

From: official information
Sent: Tuesday, 3 May 2022 2:06 pm
To: [REDACTED]
Cc: official information
Subject: PART 2. Final Response: LGOIMA 259996 - [REDACTED] - How was valuation of "Land under roads" calculated in 2014 and can you provide an explanation for the 2019/2020 increase

Kia Ora,

I refer to your **information request below**, Hamilton City Council is able to provide the following response.

1. Prior to 2014, Hamilton City Council presented assets that used both the cost model and revaluation model in the same asset class under "Roads and traffic network" which was not consistent with PBE IPSAS 17 PROPERTY, PLANT AND EQUIPMENT paragraph 42 or PBE IPSAS 1 PRESENTATION OF FINANCIAL STATEMENTS paragraph 92. Therefore, in 2014 land under roads which uses the cost model was transferred out to its own assets class to be in line with PBE IPSAS 17 paragraph 42 and PBE IPSAS 1 paragraph 92.
2. As part of the consenting process the developer provides a document using a standard form called the Schedule of land and assets to vest in Council ([Link To Form](#)). This document sets out the quantum and value of assets for the purpose of capitalisation of the newly adopted assets. The schedule of assets form is reviewed by Council staff to ensure the value provided is reasonable. Where there is a PDA and council has purchased land, then these are the values used.

We therefore ask the developers to provide us what we call "a developers invoice" which sets out the value of the land and other details that they are vesting to us.

Historically the terminology used in this exercise was called an **GST invoice** but this has been corrected to schedule of assets.

Apologies for the confusion with term using developer invoice.

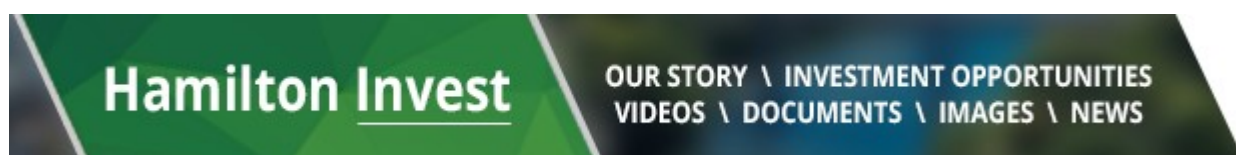
Please also note, there are no assets purchased only vested and therefore there is no breakdown. We are therefore refusing this aspect as per S17(e) of LGOIMA.

You are welcome to make any further information requests.

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

Kind Regards,

Tatiyana
Official Information Team
Legal Services & Risk | People and Organisational Performance
Email: officialinformation@hcc.govt.nz



From: [REDACTED]
Sent: Thursday, 21 April 2022 10:21 am
To: official information <officialinformation@hcc.govt.nz>
Subject: RE: Final Response: LGOIMA 259996 - [REDACTED] - How was valuation of "Land under roads" calculated in 2014 and can you provide an explanation for the 2019/2020 increase

Good morning, With respect, you have not answered either question.

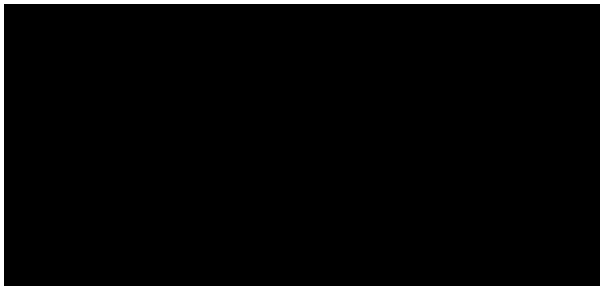
With regards to question 1 please provide the accounting standards being used. This will require you to identify the "standard" and any "subsection" being adopted.

In relation to question 2, regarding the makeup of the \$20,011 in vested assets. Please provide a "complete breakdown" of the assets purchased. This would identify the land on a m2 basis and a separation between residential, commercial and industrial zoning.

It is normal for the developer to vest the land at "no cost" for roads. For additional land that council may require then there would be an agreement.

Therefore your response that the developer provides an invoice is not correct.

Kind Regards



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From: official information <officialinformation@hcc.govt.nz>
Sent: Wednesday, 20 April 2022 2:10 pm
To: [REDACTED]
Cc: official information <officialinformation@hcc.govt.nz>
Subject: Final Response: LGOIMA 259996 - [REDACTED] - How was valuation of "Land under roads" calculated in 2014 and can you provide an explanation for the 2019/2020 increase

Kia Ora,

I refer to your **information request below**, Hamilton City Council is able to provide the following response.

Request (1)

How was the original \$ for "Land under roads," arrived at in 2014. Was it undertaken by a registered valuer? If so, please provide that valuation. If not how was the \$ arrived at? Is it based on a m2 basis? If so please provide that evidence. If not then what methodology was used?

Response (1)

Land under roads has always been held at cost in line with our accounting policy and has not been revalued. Prior to 2014, Land under roads was held under "Roads and traffic network" in our Annual Report. In 2014, it was transferred to its own separate class "Land under roads" at cost to be in line with the accounting standards.

The cost value of land under roads is usually determined by what we paid for the land in line with the sale and purchase agreement or if it is a vested assets this is based on the developer invoice which provides that value of the land. This is reviewed by Council staff to ensure the value provided is reasonable.

Request (2)

In the 2019/2020 accounts "Land under Roads" (page 128/129) shows additions of \$20,011 m as "Vested assets." How was this \$ arrived at? Please provide the evidence as "Notes to the accounts" do not provide.

Response (2)

The value of vested assets for land under roads is determined by the developer invoices.

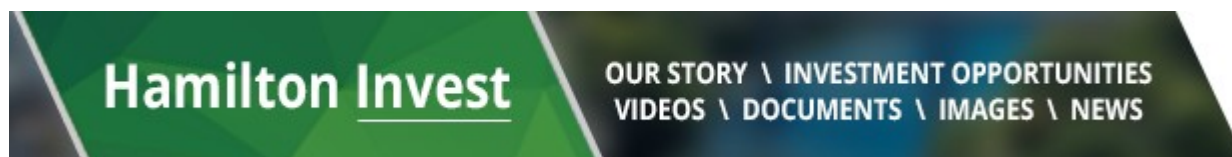
You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

Kind Regards,

Official Information Team

Legal Services & Risk | People and Organisational Performance

Email: officialinformation@hcc.govt.nz



From: [REDACTED]

Sent: Tuesday, 5 April 2022 11:30 am

To: official information <officialinformation@hcc.govt.nz>

Subject: HCC/ Annual Accounts 2014 & 2020/ Notes 24, 2020 / Land under roads

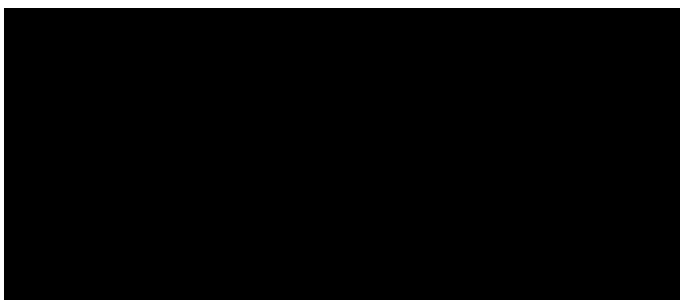
Good morning, I see in the 2014 accounts that you separated "Land under Roads" from "Roads and Traffic Network." It also talks about valuing land at "Fair Value". In the 2019/2020 accounts it states: " Land (operational , restricted, infrastructure and parks and gardens) . **Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values.**"

My question is;

- (1) How was the original \$ for "Land under roads," arrived at in 2014. Was it undertaken by a registered valuer? If so, please provide that valuation. If not how was the \$ arrived at? Is it based on a m2 bases? If so please provide that evidence. If not then what methodology was used?
- (2) In the 2019/2020 accounts " Land under Roads" (page 128/129) shows additions of \$20,011 m as "Vested assets." How was this \$ arrived at? Please provide the evidence as "Notes to the accounts" do not provide.

Thanks

Kind Regards



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