potential for crashes to occur on the road network.	Measures to reduce traffic crashes in the city are included in the road safety strategy. Particularly focus has been given to intersection safety, drink driving, cyclist helmets, speed and restraints. Engineering, education and enforcement programmes are developed in conjunction with Council's major transport partners, e.g. the Ministry of Transport, New Zealand Transport Agency, Environment Waikato, Accident Compensation Corporation, Waikato District Health Board, Sport and Recreation New Zealand.
	Roads can form barriers between sections of the community that are difficult to cross, particularly for pedestrians and cyclists, but even in a motor car.	Council consults the community over all roading projects using a range of mechanisms. It also ensures that provision is made for pedestrians and cyclists within the road network. Construction of user friendly refuge islands, traffic signals, underpasses or overbridges can provide a corridor across the road, but at a significant capital cost.
	Perceived high levels of traffic noise, particularly in residential areas.	All arterial roads carrying greater than 10,000 vehicles per day are surfaced with quiet road surfacing.
	Noise, dust and mud during construction and increased use of roads by road construction vehicles.	Appropriate controls are taken during construction, for example: <ul style="list-style-type: none"> <li>• Reduced speed zones.</li> <li>• Construction techniques that minimise use of transported material.</li> <li>• Route selection and vehicle cleaning.</li> <li>• Special provision for cyclists and pedestrians.</li> </ul>
Financial Requirements	Road construction has a high financial requirement.	Road designs attempt to minimise whole of life costs and to make prudent investments for the future. The use of non-engineering and low cost solutions is also investigated.
	Cost of parking in the CBD may reduce commercial activity.	The price for supply and the demand for parking both on and off road needs to be carefully balanced.



## ■ CURRENT AND FUTURE ASSET CAPACITY

### EXISTING KEY ASSETS (AS AT DECEMBER 2008)

KEY ASSETS	DEPRECIATED REPLACEMENT COST (\$000)
<b>Transportation Network</b>	
Roading	421,254
Bridges and Retaining Walls	38,370
Traffic Controls	16,628
Footpaths, Cycleways and Verges	44,265
Central Area Parking	9,526
Transport Centre	2,957
Land	654,829
<b>Parking Enforcement</b>	
Equipment	141
<b>Total Depreciated Replacement Cost</b>	<b>1,187,970</b>

## MAINTENANCE AND REPLACEMENT OF ASSETS

Council's objective when maintaining existing assets is to achieve the least whole of life cost, while still delivering the required levels of service. Annual programmes for the maintenance, renewal and replacement of assets are prepared by staff using a combination of asset age and condition information, customer feedback and maintenance records. Council's Transportation Unit determines the programme of work and contracts out design and physical works to ensure that Council obtains the best value for money.

Over past years, a sound programme of renewals has been implemented and the condition of assets has been maintained. However, the average age of some asset types is increasing, and although present condition is adequate, an increase in renewal work will be needed over the next 10 years to avoid a decline in levels of service and overall asset condition. Generally maintenance costs trail the growth in the network, as new assets require little maintenance and the operating costs are relatively low. However, a steady rise in overall

costs is expected as the network expands. As the city's residential areas expand, peripheral roads are subjected to a change in use and the rate of deterioration increases, bringing forward the need for replacement of assets.

## ADDITIONAL ASSET CAPACITY REQUIREMENTS

The Access Hamilton Strategy reflects Council's drive towards a total Travel Demand Management (TDM) approach to transportation. In terms of the construction of new assets this means seeing it as one part of a solution to travel management issues. Other tools include parking price and availability, school and business travel plans and education programmes to ensure that the public understand the results of their travel mode selection. This provides Council with an effective, cost efficient, balanced approach to the construction of new assets.

Timing of many of the capital works for new roads is dependent upon other projects such as the New Zealand Transport Agency (NZTA) Te Rapa Bypass project. Close liaison with NZTA needs to be maintained to ensure that these programmes remain synchronised. Growth related capital works will be influenced by the actual rate of growth of the city. Although development contributions will help fund these works, planning and design needs to be sufficiently advanced so that the project can be brought forward or delayed as needed to match actual growth patterns.

Other works are required to respond to capacity restraint by:

- Protection of residential areas by traffic calming or Local Area Traffic Management (LATM).
- Improvements to areas with rising crash rates.
- Planning transport improvements for locations where modelling of future development scenarios show work will be required.
- Implementing recommendations of the Access Hamilton Strategy, which includes the supporting 'Integrated Transport Plan' currently under development.

All programmes balance improvements for all users (freight, vehicles, public transport, cycle, walking) with the environmental effects of the loss of land, community severance, and the effect on noise, air and water and safety issues.



## ■ COST OF SERVICE FOR THE YEARS ENDED 30 JUNE 2010 – 2019

The following table identifies the forecast expenditure for and revenue sources (including fees and charges, and subsidies), associated with providing the Transportation Activities for the 10 year period of the LTCCP.

The table also includes:

- 1 Capital expenditure by type i.e. growth, renewal and increased level of service.
- 2 Funding source (i.e. loans, subsidies, reserves or rates) for significant assets associated with the Transportation Activities.

### FORECAST COST OF SERVICE FOR THE TEN YEARS ENDING 30 JUNE 2010 – 2019

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>GROUP OF ACTIVITY – OPERATING STATEMENT</b>										
<b>OPERATING REVENUE</b>										
Activity revenue – User charges and fees	7,830	7,768	8,111	8,330	8,550	8,915	9,151	9,414	9,681	9,939
– Subsidy for operating expenditure	3,421	3,460	3,665	3,808	4,132	4,132	4,267	4,441	4,623	4,964
Targeted rates – Access Hamilton	2,850	1,600	1,800	4,300	5,000	6,000	7,700	8,500	9,000	9,000
Development and financial contributions	2,239	3,522	5,341	5,982	6,674	6,986	7,096	7,572	8,075	8,596
Subsidy for capital works	3,964	10,437	9,619	18,166	19,477	7,096	4,270	4,856	4,207	3,873
General rates	16,852	12,079	19,241	19,082	18,874	19,151	20,456	22,718	23,372	24,017
Other general sources	76	321	292	244	205	154	152	153	149	193
<b>Total operating revenue</b>	<b>37,232</b>	<b>39,187</b>	<b>48,069</b>	<b>59,912</b>	<b>62,912</b>	<b>52,434</b>	<b>53,092</b>	<b>57,654</b>	<b>59,107</b>	<b>60,582</b>
<b>OPERATING EXPENDITURE</b>										
Transportation Network	36,917	37,756	40,111	42,414	46,508	50,015	51,996	53,965	56,199	58,443
Parking Enforcement	3,732	3,752	3,869	3,975	4,089	4,201	4,315	4,444	4,581	4,703
<b>Total operating expenditure</b>	<b>40,649</b>	<b>41,508</b>	<b>43,980</b>	<b>46,389</b>	<b>50,597</b>	<b>54,216</b>	<b>56,311</b>	<b>58,409</b>	<b>60,780</b>	<b>63,146</b>
<b>Operating surplus/(deficit)</b>	<b>(3,417)</b>	<b>(2,321)</b>	<b>4,089</b>	<b>13,523</b>	<b>12,315</b>	<b>(1,782)</b>	<b>(3,219)</b>	<b>(755)</b>	<b>(1,673)</b>	<b>(2,564)</b>



	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>GROUP OF ACTIVITY – CAPITAL AND RESERVES FUNDING STATEMENT</b>										
<b>CAPITAL EXPENDITURE</b>										
Growth	1,078	843	4,586	15,360	27,328	11,925	8,830	10,968	11,810	23,728
Increased level of service	7,055	7,954	19,698	46,094	52,479	20,847	7,937	15,825	9,522	10,601
Renewal	7,297	7,624	10,357	10,415	11,225	10,303	12,556	14,614	13,247	12,625
<b>Total capital expenditure</b>	<b>15,430</b>	<b>16,421</b>	<b>34,641</b>	<b>71,869</b>	<b>91,032</b>	<b>43,075</b>	<b>29,323</b>	<b>41,407</b>	<b>34,579</b>	<b>46,954</b>
Loan repayments	3,613	6,944	7,862	8,193	7,605	7,870	7,456	8,126	8,691	9,395
Transfers to reserves	5,830	5,609	7,851	11,252	12,717	14,250	16,187	17,637	18,951	19,691
Operating deficit	3,417	2,321	0	0	0	1,782	3,219	755	1,673	2,564
<b>Total funding required</b>	<b>28,290</b>	<b>31,295</b>	<b>50,354</b>	<b>91,314</b>	<b>111,354</b>	<b>66,977</b>	<b>56,185</b>	<b>67,925</b>	<b>63,894</b>	<b>78,604</b>
<b>Funded by:</b>										
Operating surplus	0	0	4,089	13,523	12,315	0	0	0	0	0
Funding from non-cash expenses	13,310	17,230	16,981	18,455	20,595	22,625	24,882	26,263	27,768	29,573
Loans raised	6,827	6,867	18,288	46,855	63,856	28,474	15,916	26,200	20,717	33,696
Transfers from reserves	5,482	6,978	9,798	11,690	14,164	15,458	15,632	15,858	16,105	16,495
<b>Total funding applied</b>	<b>25,619</b>	<b>31,075</b>	<b>49,156</b>	<b>90,523</b>	<b>110,930</b>	<b>66,557</b>	<b>56,430</b>	<b>68,321</b>	<b>64,590</b>	<b>79,764</b>
<b>Funding surplus/(deficit)</b>	<b>(2,671)</b>	<b>(220)</b>	<b>(1,198)</b>	<b>(791)</b>	<b>(424)</b>	<b>(420)</b>	<b>245</b>	<b>396</b>	<b>696</b>	<b>1,160</b>
Included in the group of activity expenditure above are these costs of maintaining assets	6,374	6,547	6,814	7,080	7,353	7,636	7,933	8,257	8,598	8,938

Group of activity expenditure is not fully funded. See section 2.2 of the Revenue and Financing Policy in Volume Two of this LTCCP for an explanation of the funding shortfall.  
 'General rates' funding above includes rates from all sources excluding Access Hamilton and water rates which are shown separately where applicable.



## 8.9 URBAN DEVELOPMENT

### TAPU A-TE-TAONE

A photograph of a woman in a black t-shirt and jeans holding the hand of a young girl in a blue t-shirt and denim shorts. They are walking on a city sidewalk. In the background, there are parked cars and buildings. The text "growing up" is overlaid in a large, white, sans-serif font.

growing  
up



## ■ 8.9 URBAN DEVELOPMENT

Hamilton has experienced rapid urban change in recent years and with this has come a renewed focus on how development takes place. In the last three years a greater focus has been placed on the quality of the urban growth that is occurring in Hamilton, how our design and land use affect the way we live our lives, the resources we use and the resulting effects on our natural environment. Good city planning has many benefits for the city. It not only supports growth and development, but also protects Hamilton's unique environment and residents' quality of life. The way urban land is used to accommodate growth in households and industry also impacts on the costs and accessibility of housing, transport and employment.

Council has developed an Urban Growth Strategy which provides a focus for Council's planned direction for the city's development. The strategy facilitates a move towards more choices for compact living environments in the existing city, with a greater focus on quality. In mid 2009 Council will commence work on a District Plan review; the District Plan will contain policies and strategies that prescribe how Hamilton's resources can be used in an environmentally sustainable way. The CityScope and Environmental Sustainability Strategies also help to ensure that as the city moves forward, growth and new development reflect our need for intelligent use of resources and protect our local environment.

Council's Urban Development Activity Group includes the following activities:

### Building Control

The Building Control Unit works closely with people in advisory, education, compliance and enforcement roles to ensure that buildings are constructed to meet the requirements of the New Zealand Building Code and achieve acceptable standards for the health and safety of building users. In 2007 the Building Control Unit achieved Building Consent Authority Accreditation, which is a requirement for any local authority carrying out building consent, inspection and approval work. The unit also employs a full time Eco-Design Advisor who provides information and advice on sustainable design options.

### City Planning

The City Planning Unit comprises two teams (the District Plan Team and the Forward Planning Team) who provide professional advice and leadership to Council, the community and the development industry on resource management matters to assist the planned and sustainable urban growth of the city. The District Plan Team are working towards making the existing District Plan operative, while the Forward Planning Team are providing quality controls for Urban Design and preparing structure plans for Hamilton. An Urban Design Advisory Panel has been established to assist applicants in improving design quality in respect of major development proposals and to provide advice to the Planning Committee regarding design quality.

### Planning Guidance

The Planning Guidance Unit provides planning advice and processes applications for resource consents and subdivision consents according to the Hamilton City District Plan and the Resource Management Act 1991. The unit also monitors and investigates compliance with resource consent conditions, the Prostitution Bylaw 2004 and the Gambling Venues Policies 2004. As part of CityScope, pre-application meetings are held with developers at the pre-design stage to foster greater collaboration between Council and developers and to promote the principles of good urban design and sustainability.

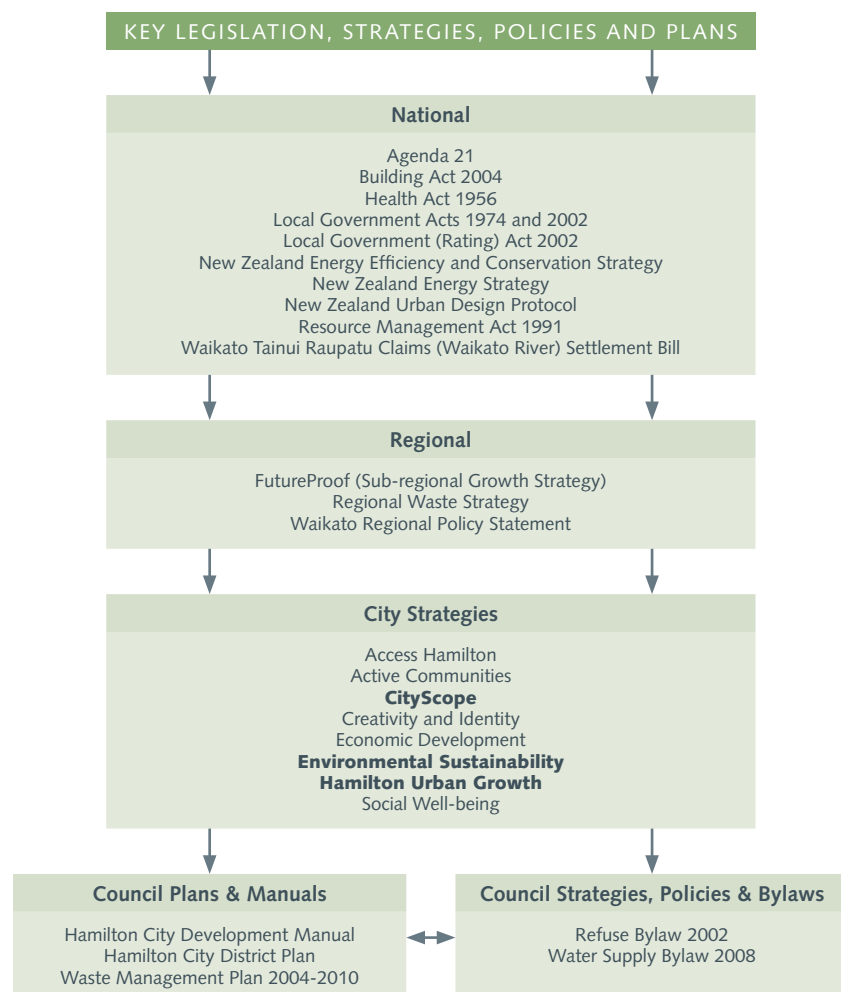
### Sustainable Environment

The Sustainable Environment Team provides advice and information within Council, whilst partnering with the community to take a lead role in creating a 'Vibrant Hamilton'. This is done through creating awareness about urban sustainability and the principles of Agenda 21. The team works closely with Council staff to ensure they are well informed about current approaches towards environmentally sensitive urban growth and development. The team provides leadership for sustainable living and works to engage and support different sectors of the Hamilton community to achieve positive environmental outcomes for the city.



## ■ POLICY AND PLANNING CONTEXT

Council's planning and operating environments are shaped by a wider context of national, regional and city wide priorities and objectives. This diagram identifies the key legislation, strategies, policies and plans that link to and provide direction for the Urban Development Activities.



## ■ REASON FOR PROVIDING THIS ACTIVITY GROUP

Hamilton has experienced rapid urban change in recent years. We are fast becoming a metropolitan hub, yet we still enjoy many of the aspects associated with smaller city living such as large open green spaces, low air pollution, and sufficient high quality water to meet our current needs. However, growth within the city is placing increased pressure on these local resources and the natural environment. The quality of the environment in which people live affects and reflects their well-being. The activities under Urban Development look to establish a way forward for the city, support residents needs, protect the natural environment from unnecessary adverse effects and provide fair and consistent regulatory services to ensure the health and safety of all residents.

In order to meet the needs of Hamilton's communities both now and into the future, Council provides services to regulate the use of the city's resources in an environmentally sustainable way. This also means that activities undertaken by residents within the city have minimal effects on others and the environment and any adverse effects are remedied or mitigated where possible, which is required under the Resource Management Act (RMA) 1991.

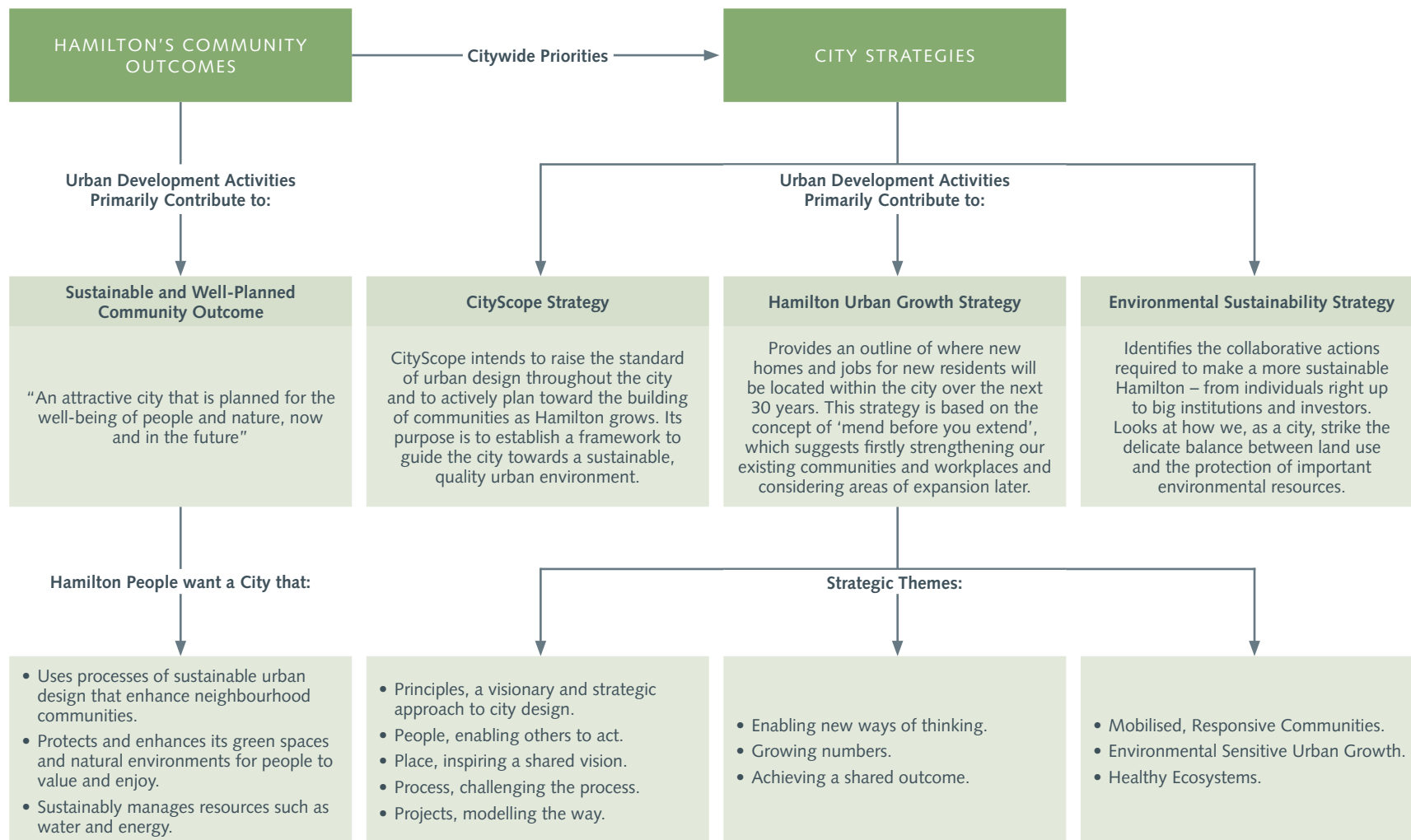
The Building Act 2004 requires Council to provide a quality building control service, whereby buildings are assessed for compliance with standards and regulations under the New Zealand Building Code. It is important that residents feel they have safe places to live, work and engage in recreation.

The RMA 1991 requires Council to prepare, maintain and administer a District Plan. The existing Hamilton City District Plan contains policies and strategies for managing natural and physical resources in Hamilton. The RMA 1991 also requires the administration of policies developed under legislation, monitoring, response to complaints and enforcement action when necessary.

The Urban Development activities contribute to the 'Sustainable and Well-Planned' Community Outcome and three of Council's city strategies – CityScope (Urban Design Strategy), the Hamilton Urban Growth Strategy and the Environmental Sustainability Strategy.



## ■ CONTRIBUTION TO HAMILTON'S COMMUNITY OUTCOMES AND THE CITY STRATEGIES





## HOW THE URBAN DEVELOPMENT ACTIVITIES CONTRIBUTE TO HAMILTON'S COMMUNITY OUTCOMES

Council wishes to take a stronger and more visionary role in guiding the future development of the city's built environment to ensure that it can better reflect the aspirations of Hamilton's community. It is Council's vision that Hamilton's evolving urban form and built environment will deliver positive social, economic and environmental outcomes that have sometimes been missing from ad-hoc development in the past.

Council developed the Hamilton Urban Growth strategy as a collaborative document which sought input from key city leaders, partners and the community on their aspirations for the city. The Growth strategy is creating a look and feel for the city that inspires residents. As well as the city strategies Council has introduced an urban design panel to look at and make recommendations on significant development proposals. These complementary planning tools help Council to meet community expectations around the development occurring in the city and the protection of natural and physical resources.

Council has a number of other regulatory tools in which it can use to enforce action, including, monitoring compliance with the standards and regulations of the New Zealand Building Code under the Building Act 2004, administration of the District Plan, monitoring compliance with resource consent conditions and minimising adverse negative effect through the Resource Management Act 1991.

The Urban Development Activities work towards encouraging residents and organisation within the city to change their behaviour and actions to achieve an environmentally sustainable Hamilton by protecting and enhancing our diverse and unique natural environment. The activities also ensure Council staff are well informed about current approaches towards environmentally sensitive urban growth and development.

## CITY STRATEGY FLAGSHIP PROJECTS

The City Strategies contain what are known as 'flagship projects'. These projects have been agreed to by and are in alignment with the work programmes of a number of stakeholder agencies across the city. Council is leading the review of the current District Plan, which is a flagship project in the Environmental Sustainability Strategy.

### District Plan Review:

The current District Plan tends to lack leadership in the area of environmentally sensitive design. The District Plan review process aims to better align the document with the principles of all of Council's City Strategies. A parallel review of the Hamilton City Development Manual will expand the options outlined to achieve development standards that include a range of environmentally sustainable design and development mechanisms.

### Waiwhakareke

This project aims to maximise restoration efforts at the Waiwhakareke Natural Heritage Park by effectively co-ordinating the work of involved agencies and building bridges with other ecological restoration and conservation projects in the region (e.g. Hamilton Halo initiatives, Gully Restoration and Hamilton Zoo programmes).

This includes working with nurseries to develop an ecosourcing accreditation framework and building supply capacity, and using effective communications to develop a greater understanding and awareness among the public of the Park's ecological significance. Council is one of a number of partners in this project which is lead by the Centre for Biodiversity and Ecology Research.

“environmentally  
sensitive urban growth”



## MEASURING PROGRESS TOWARDS HAMILTON'S COMMUNITY OUTCOMES

Progress towards Hamilton's Community Outcomes is monitored through a selection of indicators. Indicators provide ways in which we can measure, directly or indirectly, changes to social, environmental, economic and cultural well-being over time. They provide a picture of what is going on around us that we can use to guide our future planning. Indicators can assist in identifying areas where progress is being made towards the Community Outcomes and alert us to areas that require action.

Council is one of numerous organisations whose actions and direction assist in progressing the outcomes and overall community well-being. The following Community Outcomes Progress Indicators (drawn from the full outcome set – refer Section 3.4) will assist in demonstrating the effect that the Urban Development Activity Group has on progressing Hamilton's Community Outcomes. The monitoring undertaken for these indicators will be reported each year in Council's Annual Report.

### Key:

**M** = Moderate Contribution

**S** = Significant Contribution

**O** = Council is the only Provider

### Community Outcomes Progress Indicators:

**O** Area of green space in the city per resident.

**S** Ratio of greenfield to infill development.

**S** Percentage of resource consent applications that receive pre-application urban design comments and percentage of those comments actioned.

**S** Residents' rating of sense of pride in the way their city looks and feels.

**M** Number of people living in the central city area.

**S** Number of built heritage and sites of archaeological, historic and cultural significance in the current District Plan.

**S** Participation in EnviroSchools programme.

**S** Residents perception of safety in the CBD and in neighbourhoods.

**S** Residents' rating of feeling safe in Hamilton's central city at night.

## MEASURING SERVICE DELIVERY PERFORMANCE

This section includes the intended levels of service for the Urban Development Activity Group and the performance measures and targets that Council will use to monitor service delivery performance. The levels of service, performance measures and targets represent Council's service commitments to the community and outline what the community can expect to receive from this Activity Group over the 10 year period of the LTCCP.

The levels of service focus on the key service delivery attributes of this Activity Group. They draw on a number of factors including the aspirations and goals of Hamilton's Community Outcomes and the City Strategies, legislative requirements and national objectives, national and industry standards and community expectations.

This Activity Group primarily contributes to the 'Sustainable and Well-Planned' Community Outcome. The levels of service that specifically contribute towards progressing the goals of these outcomes are identified by the following key.

Sustainable and Well-Planned Community Outcome "An attractive city that is planned for the well-being of people and nature, now and in the future"	
1	Uses processes of sustainable urban design that enhance neighbourhood communities.
2	Protects and enhances its green spaces and natural environments for people to value and enjoy.
3	Sustainably manages resources such as water and energy.

Performance information is provided in detail for the first three years of the LTCCP and in outline for the remaining seven, through a projected target for year 10 (2018/19). Unless otherwise stated, all performance measures will be completed on or before 30 June for each financial year.

A number of performance measures and targets are from Council's Residents Survey and Customer Surveys. The Introduction to the Activity Groups (Section 8.1) provides information on these surveys, including explanations of the performance scores and categories.



KEY SERVICE ATTRIBUTES	LEVELS OF SERVICE	PERFORMANCE MEASURES	TARGETS					ADDITIONAL INFORMATION
			BASELINE	YEAR 1 2009/10	YEAR 2 2010/11	YEAR 3 2011/12	PROJECTED YEAR 10 2018/19	
Accessibility	Opportunities are provided for the community to be involved in environmental education initiatives. <b>2</b>	Percentage of gully owners that are involved in the gully restoration programme.	2007/08 result: 24%	25%	26%	27%	30%	A campaign is held each year to encourage people to join the programme.
Quality	A high standard of building control and planning guidance services are provided. <b>1 2</b>	Customer satisfaction with:	2007/08 result:					Measured through Customer Satisfaction Surveys. A score of 73-76 indicates Very Good Performance for a 'no customer choice' service. Surveys are undertaken every two years.
		• Building Unit.	Very good performance (score of 76.7)	73 – 76	Survey not undertaken this year.	73 – 76	Survey not undertaken in this year.	
		• Planning Guidance Unit.	Very good performance (score of 74.4)	73 – 76	Survey not undertaken this year.	73 – 76	Survey not undertaken this year.	
Responsiveness	Building consents and resource consents are processed within statutory timeframes.	Percentage of building consents issued within 20 working days from receipt of the application.	2007/08 result: 100%	100%	100%	100%	100%	This is a requirement of the Building Act 2004. A money back guarantee is offered if a consent is not issued within this timeframe.
		Percentage of non-notified resource consents issues within 20 working days from receipt of application.	2007/08 result: 100%	100%	100%	100%	100%	This is a requirement of the Resource Management Act 1991. A money back guarantee is offered if a consent is not issued within this timeframe.



KEY SERVICE ATTRIBUTES	LEVELS OF SERVICE	PERFORMANCE MEASURES	TARGETS					ADDITIONAL INFORMATION
			BASELINE	YEAR 1 2009/10	YEAR 2 2010/11	YEAR 3 2011/12	PROJECTED YEAR 10 2018/19	
Sustainability	Funding support is provided for projects that benefit the environment. ② ③	Provide annual funding of environmental projects through the Envirofund	2008/09 result: Funding allocated to 21 projects	Funding allocated	Funding allocated	Funding allocated	Funding allocated	Funding allocated annually, for groups to undertake environmental projects.
	Managing urban growth and planning for good outcomes around city planning. ① ② ③	Existing District Plan made operative.	No baseline, new measure.			Existing District Plan made operative		The existing plan needs to be made operative before Council can notify the new plan.
		Review of Hamilton City District Plan.	No baseline, new measure.	Commence Review by July 2009	Ongoing	Anticipated notification of new district plan notified		

“creating a look and feel for the city that inspires residents”



**SIGNIFICANT NEGATIVE EFFECTS**

Effects on the current and future well-being of the community are an important consideration for Council when planning and carrying out its activities. As well as having positive effects, some activities can have either existing or potential negative effects on social, economic, environmental or cultural well-being that need to be managed or mitigated.

Negative effects often occur when there are competing priorities or objectives and high demand for resources. For example, infrastructure being built to provide for growth may have environmental consequences. Council aims to find a balance that is acceptable to the community and provides for the well-being of current and future generations and the city's ongoing sustainable development.

The following table identifies the *significant* existing or potential negative effects for the Urban Development Activities. The significance of an effect is determined through its likely impact on and consequences for:

- a) The current and future social, economic, environmental, or cultural well-being of the city.
- b) The extent to which communities are likely to be affected.
- c) The capacity of Council to perform its role, including financial and other costs.

SIGNIFICANT NEGATIVE EFFECTS		HOW COUNCIL MITIGATES OR MANAGES THE EFFECTS
Potential Environmental Effects	Resource consent conditions may not be met, which may cause adverse environmental effects.	Ongoing inspection and monitoring of resource consents is carried out as per a monthly monitoring schedule. A request for service facility is in place to respond to complaints. Enforcement provisions are also in place to ensure compliance with resource consent conditions.
Potential for Incompatible District Plan Activities	Activities permitted through the District Plan(s) may still be viewed as being incompatible with local surroundings.	As part of Council's CityScope Strategy, pre-application meetings are held for developments that do not tie in with Council's future plans for the city. Council's plans for the development of the city will be proactively discussed with property developers and architects to work towards a shared vision for what Hamilton will look like in the future.
Restriction of Activities	Balancing individual property rights and the need to protect the environment leads to some restrictions on activities.	Council is required to monitor and control activities that may cause environmental harm; this may mean that some activities are restricted as they have the potential to cause environmental harm.

**CURRENT AND FUTURE ASSET CAPACITY**

There are no significant assets associated with this group of activities.



### ■ COST OF SERVICE FOR THE YEARS ENDED 30 JUNE 2010 – 2019

The following table identifies the forecast expenditure and the revenue sources associated with providing the Urban Development Activities for the 10 year period of the LTCCP.

The table also includes:

- 1 Capital expenditure by type i.e. growth, renewal and increased level of service.
- 2 Funding source (i.e. loans, subsidies, reserves or rates) for significant assets associated with the Urban Development Activities.

#### FORECAST COST OF SERVICE FOR THE TEN YEARS ENDING 30 JUNE 2010 – 2019

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>GROUP OF ACTIVITY – OPERATING STATEMENT</b>										
<b>OPERATING REVENUE</b>										
Activity revenue – User charges and fees	4,856	5,081	5,225	5,366	5,507	5,652	5,802	5,967	6,136	6,301
General rates	4,539	4,491	4,542	4,371	4,469	4,262	4,488	4,589	4,798	5,008
Other general sources	0	0	0	0	0	0	0	0	0	0
<b>Total operating revenue</b>	<b>9,395</b>	<b>9,572</b>	<b>9,767</b>	<b>9,737</b>	<b>9,976</b>	<b>9,914</b>	<b>10,290</b>	<b>10,556</b>	<b>10,934</b>	<b>11,309</b>
<b>OPERATING EXPENDITURE</b>										
City Planning	2,983	2,602	2,561	2,308	2,283	2,112	2,050	2,104	2,165	2,216
Planning Guidance	2,048	2,101	2,177	2,239	2,308	2,361	2,424	2,491	2,564	2,627
Building Control	3,992	4,079	4,219	4,329	4,460	4,566	4,689	4,825	4,970	5,095
Sustainable Environment	708	740	761	716	736	719	737	758	782	800
<b>Total operating expenditure</b>	<b>9,731</b>	<b>9,522</b>	<b>9,718</b>	<b>9,592</b>	<b>9,787</b>	<b>9,758</b>	<b>9,900</b>	<b>10,178</b>	<b>10,481</b>	<b>10,738</b>
<b>Operating surplus/(deficit)</b>	<b>(336)</b>	<b>50</b>	<b>49</b>	<b>145</b>	<b>189</b>	<b>156</b>	<b>390</b>	<b>378</b>	<b>453</b>	<b>571</b>



	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>GROUP OF ACTIVITY – CAPITAL AND RESERVES FUNDING STATEMENT</b>										
<b>CAPITAL EXPENDITURE</b>										
Growth	0	0	0	0	0	0	0	0	0	0
Increased level of service	159	147	147	116	58	26	93	19	10	16
Renewal	228	182	176	160	177	161	205	198	197	206
<b>Total capital expenditure</b>	<b>387</b>	<b>329</b>	<b>323</b>	<b>276</b>	<b>235</b>	<b>187</b>	<b>298</b>	<b>217</b>	<b>207</b>	<b>222</b>
Loan repayments	0	0	0	0	0	0	0	0	0	0
Transfers to reserves	72	68	66	121	139	146	168	187	250	295
Operating deficit	336	0	0	0	0	0	0	0	0	0
<b>Total funding required</b>	<b>795</b>	<b>397</b>	<b>389</b>	<b>397</b>	<b>374</b>	<b>333</b>	<b>466</b>	<b>404</b>	<b>457</b>	<b>517</b>
<b>Funded by:</b>										
Operating surplus	0	50	49	145	189	156	390	378	453	571
Funding from non-cash expenses	7	1	0	0	0	0	0	0	0	0
Loans raised	0	0	0	0	0	0	0	0	0	0
Transfers from reserves	24	19	4	4	4	4	4	4	4	4
<b>Total funding applied</b>	<b>31</b>	<b>70</b>	<b>53</b>	<b>149</b>	<b>193</b>	<b>160</b>	<b>394</b>	<b>382</b>	<b>457</b>	<b>575</b>
<b>Funding surplus/(deficit)</b>	<b>(764)</b>	<b>(327)</b>	<b>(336)</b>	<b>(248)</b>	<b>(181)</b>	<b>(173)</b>	<b>(72)</b>	<b>(22)</b>	<b>0</b>	<b>58</b>

Group of activity expenditure is not fully funded. See section 2.2 of the Revenue and Financing Policy in Volume Two of this LTCCP for an explanation of the funding shortfall.  
 'General rates' funding above includes rates from all sources excluding Access Hamilton and water rates which are shown separately where applicable.







## 8.10 WASTE MINIMISATION

### HE PARAWHAKAKINO

A photograph of three children playing on a tire swing in a park. The swing is made of a large black tire hanging from a tree branch. One child is sitting on the tire, while two others are hanging on. The background shows green trees and a grassy area.

waste not  
want not



## ■ 8.10 WASTE MINIMISATION

In recent years, the issue of what to do with our waste has been gaining prominence. Solid waste is material that is perceived to have no further use and which is disposed of in the environment. Council aims to encourage the efficient use of resources by residents, in order to minimise the amount of waste that is produced. By reducing our resource consumption and reusing products, we can minimise the amount we need to recycle or dispose of and ultimately the waste we generate.

Landfilling is the most common method of disposing of solid waste from Hamilton, as it is elsewhere in New Zealand. Dealing with solid waste 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 that we need to dispose of, by reducing the volume of waste we produce, purchasing low waste products, or diverting waste for re-use, recycling or recovery.

Hamilton residents responded positively to the introduction of kerbside recycling bins in 2002, with 90% of households now regularly recycling. This is a good indication of people's desire to reduce their waste production; however there is still room for improvement. Currently around 48% of Hamilton's residential waste and 26% of business waste is made up of organic matter, which could be disposed of in a more environmentally sustainable way.

The recently introduced Waste Minimisation Act 2008 encourages a reduction in the amount of waste we generate and dispose of and aims to lessen the environmental harm of waste. The Act, which introduces a waste minimisation levy, will have significant impacts on how waste is managed and minimised in the city. The levy will apply a charge per tonne on all waste disposed of to landfill. 50% of the funds from the levy will be redistributed to local councils, whilst the remaining 50%

(less administration costs) will be held as a contestable National Waste Levy Fund. All levy monies distributed are only to be used for the purpose of encouraging and achieving waste minimisation.

Long-term strategies for managing refuse and recycling services are reflected in Council's Waste Management Plan 2004-2010. This plan was developed by an industry working committee and embraces the guidelines set out in the Ministry for the Environment's New Zealand Waste Strategy 2002. The plan sets aspirational targets to encourage and promote waste minimisation. The Waste Minimisation Act 2008 requires Council to undertake a comprehensive review of the Waste Management Plan and to update the targets by 2012.

Council intends that it be the advocator and facilitator for managing waste within its district and/or service provider in meeting current and future service demands for residential solid waste services within Hamilton.

Council's Waste Minimisation Activity Group includes the following activity:

### Refuse and Recycling

Council provides a weekly refuse and recycling service to over 50,000 residential properties within the city. (This service is not provided to inner city apartments or the commercial and industrial sector.) Refuse is disposed of outside the city boundaries to a landfill at Hampton Downs, as there are no operating landfills within the city. Council is also responsible for ensuring that closed landfills sites at Rototuna, Cobham Drive, Willoughby and Horotiu are managed to mitigate adverse effects on the environment and public health.

Recyclable materials collected are on sold in the world market by the Council contractor to help offset the cost of the service.

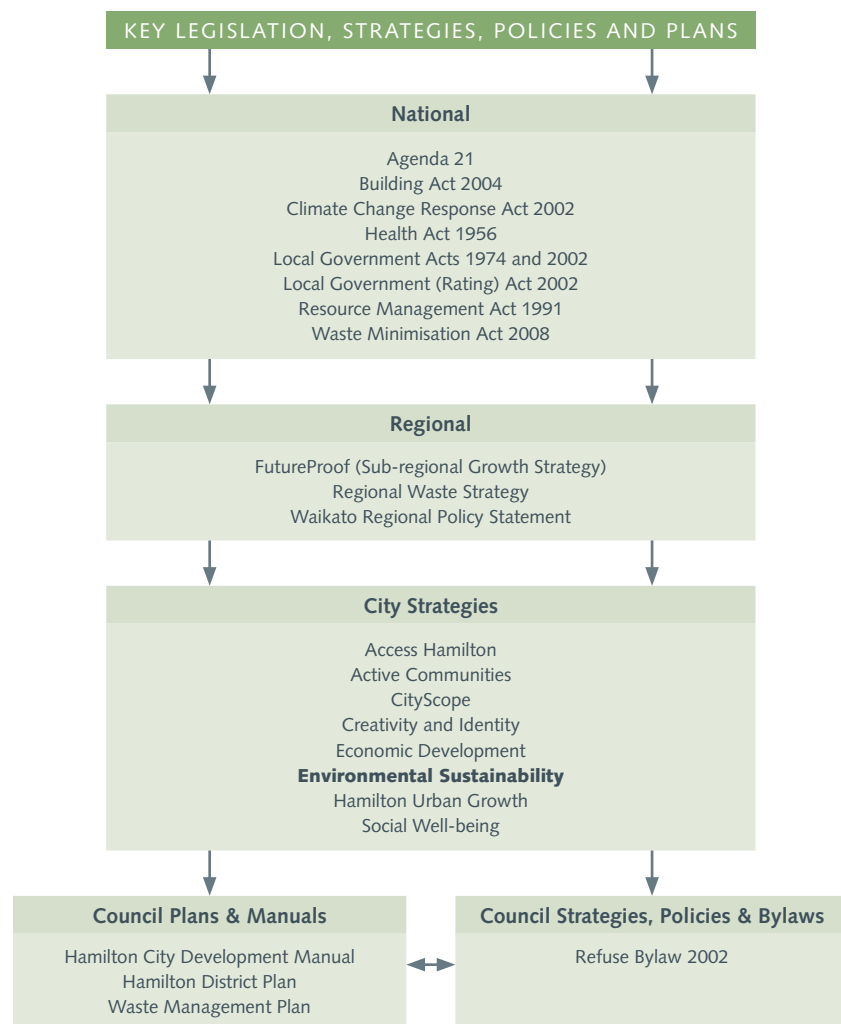
The Refuse Transfer Station and Recycling Centre and the green waste composting facilities at the Hamilton Organic Centre are owned by Council and the operations are contracted to privately-owned business.

As part of this activity information is readily available to the public about ways in which they can reduce the waste they produce, re-use, recycle, and recover solid waste.



## ■ POLICY AND PLANNING CONTEXT

Council's planning and operating environments are shaped by a wider context of national, regional and city wide priorities and objectives. The following diagram identifies the key legislation, strategies, policies and plans that link to and provide direction for the Refuse and Recycling Activity.



## ■ REASON FOR PROVIDING THIS ACTIVITY GROUP

A suitable waste collection and disposal system and recycling service is essential for maintaining public health and minimising effects on the environment. Providing refuse and recycling services helps create a healthy environment for people to live, work and visit, and contributes to keeping Hamilton's air, soil and water free from pollution. If waste is not effectively managed it can create a range of adverse environmental and human health effects, undermining our ability to live more sustainably.

The Health Act 1956 also requires Council to ensure solid waste collection is available for residents, and that closed landfills are managed in a way that reduces any potential environmental impacts.

The Waste Minimisation Act 2008 will further shape the solid waste industry within New Zealand. The Act introduced a waste levy payable on all waste disposed of to landfill. The funds collected are redistributed to local councils and a National Waste Levy Fund for use in encouraging and achieving waste minimisation.

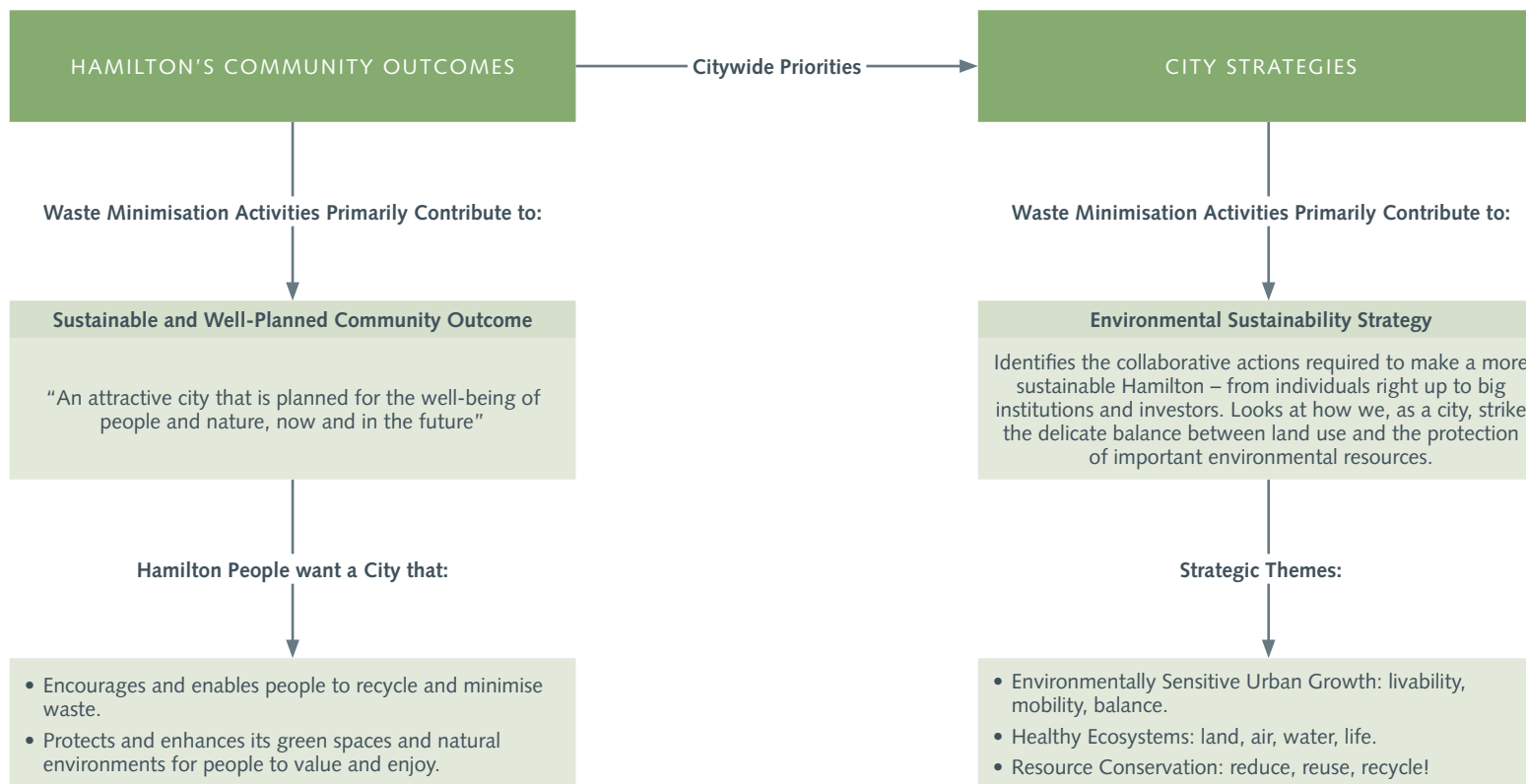
The targets for waste reduction for the city and the ways in which solid waste will be managed are outlined in Council's Waste Management Plan 2004-2010, which is required under the Waste Minimisation Act 2008.

Council's Waste Minimisation Activity Group primarily contributes to the 'Sustainable and Well-Planned' Community Outcome and the Environmental Sustainability Strategy. This Community Outcome and Strategy recognise waste generation and management as an important issue to be considered as our city continues to grow and develop.

“90% of Hamilton households regularly recycle”



## ■ CONTRIBUTION TO HAMILTON'S COMMUNITY OUTCOMES AND THE CITY STRATEGIES





## HOW THE REFUSE AND RECYCLING ACTIVITY CONTRIBUTES TO HAMILTON'S COMMUNITY OUTCOMES

The recycling and refuse systems are designed and managed for long-term sustainability. Council aims to reduce long-term costs and enhance environmental quality through providing this service to residents within the city.

Council provides refuse and recycling services that are well managed and utilised to assist in the protection of public health, as required under the Health Act 1956.

Council contributes to the management of solid waste from its source through to disposal. In doing this Council recognises solid waste as a resource which can be reduced, reused, recycled and recovered, and works to promote and encourage minimisation of solid waste, including provision of services for solid waste to be disposed of appropriately. By providing these services Council helps to minimise the amount of waste that is inappropriately disposed of throughout and beyond the city.

The Refuse Transfer Station and Recycling Centre and closed landfills are managed so that they do not significantly contribute to air pollution, including odours, ground water pollution, and do not cause excessive noise from machinery or other operations.

“Council provides a weekly refuse and recycling service to over 50,000 residential properties”

## CITY STRATEGY FLAGSHIP PROJECTS

The City Strategies contain what are known as ‘flagship projects’. These projects have been agreed to by and are in alignment with the work programmes of a number of stakeholder agencies across the city. Flagship projects from the Environmental Sustainability Strategy that Council has a role in are:

### Back to Earth – Organic Waste Reduction:

Approximately 48% of all household refuse and 26% of commercial waste going to landfill is organic and could otherwise be composted. Back to Earth will investigate new ways to significantly reduce organic waste going to landfill. Commercially viable organic recycling and composting ventures will be vital to diverting organic waste. In this industry volume is key – so Council will consider opportunities to work with other councils in the region. Environment Waikato will work closely with the waste industry and major waste suppliers to ensure their support. This regional approach will be used to submit a collaborative bid to the National Waste Levy Fund.

### Hamilton East Eco-Suburb:

The Eco-suburb concept emphasises working collaboratively with neighbourhoods to improve environmental well-being at a suburban level. Enviro-schools will play a central role in facilitating a number of schemes. They will be assisted by Environment Waikato, Council's Walking School Bus programme, and Waimarie Hamilton East Community House and Garden. Schemes will include trialling a fruit tree planting programme along school routes; developing community produce gardens; and active coaching by students in areas such as composting, worm farming, organised planting and resource savings.



## MEASURING PROGRESS TOWARDS HAMILTON'S COMMUNITY OUTCOMES

Progress towards Hamilton's Community Outcomes is monitored through a selection of indicators. Indicators provide ways in which we can measure, directly or indirectly, changes to social, environmental, economic and cultural well-being over time. They provide a picture of what is going on around us that we can use to guide our future planning. Indicators can assist in identifying areas where progress is being made towards the Community Outcomes and alert us to areas that require action.

Council is one of numerous organisations whose actions and direction assist in progressing the outcomes and overall community well-being. The following Community Outcomes Progress Indicators (drawn from the full outcome set – refer Section 3.4) will assist in demonstrating the effect that the Refuse and Recycling Activity Group has on progressing Hamilton's Community Outcomes. The monitoring undertaken for these indicators will be reported each year in Council's Annual Report.

### Key:

**M** = Moderate Contribution

**S** = Significant Contribution

**O** = Council is the only Provider

### Community Outcomes Progress Indicators:

**S** Waste per person from the household kerbside collection.

**S** Recyclables per person from the household kerbside collection.

**M** Materials collected for re-use/recycling at Hamilton's Refuse Transfer Station.

**M** Waste diverted from landfill via the Hamilton Organic Centre.

## ■ MEASURING SERVICE DELIVERY PERFORMANCE

This section includes the intended levels of service for the Refuse and Recycling Activity and the performance measures and targets that Council will use to monitor service delivery performance. The levels of service, performance measures and targets represent Council's service commitments to the community and outline what the community can expect to receive from this Activity Group over the 10 year period of the LTCCP.

The levels of service focus on the key service delivery attributes of this Activity Group. They draw on a number of factors including the aspirations and goals of Hamilton's Community Outcomes and the City Strategies, legislative requirements and national objectives, national and industry standards and community expectations.

This Activity Group primarily contributes to the 'Sustainable and Well-Planned' Community Outcome. The levels of service that specifically contribute towards progressing the goals of these outcomes are identified by the following key.

### Sustainable and Well-Planned Community Outcome

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

- 1** Encourages and enables people to recycle and minimise waste.
- 2** Protects and enhances its green spaces and natural environments for people to value and enjoy.

Performance information is provided in detail for the first three years of the LTCCP and in outline for the remaining seven, through a projected target for year 10 (2018/19). Unless otherwise stated, all performance measures will be completed on or before 30 June for each financial year.

A number of performance measures and targets are from Council's Residents Survey and Customer Surveys. The Introduction to the Activity Groups (Section 8.1) provides information on these surveys, including explanations of the performance scores and categories.



KEY SERVICE ATTRIBUTES	LEVELS OF SERVICE	PERFORMANCE MEASURES	TARGETS					ADDITIONAL INFORMATION
			BASELINE	YEAR 1 2009/10	YEAR 2 2010/11	YEAR 3 2011/12	PROJECTED YEAR 10 2018/19	
Quality	Household refuse and recycling collections are reliable. <b>1</b>	Residents' satisfaction with:	2007/08 result:					Measured through Council's Residents Survey. A score of 79 or above indicates Exceptional Performance for a 'no customer choice' service.
		• Household recycling collection	Exceptional performance (score of 84.5)	79 or above	79 or above	79 or above	79 or above	
		• Household refuse collection	Exceptional performance (score of 84.4)	79 or above	79 or above	79 or above	79 or above	
Responsiveness	Requests for service are responded to promptly. <b>2</b>	Percentage of requests relating to non-collection of household refuse resolved within 24 hours.	2007/08 result: 94.3%	95%	95%	95%	95%	These measures are important as the non-collection of refuse and recyclables may pose a health risk and be unsightly.
		Percentage of requests relating to non-collection of household recyclables resolved within 24 hours.	2007/08 result: 89.2%	90%	90%	90%	90%	
Sustainability	Adverse effects of waste on the environment are managed. <b>2</b>	High level of compliance with resource consent conditions.	2007/08 result: High level of compliance	High level of compliance	High level of compliance	High level of compliance	High level of compliance	The level of compliance is measured by Environment Waikato. A high level of compliance means that there has only been a low priority non-compliance; and/or there have been several minor technical non-compliances.



### ■ SIGNIFICANT NEGATIVE EFFECTS

Effects on the current and future well-being of the community are an important consideration for Council when planning and carrying out its activities. As well as having positive effects, some activities can have either existing or potential negative effects on social, economic, environmental or cultural well-being that need to be managed or mitigated.

Negative effects often occur when there are competing priorities or objectives and high demand for resources. For example, disposing of waste in landfills provides a useful service to residents in the city, but will inevitably have environmental consequences. Council aims to find a balance that is acceptable to the community and provides for the well-being of current and future generations and the city's ongoing sustainable development.

The following table identifies the *significant* existing or potential negative effects for the Refuse and Recycling Activity. The significance of an effect is determined through its likely impact on and consequences for:

- The current and future social, economic, environmental, or cultural well-being of the city.
- The extent to which communities are likely to be affected.
- The capacity of Council to perform its role, including financial and other costs.

SIGNIFICANT NEGATIVE EFFECTS		HOW COUNCIL MITIGATES OR MANAGES THE EFFECTS
Potential for Pollution	Gas or leachate from landfills or trade waste from the Refuse Transfer Station polluting the natural environment and entering natural watercourses.	The landfill has gas and leachate collection and treatment systems. Trade waste is collected at the Refuse Transfer Station and disposed of via the wastewater network. Landfill gas is captured and converted to energy.
Cultural Implications for Māori	Recycling and refuse activity practices may contradict Māori cultural beliefs or practices.	Council consults with local tangata whenua regarding recycling and refuse activity management as part of the resource consent processes.
Potential Annoyance	Noise of machinery collecting refuse and recycling or at the Refuse Transfer Station.  Problems at the Refuse Transfer Station and Hamilton Organic Centre associated with odour, dust or pests.  Odour from closed landfill sites.	Contract conditions address operations timeframes to minimise effects of noise. Contractors have management plans and maintenance procedures in place to control nuisance problems. Council complies with resource consent conditions in order to mitigate adverse effects and annoyance.
Potential Economic Costs	Illegal dumping of refuse, public bins overflowing, or litter inadequately controlled.	The Refuse Bylaw 2002 and collection contracts include provisions to minimise the risk of occurrence.



## CURRENT AND FUTURE ASSET CAPACITY

### EXISTING KEY ASSETS (AS AT DECEMBER 2008)

KEY ASSETS	DEPRECIATED REPLACEMENT COST (\$'000)
Refuse and Recycling	
Land	4,434
Refuse Transfer Station	3,186
Landfill Management System	46,678
<b>Total Depreciated Replacement Cost</b>	<b>54,298</b>

## MAINTENANCE AND REPLACEMENT OF ASSETS

Council's objective when maintaining existing assets is to achieve the lowest whole of life cost, while still delivering the required levels of service. Annual programmes for the maintenance, renewal and replacement of assets are prepared by staff using a combination of asset age and condition information, customer feedback and maintenance records. Council's Water Unit determines the programme of work and contracts out design and physical works to ensure that Council obtains the best value for money.

Horotiu closed landfill has an existing maintenance and renewal programme in place. A review of this programme is underway to ensure the lowest whole of life cost for assets is achieved.

Capital works to establish gas and leachate control systems at the Willoughby closed landfill are scheduled to be implemented in 2009/10 in accordance with resource consent conditions obtained in 2008. A renewal programme will be developed to maintain the system once designed and installed.

Rototuna closed landfill requires additional capital works to mitigate actual and potential environmental effects.

Cobham Drive landfill does not have significant assets that require maintenance or renewal.

Maintenance and asset renewals at the Refuse Transfer Station and the Hamilton Organic Centre are the responsibility of the current lease holders.

## ADDITIONAL ASSET CAPACITY REQUIREMENTS

The Waste Minimisation Act 2008 requires Council to conduct an assessment of existing waste management facilities and services and to plan for future demand requirements. As an outcome of the review, Council will identify further asset requirements to support waste minimisation. Where additional assets are required Council's Water Unit will determine the programme of work and contract out design and physical works to ensure that Council obtains the best value for money.

Council has identified that further assets are required for the Willoughby closed landfill and the Rototuna closed landfill to ensure potential and actual adverse environmental effects are mitigated. Acquisition of these assets will be funded through general rates.

As part of the Back to Earth project a review will be undertaken to assess the need for an organic waste recovery site in addition to the Hamilton Organic Centre. If further assets are identified as being needed under this review, funding will be sought via the National Waste Levy Fund.

## COST OF SERVICE FOR THE YEARS ENDED 30 JUNE 2010 – 2019

The following table identifies the forecast expenditure and the revenue sources associated with providing the Refuse and Recycling Activity for the 10 year period of the LTCCP.

The table also includes:

- 1 Capital expenditure by type i.e. growth, renewal and increased level of service.
- 2 Funding source (i.e. loans, subsidies, reserves or rates) for significant assets associated with the Refuse and Recycling Activity.



## FORECAST COST OF SERVICE FOR THE TEN YEARS ENDING 30 JUNE 2010 – 2019

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>GROUP OF ACTIVITY – OPERATING STATEMENT</b>										
<b>OPERATING REVENUE</b>										
Activity revenue – User charges and fees	919	933	959	985	1,011	1,038	1,065	1,095	1,127	1,157
General rates	4,443	4,908	5,181	5,592	5,950	6,223	6,763	7,090	7,560	8,079
Other general sources	501	535	548	562	575	582	593	607	620	637
<b>Total operating revenue</b>	<b>5,863</b>	<b>6,376</b>	<b>6,688</b>	<b>7,139</b>	<b>7,536</b>	<b>7,843</b>	<b>8,421</b>	<b>8,792</b>	<b>9,307</b>	<b>9,873</b>
<b>OPERATING EXPENDITURE</b>										
Refuse and Recycling	5,937	6,122	6,420	6,725	6,988	7,333	7,648	7,880	8,257	8,595
<b>Total operating expenditure</b>	<b>5,937</b>	<b>6,122</b>	<b>6,420</b>	<b>6,725</b>	<b>6,988</b>	<b>7,333</b>	<b>7,648</b>	<b>7,880</b>	<b>8,257</b>	<b>8,595</b>
<b>Operating surplus/(deficit)</b>	<b>(74)</b>	<b>254</b>	<b>268</b>	<b>414</b>	<b>548</b>	<b>510</b>	<b>773</b>	<b>912</b>	<b>1,050</b>	<b>1,278</b>



	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>GROUP OF ACTIVITY – CAPITAL AND RESERVES FUNDING STATEMENT</b>										
<b>CAPITAL EXPENDITURE</b>										
Growth	0	0	0	0	0	0	0	0	0	0
Increased level of service	279	503	167	148	77	39	140	29	16	26
Renewal	515	270	271	276	314	322	409	391	406	442
<b>Total capital expenditure</b>	<b>794</b>	<b>773</b>	<b>438</b>	<b>424</b>	<b>391</b>	<b>361</b>	<b>549</b>	<b>420</b>	<b>422</b>	<b>468</b>
Loan repayments	176	391	409	452	422	439	412	456	521	583
Transfers to reserves	569	588	603	696	739	779	832	882	1,001	1,097
Operating deficit	74	0	0	0	0	0	0	0	0	0
<b>Total funding required</b>	<b>1,613</b>	<b>1,752</b>	<b>1,450</b>	<b>1,572</b>	<b>1,552</b>	<b>1,579</b>	<b>1,793</b>	<b>1,758</b>	<b>1,944</b>	<b>2,148</b>
<b>Funded by:</b>										
Operating surplus	0	254	268	414	548	510	773	912	1,050	1,278
Funding from non-cash expenses	180	258	268	282	297	298	315	332	343	362
Loans raised	201	419	80	69	39	20	61	12	6	10
Transfers from reserves	480	452	444	476	412	479	516	447	521	560
<b>Total funding applied</b>	<b>861</b>	<b>1,383</b>	<b>1,060</b>	<b>1,241</b>	<b>1,296</b>	<b>1,307</b>	<b>1,665</b>	<b>1,703</b>	<b>1,920</b>	<b>2,210</b>
<b>Funding surplus/(deficit)</b>	<b>(752)</b>	<b>(369)</b>	<b>(390)</b>	<b>(331)</b>	<b>(256)</b>	<b>(272)</b>	<b>(128)</b>	<b>(55)</b>	<b>(24)</b>	<b>62</b>
Included in the group of activity expenditure above are these costs of maintaining assets	167	170	174	179	184	189	194	199	205	210

Group of activity expenditure is not fully funded. See section 2.2 of the Revenue and Financing Policy in Volume Two of this LTCCP for an explanation of the funding shortfall.  
 'General rates' funding above includes rates from all sources excluding Access Hamilton and water rates which are shown separately where applicable.







## 8.11 WATER MANAGEMENT WHAKAHAERE-WAI



precious  
resource



### ■ 8.11 WATER MANAGEMENT

Water is an important part of our daily activities. In our homes we use it in many ways – for drinking, cooking, cleaning, washing, flushing the toilet, watering the garden and washing the car. In the wider community water is used for fire fighting, irrigating pastures and crops, recreation, sustaining livestock and in industrial and manufacturing processes.

The Waikato River is the city's primary source of water. The river provides the city's drinking water and also receives its stormwater and treated wastewater. Flowing from Lake Taupo through and alongside farms, forests, towns and power stations, the river travels for 16.5 kilometres through the city and holds great cultural and spiritual significance for Māori.

As Hamilton's population continues to grow, issues of water availability and conservation are becoming more important. There are around 140,000 people living in Hamilton now, but by 2050 that number is expected to grow to around 240,000. This has significant implications for how we manage our water resources.

Despite the size of the Waikato River, allowable water supply is not infinite and demand for water is increasing. The more water we use, the more it costs to collect, treat to drinking standards and to deliver to our homes. The more water we waste, coupled with a growing population in Hamilton could lead to water shortages and negative environmental effects in future. It is important to treat water as a valuable resource and conserve it as much as possible.

Council is committed to ensuring the long-term security over provision of an adequate supply of water for Hamilton from the Waikato River. In recent times the ability to respond proactively and appropriately to the demands on the water supply has been stretched. Environment Waikato's variation to the Waikato Regional Plan (Variation 6) influences the manner in which fresh water is used throughout Hamilton, such as dealing with current levels of demand

and competition for water. This involves a structured approach to the protection, allocation and use of the region's water resources including the efficient use of water.

Part of the regional initiative includes new water alert levels (introduced in Hamilton in December 2008) as part of the regional collaborative effort aimed at promoting proactive water conservation. The joint initiative, between Hamilton City Council, Environment Waikato and other territorial authorities, is designed to encourage residents to treat water as a 'limited and precious resource'.

Council's Water Management Activity Group includes the following activities:

#### Water Supply

Hamilton's water treatment, distribution and management systems ensure that when water reaches consumers it is free from harmful organisms. Raw water is drawn from the Waikato River into the Hamilton City Water Treatment Station, where it is treated to provide a high standard of drinking water. Every second of every day, the Water Treatment Station produces an average of 2,200 glasses of high quality water to residential properties and commercial/industrial premises. Only a very small percentage is used for drinking, the rest is used for bathing, toilet flushing, watering, swimming pools, etc.

#### Wastewater

Wastewater is the liquid that drains from showers and baths, sinks, washing machines, toilets and commercial/industrial premises. In Hamilton, wastewater is transported through a network of pipes to the Wastewater Treatment Plant where it is treated to a high standard, prior to being discharged into the Waikato River. An average of 40 million litres of wastewater is treated on a daily basis.

#### Stormwater

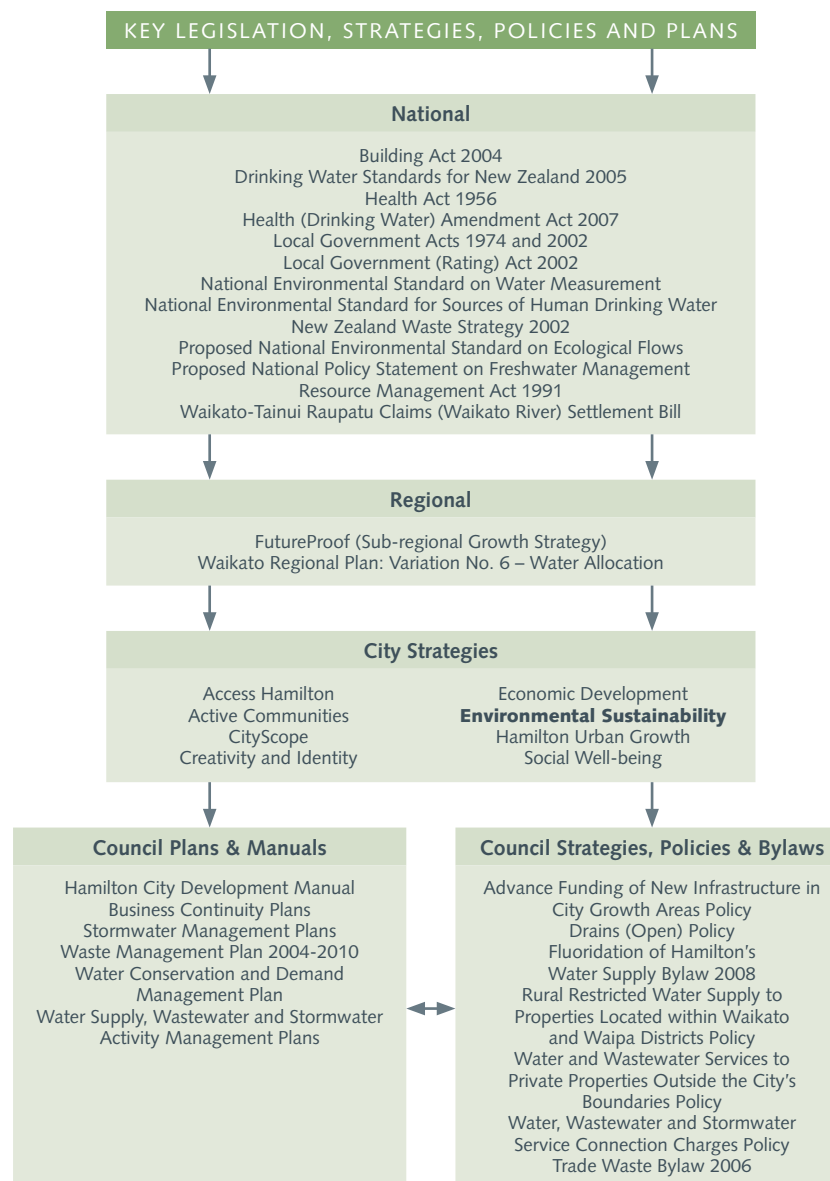
Urban development, such as roads, buildings, car parks and other recreation facilities create large areas of hard surfaces that rainwater cannot penetrate. The water that collects and runs off these surfaces is called stormwater runoff. The stormwater network drains stormwater runoff from the roadways and public land through pipes and open watercourses to the city's streams, lakes and the Waikato River.



## ■ POLICY AND PLANNING CONTEXT

Council's planning and operating environments are shaped by a wider context of national, regional and city wide priorities and objectives. The following diagram identifies the key legislation, strategies, policies and plans that link to and provide direction for the Water Management Activities.

“a limited and precious resource”





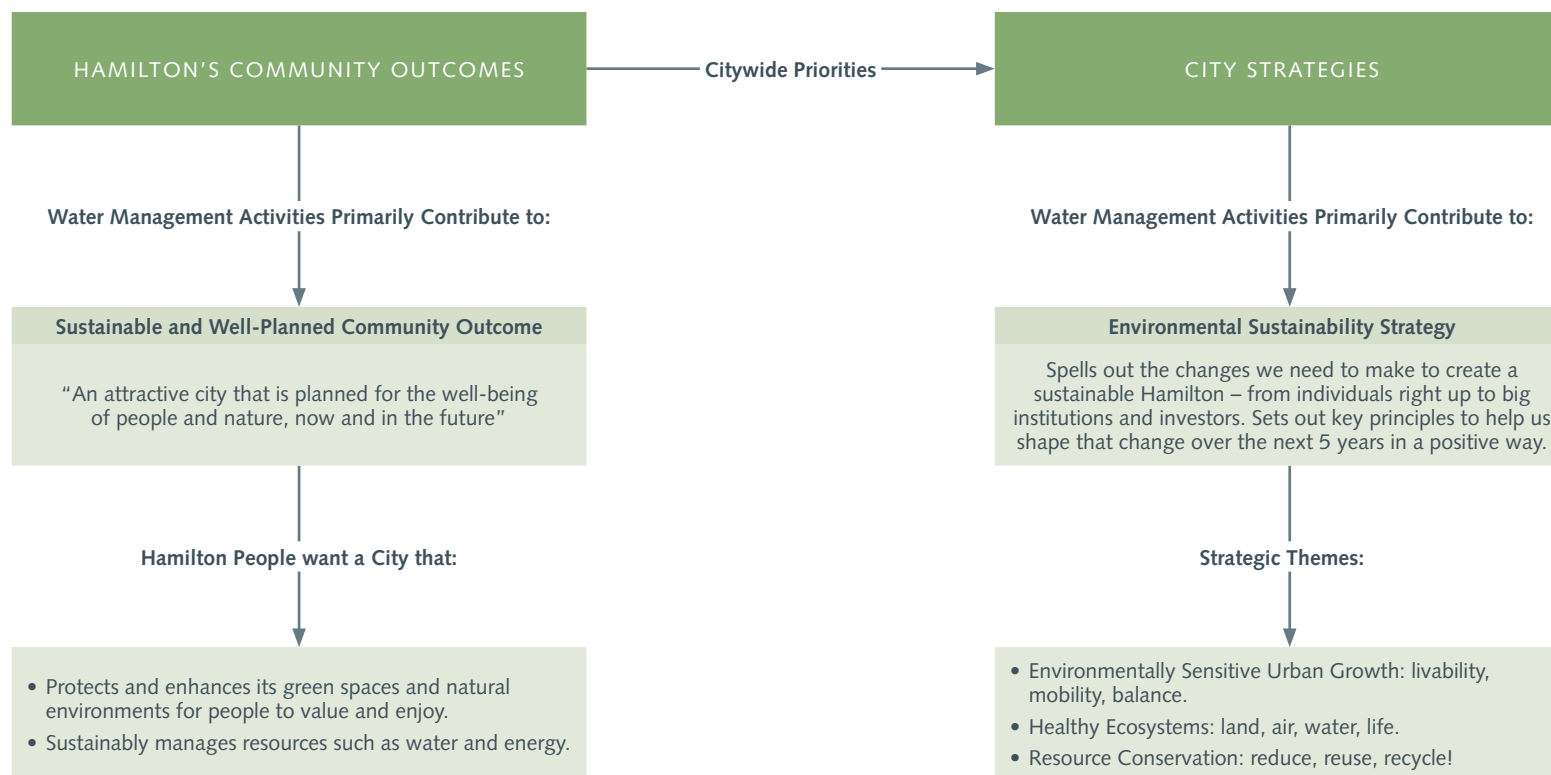
### ■ REASON FOR PROVIDING THIS ACTIVITY GROUP

Council's Water Management Activities are essential for the well-being of the community. Wastewater, stormwater and water supply networks are necessary to maintain public health and safety, minimise impacts on the environment and protect property from flood damage. Reliable and high quality water services are a fundamental part of any modern city and a basic day-to-day necessity that is expected by residents and businesses.

Council has historically provided wastewater, stormwater and water supply services and there are several statutes relevant to Council's involvement in these activities. Under legislation, Council is required to retain ownership of drinking water networks and treatment stations.

The Water Management Activities primarily contribute to the 'Sustainable and Well-Planned' Community Outcome and the Environmental Sustainability Strategy, both of which have a strong focus on the protection of Hamilton's environment and the sustainable management of water resources.

### ■ CONTRIBUTION TO HAMILTON'S COMMUNITY OUTCOMES AND THE CITY STRATEGIES





## HOW THE WATER MANAGEMENT ACTIVITIES CONTRIBUTE TO HAMILTON'S COMMUNITY OUTCOMES

The wastewater, stormwater and water supply systems are designed and managed for long-term sustainability. Planning for the future security of Hamilton's water supply and ensuring that natural water resources are not depleted or adversely affected are fundamental to Council's Water Management Activities. Council aims to reduce long-term costs and enhance environmental quality through the efficient use of water, the generation of less wastewater and the reduction of stormwater runoff.

### Water Supply:

In response to the increasing demand on water resources, Council has developed and implemented a Water Conservation and Demand Management Plan (WCDMP). The WCDMP is a core document outlining the future direction of water management within the city, as well as assuring other resource users that the city is effectively and efficiently managing the natural water resource. The WCDMP is also a significant contributor to meeting the requirements of Variation 6 and Council's water take consent conditions.

All water users, including Council, are responsible for conserving water. Drinking water and wastewater treatment costs are significant (energy, chemicals and plant deterioration), so reduced water use also has potential cost savings at all stages of the treatment process as well as being beneficial for the environment.

As well as using water efficiently in its own operations, Council also undertakes education and publicity campaigns to encourage water conservation in the community, especially during summer when Hamilton householder's water requirements are greatest.

As part of the new 'Smart Water' initiatives, Council has introduced water alert levels which are a more comprehensive water conservation approach than the alternate day sprinkler restrictions. Council will initiate a rise in water alert levels when a high volume of water has been consumed over a sustained period. Alternatively, when consumption volumes are reduced over a sustained period, alert levels can be lowered. The water alert levels and their corresponding restrictions aim to guide water use in a sustainable manner and ensure consistent supply throughout the year.

Hamilton's Water Treatment Station was recognised with a 'highly commended' at the 2007 INGENIUM Excellence Awards for physical works projects in New Zealand (INGENIUM is the Association of Local Government Engineering

New Zealand Incorporated). The project was judged mainly on the criteria of economics, environmental, social, cultural, consultation and innovation strategies.

The Water Treatment Plant upgrade also received a Silver Award from the Association of Consulting Engineers New Zealand in their 2008 Awards of Excellence.

### Wastewater:

Council ensures that wastewater is managed so that it does not contribute to air pollution (including odours and undue noise from machinery and other operations) and so that spills or overflows and the production of waste are minimised.

A 20 year resource consent was granted for the management and discharge of wastewater at Pukete's Wastewater Treatment Plant in August 2007. The application identified conditions that deliver a high level of public health, environmental protection and the best practical solution for Hamilton's future wastewater management – all in keeping with sustainable management principles.

### Stormwater:

If land surfaces and stormwater runoff are not managed properly, flooding of properties, erosion and pollution of our waterways can occur. Council manages stormwater in the city through a policy of encouraging ground soakage, the availability of a network of pipes and open drains, as well as landscaping, street maintenance and development and planning controls.

Increasing the amount of water that soaks into the soil replenishes precious groundwater reserves and helps sustain adequate water levels in streams during dry spells. It also filters out many of the pollutants that end up in our stormwater.

## CITY STRATEGY FLAGSHIP PROJECTS

The City Strategies contain what are known as 'flagship projects'. These projects have been agreed to by and are in alignment with the work programmes of a number of stakeholder agencies across the city. Flagship projects from the Environmental Sustainability Strategy that Council has a role in are:



### Valuing Water:

How is water being utilised? What regimes have been put to the test? What is working? What is not? These are the questions which will form the basis of a scoping investigation that examines how New Zealand's territorial authorities are managing our water assets. Part of the project will be implementing initiatives based on research findings. Along with Environment Waikato, Council will be leading this project, which will also involve the Sustainable Business Network, the University of Waikato and the Department of Conservation.

### Birds in the Bush, Fish in the Stream:

Using a single 'reach' of stream as a case study, this project aims to educate the general public about aquatic habitat restoration and raise its profile within the community. Particular attention will be given to better understanding the complex relationship between stream quality, urban development and stormwater impacts, and stream banks and gully vegetation; with a view to exploring alternative and more environmentally sensitive management solutions. Council is a partner in this project, which will be lead by the Centre for Biodiversity and Ecology Research. Other partners are Environment Waikato, the Department of Conservation and Enviroschools.

### MEASURING PROGRESS TOWARDS HAMILTON'S COMMUNITY OUTCOMES

Progress towards Hamilton's Community Outcomes is monitored through a selection of indicators. Indicators provide ways in which we can measure, directly or indirectly, changes to social, environmental, economic and cultural well-being over time. They provide a picture of what is going on around us that we can use to guide our future planning. Indicators can assist in identifying areas where progress is being made towards the Community Outcomes and alert us to areas that require action.

Council is one of numerous organisations whose actions and direction assist in progressing the outcomes and overall community well-being. The following Community Outcomes Progress Indicators (drawn from the full outcome set – refer Section 3.4) will assist in demonstrating the effect that the Water Management Activity Group has on progressing Hamilton's Community Outcomes. The monitoring undertaken for these indicators will be reported each year in Council's Annual Report.

### Key:

- M = Moderate Contribution
- S = Significant Contribution
- O = Council is the only Provider

### Community Outcomes Progress Indicators:

- S Ecological health of the Waikato River.
- M Ecological health of Lake Rotorua.
- O Drinking water standards.
- M Average daily water usage per person.
- S Recreational health of the Waikato River.

### ■ MEASURING SERVICE DELIVERY PERFORMANCE

This section includes the intended levels of service for the Water Management Activity Group and the performance measures and targets that Council will use to monitor service delivery performance. The levels of service, performance measures and targets represent Council's service commitments to the community and outline what the community can expect to receive from this Activity Group over the 10 year period of the LTCCP.

The levels of service focus on the key service delivery attributes of this Activity Group. They draw on a number of factors including the aspirations and goals of Hamilton's Community Outcomes and the City Strategies, legislative requirements and national objectives, national and industry standards and community expectations.

This Activity Group primarily contributes to the 'Sustainable and Well-Planned' Community Outcome. The levels of service that specifically contribute towards progressing the goals of these outcomes are identified by the following key.



**Sustainable and Well-Planned Community Outcome**

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

- |   |  |
|---|--|
| 1 | Protects and enhances its green spaces and natural environments for people to value and enjoy. |
| 2 | Sustainably manages resources such as water and energy.  |

Performance information is provided in detail for the first three years of the LTCCP and in outline for the remaining seven, through a projected target for year 10 (2018/19). Unless otherwise stated, all performance measures will be completed on or before 30 June for each financial year.

A number of performance measures and targets are from Council's Residents Survey and Customer Surveys. The Introduction to the Activity Groups (Section 8.1) provides information on these surveys, including explanations of the performance scores and categories.

“designed and managed for long-term sustainability”



KEY SERVICE ATTRIBUTES	LEVELS OF SERVICE	PERFORMANCE MEASURES	TARGETS					ADDITIONAL INFORMATION
			BASELINE	YEAR 1 2009/10	YEAR 2 2010/11	YEAR 3 2011/12	PROJECTED YEAR 10 2018/19	
Quality	A high quality water supply is provided.	Achieve a high rating from the Ministry of Health for the city's water supply.	2007/08 results: Hamilton Zone: Aa Temple View Zone: Ac	Hamilton Zone: Aa Temple View Zone: Ac	Hamilton Zone: Aa Temple View Zone: Aa	Hamilton Zone: Aa Temple View Zone: Aa	Hamilton Zone: Aa Temple View Zone: Aa	Water grades range from Aa to Ee. 'A' = the quality of the water treatment and 'a' = the pipe network. Temple View continues to receive high quality water but is currently graded Ac. Action plans, including some capital works and a procedural review, are in place to ensure Aa grading is restored at the next audit in 2009.
		Residents' satisfaction with:	2007/08 result:					Measured through Council's Residents Survey. A score of 73-76 indicates Very Good Performance and 79 or above indicates Exceptional Performance, for a 'no customer choice' service.
		• The taste and odour of the water supply.	Very good performance (score of 73.9)	73 – 76	73 – 76	73 – 76	73 – 76	
	Water pressure is appropriate for its intended use.	• Clarity of the water supply.	Exceptional performance (score of 82.1)	79 or above	79 or above	79 or above	79 or above	
		Percentage of water flow and pressure tests that comply with set standards.	2007/08 result: 100% compliance	95% compliance	95% compliance	95% compliance	95% compliance	The flow and pressure standards are technical standards that are contained in the Hamilton City Development Manual.
		Residents' satisfaction with water pressure.	2007/08 result: Exceptional performance (score of 85.0)	79 or above	79 or above	79 or above	79 or above	Measured through Council's Residents Survey. A score of 79 or above indicates Exceptional Performance for a 'no customer choice' service.



KEY SERVICE ATTRIBUTES	LEVELS OF SERVICE	PERFORMANCE MEASURES	TARGETS					ADDITIONAL INFORMATION
			BASELINE	YEAR 1 2009/10	YEAR 2 2010/11	YEAR 3 2011/12	PROJECTED YEAR 10 2018/19	
Reliability/Responsiveness	Reliable water supply, wastewater and stormwater networks are provided.	Water supply interruption targets:	2007/08 results:					
		• Average time for unplanned shutdowns per customer, per year.	Average of 5 minutes per customer connection	An average of 7 minutes per customer connection.	An average of 7 minutes per customer connection.	An average of 7 minutes per customer connection.	An average of 7 minutes per customer connection.	
		• Percentage of planned shutdowns within 4 hours.	28 planned shutdowns exceeded 4 hours.	Planned shutdowns – 90% within 4 hours.	Planned shutdowns – 90% within 4 hours.	Planned shutdowns – 90% within 4 hours.	Planned shutdowns – 90% within 4 hours.	
		Annual number of wastewater blockages per 100km of the network.	2007/08 result: 57 blockages per 100km.	No more than 60 blockages per 100km	No more than 60 blockages per 100km	No more than 60 blockages per 100km	No more than 60 blockages per 100km	The target is based on current performance and increasing trends of blockages across the city network.
	Reliable water supply, wastewater and stormwater networks are provided.	Residents' satisfaction with:	2007/08 results:					Measured through Council's Residents Survey. A score of 79 or above indicates Exceptional Performance and 73-76 indicates Very Good Performance, for a 'no customer choice' service.
		• Continuity of the water supply.	Exceptional performance (score of 86.2)	79 or above	79 or above	79 or above	79 or above	
		• The wastewater network.	Exceptional performance (score of 82.0)	79 or above	79 or above	79 or above	79 or above	
		• The stormwater network.	Very good performance (score of 76.8)	73 – 76	73 – 76	73 – 76	73 – 76	



KEY SERVICE ATTRIBUTES	LEVELS OF SERVICE	PERFORMANCE MEASURES	TARGETS					ADDITIONAL INFORMATION
			BASELINE	YEAR 1 2009/10	YEAR 2 2010/11	YEAR 3 2011/12	PROJECTED YEAR 10 2018/19	
Sustainability	Water resources are used efficiently and sustainably. ②	Level of compliance for the Water Treatment Plant's resource consents.	2007/08 result: High level of compliance achieved.	Achieve a high level of compliance.	Achieve a high level of compliance.	Achieve a high level of compliance.	Achieve a high level of compliance.	The level of compliance is measured by Environment Waikato and is audited and reported annually. A high level of compliance means that there has only been a low priority non-compliance and/or there have been several minor technical non-compliances. Water take volumes are outlined in the Water Treatment Plant's Resource Consent.
		Hamilton's maximum daily water take is within consented limits.	2007/08 result: 92,230m <sup>3</sup> on 19th January 2008 (maximum daily volume taken).	Maximum water take less than 105,000m <sup>3</sup> per day	Maximum water take less than 105,000m <sup>3</sup> per day	Maximum water take less than 105,000m <sup>3</sup> per day	Maximum water take less than 115,000m <sup>3</sup> per day	
	Effects on the natural environment are minimised. ① ②	Level of compliance for the stormwater resource consents.	2007/08 result: High level of compliance achieved.	Achieve a high level of compliance.	Achieve a high level of compliance.	Achieve a high level of compliance.	Achieve a high level of compliance.	
Health and Safety	Wastewater is managed without risk to public health.	Level of compliance for the Wastewater Treatment Plant's resource consents.	2007/08 result: High level of compliance achieved.	Achieve a high level of compliance.	Achieve a high level of compliance.	Achieve a high level of compliance.	Achieve a high level of compliance.	As above.

“Drinking water and wastewater treatment costs are significant”



## SIGNIFICANT NEGATIVE EFFECTS

The extraction and treatment of drinking water and the disposal of stormwater and treated wastewater are vital for community well-being and provide a significant public good. However, there are existing or potential negative effects that need to be managed or mitigated. Some of these negative effects are beyond the control of Council, but in many cases measures can be taken to alleviate the effects. This is taken into account during the design and construction of projects and treatment systems, through resource consent requirements and conditions, by maintaining and renewing assets, through community education and awareness programmes and by consulting with the community.

The following table identifies the *significant* existing or potential negative effects for Water Management Activities. The significance of an effect is determined through its likely impact on and consequences for:

- The current and future social, economic, environmental, or cultural well-being of the city.
- The extent to which communities are likely to be affected.
- The capacity of Council to perform its role, including financial and other costs.

SIGNIFICANT NEGATIVE EFFECTS		HOW COUNCIL MITIGATES OR MANAGES THE EFFECTS
Potential Environmental Effects	The taking of excess volumes of water from the river can impact on the allocable amount left for users down stream of Hamilton.	Council only extracts the amount of water permitted by the resource consent and attached conditions imposed by Environment Waikato.
	Discharge of excessive quantities of stormwater from point sources during heavy rain or contaminants entering rivers and streams and affecting fish and other aquatic life.	Hamilton has separate wastewater and stormwater networks, which minimises the risk of wastewater entering streams and rivers. An annual programme is in place to identify illegal connections to the stormwater and wastewater networks. Catchpits provide a form of pre-treatment by screening and preventing objects from entering the stormwater system. Non-domestic waste producers are required to comply with provisions in Council's Trade Waste Bylaw 2006 and are monitored on a regular basis. Council must comply with resource consent conditions for all stormwater outlets to waterways. Council runs the "Fish on Drains" education campaign to educate the community about how to prevent contaminants entering the stormwater system.
	Accidental discharge of untreated wastewater into the Waikato River.	Council has an ongoing programme to install additional storage chambers to key pump stations within the network. All pump stations are monitored 24 hours per day. Preventative maintenance programmes, stormwater infiltration and inflow detection programmes and business continuity plans are in place for both the wastewater network and treatment plant.
Potential Effects on Public Health	As a result of failure in the wastewater network, untreated wastewater could contaminate various properties throughout the city.	Council has an ongoing programme to install additional storage chambers to key pump stations within the network. All pump stations are monitored 24 hours per day. Preventative maintenance programmes, stormwater infiltration and inflow detection programmes and business continuity plans are in place for both the wastewater network and treatment plant.
	Open channels in urban areas can become a habitat for pests or a danger to life and property in some areas when streams rise rapidly and overflow during storm events.	Open channels throughout the city are cleaned and maintained on a regular basis to prevent flooding and the establishment of pests.



SIGNIFICANT NEGATIVE EFFECTS		HOW COUNCIL MITIGATES OR MANAGES THE EFFECTS
Potential Effects on Public Health	Illness caused by contact with microbiological or chemical contaminants from stormwater in the streams and rivers used for recreational purposes.	Roads and catchpits are cleaned and maintained to remove potential contaminants. Swales and detention ponds naturally treat stormwater runoff. High risk industry is audited to prevent contamination of stormwater.
	Disruption of treated water supply may cause health problems in the community.	Preventative maintenance is carried out on the water treatment and water supply network to ensure a treated water supply is maintained. Public Health Risk Management Plans are currently being prepared in accordance with the Health (Drinking Water) Amendment Act 2007. A Business Continuity Plan is in place.
Cultural Implications for Maaori	The mixing of water from different stormwater catchments is not considered appropriate by Maaori.	Maaori cultural values relating to the extraction and discharge of water into the Waikato River are an important consideration for the Water Management Activities. Council consults with local Iwi as part of all resource consent processes.
	Discharge of treated wastewater into the Waikato River may be considered offensive by Maaori.	Council maintains an Iwi Liaison Group under the structure of the Wastewater Discharge Consent. This group has a membership and mandate outlined with the consent document
	Water supply practices may contradict Maaori cultural beliefs or practices.	
Potential Economic Costs	Water costs and trade waste costs could potentially be perceived as too high and adversely affect industries expanding and/or relocating to Hamilton.	Businesses are charged for water and trade waste on a user-pays basis.  City water demand is managed through the implementation of the processes outlined with the Water Conservation and Demand Management Plan.
	The treatment and distribution of water for residential, commercial and industrial usage is expensive, and this cost increases as greater volumes of water are demanded.	
	The more water we use, the more infrastructure will be required in the long term for effective water treatment and distribution.	
Potential Odour and Noise Nuisance	Operation of the Wastewater Treatment Plant may cause odour and noise nuisance to surrounding residential properties. Operation of one water treatment plant may also cause noise nuisance.	<p>The Wastewater Treatment Plant operates within the conditions set in its Discharge to Air consent with regards to odour and odour management.</p> <p>The Wastewater Treatment Plant is fully fenced and has a vegetation buffer zone to create distance from the surrounding residential properties.</p> <p>Noise levels from the Wastewater Treatment Plant comply with the relevant District Plan rules and regulations</p>



## CURRENT AND FUTURE ASSET CAPACITY

### EXISTING KEY ASSETS (AS AT DECEMBER 2008)

KEY ASSETS	DEPRECIATED REPLACEMENT COST (\$'000)
<b>Water Supply</b>	
Reticulation Network	184,023
Water Treatment Plant	32,532
Buildings	1,080
Water Reservoirs	14,229
Land – Water Treatment	2,100
Land – Reservoirs	3,625
<b>Wastewater</b>	
Reticulation Network	169,890
Pump Stations	8,021
Wastewater Treatment Plant	49,669
Buildings	1,574
<b>Stormwater</b>	
Reticulation Network	261,258
Land – Drainage Reserves	2,177
<b>Total Depreciated Replacement Cost</b>	<b>730,178</b>

## MAINTENANCE AND REPLACEMENT OF ASSETS

Responsible and sustainable management of infrastructure is a core responsibility of Council under the Local Government Act 2002. Maintenance and replacement of end-of-life assets ensures the security of supply to customers and continued provision of current levels of service.

Council's objective when maintaining existing assets is to achieve the lowest whole of life cost, while still delivering the required levels of service. Annual programmes for the maintenance and replacement of assets are prepared by staff using a combination of asset age, condition information, customer feedback and maintenance records.

The average age of some asset types is increasing and there is a need to increase programmes and budgets for sampling the condition of all types of water assets. An increase in maintenance and replacement work will be required over the next 10 years to avoid a decline in levels of service and overall asset condition. A steady rise in overall maintenance costs is expected as the network expands and ages.

Council's Delivery Unit carries out the maintenance of the networks under a service level agreement with the Water Unit. Renewal work is undertaken using the Delivery Unit and external contractors, depending upon the extent of work. Capital or new works are undertaken by external contractors.

The Water Unit is responsible for the operation, maintenance and capital works for the Water and Wastewater Treatment Plant and reservoir assets. The Water Unit undertakes all operations and maintenance activities in-house and manages the capital works programme by a variety of means, from utilising the expertise of other Council units, to contracting out significant work packages that cannot be completed with in-house staff. The assets are in generally good condition and are maintained in accordance with industry best practise.

It will be necessary to undertake significant investigations into system capacity and asset condition within the first few years of the LTCCP. This will improve the understanding of existing assets providing input to future operation and maintenance, replacement and capital work programmes in terms of an expanding city.

### Water Supply

The majority of Hamilton's water supply pipe network was installed in the period from 1960–present with the majority of anticipated service lives between 50 and 100 years. The Water Treatment Plant was constructed in 1971 and is in good condition. Emphasis is on the proactive replacement of pipes with modern plastic equivalents before they fail.



### Wastewater

The Wastewater Activity includes the operation and maintenance of approximately 780km of pipeline (excluding service connections), 127 pump stations and the Wastewater Treatment Plant. The plant was constructed in 1971 and upgraded in 2001 and is in good condition. A further upgrade of the plant is underway and programmed for completion in 2010.

The majority of Hamilton's wastewater pipe network (including pump stations) was installed in the period from 1960-1980, with the majority of anticipated service lives between 75 and 100 years. Emphasis is on the proactive replacement of pipes before they fail with modern plastic equivalents.

The current renewal plan for the wastewater pipe network is based on condition monitoring of the current network. Routine maintenance of the pipe network requires considerable reporting on the condition of the asset

### Stormwater

The Stormwater Activity includes the operation and maintenance of approximately 620km of pipeline (excluding service connections), 90km of open channels, and 11,800 catchpits. Catchpits are maintained by Council's Transportation Unit and their operations and maintenance regimes are described in the Roading Activity Management Plan.

The majority of Hamilton's public stormwater network was installed in the period from 1960-2000. Most pipelines have anticipated service lives between 75 and 100 years. The majority of properties developed prior to the installation of the public stormwater network in Hamilton will have onsite stormwater disposal. Onsite and decentralised disposal has gained popularity again since the 1990's as Council's Development Manual requires developed property runoff to be less than or equal to greenfields stormwater runoff.

### ADDITIONAL ASSET CAPACITY REQUIREMENTS

The Water Treatment Station has recently undergone a significant upgrade in relation to both capacity and quality. The station now has the capacity required to meet the city's water needs until 2015. The installation of granular activated carbon filters and ultra violet disinfection system has ensured that the plant will continue to produce high quality water that meets the Drinking Water Standards for New Zealand (2005) specification for a city of Hamilton's size.

Work on development and securing of water post 2015 is programmed to commence in 2009/10.

A significant upgrade to the Wastewater Treatment Plant is currently underway. The upgrade is required to meet both capacity and quality until 2026. The upgrade consists of the installation of an aeration basin, clarifier, solids digester and upgraded ultra violet system along with a number of more minor works. The works are programmed to be completed over a period of five years. Work commenced in 2007/08.



## ■ COST OF SERVICE FOR THE YEARS ENDED 30 JUNE 2010 – 2019

The following table identifies the forecast expenditure and the revenue sources associated with providing the Water Management Activities for the 10 year period of the LTCCP.

The table also includes:

- 1 Capital expenditure by type i.e. growth, renewal and increased level of service.
- 2 Funding source (i.e. loans, subsidies, reserves or rates) for significant assets associated with the Water Management Activities.

### FORECAST COST OF SERVICE FOR THE TEN YEARS ENDING 30 JUNE 2010 – 2019

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>GROUP OF ACTIVITY – OPERATING STATEMENT</b>										
<b>OPERATING REVENUE</b>										
Activity revenue – User charges and fees	3,396	3,447	3,545	3,641	3,735	3,834	3,934	4,048	4,163	4,277
Targeted rates – Water by meter	6,335	6,655	7,075	7,265	7,455	7,651	7,855	8,078	8,309	8,532
Development and financial contributions	5,356	7,681	12,786	13,796	14,619	15,377	15,349	16,715	17,739	19,353
General rates	18,573	21,297	21,009	23,177	26,639	31,566	30,977	32,594	33,529	33,980
Other general sources	1,302	1,806	1,935	1,890	1,947	1,875	1,913	1,957	2,009	2,217
<b>Total operating revenue</b>	<b>34,962</b>	<b>40,886</b>	<b>46,350</b>	<b>49,769</b>	<b>54,395</b>	<b>60,303</b>	<b>60,028</b>	<b>63,392</b>	<b>65,749</b>	<b>68,359</b>
<b>OPERATING EXPENDITURE</b>										
Water Supply	14,972	15,553	17,001	18,019	19,085	22,619	23,099	24,478	25,352	26,291
Wastewater	17,004	18,214	19,936	21,401	23,349	24,184	25,407	26,050	25,542	26,610
Stormwater	7,616	7,844	8,530	9,080	9,688	10,286	10,819	11,275	11,816	12,301
<b>Total operating expenditure</b>	<b>39,592</b>	<b>41,611</b>	<b>45,467</b>	<b>48,500</b>	<b>52,122</b>	<b>57,089</b>	<b>59,325</b>	<b>61,803</b>	<b>62,710</b>	<b>65,202</b>
<b>Operating surplus/(deficit)</b>	<b>(4,630)</b>	<b>(725)</b>	<b>883</b>	<b>1,269</b>	<b>2,273</b>	<b>3,214</b>	<b>703</b>	<b>1,589</b>	<b>3,039</b>	<b>3,157</b>



	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>GROUP OF ACTIVITY – CAPITAL AND RESERVES FUNDING STATEMENT</b>										
<b>CAPITAL EXPENDITURE</b>										
Growth	7,593	11,132	18,252	16,912	16,599	14,810	24,421	5,476	21,544	4,774
Increased level of service	13,995	11,338	10,943	9,858	7,887	13,538	13,408	13,415	12,771	13,986
Renewal	1,825	3,409	6,366	5,642	6,558	2,476	3,236	3,034	3,955	3,023
<b>Total capital expenditure</b>	<b>23,413</b>	<b>25,879</b>	<b>35,561</b>	<b>32,412</b>	<b>31,044</b>	<b>30,824</b>	<b>41,065</b>	<b>21,925</b>	<b>38,270</b>	<b>21,783</b>
Loan repayments	4,380	9,683	10,155	11,243	10,490	10,902	10,249	11,312	12,923	14,481
Transfers to reserves	6,043	8,405	13,509	14,865	15,886	16,906	16,974	18,522	19,979	21,870
Operating deficit	4,630	725	0	0	0	0	0	0	0	0
<b>Total funding required</b>	<b>38,466</b>	<b>44,692</b>	<b>59,225</b>	<b>58,520</b>	<b>57,420</b>	<b>58,632</b>	<b>68,288</b>	<b>51,759</b>	<b>71,172</b>	<b>58,134</b>
<b>Funded by:</b>										
Operating surplus	0	0	883	1,269	2,273	3,214	703	1,589	3,039	3,157
Funding from non-cash expenses	12,188	16,353	16,931	18,537	19,938	20,713	23,422	25,395	26,648	28,545
Loans raised	17,591	18,679	26,875	23,154	19,105	17,595	27,901	7,528	23,754	7,413
Transfers from reserves	5,798	8,369	13,259	14,550	15,266	16,046	16,179	17,429	18,161	19,939
<b>Total funding applied</b>	<b>35,577</b>	<b>43,401</b>	<b>57,948</b>	<b>57,510</b>	<b>56,582</b>	<b>57,568</b>	<b>68,205</b>	<b>51,941</b>	<b>71,602</b>	<b>59,054</b>
<b>Funding surplus/(deficit)</b>	<b>(2,889)</b>	<b>(1,291)</b>	<b>(1,277)</b>	<b>(1,010)</b>	<b>(838)</b>	<b>(1,064)</b>	<b>(83)</b>	<b>182</b>	<b>430</b>	<b>920</b>
Included in the group of activity expenditure above are these costs of maintaining assets	6,672	6,770	7,010	7,294	7,485	8,637	8,048	8,280	8,576	8,928

Group of activity expenditure is not fully funded. See section 2.2 of the Revenue and Financing Policy in Volume Two of this LTCCP for an explanation of the funding shortfall.  
 'General rates' funding above includes rates from all sources excluding Access Hamilton and water rates which are shown separately where applicable.



## 9.0 COUNCIL'S **GOVERNANCE** AND **MANAGEMENT**

KO TE KAUNIHERA **POARI WHAKAHAERE** ME TE **ROOPU WHAKAHAERE**



shaping  
a city



■ 9.0 COUNCIL'S GOVERNANCE AND MANAGEMENT

CONTENT OF THIS SECTION	
9.1	Governance Structure
9.2	The Strategy Management Team
9.3	Relationship of the Strategy Management Team to Elected Members
9.4	Council's Planning and Reporting Cycle
	9.4.1 LTCCP
	9.4.2 Annual Plan
	9.4.3 Annual Report

■ 9.1 GOVERNANCE STRUCTURE

Hamilton Mayor Bob Simcock and the 12 Hamilton City Councillors are members of the community who have been elected by the community and given responsibility for the overall governance of the city. This includes planning and deciding on Hamilton's long-term direction and ensuring that Council acts in the best interests of the community.

Council's elected members are responsible for:

- 1 Law-making (bylaws) and overseeing that the relevant Acts of Parliament (e.g. the Local Government Act 2002 and the Resource Management Act 1991) are complied with.
- 2 Developing and approving Council policy.
- 3 Determining the expenditure and funding requirements of Council through the Long-Term Council Community Plan (LTCCP) and Annual Plan processes.
- 4 Monitoring the performance of Council against its stated objectives and policies (in particular through the Annual Report).
- 5 Employing and monitoring the performance of the Chief Executive.

With Mayor Bob Simcock elected 'at large' from across the city, six councillors represent the West Ward and six councillors represent the East Ward, with the two wards divided by the Waikato River.

The elected members are represented on various Council committees and subcommittees. These committees and subcommittees consider and recommend policy to Council, and monitor the implementation of policy and the operation of services relating to the committee functions.

“Council acts in the best interests of the community”



## COUNCIL COMMITTEES

Council's committees and their structures, roles and membership are outlined below.

COMMITTEE		ROLE
1.	City Development Committee	Considers and recommends policy to Council on relevant strategic matters that relate to the economic development of the city.
2.	Community and Environment Committee	Considers and recommends policy to Council for the community and environmental areas of Council's activities and monitors the implementation of that policy.
3.	Finance and Audit Committee	Monitors the financial performance of Council against the Long-Term Council Community Plan (LTCCP) and Annual Plan. Monitors the non-financial performance measures and significant projects specified by Council.
4.	Statutory Management Committee	Hears and considers applications and objections to applications under various Acts and Bylaws. Considers and makes recommendations to Council on regulatory matters.
5.	Transport Committee	Considers and recommends policy to Council and monitors the implementation of that policy in the area of integrated transportation.
SUBCOMMITTEE		ROLE
6.	Applications Subcommittee	Reports to the Statutory Management Committee. Considers and resolves minor planning matters.
7.	Chief Executive's Performance Assessment Panel	Reports to Council. Maintains an overview of the performance of the Chief Executive.
8.	Community Well-being Grant Allocation Subcommittee	Reports to the Community and Environment Committee. Disburses community well-being grants on behalf of Council.
9.	Contracts Subcommittee	Reports to the Finance and Audit Committee. Approves contracts for supply and services and revenue generating contracts in excess of the delegated sum (\$500,000 GST excluded) and when the amount of work involved in a decision not to go to tender exceeds \$100,000 (GST excluded).

SUBCOMMITTEE		ROLE
10.	Events Sponsorship Subcommittee	Reports to the City Development Committee. Evaluates and makes decisions on which events should receive Event Sponsorship Funding and to what value.
11.	Passenger Transport Subcommittee	Reports to the Transport Committee and makes recommendations on: <ul style="list-style-type: none"> <li>• New and altered Hamilton passenger transport routes, timetables and related issues.</li> <li>• Passenger transport infrastructure provision, promotional campaigns, and policy issues.</li> <li>• Makes recommendations following comments and complaints received about Hamilton passenger transport from passengers and the public.</li> <li>• Advocacy of the Hamilton passenger transport strategy.</li> </ul>
12.	Parking Management Subcommittee	Reports to the Transport Committee and makes recommendations to both the Committee and Council on parking management issues.
13.	Active Transport Subcommittee	Reports to the Transport Committee. Examines the ways in which cycling and walking can be promoted as viable travel choices within Hamilton.
14.	Transport Safety Subcommittee	Reports to the Transport Committee. Recommends policy relating to speed limits, traffic calming measures, and other matters concerning road safety.
15.	Te Runanga o Kirikiriroa (TeRok) Subcommittee	Reports to the Community and Environment Committee. Promotes the partnership between Council and TeRok and oversees administration of the Maaori and Pacific Project Fund. Receives reports relating to the service contract between the two organisations and works to promote the well-being of Maaori and Pacific people in Hamilton.

**Note:** Further detail on Council's committees and subcommittees, as well as elected member representation on external organisations and joint committees (including meeting dates/times, agendas/minutes) can be viewed or downloaded from the website [www.hamilton.co.nz/representation](http://www.hamilton.co.nz/representation). In addition to the committees and subcommittees listed above, elected members are also appointed to various Council Controlled Organisations and Council Organisations (refer to Section 10.0 in this LTCCP), as well as a number of other collaborative working groups.



The following figure shows which Council committees and subcommittees each elected member is represented on.

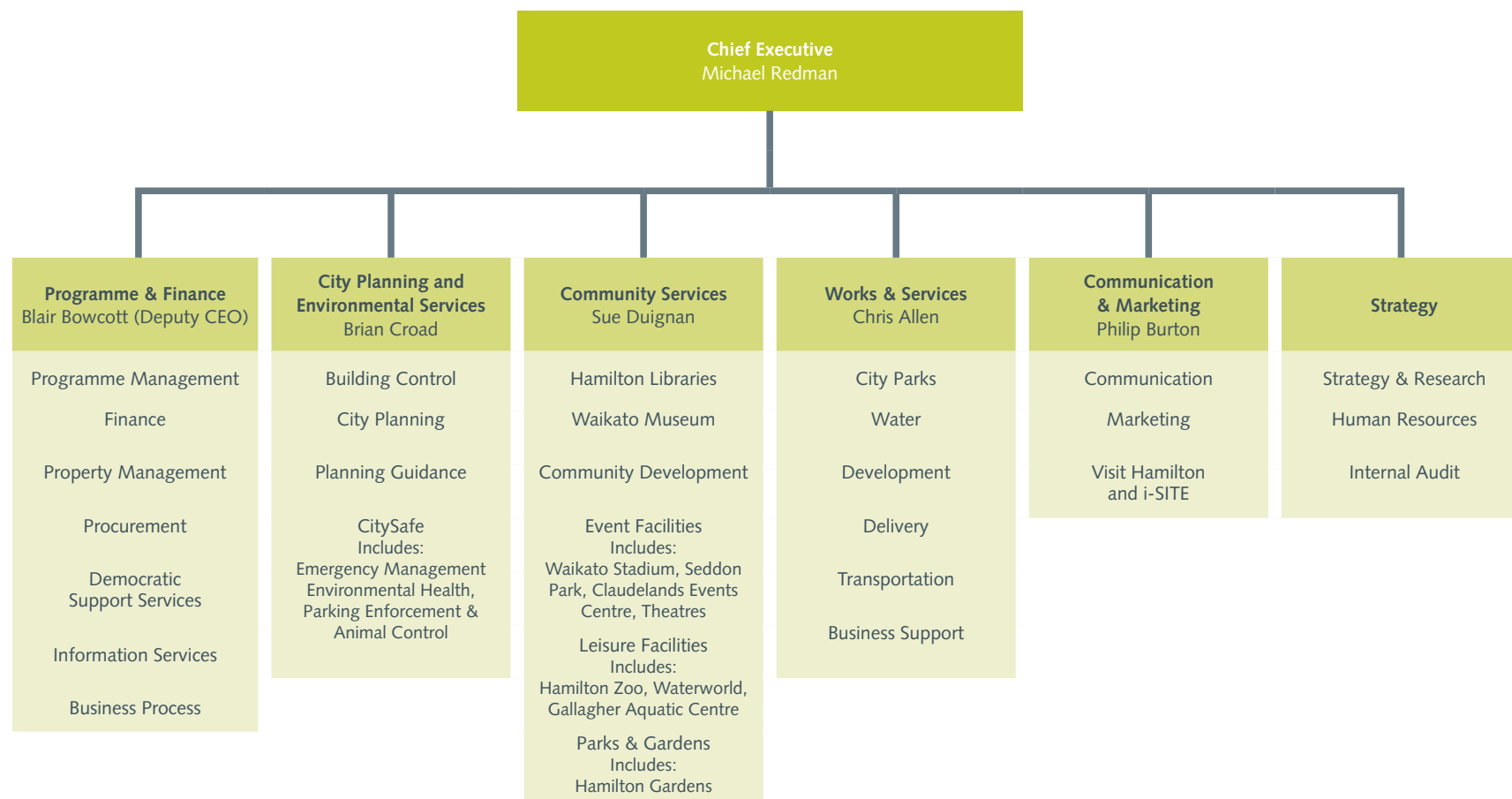
ELECTED MEMBERS		NGAA POOTITIA MEMA	
HAMILTON MAYOR		KEY TO COUNCIL COMMITTEES	
	<b>BOB SIMCOCK</b> Phone: 838 6976 Home: 838 0661 Mobile: 021 991 071 Email: mayor@hcc.govt.nz <b>Council Committees/Subcommittees:</b> His Worship the Mayor is an ex-officio member of all committees. He is specifically appointed to Subcommittee 7 (Chief Executive's Performance Assessment Panel).	1. City Development Committee 2. Community and Environment Committee 3. Finance and Audit Committee 4. Statutory Management Committee 5. Transport Committee 6. Applications Subcommittee 7. Chief Executive's Performance Assessment Panel 8. Community Well-being Grant Allocation Subcommittee 9. Contracts Subcommittee 10. Event Sponsorship Subcommittee 11. Passenger Transport Subcommittee 12. Parking Management Subcommittee 13. Active Transport Subcommittee 14. Road Safety Subcommittee 15. Te Runanga o Kirikiriroa Subcommittee • Committees 1, 2 and 5 meet every six weeks. • Committee 3 meets quarterly. • Committee 4 meets as and when required. • Subcommittees meet as and when required. (C) = Chairperson (DC) = Deputy Chairperson	
WEST WARD COUNCILLORS		EAST WARD COUNCILLORS	
	<b>JOE DI MAIO</b> Phone: 838 6653 Home: 849 3472 Mobile: 021 493 472 Email: joe.dimaio@council.hcc.govt.nz <b>Council Committees/Subcommittees:</b> 2, 3, 5, 12		<b>JOHN GOWER</b> Phone: 838 6450 Home: 847 7465 Mobile: 021 318 789 Email: john.gower@council.hcc.govt.nz <b>Council Committees/Subcommittees:</b> 1, 4 (C), 5 (DC), 6, 11, 14 (C), 15
	<b>KAY GREGORY</b> Phone: 838 6982 Home: 849 6583 Mobile: 021 529 511 Email: kay.gregory@council.hcc.govt.nz <b>Council Committees/Subcommittees:</b> 2 (DC), 4, 5, 8, 9, 10, 14		<b>DAVE MACPHERSON</b> Phone: 838 6438 Home: 824 5992 Mobile: 021 477 388 Email: dave.macpherson@council.hcc.govt.nz <b>Council Committees/Subcommittees:</b> 2, 3, 5 (C), 11
	<b>ANGELA O'LEARY</b> Phone: 838 5981 Home: 847 1574 Mobile: 021 343 774 Email: angela.oleary@council.hcc.govt.nz <b>Council Committees/Subcommittees:</b> 1 (DC), 4, 5, 9, 10, 14		<b>MARIA WESTPHAL</b> Phone: 838 6657 Home: 849 6803 Mobile: 021 341 782 Email: maria.westphal@council.hcc.govt.nz <b>Council Committees/Subcommittees:</b> 1, 2, 3 (C), 4, 7, 9 (C), 11
			<b>DAPHNE BELL</b> Phone: 838 6859 Home: 854 5555 Mobile: 021 341 767 Email: daphne.bell@council.hcc.govt.nz <b>Council Committees/Subcommittees:</b> 2 (C), 3, 5, 8, 11 (C), 15, 13
			<b>GORDON CHESTERMAN</b> Phone: 838 6766 Home: 854 9851 Mobile: 021 922 927 Email: gordon.chesterman@council.hcc.govt.nz <b>Council Committees/Subcommittees:</b> 1, 2, 5, 7, 12 (C)
			<b>PIPPA MAHOOD</b> Phone: 838 6662 Home: 856 3218 Mobile: 021 809 964 Email: pippa.mahood@council.hcc.govt.nz <b>Council Committees/Subcommittees:</b> DEPUTY MAYOR, 1, 2, 4, 7, 15
			<b>PETER BOS</b> Phone: 838 6986 Home: 854 0621 Mobile: 021 285 7019 Email: peter.bos@council.hcc.govt.nz <b>Council Committees/Subcommittees:</b> 2, 3 (DC), 4 (DC)
			<b>ROGER HENNEBRY</b> Phone: 838 6519 Home: 854 0223 Mobile: 021 318 439 Email: roger.hennebry@council.hcc.govt.nz <b>Council Committees/Subcommittees:</b> 1, 3, 5, 13 (C)
			<b>GLENDA SAUNDERS</b> Phone: 838 6980 Home: 839 7165 Mobile: 021 733 191 Email: glenda.saunders@council.hcc.govt.nz <b>Council Committees/Subcommittees:</b> 1 (C), 3, 4, 7



## 9.2 THE STRATEGY MANAGEMENT TEAM

Council is supported by a corporate organisation, led by Chief Executive Michael Redman and five General Managers who comprise the Strategy Management Team. The General Managers each head an operational Group (refer figure below). The Strategy Group teams are each headed by a separate Manager.

### ORGANISATIONAL STRUCTURE





The Strategy Management Team and staff are responsible for managing the organisation's service delivery and implementing Council decisions and policies. Other key objectives include:

- Ensuring capacity to provide strategic leadership to Council.
- Having a high performance customer-focused culture supported by people and processes.
- Streamlined organisation-wide processes to improve efficiency and effectiveness.
- Ensuring a managed approach to project phasing and delivery.
- Ensuring cross-organisational co-operation and response to Council's strategic framework for the city.

The six groups and their respective roles are outlined below:

**1. Programme and Finance Group** – Headed by the Deputy Chief Executive Blair Bowcott, this Group is focused on providing leadership to the organisation in establishing and sustaining an integrated approach to planning and implementing key projects and business processes. It has key responsibilities for overseeing the alignment of finances and funding, programming and procurement and has a wide cross-organisational reach and influence. The Group also manages the organisation's property portfolio, professional consultancy services, information services and the democratic support service for Council.

**2. City Planning and Environmental Services Group** – Headed by General Manager Brian Croad, this Group is focused on supporting the 'Vibrant Hamilton' vision through delivering City Safety and Urban Development services. City Safety includes emergency management and civil defence, animal care and control, central city safety, environmental health and parking enforcement. Urban Development includes guiding development within the city to achieve a quality environment and great design through strategic city planning and building control.

**3. Community Services Group** – Headed by General Manager Sue Duignan, this Group is focused on supporting the social, cultural, environmental and economic well-being of the city through the planning, provision and management of community facilities and services. The group's units are diverse in nature and include Community Development, Parks and Gardens, Libraries, Museum, Swimming Facilities, Event Facilities (including the Stadium, Theatres and the Claudelands Event Centre), Cemeteries and Crematorium and the Zoo.

**4. Works and Services Group** – Headed by General Manager Chris Allen, this Group is focused on the planning, development and operation of the city's water, wastewater, stormwater and transport networks. In addition, the Group manages the refuse services and implements much of the city's work programme through its Utility and City Parks contracting units. Additional to this is the design and project management for key infrastructure projects the city requires for future growth.

**5. Communication and Marketing Group** – Headed by General Manager Philip Burton, this Group is focused on helping Council and Hamilton to deliver the 'Vibrant Hamilton' vision. The Group contributes to Council's operation through professional communication and marketing advice, supporting the organisation in its business operations and maintaining customer relationships. A key role involves the implementation of Hamilton's Events Strategy by promoting the city and generating economic benefit through major events. The Group is also responsible for the operation of the i-SITE visitor information centre.

**6. Strategy Group** – Encompasses the Strategy and Research Unit, Council's Internal Auditor and the Human Resources Unit, each headed by a separate manager.

Staff from the Strategy and Research Unit provide research and policy development support to the organisation, and work with the organisation to ensure that Council's planning activities align with the principles of the eight City Strategies. Work is also undertaken on assessing options and opportunities and developing appropriate responses that build on Hamilton's existing strengths and enhance the Vibrant Hamilton vision.

The Human Resources Unit supports on the ongoing wellbeing and needs of the organisation's employees. This includes all aspects relating to recruitment and employment relations; remuneration and benefits; employee and professional development; guiding organisational change; and addressing health, safety and wellbeing issues.

Council's Internal Auditor provides an independent, objective assurance and consulting service across all Council activities. This improves Council's operations through systematic and disciplined approach to evaluating the adequacy and effectiveness of financial information and other processes and systems.



### ■ 9.3 RELATIONSHIP OF THE STRATEGY MANAGEMENT TEAM TO ELECTED MEMBERS

The Strategy Management Team manages organisation-wide issues and provides the link between the elected members and staff. They are responsible for monitoring operational performance, giving policy advice, implementing policy, strategic planning and service delivery. By working collaboratively, the Strategy Management Team ensures that action undertaken within the various operational groups is consistent with Council's Vision, Mission, Goals, Values and the City Strategic Framework (including the LTCCP and the Annual Plan).

Council's elected members, management and staff work together at different levels to decide what activities should be undertaken by Council to progress Hamilton's Community Outcomes through the City Strategic Framework, and to decide how these activities can best be undertaken. This takes place within a framework of consultation with the community and affected parties, competing priorities, timeframes, resources, affordability and decisions of Council. The framework ensures that the city grows and develops in a more sustainable way that enhances its social, economic, environmental and cultural well-being.

### ■ 9.4 COUNCIL'S PLANNING AND REPORTING CYCLE

#### 9.4.1 LTCCP

The Local Government Act 2002 requires all councils in New Zealand to produce a 10 year Long-Term Council Community Plan (LTCCP) for the area they administer. The LTCCP is required to be reviewed every three years. Each council's LTCCP must outline:

- What it proposes to do over the plan's 10 year period.
- The activities it proposes to undertake.
- The cost of undertaking these activities and how they will be paid for.
- The contribution of these activities to the area's community outcomes and community well-being.

The LTCCP provides an opportunity for people to participate in decision-making processes on the activities that Council plans to undertake over the next 10 years. A draft plan is produced and is open for public consultation, with feedback considered, before it is finalised. Each LTCCP also serves as the Annual Plan for the first year of its 10 year focus.

The content and direction of Council's 2009-19 LTCCP is based on a series of inputs that have been built up over a considerable time period, with many having already used extensive community engagement and feedback processes. Examples include:

- 1 The eight City Strategies that were developed in collaboration with key city stakeholders over the past 2-3 years and comprise the City Strategic Framework.
- 2 A four day Enquiry by Design workshop held in March 2008 on growth issues (attended by Council representatives and key organisations) that assisted in the formulation of Hamilton's Urban Growth Strategy (refer Section 6.2).

#### 9.4.2 ANNUAL PLAN

Council is also required to produce an Annual Plan in the two intervening years between each three-yearly LTCCP. The purpose of the Annual Plan is to show any key changes (known as amendments or variations) to the LTCCP. In the same way that the public's comments help to shape the final LTCCP, Council also produces a proposed Annual Plan that is open for public consultation before it is finalised.

The Annual Plan provides the accountability base for the setting and assessing of rates for that year (rates cannot be set until the Annual Plan has been adopted). It is intended to be a companion document to be read in conjunction with the base LTCCP.



### 9.4.3 ANNUAL REPORT

Council must also produce an Annual Report at the end of each June financial year. The Annual Report shows how Council's actual activities, services and performance measured up to its intended levels of service and performance that were outlined in a specific year of the LTCCP (as well as any changes for that year that were outlined in the relevant Annual Plan).

The Local Government Act 2002 provides the legal framework and guiding principles for the development of the LTCCP, Annual Plan and Annual Report which help to form a planning and reporting cycle (outlined in the following figure) that all councils within New Zealand must participate in.

RELATIONSHIP BETWEEN THE LTCCP, ANNUAL PLAN AND ANNUAL REPORT

JUNE FINANCIAL YEAR	LTCCP (10 YEAR FOCUS)	ANNUAL PLAN (1 YEAR FOCUS)	ANNUAL REPORT (1 YEAR FOCUS)
2009/10 (Year 1)	✓		✓
2010/11 (Year 2)		✓	✓
2011/12 (Year 3)		✓	✓
2012/13 (Year 4)	✓		✓
2013/14 (Year 5)		✓	✓
2014/15 (Year 6)		✓	✓
2015/16 (Year 7)	✓		✓
2016/17 (Year 8)		✓	✓
2017/18 (Year 9)		✓	✓
2018/19 (Year 10)	✓		✓

“The LTCCP provides an opportunity for people to participate in decision-making processes”



## 10.0 THE FINANCIALS IN DETAIL

HE RIPOATA PUTEA MAI TE TARI TATARI KAUTE

A photograph of a young girl with brown hair in a ponytail, wearing a light blue dress with small floral patterns. She is standing next to a large, textured tree trunk, reaching up with her right hand to touch it. She is looking upwards. The background is a blurred green field and trees. The text 'adding it up' is overlaid in white, with 'adding' in a larger font and 'it up' in a smaller font below it.

adding  
it up



10.0 THE FINANCIALS IN DETAIL

CONTENT OF THIS SECTION	
10.1	Financial Overview
10.2	Council Controlled Organisations
10.3	Council Organisations
10.4	Fees and Charges
10.5	Summary of Funding and Financial Policy (Volume Two)
10.6	Forecast Financial Statements for the Years Ended 30 June 2010 – 2019
10.7	Notes to the Financial Statements

10.1 FINANCIAL OVERVIEW

RATES LEVIED

The following rate table shows the total rates and rate increase for the 10 years of the 2009-19 LTCCP. For the 2009/10 financial year, the Council has budgeted income from rates of \$103.1m (2008/09 \$98.2m). Rates income will increase by 4.99% for the 2009/10 financial year, which includes the Access Hamilton targeted rate. Taking account of growth in the city's rating base, this represents an average increase of 4.38% to existing Hamilton ratepayers.



	LTCCP 2009/10	LTCCP 2010/11	LTCCP 2011/12	LTCCP 2012/13	LTCCP 2013/14	LTCCP 2014/15	LTCCP 2015/16	LTCCP 2016/17	LTCCP 2017/18	LTCCP 2018/19
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Total rates levy in \$m*	103	109	116	124	132	141	150	158	164	171
Rates levy (total increase)	4.99%	5.57%	6.53%	7.07%	6.53%	6.82%	6.38%	5.14%	4.12%	4.08%
less rating growth (new ratepayers) in \$m	(0.4)	(0.9)	(1.0)	(1.6)	(1.7)	(1.7)	(1.8)	(2.0)	(2.1)	(2.3)
Rates levy increase to existing ratepayers	4.38%	4.66%	5.52%	5.69%	5.19%	5.51%	5.10%	3.81%	2.79%	2.70%
Inflation adjustment	5.10%	1.50%	2.88%	2.65%	2.63%	2.65%	2.67%	2.83%	2.82%	2.72%
Rate increase to existing ratepayers above inflation adjustment	-0.72%	3.16%	2.64%	3.04%	2.56%	2.86%	2.43%	0.98%	-0.03%	-0.02%

\* Excludes consumption based rates

## RATES BY PROPERTY SECTOR

The indicative rates levy for 2009/10 on the average value of each property sector is:

	LTCCP 2009/10
	YEAR 1
residential	\$1,554
inner city	\$971
commercial	\$9,319
multi-unit	\$4,125
rural residential	\$3,626
rural large	\$4,787
rural small	\$1,944

## RATES AFFORDABILITY

For 2009/10, Hamilton City Council's average residential rates as a percentage of the Waikato region median family household income is 2.4%.

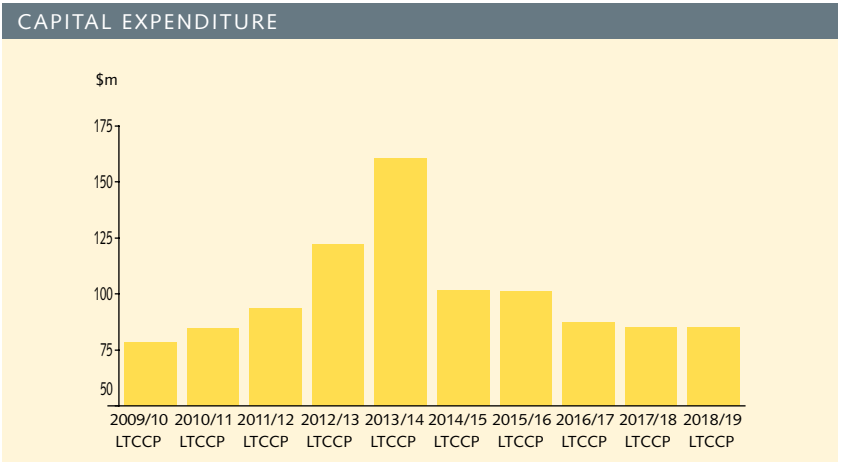
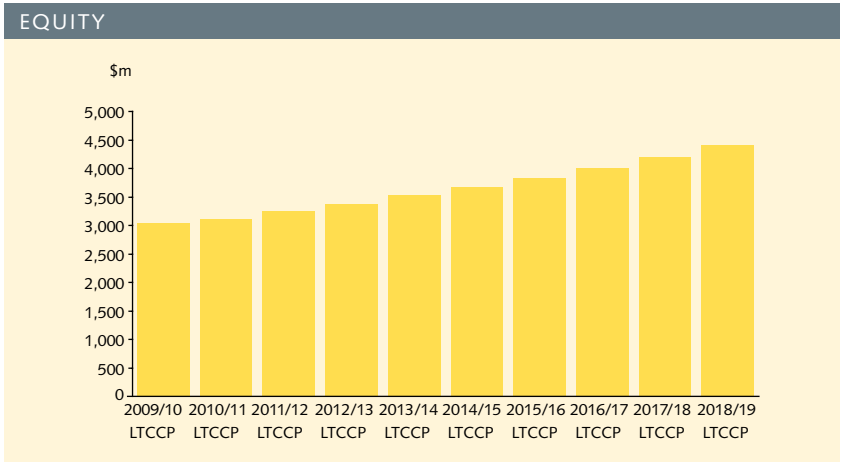
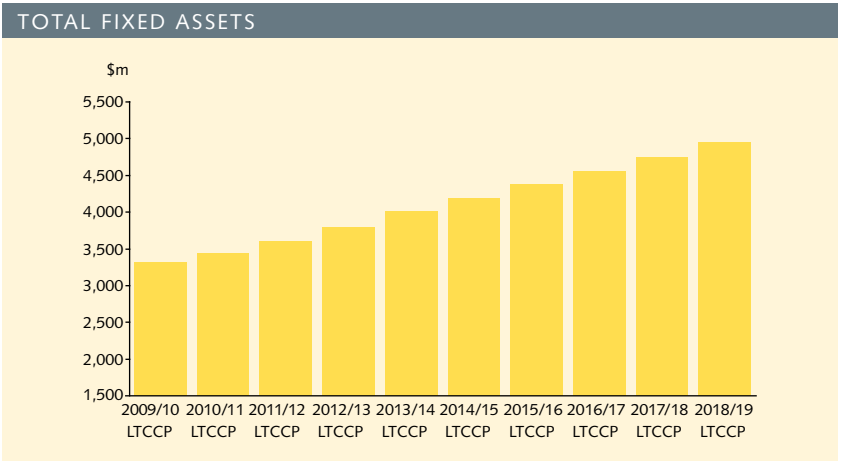
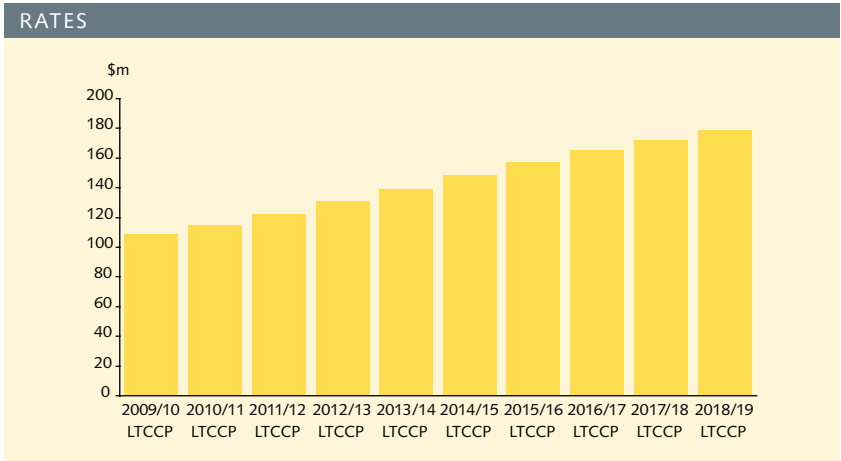
	LTCCP 2009/10
	YEAR 1
average residential rate	\$1,554
median family household income <sup>1</sup>	\$65,768
average residential rates as % of income	2.4%

<sup>1</sup> Berl Economics - Projections of National and Regional Household Income to 2019, Nov 2008.



FINANCIAL SUMMARY

A graphical presentation of key financial statistics for the 10 years of the LTCCP is shown as follows.



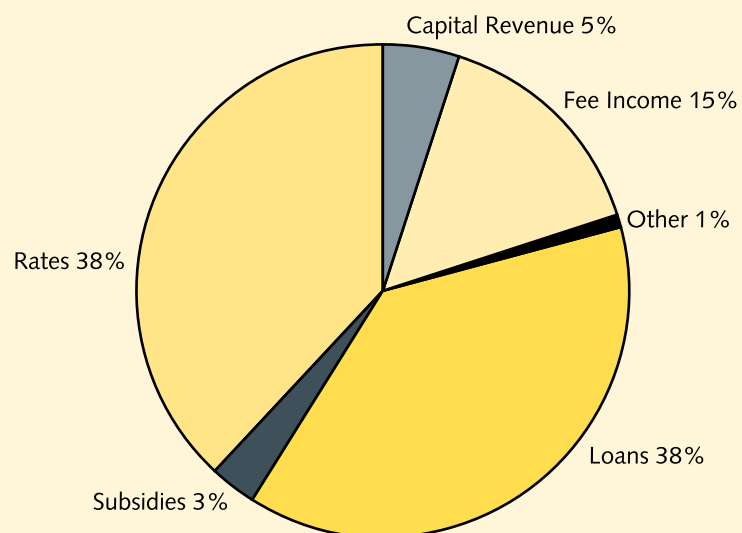


	LTCCP 2009/10	LTCCP 2010/11	LTCCP 2011/12	LTCCP 2012/13	LTCCP 2013/14	LTCCP 2014/15	LTCCP 2015/16	LTCCP 2016/17	LTCCP 2017/18	LTCCP 2018/19
\$m	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Rates (incl penalties less remissions and rates charged to Council properties)	109	115	122	131	139	148	157	165	172	179
Total fixed assets	3,325	3,441	3,604	3,790	4,011	4,189	4,376	4,562	4,752	4,948
Equity	3,050	3,115	3,243	3,381	3,530	3,675	3,835	4,012	4,200	4,399
Capital expenditure	78	85	93	122	161	102	101	87	85	85

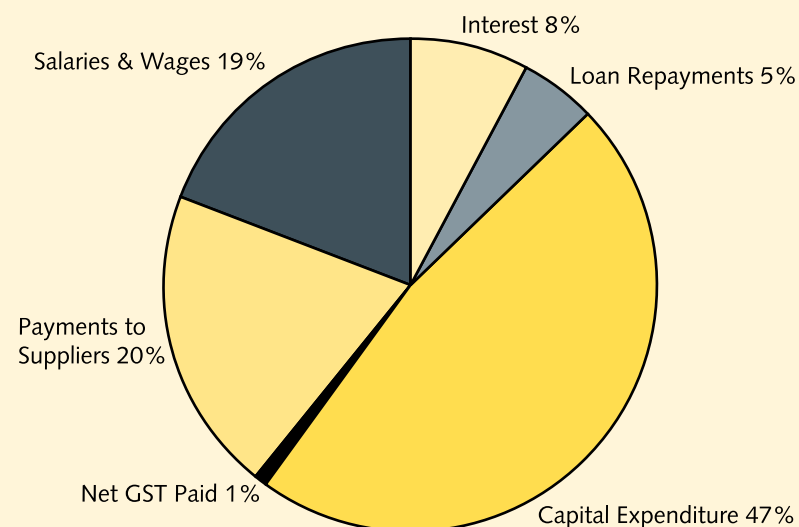
## CASH FLOW

The estimated sources and uses of cash for the year ended 30 June 2010 is summarised as follows:

SOURCES OF CASH (\$280m)



USES OF CASH (\$280m)

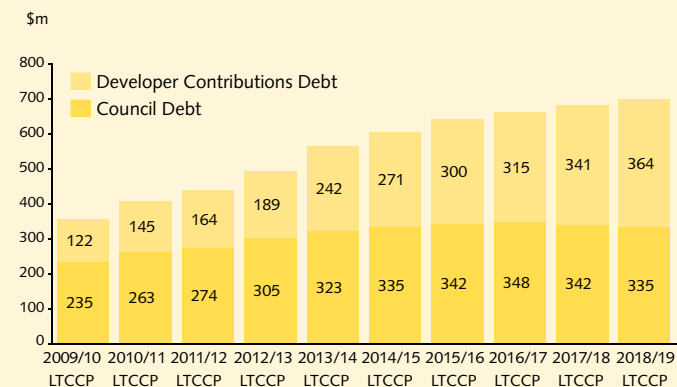




## CITY DEBT

The graph below shows the total debt levels for the 10 years of the LTCCP, split between Council debt funded by rates and debt to be funded by development contributions. The overall level of total debt including internal borrowing will total \$357m for the 2009/10 financial year. In year 10 of the LTCCP, the total debt including internal borrowing is estimated to be \$699m. Debt funded by development contributions at the end of the 2009/10 financial year is estimated to be \$122m. In year 10 of the LTCCP, the debt funded by development contributions is estimated to be \$364m.

TOTAL DEBT, 2009-19



## DEBT BALANCES (INCLUDING INTERNAL BORROWING)

	LTCCP 2009/10	LTCCP 2010/11	LTCCP 2011/12	LTCCP 2012/13	LTCCP 2013/14	LTCCP 2014/15	LTCCP 2015/16	LTCCP 2016/17	LTCCP 2017/18	LTCCP 2018/19
\$m	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Funded by Access Hamilton	29	32	43	58	71	73	70	67	64	61
Funded by Rates	206	231	231	247	252	263	272	281	278	273
<b>Closing Balance - Council Debt</b>	<b>235</b>	<b>263</b>	<b>274</b>	<b>305</b>	<b>323</b>	<b>335</b>	<b>342</b>	<b>348</b>	<b>342</b>	<b>335</b>
Funded by Development Contributions	122	145	164	189	242	271	300	315	341	364
<b>CLOSING BALANCE TOTAL DEBT (including internal borrowing)</b>	<b>357</b>	<b>408</b>	<b>438</b>	<b>494</b>	<b>565</b>	<b>606</b>	<b>642</b>	<b>663</b>	<b>683</b>	<b>699</b>



**DEBT SERVICING PERFORMANCE LIMITS**

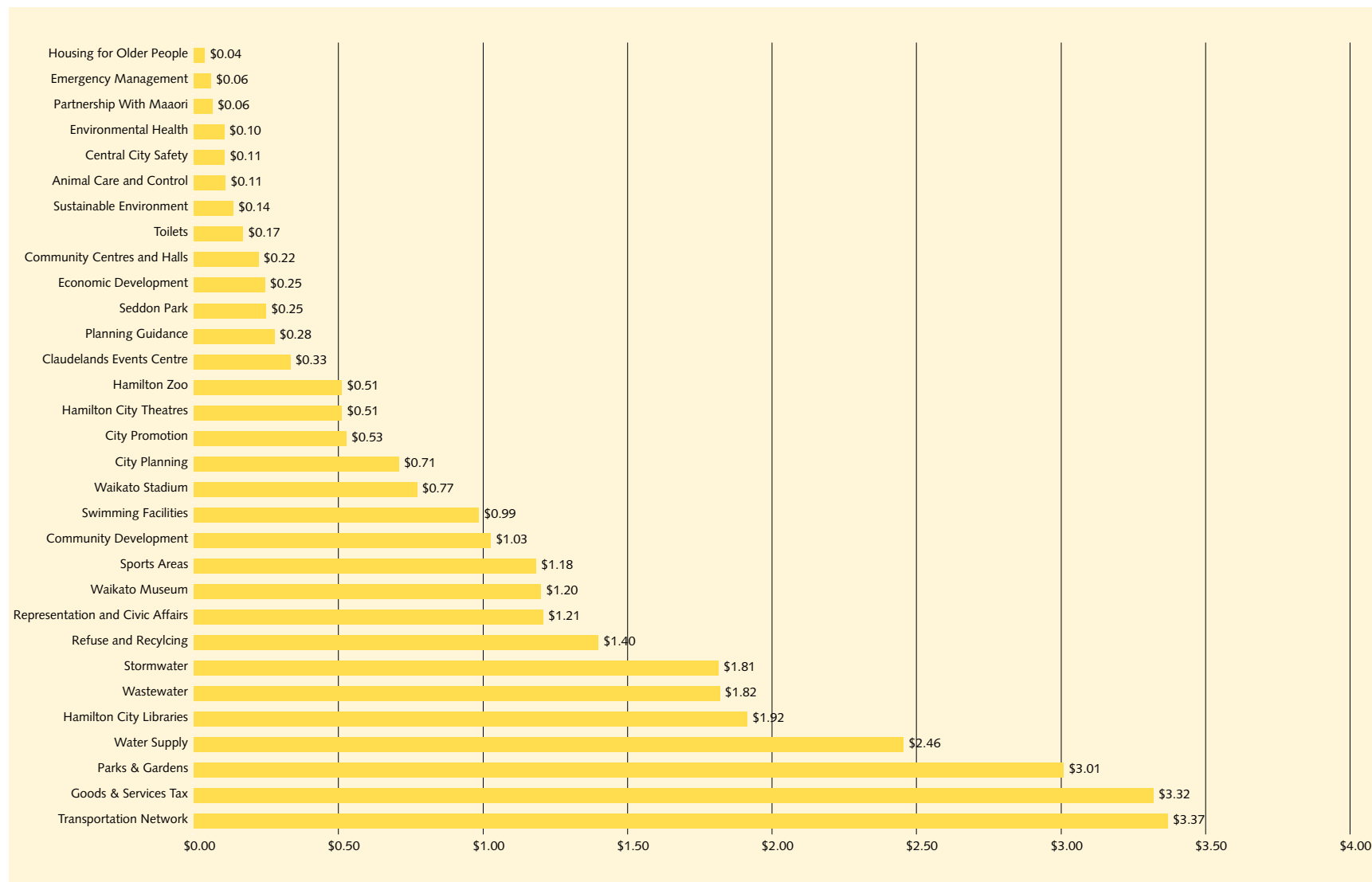
	LTCCP 2009/10	LTCCP 2010/11	LTCCP 2011/12	LTCCP 2012/13	LTCCP 2013/14	LTCCP 2014/15	LTCCP 2015/16	LTCCP 2016/17	LTCCP 2017/18	LTCCP 2018/19
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
<b>Policy Limits – Council debt</b>										
1. Interest on total Council debt (excluding interest on DC debt) as % of total rating income (Max 20%)	11%	13%	14%	15%	16%	15%	15%	15%	14%	13%
2. Total Council debt as % of total income (Max 180%) (excluding total DC contributions received p.a. in income)	145%	148%	141%	143%	142%	151%	145%	142%	137%	129%
3. Total Council debt per capita (Max \$2,000) (expressed in 2009 \$)	\$1,591	\$1,729	\$1,722	\$1,834	\$1,862	\$1,854	\$1,814	\$1,766	\$1,659	\$1,557
<b>Policy Limits – Total debt</b>										
1. Total debt as % of total assets (Max 25%)	10%	12%	12%	13%	14%	14%	14%	14%	14%	14%
2. Total debt as % of total income (Max 250%)	208%	213%	202%	208%	223%	243%	244%	242%	243%	239%
3. Interest (total) as % of total income (Max 20%) (including total DC contributions received p.a. in income)	11%	12%	13%	13%	15%	16%	17%	17%	17%	17%
4. Liquidity (on total debt & working capital) (Min 110%)	117%									

Council has clearly signalled elsewhere in this document its preparedness to defer growth related capital expenditure in the event that growth related debt is forecast to reach an unsustainable level.



### INDICATIVE RESIDENTIAL RATES

For 2009/10, the rates levy on the average value Hamilton home will be \$1,554, that is, about \$30 per week. The indicative rates levy per week is presented graphically below for each service of Council.





## 10.2 COUNCIL CONTROLLED ORGANISATIONS (CCO)

In order to achieve its objectives for Hamilton City Council, the Council is involved and represented in a number of organisations. Council Controlled Organisations are described in the Local Government Act 2002 (LGA 2002) as any organisation in which one or more local authorities control 50% or more of the voting rights or appoints 50% or more of the directors.

The following tables explain what the organisations do and how performance is measured.

ORGANISATION	HAMILTON PROPERTIES LTD
Ownership	100%
Representation (total members)	2 (4)
Purpose	The Council has retained this company with the view of utilising its tax losses in the future.
Nature and scope of activities	This is a non-operating company that is no longer trading.
Performance Monitoring	Exempt as a CCO for performance monitoring under Section 7 (3-5) Local Government Act 2002 by Council resolution on 2 July 2003.



ORGANISATION	WAIKATO REGIONAL AIRPORT LTD	
Ownership	50%	
Representation (total members)	0 (5)	
Purpose	Waikato Regional Airport Ltd replaced the Airport Authority in 1989, which previously ran Hamilton Airport (and in which Council had a shareholding)	
Nature and scope of activities	The objective of the airport company is to operate a successful commercial business, providing safe, appropriate and efficient services for the transportation of people and freight in and out of the port of Hamilton.	
Performance Monitoring	<ul style="list-style-type: none"><li>• Statement of Corporate Intent, Interim Report and Annual Report is presented to the Finance and Audit Committee.</li><li>• Performance targets are specified annually in the Statement of Corporate Intent and are noted as follows.</li></ul> <b>Non Financial Performance Targets</b> <ul style="list-style-type: none"><li>• To achieve the Airport Certification Standards as required by the Civil Aviation Authority.</li><li>• To achieve above average customer satisfaction ratings through the conduction of a bi-annual ACI International benchmarking survey.</li><li>• Collect, document and act (where viable) on customer feedback forms to continuously monitor and improve the customer experience. Maintain a database to ensure recurring negative feedback is promptly acted upon.</li><li>• Introduce a new international and/or domestic carrier to promote competition and thus competitive pricing options for travellers.</li><li>• Continuance of the Joint venture land development project and thus continuing the path to enhancing regional economic value measured by land sales of Titanium Park.</li></ul> <b>Financial Performance Targets</b> <ul style="list-style-type: none"><li>• To achieve financial performance targets as noted in the table below:</li></ul>	
		Statement of Corporate Intent Targets (for 2009/10)
	Net surplus/(deficit) before tax/interest to average shareholders' funds	(0.45)%
	Net surplus/(deficit) after tax to average shareholders' funds	(1.24)%
	Net surplus/(deficit) before tax/interest to total assets	(0.30)%
	Net surplus/(deficit) after tax to total assets	(0.83)%
	Percentage of non-landing charges revenue to total revenue	73.11%
	Earning before interest, taxation and depreciation (EBITDA)	\$1,200,000
	Interest rate cover	2.49
	Total liabilities to shareholders' fund (Debt/Equity ratio)	20:80



ORGANISATION	LOCAL AUTHORITY SHARED SERVICES LTD (LASS)
Ownership	7.69%
Representation (total members)	1 (9)
Purpose	To provide local authorities within the Waikato Region with shared services, particularly in respect of information, collection and management for those authorities that may from time to time participate in those services with the purpose of reducing the cost of performing those activities to the community at large.
Nature and scope of activities	The company to be used as an umbrella company to investigate opportunities for future development of shared services. The specific objectives of the company will be agreed each year in accordance with the constitution and the Statement of Intent to be agreed between the Board of the company and the shareholders.
Performance Monitoring	<ul style="list-style-type: none"> <li>• Statement of Corporate Intent, Interim Report and Annual Report is presented to the Finance and Audit Committee.</li> <li>• Positive cash flow will be maintained so that the equity ratio is maintained at a minimum of 40%.</li> <li>• Customers will be surveyed annually to ensure that there is at least 90% satisfaction with the services provided.</li> <li>• Expenditure shall not exceed that budgeted by more than 5% unless prior approval is obtained from the directors.</li> <li>• The CEO will provide a written report on the business operations and financial position of the LASS as a minimum on a six monthly basis.</li> </ul>

### COUNCIL TO ESTABLISH NEW TRUST TO FUND CITY STRATEGY PROJECTS

Council is proposing to establish a new Council-Controlled Organisation (CCO) in order to utilise its share of the fund from the proposed disestablishment of the Waikato Foundation Trust (WFT).

The WFT was established in 1993 by the then Waikato Electricity Authority. The total value of the fund is approximately \$7 million. The aim of the Foundation was to encourage regional cooperation and promote economic and social development and environmental restoration within the combined area of its three constituent authorities (Hamilton City Council, Waipa and Waikato District Councils).

An informal agreement in principle has been reached between the current trustees to disestablish the WFT, subject to establishment of new Trusts by the three local authorities that will receive the proceeds from the WFT. Hamilton City Council is developing a Trust Deed to govern the administration and distribution of its portion of the funding, and as part of this will establish a Council-appointed Trust Board (which will constitute a CCO).

Subject to Council consideration, it is proposed that a 'Vibrant Hamilton' fund be established. This funding will primarily be used to assist delivery of flagship projects from the eight City Strategies, (including those which are currently unfunded in this 2009-19 LTCCP) as well as new projects that are promoted or identified by the community from time to time and adopted by Council.

The details of the proposed transfer of Council's share of the WFT funding, how the new CCO will function and how the fund will operate are still being finalised. A report outlining the proposal to disestablish the WFT and the establishment of a new CCO is anticipated to be considered by Council later in 2009.

For further information about this proposal, please contact the Strategy and Research Unit Manager (phone 838 6637, email [tegan.mcintyre@hcc.govt.nz](mailto:tegan.mcintyre@hcc.govt.nz)).

### 10.3 COUNCIL ORGANISATIONS (CO)

In order to achieve its objectives for Hamilton City Council, the Council is involved and represented on a number of organisations.

The list of organisations Council is involved and represented in is based on:

- Any organisation that Council controls, directly or indirectly, 1 or more of the votes at any meeting of the members or controlling body of the organisation.
- Any organisation that Council has the right to directly or indirectly appoint 1 or more of the trustees, directors or managers of the organisation.

The following table explains what the organisations do and how performance is measured.



ORGANISATION	OWNERSHIP	REPRESENTATION (TOTAL MEMBERS)	WHY DOES IT EXIST? (WHY WE OWN/CONTROL IT)	WHAT DOES IT DO? (NATURE AND SCOPE OF ACTIVITIES)	PERFORMANCE MONITORING
Community Well-being Grants Allocation Committee		2 (6)	Representation is by Council policy. To provide financial assistance to not-for-profit community groups.	To allocate funds annually.	Annually report to the Community Development Unit and minutes forwarded to the Community and Environment Committee.
Environment Waikato (Transport Matters)		1	To represent Hamilton city interests in transport matters administered by the Regional Council.	Includes Regional Land Transport Committee and Regional Road Safety Sub-Committee.	Not applicable.
Environment Waikato – Middle Waikato Sub-Committee (Project Watershed)		2	Council representation requested.	It addresses the issues of flood protection, soil conservation and river management.	Not applicable.
Envirofund Allocation Committee		1	The Envirofund was established by Hamilton City Council to assist individuals, groups and community agencies to fund projects and initiatives which encourage sound environmental improvement in Hamilton and contribute to the sustainability of the city.	Distribute Envirofund grants to community environmental groups.	Annually report to the Community and Environment Committee.
Hamilton Creative New Zealand Fund Allocation Committee		1 (8)	Representation is by Council policy. To administer funds on behalf of Creative NZ.	To allocate funds annually.	Annually report to the Community Development Unit and minutes forwarded to the Community and Environment Committee.
Hamilton Community Arts Council		1 (12)	Constitution requires appointment of one member of Council. To promote the arts and culture in the community.	To distribute funds, acts as an advisory agency for the arts, manages projects and events in relation to the arts and culture.	Quarterly report to the Community Development Unit and minutes forwarded to the Community and Environment Committee.
Hamilton Fibre Network Ltd	34.85%	1 (5)	To develop a high speed urban broadband network for Hamilton.	To extend and develop the existing network that has been established from contributions of assets from the shareholders.	Annual report to the Finance and Audit Committee.



ORGANISATION	OWNERSHIP	REPRESENTATION (TOTAL MEMBERS)	WHY DOES IT EXIST? (WHY WE OWN/CONTROL IT)	WHAT DOES IT DO? (NATURE AND SCOPE OF ACTIVITIES)	PERFORMANCE MONITORING
Hamilton Riverview Hotel Ltd	41.38%	1 & CEO (6)	In May 1998, Council entered into a joint venture agreement for the purposes of developing a hotel and conference centre on Victoria St Hamilton.  During 2007, the company developed a new hotel (Ibis Tainui Hamilton).	The objective of the company is to own an international standard hotels and conference centre located on the riverside in the central business district.	Interim Report and Annual Report to the Finance and Audit Committee.
Joint Hamilton Sub-Regional Growth Strategy Committee		2	Joint committee with Environment Waikato, Waipa and Waikato District Councils.	Provide governance for the development of a Hamilton Sub-Regional Growth Strategy.	Minutes presented to Council.
Keep Hamilton Beautiful Fund Trust		1 (12)	Representation is by Council request.  To raise environmental awareness and encourage action within the local community.	To undertake programmes and projects that encourage individuals and organisations to take responsibility for their environment.	Annual report is circulated to Councillors.
Lake Rotokauri Advisory Committee		1 (8)	Council representation requested.  The Committee was set up by the Waikato District Council in 2001, after it gained powers from the Department of Conservation to control and manage Rotokauri Lake reserve.	The Committee oversees the management of the lake in line with the Rotokauri Lake Management Plan (the reserve is vested in the Crown).	Annual report to the Community and Environment Committee.
NZ Local Government Insurance Corporation Ltd (Trading as Civic Assurance)	3.17%	0 (6)	Established by local government and owned by local authorities for the purposes of providing insurance, mutual funding and alternative risk financing products for local government and public sector organisations.  Specifically exempted as a CCO in accordance with Section 6(4)(f) of LGA 2002.	Provides tailored insurance policies for local government organisations, but competing in the open tender market.  It is Council's primary insurer for the majority of its insurance policies.	Statement of Corporate Intent, Interim Report and Annual Report is presented to the Finance and Audit Committee.
SODA Inc.		2 (5)	Creative industries business incubator in partnership with Wintec.	To encourage and enable economically successful businesses within the creative industries sector to thrive in Hamilton.	Not yet defined.



ORGANISATION	OWNERSHIP	REPRESENTATION (TOTAL MEMBERS)	WHY DOES IT EXIST? (WHY WE OWN/CONTROL IT)	WHAT DOES IT DO? (NATURE AND SCOPE OF ACTIVITIES)	PERFORMANCE MONITORING
Te Runanga o Kirikiriroa Sub-Committee		5	To promote the partnership established between Hamilton City Council and Te Runanga o Kirikiriroa and administer the Maori Project Fund.	The committee overseas the service delivery contract between the two agencies and works to promote the well-being of Maori and Pacific people in Hamilton City. A subcommittee of the Joint Venture Committee is also responsible for the allocation of the Maori project fund.	Meets as required with minutes forwarded to the Community and Environment Committee.
The Katolyst Group (Katolyst)		1 (9)	Formed to own Innovation Waikato Ltd (Innovation Park).	An economic development agency formed with the goal of accelerating economic growth in Hamilton and the Waikato, through increased development of strategic industries and small businesses.	Report six monthly to Council through the City Development Committee on performance for the previous year and its business plan for the coming year.
Waikato Region Civil Defence Emergency Management Group		1 (11)	Constitution requires appointment of one member of Council. The Group is set up under the provisions of the Civil Defence Emergency Management Act 2002.	Coordinates civil defence response and recovery for the whole region.	Quarterly reporting of minutes to the City Development Committee.
Waikato Valley Emergency Operations Area Emergency Management Committee		3	Council is coordinator of these operational meetings and has representation as Hamilton is part of the Waikato Valley area.	Coordinates the operational aspects of key emergency stakeholders within the Waikato Valley Emergency Operations area.	Minutes presented to City Development Committee three times per year.
WEL Energy Trust Joint Territorial Capital Beneficiaries Working Party		Mayor & 1 (6)	A body constituted by the three councils.  Jointly with representatives from Waikato and Waipa District Councils to monitor and influence WEL Energy Trust.	To act in the best interests of the capital beneficiaries and the communities they represent.	Reports to the City Development Committee, although no formal report is presented.



## INVESTMENT IN INNOVATION PARK

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

Council has invested \$2.4m in Innovation Park to enable development of at least one new building on the site. This investment is also supported by funding contributions from the Ministry of Economic Development's Enterprise Partnership Fund (\$2m towards the new building and \$2m towards operating expenditure) as well as debt funding from Innovation Waikato. This total investment injection will mean that the Park will increase its economic contribution to Hamilton and the national economy. The increased significance of the Park may in turn attract businesses on a global scale.

Council's investment in Innovation Park is being treated as an advance until a proposed restructure of the ownership of Innovation Park is completed, at which time the advance will be converted to equity. It is anticipated this restructure will be completed during 2009/10.

## ■ 10.4 FEES AND CHARGES

Council has reviewed fees and charges for the 2009/10 financial year. The changes to fees and charges affect the following services:

- Animal Care and Control
- Building Control
- Bylaws
- Cemeteries and Crematorium
- Community Facilities
- Community Halls
- Environmental Health
- Finance
- Footpaths
- Hamilton Gardens Pavilion
- Hamilton Zoo
- Housing Services

Libraries

Museum and ArtsPost

Planning Guidance

Seddon Park

Sports Areas

Swimming Facilities

Waikato Stadium

Wastewater and Stormwater

Water Supply

Full details of fees and charges are available on Hamilton City Council's website [www.hamilton.co.nz](http://www.hamilton.co.nz)

## ■ 10.5 SUMMARY OF FUNDING AND FINANCIAL POLICY (VOLUME TWO)

The following table outlines the policies and statements that Hamilton City Council has adopted. Full versions of the policies and summaries are in the 2009 - 19 Long-Term Plan (Volume Two) - Funding and Financial Policy. Refer to the contents page for more information on places where you can look in Volume Two.



Policy	Outline	
Funding and Financial Policy	Sets out Council's policy parameters, targets and guidelines concerning the policies outlined below, and sets out the guidelines of how Council plans for, and acquires funds to finance its operations, and the projects and programmes planned.	
Revenue and Financing Policy	Shows how Council's operational and capital expenditure will be funded or financed for each significant service, after taking into consideration a number of different factors.	
Significant Forecasting Assumptions	Identifies all significant forecasting assumptions that Council has made in developing its financial projections.	
Investment Policy	Sets out how Council will manage its cash investments, trust funds, special and reserve funds and investment in shares and property, recognising that Council is a net borrower for the foreseeable future.	
Liability Management Policy	Sets out how Council will manage its borrowing, funding and interest rate risks, recognising that Council is a net borrower for the foreseeable future. The policy guides Council on the specific borrowing limits and funding facilities, debt repayment parameters, credit exposure and foreign exchange risk management.	
Rating Policy	Sets out in detail the types of rates, rate systems, differential rating categories and definitions, rating levels, and specific rating policies Council has adopted, and the following remission and postponement policies.	
	Rates Remission Policies	Sets out Council's criteria for remitting rates, which involves reducing the amount of rates owing or waiving collection of rates under certain circumstances.
	Rates Postponement Policies	Sets out Council's criteria for postponing rates which involves the payment of rates that is not waived in the first instance, but delayed until a certain time, or until certain events occur.
	Remission and Postponement of Rates on Maori Freehold Land Policy	Sets out Council's criteria for remitting and postponing rates on Maori freehold land, which involves situations where there is no occupier, no economic or financial benefit capable of being derived from the land and there is no practical means of enforcing the rates assessed.
Funding Impact Statement	Discloses the revenue and financing mechanisms of Council. It sets out how Council will determine the setting and collecting of rates, types of rates, rate systems, differential rating, and rating levels for the period of the 09 – 19 LTCCP.	
Significance Policy	Sets out how Council will decide on the significance of proposals and decisions. The policy guides Council on how to consult when making decisions of varying importance to the community. It also lets the community know what is expected in terms of consultation.	
Partnerships with Private Sector Policy	Sets out Council's policy on committing resources to partnerships between Council and the private sector. It also guides Council on the circumstances Council will enter into partnership arrangements with private businesses, what conditions will be imposed and what consultation will take place.	
Development and Financial Contributions Policy	Sets out how Council will determine the financial contributions to be charged to developers to develop infrastructure and services to support the provision of services as the City develops and to mitigate the economic, environmental and community impacts of additional development in the City.	
Appointment and Remuneration of Directors of Council Organisations Policy	Sets out an objective and process for the identification and consideration of skills, knowledge and experience required of directors of a Council organisation, and the appointment of directors and the remuneration of directors.	



Policy	Outline
Freeholding of Council Domain and Municipal Endowment Leases Policy	Sets out the process Council will follow relating to the sale (freeholding) of Council domain and municipal endowment leases. It also sets out how Council will use the proceeds from the sales of such property.
Business Improvement District (BID) Policy	Provides guidance for prospective Business Improvement Districts on Council's policy on BIDs (Council administers BID programmes and their associated targeted rates). The Policy addresses the establishment of new BID programmes, the setting of targeted rates, the operations of existing BID programmes and managing the performance of BID programmes.
Appendices	Provide further detailed financial information on Council's 2009-19 Long-Term Plan.

## 10.6 FORECAST FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE 2010 – 2019

### GENERAL INFORMATION

The proposed financial statements are for Hamilton City Council only and do not include transactions related to the group because the differences to the Council financial statements are minimal.

This proposed financial information has been prepared to meet the requirements of the Local Government Act 2002. This information may not be suitable for use in any other context.

The actual results achieved for the period covered by this Long Term Council Community Plan are likely to vary from the information presented in this document, and these variations may be material.

The actual statement of financial position at 30 June 2008 has been used to give an opening position for the proposed statement of financial position. This is the extent to which actual financial results have been incorporated into this Long Term Council Community Plan.

The proposed financial statements comply with Financial Reporting Standard 42 – Prospective Financial Statements.



## FORECAST STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 30 JUNE 2010 – 2019

		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	NOTE	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>REVENUE</b>											
Rates	2	108,870	114,955	122,467	130,819	139,079	148,261	157,438	165,346	172,051	178,934
Revenue from activities	3	45,094	47,926	57,566	59,621	61,978	63,203	64,890	67,619	69,448	71,697
Capital subsidies	3	3,964	10,437	9,619	18,166	19,477	7,096	4,270	4,856	4,207	3,873
Development contributions	3	9,462	13,841	22,686	24,443	25,931	27,282	27,199	29,465	31,384	34,167
Other contributions/grants	3	2,970	3,810	3,972	3,447	5,709	3,110	8,659	6,159	3,314	3,414
Vested assets	3	11,000	11,165	11,539	11,902	12,276	12,661	13,057	13,497	13,948	14,399
Sundry revenue	3	783	765	780	795	809	597	611	627	642	655
<b>Total operating revenue</b>		<b>182,143</b>	<b>202,899</b>	<b>228,629</b>	<b>249,193</b>	<b>265,259</b>	<b>262,210</b>	<b>276,124</b>	<b>287,569</b>	<b>294,994</b>	<b>307,139</b>
<b>EXPENDITURE</b>											
Depreciation and amortisation		46,526	47,201	48,755	50,647	53,174	56,478	57,518	60,431	63,010	65,309
Employee benefit expenses		53,964	54,773	56,338	57,849	59,360	60,925	62,544	64,325	66,160	67,940
Finance costs	4	19,287	23,146	28,226	31,815	37,827	41,120	43,765	45,469	47,274	48,609
Other expenses	5	59,697	62,678	70,204	72,582	75,558	79,681	82,021	84,900	85,529	87,398
<b>Total operating expenditure</b>		<b>179,474</b>	<b>187,798</b>	<b>203,523</b>	<b>212,893</b>	<b>225,919</b>	<b>238,204</b>	<b>245,848</b>	<b>255,125</b>	<b>261,973</b>	<b>269,256</b>
<b>Net surplus/(deficit)</b>		<b>2,669</b>	<b>15,101</b>	<b>25,106</b>	<b>36,300</b>	<b>39,340</b>	<b>24,006</b>	<b>30,276</b>	<b>32,444</b>	<b>33,021</b>	<b>37,883</b>
<b>OTHER COMPREHENSIVE INCOME</b>											
Net increase in revaluation of assets		93,971	49,907	103,312	101,014	110,016	120,407	129,903	144,428	155,081	161,526
<b>Total other comprehensive income</b>		<b>93,971</b>	<b>49,907</b>	<b>103,312</b>	<b>101,014</b>	<b>110,016</b>	<b>120,407</b>	<b>129,903</b>	<b>144,428</b>	<b>155,081</b>	<b>161,526</b>
<b>Total comprehensive income for the year</b>		<b>96,640</b>	<b>65,008</b>	<b>128,418</b>	<b>137,314</b>	<b>149,356</b>	<b>144,413</b>	<b>160,179</b>	<b>176,872</b>	<b>188,102</b>	<b>199,409</b>



## FORECAST STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED 30 JUNE 2010 – 2019

		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	NOTE	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Equity balance at 1 July		2,953,428	3,050,068	3,115,076	3,243,494	3,380,808	3,530,164	3,674,577	3,834,756	4,011,628	4,199,730
Total comprehensive income for the year		96,640	65,008	128,418	137,314	149,356	144,413	160,179	176,872	188,102	199,409
Equity balance at 30 June		3,050,068	3,115,076	3,243,494	3,380,808	3,530,164	3,674,577	3,834,756	4,011,628	4,199,730	4,399,139
<b>COMPONENTS OF EQUITY</b>											
Retained earnings at beginning of year		1,612,347	1,606,946	1,622,633	1,648,348	1,680,572	1,713,819	1,731,782	1,753,573	1,774,820	1,792,513
Net surplus/(deficit)		2,669	15,101	25,106	36,300	39,340	24,006	30,276	32,444	33,021	37,883
Transfers (to)/from restricted and council created reserves		(8,070)	586	609	(4,076)	(6,093)	(6,043)	(8,485)	(11,197)	(15,328)	(17,744)
Retained earnings at end of year		1,606,946	1,622,633	1,648,348	1,680,572	1,713,819	1,731,782	1,753,573	1,774,820	1,792,513	1,812,652
Revaluation reserves at beginning of year		1,330,320	1,424,291	1,474,198	1,577,510	1,678,524	1,788,540	1,908,947	2,038,850	2,183,278	2,338,359
Revaluation gains		93,971	49,907	103,312	101,014	110,016	120,407	129,903	144,428	155,081	161,526
Revaluation reserves at end of year		1,424,291	1,474,198	1,577,510	1,678,524	1,788,540	1,908,947	2,038,850	2,183,278	2,338,359	2,499,885
Restricted and council created reserves at beginning of year		10,761	18,831	18,245	17,636	21,712	27,805	33,848	42,333	53,530	68,858
Transfers to/(from) reserves		8,070	(586)	(609)	4,076	6,093	6,043	8,485	11,197	15,328	17,744
Restricted and council created reserves at end of year		18,831	18,245	17,636	21,712	27,805	33,848	42,333	53,530	68,858	86,602
Equity balance at 30 June	9	3,050,068	3,115,076	3,243,494	3,380,808	3,530,164	3,674,577	3,834,756	4,011,628	4,199,730	4,399,139

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



## FORECAST STATEMENT OF FINANCIAL POSITION FOR THE YEARS ENDED 30 JUNE 2010 – 2019

		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	NOTE	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>EQUITY</b>											
Retained earnings	9	1,606,946	1,622,633	1,648,348	1,680,572	1,713,819	1,731,782	1,753,573	1,774,820	1,792,513	1,812,652
Revaluation reserves	9	1,424,291	1,474,198	1,577,510	1,678,524	1,788,540	1,908,947	2,038,850	2,183,278	2,338,359	2,499,885
Restricted reserves	9	5,212	5,358	5,728	5,914	6,118	6,535	6,768	7,018	7,485	7,773
Council created reserves	9	13,619	12,887	11,908	15,798	21,687	27,313	35,565	46,512	61,373	78,829
<b>Total equity</b>		<b>3,050,068</b>	<b>3,115,076</b>	<b>3,243,494</b>	<b>3,380,808</b>	<b>3,530,164</b>	<b>3,674,577</b>	<b>3,834,756</b>	<b>4,011,628</b>	<b>4,199,730</b>	<b>4,399,139</b>
<b>ASSETS</b>											
<b>CURRENT ASSETS</b>											
Cash and cash equivalents		250	250	250	250	250	250	250	250	250	250
Debtors and other receivables		13,000	13,195	13,637	14,066	14,508	14,963	15,431	15,951	16,484	17,017
Inventories		600	609	629	649	670	691	712	736	761	785
<b>Total current assets</b>		<b>13,850</b>	<b>14,054</b>	<b>14,516</b>	<b>14,965</b>	<b>15,428</b>	<b>15,904</b>	<b>16,393</b>	<b>16,937</b>	<b>17,495</b>	<b>18,052</b>
<b>NON-CURRENT ASSETS</b>											
Property, plant and equipment		3,325,429	3,440,915	3,603,796	3,789,585	4,010,581	4,188,860	4,376,076	4,561,613	4,752,040	4,948,083
Investment property		64,194	65,157	67,340	69,458	71,641	73,887	76,198	78,766	81,398	84,030
Intangible assets		7,105	8,232	9,258	9,501	8,397	6,983	5,973	5,010	4,154	3,827
Other financial assets	6	2,347	2,347	2,347	2,347	2,347	2,347	2,347	2,347	2,347	2,347
Investment in associates	7	13,697	13,697	6,449	6,449	449	449	449	449	449	449
<b>Total non-current assets</b>		<b>3,412,772</b>	<b>3,530,348</b>	<b>3,689,190</b>	<b>3,877,340</b>	<b>4,093,415</b>	<b>4,272,526</b>	<b>4,461,043</b>	<b>4,648,185</b>	<b>4,840,388</b>	<b>5,038,736</b>
<b>Total assets</b>		<b>3,426,622</b>	<b>3,544,402</b>	<b>3,703,706</b>	<b>3,892,305</b>	<b>4,108,843</b>	<b>4,288,430</b>	<b>4,477,436</b>	<b>4,665,122</b>	<b>4,857,883</b>	<b>5,056,788</b>



		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	NOTE	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>LIABILITIES</b>											
<b>CURRENT LIABILITIES</b>											
Creditors and other payables		25,000	25,375	26,225	27,050	27,900	28,775	29,675	30,675	31,700	32,725
Employee entitlements		5,000	5,075	5,245	5,410	5,580	5,755	5,935	6,135	6,340	6,545
Borrowings	8	85,149	98,362	105,838	118,445	135,115	143,645	150,625	153,101	153,939	153,555
Provisions		335	313	292	273	255	239	223	208	195	182
<b>Total current liabilities</b>		<b>115,484</b>	<b>129,125</b>	<b>137,600</b>	<b>151,178</b>	<b>168,850</b>	<b>178,414</b>	<b>186,458</b>	<b>190,119</b>	<b>192,174</b>	<b>193,007</b>
<b>NON-CURRENT LIABILITIES</b>											
Employee entitlements		1,500	1,523	1,574	1,623	1,674	1,727	1,781	1,841	1,902	1,964
Borrowings	8	255,004	294,425	317,077	355,008	404,722	430,518	451,470	458,771	461,509	460,292
Provisions		4,566	4,253	3,961	3,688	3,433	3,194	2,971	2,763	2,568	2,386
<b>Total non-current liabilities</b>		<b>261,070</b>	<b>300,201</b>	<b>322,612</b>	<b>360,319</b>	<b>409,829</b>	<b>435,439</b>	<b>456,222</b>	<b>463,375</b>	<b>465,979</b>	<b>464,642</b>
<b>Total liabilities</b>		<b>376,554</b>	<b>429,326</b>	<b>460,212</b>	<b>511,497</b>	<b>578,679</b>	<b>613,853</b>	<b>642,680</b>	<b>653,494</b>	<b>658,153</b>	<b>657,649</b>
<b>Net assets</b>		<b>3,050,068</b>	<b>3,115,076</b>	<b>3,243,494</b>	<b>3,380,808</b>	<b>3,530,164</b>	<b>3,674,577</b>	<b>3,834,756</b>	<b>4,011,628</b>	<b>4,199,730</b>	<b>4,399,139</b>

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



## FORECAST STATEMENT OF CASHFLOWS FOR THE YEARS ENDING 30 JUNE 2010 – 2019

		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	NOTE	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>											
<b>CASH WILL BE PROVIDED FROM:</b>											
Rates revenue	2	108,870	114,955	122,467	130,819	139,079	148,261	157,438	165,346	172,051	178,934
Fees, rents and charges	3	41,583	44,375	53,808	55,717	57,748	58,970	60,519	63,071	64,714	66,620
Government operating subsidies and grants		3,511	3,551	3,758	3,904	4,230	4,233	4,371	4,548	4,734	5,077
Government capital subsidies and grants	3	3,964	10,437	9,619	18,166	19,477	7,096	4,270	4,856	4,207	3,873
Other capital contributions	3	12,432	17,651	26,658	27,890	31,640	30,392	35,858	35,624	34,698	37,581
Interest received	3	20	0	0	0	0	0	0	0	0	0
Dividends	3	25	250	251	252	253	28	29	30	31	31
Sundry revenue	3	738	515	529	543	556	569	582	597	611	624
		<b>171,143</b>	<b>191,734</b>	<b>217,090</b>	<b>237,291</b>	<b>252,983</b>	<b>249,549</b>	<b>263,067</b>	<b>274,072</b>	<b>281,046</b>	<b>292,740</b>
<b>CASH WILL BE APPLIED TO:</b>											
Salaries and wages		53,964	54,773	56,338	57,849	59,360	60,925	62,544	64,325	66,160	67,940
Payments for supplies and services		58,197	61,155	68,630	70,959	73,884	77,954	80,240	83,059	83,627	85,434
Interest paid		19,287	23,146	28,226	31,815	37,827	41,120	43,765	45,469	47,274	48,609
Net GST paid		1,500	1,523	1,574	1,623	1,674	1,727	1,781	1,841	1,902	1,964
		<b>132,948</b>	<b>140,597</b>	<b>154,768</b>	<b>162,246</b>	<b>172,745</b>	<b>181,726</b>	<b>188,330</b>	<b>194,694</b>	<b>198,963</b>	<b>203,947</b>
<b>Net cash inflow from operating activities</b>		<b>38,195</b>	<b>51,137</b>	<b>62,322</b>	<b>75,045</b>	<b>80,238</b>	<b>67,823</b>	<b>74,737</b>	<b>79,378</b>	<b>82,083</b>	<b>88,793</b>



		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	NOTE	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>CASH WILL BE PROVIDED FROM:</b>											
Proceeds from sale of assets		2,250	0	9,948	0	20,400	200	0	0	200	0
		<b>2,250</b>	<b>0</b>	<b>9,948</b>	<b>0</b>	<b>20,400</b>	<b>200</b>	<b>0</b>	<b>0</b>	<b>200</b>	<b>0</b>
<b>CASH WILL BE APPLIED TO:</b>											
Purchase of fixed assets		133,826	102,697	103,501	126,131	165,550	103,375	102,725	88,533	86,960	86,875
		<b>133,826</b>	<b>102,697</b>	<b>103,501</b>	<b>126,131</b>	<b>165,550</b>	<b>103,375</b>	<b>102,725</b>	<b>88,533</b>	<b>86,960</b>	<b>86,875</b>
<b>Net cash outflow from investing activities</b>		<b>(131,576)</b>	<b>(102,697)</b>	<b>(93,553)</b>	<b>(126,131)</b>	<b>(145,150)</b>	<b>(103,175)</b>	<b>(102,725)</b>	<b>(88,533)</b>	<b>(86,760)</b>	<b>(86,875)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>CASH WILL BE PROVIDED FROM:</b>											
Loans uplifted		106,636	74,291	65,398	77,611	110,020	60,996	52,154	35,723	34,436	31,086
		<b>106,636</b>	<b>74,291</b>	<b>65,398</b>	<b>77,611</b>	<b>110,020</b>	<b>60,996</b>	<b>52,154</b>	<b>35,723</b>	<b>34,436</b>	<b>31,086</b>
<b>CASH WILL BE APPLIED TO:</b>											
Loan repayments		13,005	22,731	34,167	26,525	45,108	25,644	24,166	26,568	29,759	33,004
		<b>13,005</b>	<b>22,731</b>	<b>34,167</b>	<b>26,525</b>	<b>45,108</b>	<b>25,644</b>	<b>24,166</b>	<b>26,568</b>	<b>29,759</b>	<b>33,004</b>
<b>Net cash inflow from financing activities</b>		<b>93,631</b>	<b>51,560</b>	<b>31,231</b>	<b>51,086</b>	<b>64,912</b>	<b>35,352</b>	<b>27,988</b>	<b>9,155</b>	<b>4,677</b>	<b>(1,918)</b>
Net increase (decrease) in cash held		250	0	0	0	0	0	0	0	0	0
Plus opening cash balance 1 July		0	250	250	250	250	250	250	250	250	250
<b>Closing cash and cash equivalents balance</b>		<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>

Expenditure expected to be carried forward from the 2008/09 year to the LTCCP period have been included in the "Purchase of fixed assets" and "Loans uplifted" amounts above.



## ■ 10.7 NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1: STATEMENT OF ACCOUNTING POLICIES

#### Reporting Entity

Hamilton City Council is a territorial local authority governed by the Local Government Act 2002.

The primary objective of Hamilton City Council is to provide goods or services for the community or social benefit rather than making a financial return.

Accordingly, Hamilton City Council has designated itself as a public benefit entity as defined under New Zealand International Financial Reporting Standards (NZ IFRS).

#### Basis of Preparation

The financial statements of Hamilton City Council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructure assets, investment property and financial instruments (including derivative instruments).

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000). The functional currency of Council is New Zealand dollars.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the statement of financial performance.

The accounting policies have been applied consistently to all periods presented.

#### Significant Accounting Policies

##### Basis of Consolidation

###### *Subsidiaries*

Subsidiaries are those entities in which Council has control. Hamilton Properties Ltd is Council's only subsidiary. The company is inactive.

The parent financial statements show the investment in this subsidiary at cost.

###### *Associate Companies*

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

The parent financial statements show investment in associates at cost.

#### Revenue Recognition

Revenue is measured at the fair value of consideration received.

##### *Rates Revenue*

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

Water billing revenue is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year-end, is accrued on an average usage basis.

##### *Other Revenue*

Traffic and parking infringements are recognised when tickets are issued.

Land Transport New Zealand roading subsidies are recognised as revenue upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

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

Interest income is recognised as it accrues, using the effective interest method. The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this rate to the principal outstanding to determine interest income each period.

Dividend income is recognised when the right to receive payment is established.



Development and financial contributions are recognised as revenue when Council provides, or is able to provide, the service for which the contribution is charged. Otherwise development and financial contributions are recognised as liabilities until such time Council provides, or is able to provide, the service.

### Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

### Grant Expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of Council's decision.

### Goods and Services Tax (GST)

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

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

### Income Tax

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantially enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, using tax rates that have been enacted or substantially enacted by balance date.

Current tax and deferred tax is charged or credited to the statement of financial performance, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

### Property, Plant and Equipment

Property, plant and equipment consists of:

#### *Operational Assets*

These include land, buildings (which includes cultural assets, community and leisure facilities), improvements, non-restricted parks and gardens, plant and equipment, vehicles, sports areas and library books.

#### *Zoo Animals*

Zoo animals are held primarily for a social and recreational purpose. The capital cost consists of the actual expense incurred in acquiring the Zoo animals.

#### *Restricted Assets*

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



*Heritage Assets*

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

*Infrastructure Assets*

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

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

*Additions*

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

*Disposals*

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the statement of financial performance. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

*Subsequent Costs*

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

*Valuation*

Unless stated, valuations are carried out or reviewed by independent qualified valuers and are carried out with sufficient regularity to ensure that the carrying value does not differ materially from that which would be determined using fair value at balance date.

Revaluation increases and decreases relating to individual assets within a class of assets are offset. Revaluation increases and decreases in respect of assets in different classes are not offset.

Where the carrying amount of a class of assets is increased as a result of a revaluation, the net revaluation increase is credited to the revaluation reserve. The net revaluation increase shall be recognised in the statement of financial performance to the extent that it reverses a net revaluation decrease of the same class of assets previously recognised in the statement of financial performance.

A net revaluation decrease for a class of assets is recognised in the statement of financial performance, except to the extent that it reverses a revaluation increase previously recognised in the revaluation reserve provided a credit balance exists for the same class of asset in the revaluation reserve.

Assets have been valued as follows:

- *Operational Buildings* have been valued at fair value as determined from market-based evidence by independent valuers, otherwise depreciated replacement cost. SPM Consultants Ltd performed the most recent valuation and was effective as at 1 July 2006.
- *Parks and Garden Improvements* have been valued at replacement value by MWH and the valuation was effective as at 1 July 2006.
- *Plant and Equipment (excluding vehicles)* was valued based on market value by Beca and the valuation was effective as at 1 July 2001. Plant and equipment is no longer revalued.
- *Zoo Animals* was valued based on estimated replacement cost by the Zoo Manager and the valuation was effective as at 1 July 2001. Zoo animals are no longer revalued.
- *Heritage Assets* have been valued by professionally qualified library staff (library collection) and an independent consultant (museum collection). The most recent valuation was effective as at 1 July 2006.
- *Infrastructure Assets (excluding land)* have been valued at depreciated replacement cost by independent valuers.

MWH performed the valuations of the Water Treatment Station and Wastewater Treatment Station and the valuations were effective as at 1 July 2006.

MWH performed the most recent valuations of other Infrastructure assets and were effective as at 1 July 2007.

- *Land (excluding land under roads)* was valued at fair value as determined from market-based evidence by independent valuers Quotable Value and the valuation was effective as at 1 July 2006.



- **Land Under Roads** was valued based on fair value of adjacent land determined by Beca and the valuation was effective as at 1 July 2001. Under NZ IFRS, Council has elected to use the fair value of land under roads as at 1 July 2001 as deemed cost. Land under roads is no longer revalued.
- **Work in Progress** All costs associated with the development of land and buildings and other assets are initially recognised as work in progress. On completion, the total cost of the project is transferred to the appropriate asset class and then depreciated.
- **Vested Assets** Certain infrastructure assets and land have been vested in Council as part of the sub-divisional consent process. The vested reserve land has been valued at the latest appropriate valuation or at a mutually agreed market value or at a value determined through arbitration. Vested infrastructure assets have been based on the actual quantities of infrastructure components vested and current 'in the ground' cost of providing identical services.

#### Depreciation

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

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Buildings – structure/fit out/services	40 - 100 years	1%-2.5%
Plant and Vehicles	3 - 15 years	6.6%-33.3%
Furniture, Fittings and Equipment	5 - 10 years	10%-20%
Library Books	14 years	7.1%
Zoo Animal (acquisition costs)	10 years	10%
Roads and Traffic Network:		
top surface (seal)	6 - 18 years	5.5%-16.6%
pavement (basecourse)	25 - 50 years	2%-4%
catchpits	50 years	2%
culverts	60 - 80 years	1.25%-1.6%
footpaths	50 - 70 years	1.4%-2%
kerbs and traffic islands	70 years	1.4%
signs	12 years	8.3%
street lights	25 years	4%
bridges	150 years	0.6%
traffic signals	15 years	6.6%
barriers	25 - 40 years	2.5%-4%
bus shelters and parking meters	4 - 10 years	10%-25%
verge, embankment and retaining walls	60 years	1.6%
Wastewater Reticulation:		
pipes	60 - 100 years	1%-1.6%
manholes	75 years	1.3%
treatment plant	5 - 100 years	1%-20%
bridges	75 - 100 years	1%-1.3%
pump-stations	15 - 100 years	1%-6.6%
Stormwater System:		
pipes	100 years	1%
manholes, cesspits	100 years	1%
service connections and outlets	30 - 100 years	1%-3.3%
Water Reticulation:		
pipes	60 - 80 years	1.25%-1.6%
butterfly valves	50 - 75 years	1.3%-2%
treatment plant	10 - 120 years	0.8%-10%
meters	20 years	5%
hydrants	50 years	2%
reservoirs	30 - 80 years	1.25%-3.3%

Heritage assets are depreciated by a nominal amount to reflect their extremely long life and heritage value.



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

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

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

### Investment Properties

Investment properties, which are held to earn rental income and/or for capital appreciation, are stated at fair value. These assets consist of investment properties owned by Council, funded either from Corporate Funds, the Domain Sales Endowment Fund or the Municipal Crown Endowment Fund.

Gains or losses arising from changes in the fair value of investment property are included in the Statement of Financial Performance for the period in which they arise.

The investment property portfolio is valued on an annual basis by two independent valuers, Telfer Young (Waikato) Limited and Darroch Valuations.

### Non-Current Assets Held for Sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the statement of financial performance.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

### Intangible Assets

Intangible assets comprise:

*Computer software licences* They are capitalised at historic cost and are amortised on a straight-line basis over their estimated useful lives (5 years). Costs associated with maintaining computer software are recognised as an expense when incurred.

*Resource consents which are not attributed to a specific asset* They are capitalised at historic cost and are amortised on a straight-line basis over their estimated useful lives (7 to 35 years).

### Impairment of Non-Financial Assets

The carrying amount of the Council's assets, other than investment property and inventories are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Council estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where the future economic benefits of an asset are not primarily dependant on the asset's ability to generate net cash flows, and where the Council would, if deprived of the asset, replace its remaining future economic benefits, value in use shall be determined as the depreciated replacement cost of the asset.

Where the Council accounts for revaluations of property, plant and equipment on a class of asset basis, an impairment loss on a revalued asset is recognised directly against any revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation reserve for that same class of asset.

Where the Council accounts for revaluations of property, plant and equipment on a class of asset basis, a reversal of an impairment loss on a revalued asset is credited directly to the revaluation reserve. However, to the extent that an impairment loss on the same class of asset was previously recognised in the statement of financial performance, a reversal of that impairment loss is also recognised in the statement of financial performance.

### Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less any estimated costs of completion and selling expenses.



The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the statement of financial performance in the period of the write-down.

### Financial Instruments

Financial assets and liabilities are recognised on the Council's statement of financial position when the Council becomes a party to the contractual provisions of the instrument.

#### Financial Assets

##### ■ Trade and Other Receivables

Trade and other receivables are stated at cost less provision for impairment.

##### ■ Investments

The Council classifies its investments in the following categories:

#### *Loans and Receivables*

Loans and receivables, such as general and community loans, mortgages, deposits and term deposits, are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are measured at initial recognition, at fair value, and subsequently carried at amortised cost less impairment losses.

#### *Held-to-Maturity Investments*

Held-to-maturity investments, such as the Sinking Fund, are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity. They are measured at initial recognition at fair value, and subsequently carried at amortised cost less impairment losses.

#### *Other Investments*

Investments other than held-to-maturity are classed as either investments held-for-trading or as available-for-sale and are stated at cost less the annual test for impairment. For assets designated as held-for-trading, any resultant gain or loss from changes in the value are recognised in the statement of financial performance. For assets designated as available-for-sale, which are measured at fair value, any resultant gain or loss from changes in the fair value is recognised in equity e.g. shares in Local Shared Services Ltd and NZ Local Government Insurance Co Ltd.

##### ■ Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

##### ■ Impairment of Financial Assets

At each balance sheet date Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the statement of financial performance.

#### *Financial Liabilities*

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Council after deducting all of its liabilities.

##### ■ Bank Borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Finance charges, premiums payable on settlement or redemption and direct costs are accounted for on an accrual basis to the statement of financial performance using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

##### ■ Debt

Debt is categorised as follows:

*Total Debt* includes all external and internal borrowing

*Net Debt* equal to total debt less internal borrowing

*Total Council Debt* equal to total debt less debt funded by development contributions

Refer to Liability Management Policy in Section 5 of Volume Two of the 2009-19 Long-Term Plan for more information.

##### ■ Trade and Other Payables

Trade and other payables are initially measured at fair value, and where appropriate are subsequently measured at amortised cost, using the effective interest rate method.



#### ■ Derivative Financial Instruments and Hedge Accounting

The Council's activities expose it primarily to the financial risks of changes in foreign exchange rates and interest rates. Council uses foreign exchange forward contracts and interest rate swaps to manage their foreign currency and interest rate exposure. Derivative financial instruments are recognised initially at fair value. The Council has elected not to hedge account for these derivative financial instruments.

Changes in the fair value of the derivative financial instruments that do not qualify for hedge accounting are recognised in the Statement of Financial Performance.

#### Employee Benefits

Provision is made in respect of the liability for annual leave, long service leave, retirement gratuities and short-term compensated absences.

The provision for annual leave and long service leave has been calculated on an actual entitlement basis at current rates of pay.

The provision for retirement gratuities has been calculated on an actuarial basis bringing to account what is likely to be payable in the future in respect of service that employees have accumulated up until twelve months after balance date.

Payments to defined contribution superannuation schemes are recognised as an expense in the financial statements as incurred.

The provision for short-term compensated absences (e.g. sick leave) has been measured as the amount of unused entitlement accumulated at the pay period ending immediately prior to the balance date that the entity anticipates employees will use in future periods, in excess of the days that they will be entitled to in each of those periods.

#### Leases

Leases consist of:

##### *Finance Leases*

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, Council recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

##### *Operating Leases*

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

#### Provisions

Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".

#### Landfill Post-Closure Costs

Council, as operator of the Horotiu landfill, which was closed on 31 December 2006, has a legal obligation under the resource consent to provide ongoing maintenance and monitoring services at the landfill site after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises.

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

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

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



All subsequent changes in the liability shall be recognised in the statement of financial performance and the periodic unwinding of the discount will also be recognised in the statement of financial performance as a finance cost as it occurs.

### Equity

Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- Retained earnings
- Revaluation reserves
- Restricted reserves
- Council created reserves

Retained earnings comprise accumulated surpluses over the years.

Revaluation reserves comprise accumulated revaluation increments/decrements.

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

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

### Contingent Assets and Contingent Liabilities

Contingent assets and contingent liabilities are recorded at the point at which the contingency is evident and if the possibility that they will materialise is not remote. Contingent assets are disclosed if it is probable that the benefits will be realised.

### Statement of Cash Flows

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

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

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

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

### Cost of Service Statements

The cost of service statements, included in Section 8 of Volume 1 of this LTCCP, report the costs and revenues relating to the significant activities of Council.

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

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

### Critical Judgements and Estimations in Applying the Council's Accounting Policies

The preparation of financial statements in conformity with NZ IFRS requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revisions affect both current and future periods.

Management has made the following judgements and estimations that have the most significant effect on the amounts recognised in the financial statements:



*Property Plant and Equipment*

As the Council is a Public Benefit Entity, property plant and equipment are valued at depreciated replacement cost that is based on an estimate of either fair value or current gross replacement costs of improvements less allowances for physical deterioration, and optimisation for obsolescence and relevant surplus capacity. There are certain assets such as wastewater or stormwater related assets which may be affected by changes in the measurement of qualitative standards which could affect the results of future periods.

The depreciation method used reflects the service potential of assets and is reviewed each year to ensure that there is no under maintenance of assets which could affect the results of future periods.

*Landfill Post-closure Provision*

The estimate of the provision for landfill post-closure costs is based on assumptions, which may be influenced by changes in technology and society's expectations and could affect future results.

**NOTE 2: RATES REVENUE**

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
General rates	99,117	106,094	112,773	118,438	125,812	133,804	141,085	147,979	153,963	160,639
Targeted rates – Access Hamilton	2,850	1,600	1,800	4,300	5,000	6,000	7,700	8,500	9,000	9,000
– Water by meter	6,335	6,655	7,075	7,265	7,455	7,651	7,855	8,078	8,309	8,532
– 100% non-rateable land	800	812	835	858	880	903	927	954	981	1,007
– 50% non-rateable land	100	102	104	107	110	113	116	119	123	126
– Business improvement district	200	200	300	300	300	300	300	300	300	300
– Ruakura	0	0	100	100	100	100	100	100	100	100
Rates penalties	600	609	626	643	660	677	695	715	736	755
Less rates remissions	(434)	(397)	(408)	(419)	(430)	(441)	(453)	(466)	(479)	(492)
Less rates charged to Council properties	(698)	(720)	(738)	(773)	(808)	(846)	(887)	(933)	(982)	(1,033)
<b>Total rates revenue</b>	<b>108,870</b>	<b>114,955</b>	<b>122,467</b>	<b>130,819</b>	<b>139,079</b>	<b>148,261</b>	<b>157,438</b>	<b>165,346</b>	<b>172,051</b>	<b>178,934</b>
<b>Less consumption based rates:</b>										
Targeted rates – Water by meter	(6,335)	(6,655)	(7,075)	(7,265)	(7,455)	(7,651)	(7,855)	(8,078)	(8,309)	(8,532)
<b>Total rates revenue excluding consumption based rates</b>	<b>102,535</b>	<b>108,300</b>	<b>115,392</b>	<b>123,554</b>	<b>131,624</b>	<b>140,610</b>	<b>149,583</b>	<b>157,268</b>	<b>163,742</b>	<b>170,402</b>



## NOTE 3: OTHER REVENUE

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>REVENUE FROM ACTIVITIES</b>										
City profile	8,582	8,882	9,204	9,455	9,565	8,976	9,187	9,444	9,650	9,963
City safety	1,630	1,679	1,728	1,773	1,821	1,856	1,914	1,971	2,026	2,079
Community development and amenities	4,062	4,188	4,374	4,545	4,675	4,864	5,042	5,227	5,403	5,584
Democracy	34	229	34	36	248	38	39	269	41	43
Event and cultural venues	7,420	9,187	17,421	18,261	19,205	19,939	20,401	21,006	21,619	22,225
Recreation	4,444	4,595	4,874	5,044	5,203	5,686	5,869	6,578	6,881	7,129
Transportation	11,251	11,228	11,776	12,138	12,682	13,047	13,418	13,855	14,304	14,903
Urban development	4,856	5,081	5,225	5,366	5,507	5,652	5,802	5,967	6,136	6,301
Waste minimisation	919	933	959	985	1,011	1,038	1,065	1,095	1,127	1,157
Water management	3,396	3,447	3,545	3,641	3,735	3,834	3,934	4,048	4,163	4,277
Less internal revenue	(1,500)	(1,523)	(1,574)	(1,623)	(1,674)	(1,727)	(1,781)	(1,841)	(1,902)	(1,964)
<b>Total revenue from activities</b>	<b>45,094</b>	<b>47,926</b>	<b>57,566</b>	<b>59,621</b>	<b>61,978</b>	<b>63,203</b>	<b>64,890</b>	<b>67,619</b>	<b>69,448</b>	<b>71,697</b>
<b>CAPITAL CONTRIBUTIONS</b>										
Capital subsidies	3,964	10,437	9,619	18,166	19,477	7,096	4,270	4,856	4,207	3,873
Vested assets	11,000	11,165	11,539	11,902	12,276	12,661	13,057	13,497	13,948	14,399
Development contributions	9,462	13,841	22,686	24,443	25,931	27,282	27,199	29,465	31,384	34,167
Other contributions/grants	2,970	3,810	3,972	3,447	5,709	3,110	8,659	6,159	3,314	3,414
<b>Total capital contributions</b>	<b>27,396</b>	<b>39,253</b>	<b>47,816</b>	<b>57,958</b>	<b>63,393</b>	<b>50,149</b>	<b>53,185</b>	<b>53,977</b>	<b>52,853</b>	<b>55,853</b>
<b>SUNDRY REVENUE</b>										
Dividends	25	250	251	252	253	28	29	30	31	31
Investment income	20	0	0	0	0	0	0	0	0	0
Other income	738	515	529	543	556	569	582	597	611	624
<b>Total sundry revenue</b>	<b>783</b>	<b>765</b>	<b>780</b>	<b>795</b>	<b>809</b>	<b>597</b>	<b>611</b>	<b>627</b>	<b>642</b>	<b>655</b>
<b>Total other revenue</b>	<b>73,273</b>	<b>87,944</b>	<b>106,162</b>	<b>118,374</b>	<b>126,180</b>	<b>113,949</b>	<b>118,686</b>	<b>122,223</b>	<b>122,943</b>	<b>128,205</b>



## NOTE 4: FINANCE COSTS

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Interest on bank borrowings	19,105	22,923	28,002	31,639	37,608	40,893	43,570	45,247	47,075	48,414
Interest on leased assets	182	223	224	176	219	227	195	222	199	195
<b>Total finance costs</b>	<b>19,287</b>	<b>23,146</b>	<b>28,226</b>	<b>31,815</b>	<b>37,827</b>	<b>41,120</b>	<b>43,765</b>	<b>45,469</b>	<b>47,274</b>	<b>48,609</b>

## NOTE 5: OTHER EXPENSES

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
City profile	11,643	12,109	12,218	12,675	13,044	12,875	11,871	12,127	12,320	12,515
City safety	3,863	3,908	4,032	4,136	4,255	4,356	4,472	4,599	4,740	4,857
Community development and amenities	17,918	18,733	19,182	19,849	20,659	22,082	23,684	24,383	25,222	25,915
Democracy	5,249	5,751	5,533	5,676	6,194	5,932	6,032	6,638	6,394	6,549
Event and cultural venues	19,982	22,518	29,059	29,784	31,157	31,525	32,153	32,985	33,882	34,703
Recreation	27,742	29,058	31,034	32,831	34,786	37,232	39,227	41,616	43,605	44,930
Transportation	40,649	41,508	43,980	46,389	50,597	54,216	56,311	58,409	60,780	63,146
Urban development	9,731	9,522	9,718	9,592	9,787	9,758	9,900	10,178	10,481	10,738
Waste minimisation	5,937	6,122	6,420	6,725	6,988	7,333	7,648	7,880	8,257	8,595
Water management	39,592	41,611	45,467	48,500	52,122	57,089	59,325	61,803	62,710	65,202
Less internal expenditure	(1,500)	(1,523)	(1,574)	(1,623)	(1,674)	(1,727)	(1,781)	(1,841)	(1,902)	(1,964)
Less rates charged to Council properties	(698)	(720)	(738)	(773)	(808)	(846)	(887)	(933)	(982)	(1,033)
Less interest on internal borrowing	(859)	(1,002)	(1,067)	(1,182)	(1,558)	(2,047)	(2,589)	(3,257)	(4,129)	(5,249)
<b>Total expenses from activities</b>	<b>179,249</b>	<b>187,595</b>	<b>203,264</b>	<b>212,579</b>	<b>225,549</b>	<b>237,778</b>	<b>245,366</b>	<b>254,587</b>	<b>261,378</b>	<b>268,904</b>
Other expenditure	225	203	259	314	370	426	482	538	595	352
Less finance costs	(19,287)	(23,146)	(28,226)	(31,815)	(37,827)	(41,120)	(43,765)	(45,469)	(47,274)	(48,609)
Less employee benefit expenses	(53,964)	(54,773)	(56,338)	(57,849)	(59,360)	(60,925)	(62,544)	(64,325)	(66,160)	(67,940)
Less depreciation and amortisation	(46,526)	(47,201)	(48,755)	(50,647)	(53,174)	(56,478)	(57,518)	(60,431)	(63,010)	(65,309)
<b>Total other expenses</b>	<b>59,697</b>	<b>62,678</b>	<b>70,204</b>	<b>72,582</b>	<b>75,558</b>	<b>79,681</b>	<b>82,021</b>	<b>84,900</b>	<b>85,529</b>	<b>87,398</b>



**NOTE 6: OTHER FINANCIAL ASSETS**

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>NON-CURRENT PORTION:</b>										
<b>LOANS AND RECEIVABLES</b>										
Loan to Hamilton Fibre Network Ltd	1,011	1,011	1,011	1,011	1,011	1,011	1,011	1,011	1,011	1,011
<b>OTHER INVESTMENTS</b>										
Unlisted shares in Hamilton Properties Ltd	1	1	1	1	1	1	1	1	1	1
Unlisted shares in Local Authority Shared Services Ltd	727	727	727	727	727	727	727	727	727	727
Unlisted shares in NZ Local Government Insurance Co Ltd	608	608	608	608	608	608	608	608	608	608
<b>Total non-current portion</b>	<b>2,347</b>	<b>2,347</b>	<b>2,347</b>	<b>2,347</b>	<b>2,347</b>	<b>2,347</b>	<b>2,347</b>	<b>2,347</b>	<b>2,347</b>	<b>2,347</b>
<b>Total other financial assets</b>	<b>2,347</b>	<b>2,347</b>	<b>2,347</b>	<b>2,347</b>	<b>2,347</b>	<b>2,347</b>	<b>2,347</b>	<b>2,347</b>	<b>2,347</b>	<b>2,347</b>

**NOTE 7: INVESTMENT IN ASSOCIATES**

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Hamilton Riverview Hotel Ltd (Novotel)	6,000	6,000	6,000	6,000	0	0	0	0	0	0
Waikato Regional Airport Ltd	7,430	7,430	182	182	182	182	182	182	182	182
Hamilton Fibre Network Ltd	267	267	267	267	267	267	267	267	267	267
<b>Estimated balance at 30 June 2009</b>	<b>13,697</b>	<b>13,697</b>	<b>6,449</b>	<b>6,449</b>	<b>449</b>	<b>449</b>	<b>449</b>	<b>449</b>	<b>449</b>	<b>449</b>



**NOTE 8: BORROWINGS**

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

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>CURRENT</b>										
Secured loans	84,484	97,374	105,181	117,953	134,181	143,019	150,016	152,305	153,474	152,995
Lease liabilities	665	988	657	492	934	626	609	796	465	560
<b>Total current borrowings</b>	<b>85,149</b>	<b>98,362</b>	<b>105,838</b>	<b>118,445</b>	<b>135,115</b>	<b>143,645</b>	<b>150,625</b>	<b>153,101</b>	<b>153,939</b>	<b>153,555</b>
<b>NON-CURRENT</b>										
Secured loans	253,452	292,121	315,544	353,859	402,543	429,057	450,048	456,915	460,423	458,984
Lease liabilities	1,552	2,304	1,533	1,149	2,179	1,461	1,422	1,856	1,086	1,308
<b>Total non-current borrowings</b>	<b>255,004</b>	<b>294,425</b>	<b>317,077</b>	<b>355,008</b>	<b>404,722</b>	<b>430,518</b>	<b>451,470</b>	<b>458,771</b>	<b>461,509</b>	<b>460,292</b>
<b>Total borrowings</b>	<b>340,153</b>	<b>392,787</b>	<b>422,915</b>	<b>473,453</b>	<b>539,837</b>	<b>574,163</b>	<b>602,095</b>	<b>611,872</b>	<b>615,448</b>	<b>613,847</b>

Total borrowings disclosed on the statement of financial position exclude borrowing from internal reserves.

Council's debt servicing performance limits disclosed below include both total borrowings (external debt) and borrowing from internal reserves.

**DEBT SERVICING PERFORMANCE LIMITS**

<b>Policy Limits – Total Council Debt</b>											
1. Interest on total Council debt (excluding interest on DC debt) as % of total rating income	Max 20%	11%	13%	14%	15%	16%	15%	15%	15%	14%	13%
2. Total Council debt as % of total income (excluding total DC contributions received p.a. in income)	Max 180%	145%	148%	141%	143%	142%	151%	145%	142%	137%	129%
3. Total Council debt per capita (expressed in 2009 \$)	Max \$2,000	\$1,591	\$1,729	\$1,722	\$1,834	\$1,862	\$1,854	\$1,814	\$1,766	\$1,659	\$1,557
<b>Policy Limits – Total Debt</b>											
1. Total debt as % of total assets	Max 25%	10%	12%	12%	13%	14%	14%	14%	14%	14%	14%
2. Total debt as % of total income	Max 250%	208%	213%	202%	208%	223%	243%	244%	242%	243%	239%
3. Interest (total) as % of total income (including total DC contributions received p.a. in income)	Max 20%	11%	12%	13%	13%	15%	16%	17%	17%	17%	17%
4. Liquidity (on total debt & working capital)	Min 110%	117%									



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

Term debt includes an interest free loan from the Energy Efficiency and Conservation Authority (EECA).

## NOTE 9: EQUITY

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>RETAINED EARNINGS</b>										
Opening balance	1,612,347	1,606,946	1,622,633	1,648,348	1,680,572	1,713,819	1,731,782	1,753,573	1,774,820	1,792,513
Net surplus	2,669	15,101	25,106	36,300	39,340	24,006	30,276	32,444	33,021	37,883
Transfers (to)/from restricted and council created reserves	(8,070)	586	609	(4,076)	(6,093)	(6,043)	(8,485)	(11,197)	(15,328)	(17,744)
<b>Total retained earnings</b>	<b>1,606,946</b>	<b>1,622,633</b>	<b>1,648,348</b>	<b>1,680,572</b>	<b>1,713,819</b>	<b>1,731,782</b>	<b>1,753,573</b>	<b>1,774,820</b>	<b>1,792,513</b>	<b>1,812,652</b>
<b>REVALUATION RESERVES</b>										
<b>GENERAL ASSET REVALUATION RESERVES</b>										
Opening balance	1,330,320	1,424,291	1,474,198	1,577,510	1,678,524	1,788,540	1,908,947	2,038,850	2,183,278	2,338,359
Revaluation gains	93,971	49,907	103,312	101,014	110,016	120,407	129,903	144,428	155,081	161,526
<b>Total revaluation reserves</b>	<b>1,424,291</b>	<b>1,474,198</b>	<b>1,577,510</b>	<b>1,678,524</b>	<b>1,788,540</b>	<b>1,908,947</b>	<b>2,038,850</b>	<b>2,183,278</b>	<b>2,338,359</b>	<b>2,499,885</b>
<b>RESTRICTED AND COUNCIL CREATED RESERVES (DETAILED BELOW)</b>										
Opening balance	10,761	18,831	18,245	17,636	21,712	27,805	33,848	42,333	53,530	68,858
Transfers to/(from) restricted and council created reserves	8,070	(586)	(609)	4,076	6,093	6,043	8,485	11,197	15,328	17,744
<b>Total restricted and council created reserves</b>	<b>18,831</b>	<b>18,245</b>	<b>17,636</b>	<b>21,712</b>	<b>27,805</b>	<b>33,848</b>	<b>42,333</b>	<b>53,530</b>	<b>68,858</b>	<b>86,602</b>
<b>Total equity</b>	<b>3,050,068</b>	<b>3,115,076</b>	<b>3,243,494</b>	<b>3,380,808</b>	<b>3,530,164</b>	<b>3,674,577</b>	<b>3,834,756</b>	<b>4,011,628</b>	<b>4,199,730</b>	<b>4,399,139</b>
<b>RESTRICTED AND COUNCIL CREATED RESERVES</b>										
<b>RESTRICTED RESERVES</b>										
Cemetery plot maintenance in perpetuity	1,887	1,992	2,115	2,249	2,396	2,553	2,721	2,901	3,094	3,302
Domain endowment fund	2,597	2,597	2,797	2,797	2,797	2,997	2,997	2,997	3,197	3,197
Municipal crown endowment reserve	728	769	816	868	925	985	1,050	1,120	1,194	1,274
<b>Total restricted reserves</b>	<b>5,212</b>	<b>5,358</b>	<b>5,728</b>	<b>5,914</b>	<b>6,118</b>	<b>6,535</b>	<b>6,768</b>	<b>7,018</b>	<b>7,485</b>	<b>7,773</b>



	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>COUNCIL CREATED RESERVES</b>										
Access Hamilton reserve	5,505	4,263	2,280	1,480	(475)	(2,384)	(2,710)	(1,955)	(343)	1,537
Asset renewal reserve	1,543	3,197	5,015	8,667	13,230	18,797	25,466	33,377	43,920	56,745
Berm levy reserve	33	35	37	39	42	44	47	50	54	57
Bus shelter (Adshel) reserve	61	38	13	(15)	(47)	(82)	(121)	(165)	(213)	(267)
Dame Hilda Ross library memorial reserve	1	1	1	1	1	1	2	2	2	2
Disaster recovery reserve	5,042	5,560	6,148	6,791	7,494	8,252	9,068	9,952	10,904	11,935
Hotel dividend equalisation reserve	(238)	(252)	(269)	(287)	0	0	0	0	0	0
Housing upgrade reserve	3,090	236	251	266	284	302	322	344	367	391
Museum collection reserve	245	293	345	403	467	535	609	690	777	871
Peachgrove lounge site development reserve	45	48	51	54	58	61	65	70	74	79
Project watershed reserve	674	484	473	404	350	249	122	(22)	149	355
Reserves contribution fund	215	137	972	(340)	0	0	0	0	0	0
Retiring gratuity reserve	555	587	624	665	710	758	809	865	924	989
Roman Catholic schools library reserve	2	2	2	3	3	3	3	3	3	4
Rotokauri/Te Rapa land sale reserve	4,991	5,268	0	0	0	0	0	0	0	0
Septic tank reserve	(32)	11	58	(24)	23	74	(14)	38	94	0
Storm damage reserve	259	273	290	308	328	350	373	398	424	452
V8 event reserve	(7,691)	(6,269)	(4,732)	(3,096)	(1,480)	(525)	478	1,550	2,696	3,923
Waiwhakareke lake subdivision reserve	(407)	(430)	0	0	0	0	0	0	0	0
Waste minimisation reserve	3	51	140	216	376	490	587	779	922	1,047
WINTEC recreation area development reserve	(2)	(2)	(2)	(3)	(3)	(3)	(3)	(3)	(3)	(4)
WRAL capital reserve	(390)	(805)	0	0	0	0	0	0	0	0
Zoo animal acquisition reserve	115	161	211	266	326	391	462	539	622	713
<b>Total council created reserves</b>	<b>13,619</b>	<b>12,887</b>	<b>11,908</b>	<b>15,798</b>	<b>21,687</b>	<b>27,313</b>	<b>35,565</b>	<b>46,512</b>	<b>61,373</b>	<b>78,829</b>
<b>Total restricted and council created reserves</b>	<b>18,831</b>	<b>18,245</b>	<b>17,636</b>	<b>21,712</b>	<b>27,805</b>	<b>33,848</b>	<b>42,333</b>	<b>53,530</b>	<b>68,858</b>	<b>86,602</b>



## NOTE 10: CAPITAL EXPENDITURE

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>CAPITAL EXPENDITURE DISCLOSED IN COST OF SERVICE STATEMENTS</b>										
City Profile	1,322	2,509	23	24	24	25	26	27	28	29
City Safety	20	20	21	22	22	23	24	25	25	26
Community Development and Amenities	1,951	4,872	3,087	5,056	10,661	9,421	2,695	2,612	2,602	2,914
Democracy	0	0	0	0	0	0	0	0	0	0
Event and Cultural Venues	24,570	24,116	1,072	755	990	790	803	978	855	910
Recreation	5,797	5,084	13,749	7,215	22,578	13,938	21,095	15,661	4,389	7,725
Transportation	13,993	15,535	33,275	70,663	90,040	42,231	27,966	40,334	33,569	45,888
Urban Development	0	0	0	0	0	0	0	0	0	0
Waste Minimisation	415	413	71	71	79	87	100	85	95	110
Water Management	21,829	24,317	34,070	30,948	29,644	29,434	39,011	20,385	36,821	20,275
<b>CAPITAL EXPENDITURE INCURRED BY BUSINESS UNITS AND INTERNAL SERVICE UNITS</b>										
City Parks	148	31	32	33	34	35	36	37	38	39
Information Services	3,352	3,368	3,331	2,607	1,201	327	477	504	188	650
Property Management	5,013	4,432	4,705	4,913	5,421	5,572	8,893	6,490	6,458	6,482
Utilities	50	50	44	30	39	31	62	42	46	37
<b>Total capital expenditure</b>	<b>78,460</b>	<b>84,747</b>	<b>93,480</b>	<b>122,337</b>	<b>160,733</b>	<b>101,914</b>	<b>101,188</b>	<b>87,180</b>	<b>85,114</b>	<b>85,085</b>
<b>TOTAL CAPITAL EXPENDITURE FUNDED BY:</b>										
Loans (development contributions)	10,726	13,917	27,731	35,415	59,362	38,290	36,662	22,757	35,048	32,427
Loans (rates)	42,459	37,485	16,937	26,189	36,448	22,574	22,367	22,761	12,908	14,624
Loans (reserves)	1,153	3,649	9,142	15,935	15,172	4,638	182	154	32	33
Other reserves	1,021	4,613	6,513	2,283	560	505	538	561	263	255
Subsidies	3,964	4,937	9,619	18,166	19,477	7,096	4,270	4,856	4,207	3,873
Other revenue	1,208	1,026	1,161	1,112	3,398	1,222	6,743	4,213	1,337	1,406
General rates	17,929	19,120	22,377	23,237	26,316	27,589	30,426	31,878	31,319	32,467
<b>Total capital expenditure</b>	<b>78,460</b>	<b>84,747</b>	<b>93,480</b>	<b>122,337</b>	<b>160,733</b>	<b>101,914</b>	<b>101,188</b>	<b>87,180</b>	<b>85,114</b>	<b>85,085</b>



## NOTE 11: RECONCILIATION OF NET COST OF GROUP ACTIVITIES TO THE NET SURPLUS

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>OPERATING SURPLUS/(DEFICIT) FROM COST OF SERVICE STATEMENTS</b>										
City Profile	(426)	(60)	1,165	516	691	117	1,544	1,703	1,893	2,087
City Safety	(165)	6	6	61	88	76	223	213	260	335
Community Development and Amenities	(117)	654	775	1,293	1,029	961	2,084	1,688	1,959	2,549
Democracy	(409)	(3)	(11)	119	192	153	487	488	575	740
Event and Cultural Venues	(509)	415	165	281	378	239	820	867	1,105	1,575
Recreation	892	4,668	5,111	5,594	7,802	5,656	10,822	8,607	6,281	8,505
Transportation	(3,417)	(2,321)	4,089	13,523	12,315	(1,782)	(3,219)	(755)	(1,673)	(2,564)
Urban Development	(336)	50	49	145	189	156	390	378	453	571
Waste Minimisation	(74)	254	268	414	548	510	773	912	1,050	1,278
Water Management	(4,630)	(725)	883	1,269	2,273	3,214	703	1,589	3,039	3,157
add Vested assets	11,000	11,165	11,539	11,902	12,276	12,661	13,057	13,497	13,948	14,399
remove Interest on internal borrowing	859	1,002	1,067	1,182	1,558	2,047	2,589	3,257	4,129	5,249
<b>Net surplus/(deficit) per statement of comprehensive income</b>	<b>2,668</b>	<b>15,105</b>	<b>25,106</b>	<b>36,299</b>	<b>39,339</b>	<b>24,008</b>	<b>30,273</b>	<b>32,444</b>	<b>33,019</b>	<b>37,881</b>



**NOTE 12: COST OF SERVICE FUNDING SURPLUS/(DEFICIT)**

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>FUNDING SURPLUS/(DEFICIT) FROM COST OF SERVICE STATEMENTS</b>										
City Profile	(391)	(174)	(346)	(188)	(149)	(149)	(70)	(25)	(15)	33
City Safety	(347)	(164)	(170)	(141)	(104)	(109)	(47)	(17)	(2)	34
Community Development and Amenities	(2,339)	(1,113)	(1,167)	(968)	(712)	(771)	(348)	(113)	2	276
Democracy	(883)	(475)	(475)	(399)	(316)	(315)	(180)	(109)	(80)	(3)
Event and Cultural Venues	(2,022)	(989)	(814)	(588)	(398)	(389)	(54)	59	138	318
Recreation	(3,403)	(1,782)	(1,813)	(1,548)	(1,185)	(1,293)	(497)	(154)	7	402
Transportation	(2,671)	(220)	(1,198)	(791)	(424)	(420)	245	396	696	1,160
Urban Development	(764)	(327)	(336)	(248)	(181)	(173)	(72)	(22)	0	58
Waste Minimisation	(752)	(369)	(390)	(331)	(256)	(272)	(128)	(55)	(24)	62
Water Management	(2,889)	(1,291)	(1,277)	(1,010)	(838)	(1,064)	(83)	182	430	920
<b>Cost of service funding surplus/(deficit)</b>	<b>(16,461)</b>	<b>(6,904)</b>	<b>(7,986)</b>	<b>(6,212)</b>	<b>(4,563)</b>	<b>(4,955)</b>	<b>(1,234)</b>	<b>142</b>	<b>1,152</b>	<b>3,260</b>







## REPORT FROM THE AUDIT OFFICE

PUURONGO KOORERO ○ TE TARI TAATARI KAUTE



report  
card



# AUDIT NEW ZEALAND

Mana Arotake Aotearoa

## **Report to the readers of Hamilton City Council's Long-Term Council Community Plan for the ten years commencing 1 July 2009**

The Auditor-General is the auditor of Hamilton City Council (the City Council). The Auditor-General has appointed me, Karen MacKenzie, using the staff and resources of Audit New Zealand, to report on the Long-Term Council Community Plan (LTCCP), on his behalf.

The Auditor-General is required by section 94(1) of the Local Government Act 2002 (the Act) to report on:

- the extent to which the LTCCP complies with the requirements of the Act;
- the quality of information and assumptions underlying the forecast information provided in the LTCCP; and
- the extent to which the forecast information and performance measures will provide an appropriate framework for the meaningful assessment of the actual levels of service provision.

It is not our responsibility to express an opinion on the merits of any policy content within the LTCCP.

### **Opinion**

#### **Overall Opinion**

**In our opinion the LTCCP of the City Council incorporating volumes 1 to 2 dated 30 June 2009 provides a reasonable basis for long-term integrated decision-making by the City Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the City Council.**

In forming our overall opinion, we considered the specific matters outlined in section 94(1) of the Act which we report on as follows.



## Opinion on Specific Matters Required by the Act

### In our view:

- the City Council has complied with the requirements of the Act in all material respects demonstrating good practice for a council of its size and scale within the context of its environment;
- the underlying information and assumptions used to prepare the LTCCP provide a reasonable and supportable basis for the preparation of the forecast information; and
- the extent to which the forecast information and performance measures within the LTCCP provide an appropriate framework for the meaningful assessment of the actual levels of service provision, reflects good practice for a council of its size and scale within the context of its environment.

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Accordingly, we express no opinion as to whether the forecasts will be achieved.

Our report was completed on 30 June 2009, and is the date at which our opinion is expressed.

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

### Basis of Opinion

We carried out the audit in accordance with the International Standard on Assurance Engagements 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards. We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information.

We planned and performed our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the LTCCP does not contain material misstatements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

Our audit procedures included assessing whether:

- the LTCCP provides the community with sufficient and balanced information about the strategic and other key issues, choices and implications it faces to provide an opportunity for participation by the public in decision-making processes;
- the City Council's financial strategy, supported by financial policies as included in the LTCCP is financially prudent, and has been clearly communicated to the community in the LTCCP;



- the presentation of the LTCCP complies with the legislative requirements of the Act;
- the decision-making and consultation processes underlying the development of the LTCCP are compliant with the decision-making and consultation requirements of the Act;
- the information in the LTCCP is based on materially complete and reliable asset or activity management information;
- the agreed levels of service are fairly reflected throughout the LTCCP;
- the key plans and policies adopted by the City Council have been consistently applied in the development of the forecast information;
- the assumptions set out within the LTCCP are based on best information currently available to the City Council, and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast information has been properly prepared on the basis of the underlying information and the assumptions adopted and the financial information complies with generally accepted accounting practice in New Zealand;
- the rationale for the activities is clearly presented;
- the levels of service and performance measures are reasonable estimates and reflect the key aspects of the City Council's service delivery and performance; and
- the relationship of the levels of service, performance measures and forecast financial information has been adequately explained within the LTCCP.

We do not guarantee complete accuracy of the information in the LTCCP. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTCCP and determining compliance with the requirements of the Act. We evaluated the overall adequacy of the presentation of information. We obtained all the information and explanations we required to support our opinion above.

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

The City Council is responsible for preparing an LTCCP under the Act, by applying the City Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The City Council's responsibilities arise from section 93 of the Act.

We are responsible for expressing an independent opinion on the LTCCP and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 94(1) of the Act.



## Independence

When reporting on the LTCCP we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than this report and in conducting the audit of the Statement of Proposal for adoption of the LTCCP and the annual audit, we have no relationship with or interests in the City Council.



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











# 2009-19

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