

2021-31 Long-Term Plan

Ka hua. Ka puaawai. Ka ora.

Volume 1



**Hamilton
City Council**
Te kaunihera o Kirikiriroa



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Margaret Forsyth

Hamilton lost a principled and forceful community advocate in May 2021 with the death of Councillor Margaret Forsyth, ONZM. Councillor Forsyth had a deep passion for the environment and for community wellbeing and was a passionate campaigner for the city she loved. We all mourn an outstanding community representative and a deeply respected national sporting icon.



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Introduction

Koorero whakataki

Our Long-Term Plan

This Long-Term Plan document outlines our plans, budgets and priorities for the next decade, with a focus on the next three years.

The Plan has been developed alongside the people of Hamilton, reflecting the aspirations they have for their city. It ensures we will look after the assets we already have and continue to meet the growth challenges and opportunities we will face. It's a balance of supporting and enhancing the lifestyle which makes Hamilton such an attractive place to live and work, now, and in the future.

This 2021-31 Long-Term Plan will see our city investing \$2.5 billion on capital projects, plus a further \$3.7 billion on operating activity. Specific investments include:

- \$55 million over 10 years to provide safe routes for walking, biking, scooting and skating.
- \$3 million to upgrade the Gordonton Road/Puketaha Road intersection.
- \$22 million to upgrade the Borman Road

and Horsham Downs intersection as well as the Borman Road East project in 2021/22 (including an \$8 million subsidy, subject to confirmation, from Waka Kotahi NZ Transport Agency).

- \$5 million to expand the Hillcrest library.
- a creative sector funding trial of \$100,000 for three years.
- \$11 million for a new walking and cycling bridge across the Waikato River.
- \$534,000 to complete engagement, feasibility investigations and concept design for river infrastructure.
- \$6 million to build a seasonal dome over the outdoor pool at Waterworld.
- \$29 million over 10 years to improve and restore the city's gullies.

Under this plan, Council will balance its books by 2023/24, meaning we will no longer be borrowing to pay for everyday costs. The Plan will also see our debt-to-revenue ratio peak at 276% in 2025/26.

To deliver upon these commitments, we will be implementing a government compliance targeted rate of 4.5% and a general annual average rates increase of 4.4%. This means an average annual rate rise of 8.9% across the city in the first year, followed by annual 4.9% increases.

The government compliance targeted rate is to cover growing costs as a result of legislation introduced by central government to deliver water services and make changes to the District Plan. We have no option but to deliver upon these government expectations and we have sought to be as transparent as possible about these significant costs outside our control.

The Long-Term Plan is the culmination of an extensive and deliberate community engagement process. More than 5,600 submissions were made and each was carefully considered before final decisions were reached.

Tā Mātou Mahere Pae Tawhiti

Ko tā tēnei tuhinga Pae Tawhiti, he whakaatu atu i ā mātou mahere, tahua pūtea me ngā mahi nui mō te tekau tau kei mua i te aroaro, heoi ko te aronga nui ia ko ngā tau e toru e haere ake nei.

Kua whanakehia tēnei mahere ki te taha o ngā tāngata o Kirikiriroa, e whakaata atu ai ō rātou nei wawata mō tō rātou tāone. Ka whakaū tēnei, i tō tātou takohanga ki te tiaki i ngā rawa o te nāiane, ki te tutuki hoki i ngā wero me ngā āheinga ā-tipu ka ara ake ki mua i a tātou. Ko te taurite ia, kia taunaki, kia whakapai ake anō hoki i te tāera ora e hanga pai ai te āhua o Kirikiriroa hei wāhi noho, hei wāhi mahi hoki ināiane, ā haere ake nei.

Ka kite tēnei Mahere Pae Tawhiti 2021-31, i te haumitanga o tō tātou tāone, \$2.5 piriona te rahinga, ki ngā kaupapa hanganga, tae atu ki ngā utu whakahaere, ka \$3.7 piriona te rahinga. Ko ngā haumitanga e whaitake ana:

- \$55 miriona puta noa i te tekau tau ki mua, ki te hanga i ngā huarahi haumaruru mō te hīkoi, pahikara, kutarere me te retireti.
- \$3 miriona ki te whakapai ake i te whakawhitinga rori ki Gordonton Road/ Puketaha Road.

- \$22 miriona ki te whakapai ake i te whakawhitinga rori ki Borman Road/ Horsham Downs, ā, ki te whakapai i te kaupapa i Borman Road East i te tau 2021/2022 (Tae atu ki tētahi pūtea āwhina, \$8 miriona te rahinga, nā Waka Kotahi).
- \$5 miriona ki te whakawhānui i te whare pukapuka o Hillcrest.
- He whakamātautau ā-haumi mō te rāngai auaha, \$100,000 te rahinga, mō ngā tau e toru.
- \$11 miriona mō tētahi whakawhitinga hou i te awa o Waikato mō te hīkoi me ngā pahikara.
- \$534,000 kia oti ai te wāhanga ki te whakapāpā, ngā tūhuranga āheinga me te hoahoa aroro mō te hanganga awa.
- \$6 miriona ki te hanga i tētahi whare kōpuku e taea ana te neke hei whakamaru i te puna waho i Waterworld.
- \$29 miriona puta noa i te tekau tau ki mua ki te whakaora i ngā pakohu o te tāone.

I raro i tēnei mahere, ka whakataurite te Kaunihera i āna anō puka i mua i te tau 2023/2024, nā runga i tēnei ka mimiti noa

te matea ki te whai pūtea taurewa mō ngā utu o te ia rā. Ka piki ake, i tēnei mahere, te ōwehenga ā-nama ki te moni whiwhi, kia 276% ā te tau 2025/26.

Kia tutuki pai i ēnei ruruku, ka kōkirihia e mātou tētahi rēti hāngai ā-tūtohu kāwana, 4.5% te rahinga, me tētahi pikinga rēti arowhānui ā-tau, 4.4% te rahinga. Ko te tikanga o tēnei, ka piki ake te toharite o ngā rēti ā-tau kia 8.9% te rahinga i te tau tuatahi, puta noa i te tāone. Whai muri i tēnei, ka piki ake te rēti hei ia tau kia 4.9% te rahinga.

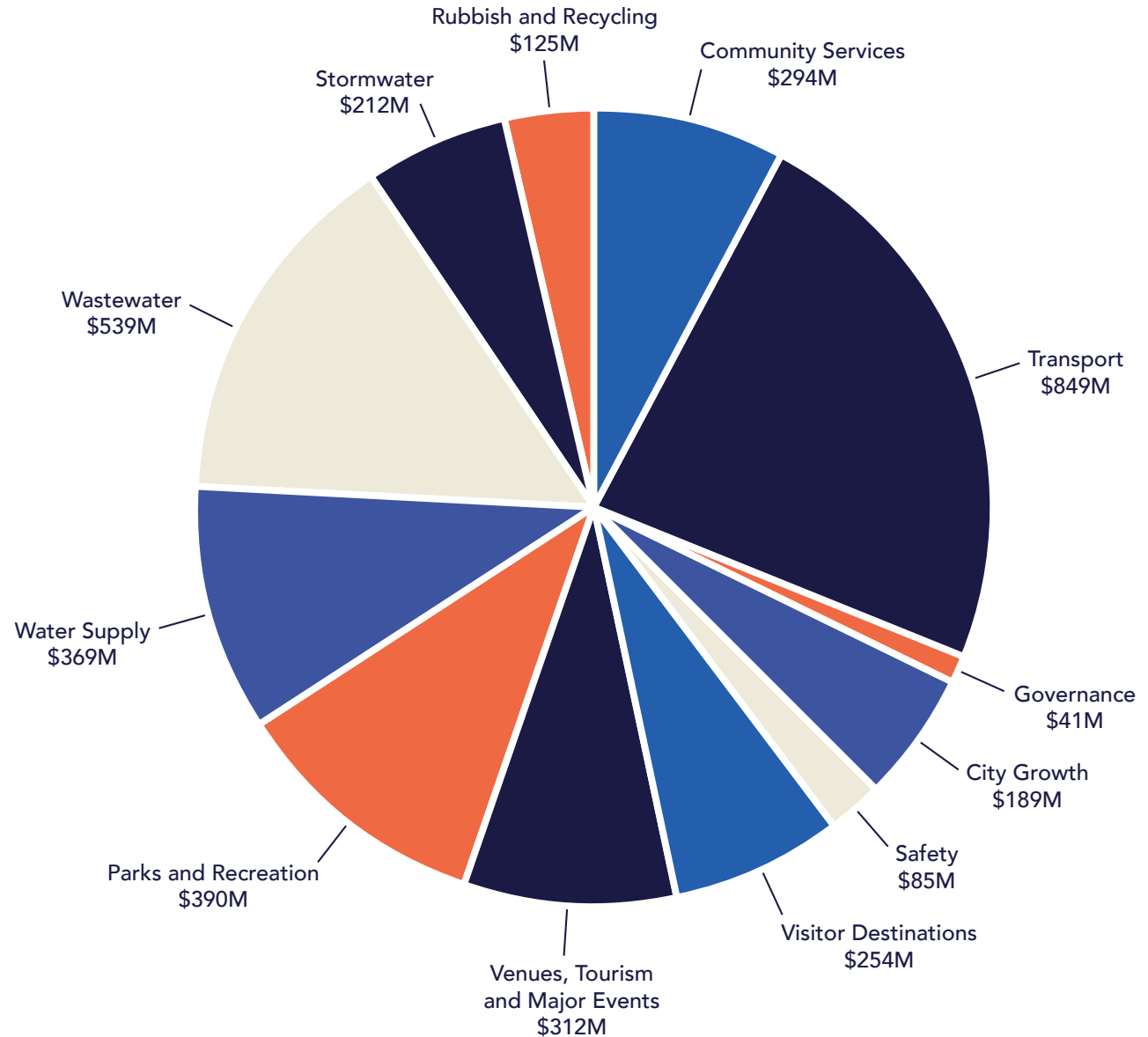
Ko te take o te rēti hāngai ā-tūtohu kāwana, kia tutuki i ngā utu e piki haere ana i te putanga mai o te whakatureture i te Kāwanatanga Matua, e whaitake ana ki ngā ratonga tuku wai, me te whakapanoni i te Mahere Rohenga. Kāore ā mātou kōwhiringa, me mātua tutuki i a mātou ēnei kawatau ā-Kāwana, engari kua ngana mātou ki te noho pūataata me ēnei utu nui kua ara mai i waho i tō mātou mana.

Kua taka iho te Mahere Pae Tawhiti nei i tētahi hātepe whakapāpā i āta whakahaerehia i te hāpori whānui. Koni atu i te 5,600 ngā tāpaetanga i whakaaroarotia i mua i te whakataunga whakamutunga.

What we're planning to spend

To keep the city running, we will spend \$3.7 billion over the next 10 years.

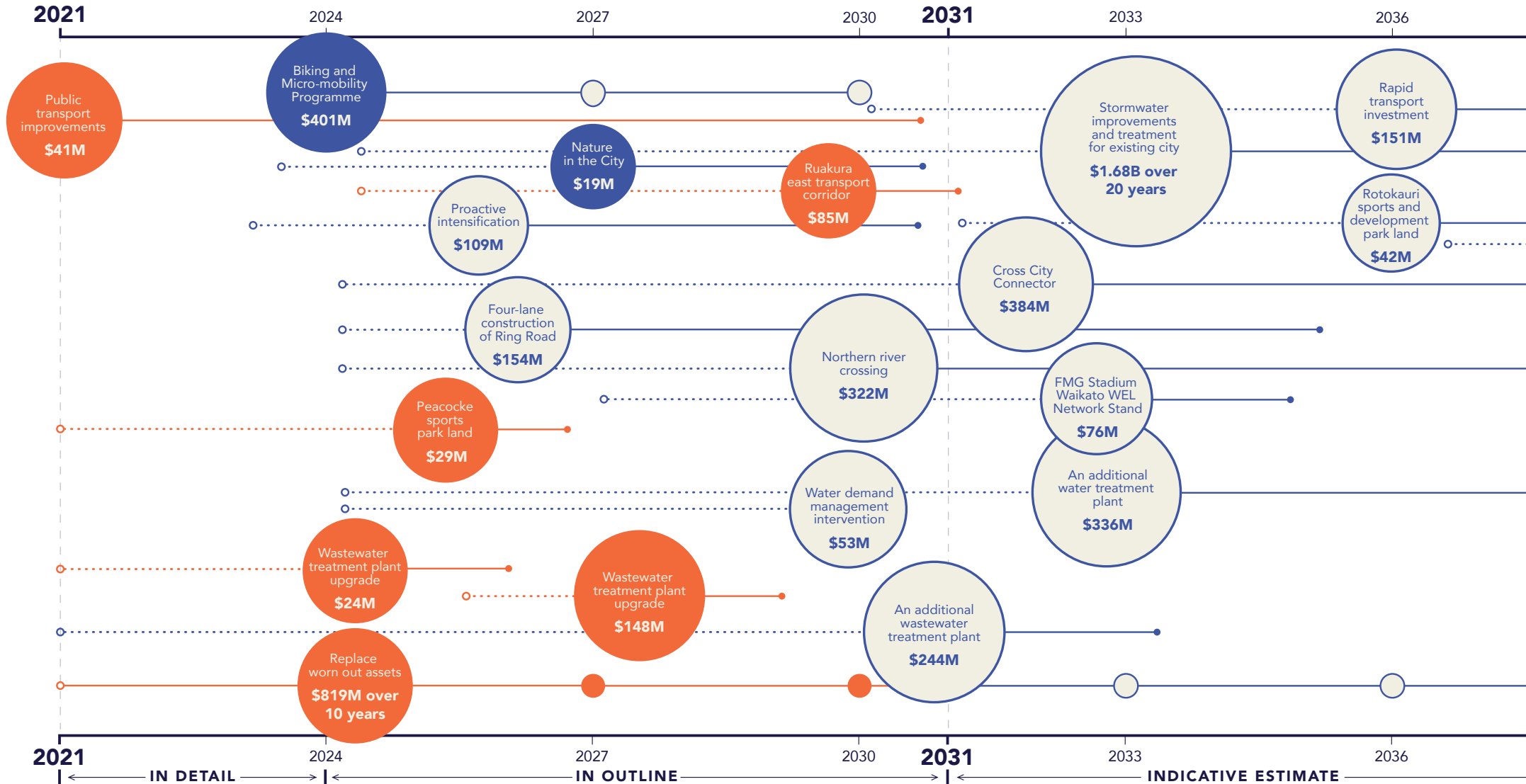
Total operating expenditure over 10 years

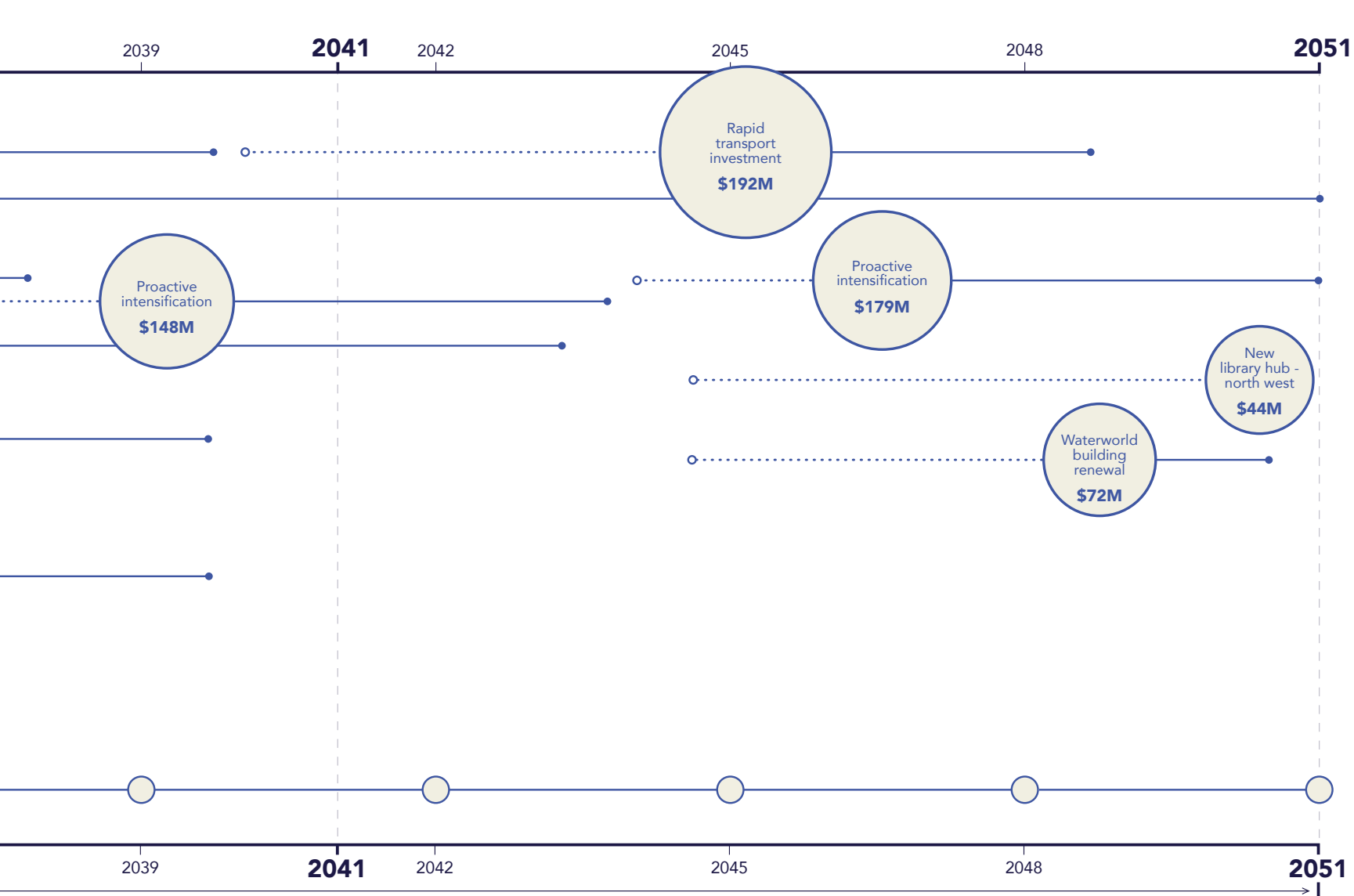


Looking beyond - the next 30 years

Significant capital expenditure decisions required

Timeline of major projects





Key

- Included in budget for long term plan.
- Not included in budget for long term plan.
- Partly funded in budget for long term plan.
- ... Date decision is required for capital investment (estimated).
- Planning phase for capital investment.
- Date for conclusion of major capital investment.

Our vision for Hamilton

Kirikiroa ka hua. Ka puaawai. Ka ora

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

Over the past two years, we have been talking to you (a lot!) to understand what you love about Hamilton Kirikiroa and what would make our city an even better place to be.

We've used your feedback to create five long-term priorities¹ for Hamilton Kirikiroa over the next decade. These priorities reflect what you said is important to you, your family and your neighbourhood.

The five priorities for our city are:

- A city that's easy to live in
- A city where our people thrive
- A central city where people love to be
- A fun city with lots to do
- A green city

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

¹ These priorities are our Community Outcomes as defined under the Local Government Act 2002

A city that's easy to live in



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

As we continue to evolve into a metropolitan centre, we have the game-changing opportunity to become a 20-minute city. A 20-minute city is about creating liveable neighbourhoods with local access to amenity that is important to residents. It's also about linking existing destinations, facilities, places of work and education with safe walking, cycling and public transport connections so our residents can safely access most of the things they need within 20 minutes.

We want our children to be able to cycle safely to school and for people of all ages

and abilities to easily access different neighbourhoods, from one side of the Waikato River to the other - by whatever transport option we choose.

By investing in cyclepaths and accessways, and utilising our beautiful gully network, we will create a city that our people can easily enjoy and explore. But we'll also need improvements in public transport - so we're working with partners like Waikato Regional Council to get better bus services.

People in our city want to live in lively, safe communities with shared identities and public facilities such as libraries, playgrounds and community hubs accessible to everyone.

And we're focusing on delivering the amenities and services that build strong communities, both in our existing neighbourhoods and for our new ones.

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

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

What you can expect from us	What we will measure	Latest result (2019/20)	Targets			
			2021/22	2022/23	2023/24	By 2030/31
Our city is easy to live in, explore and connect.	Percentage of residents who think Hamilton is a great place to live.	77%*	At least 79%	At least 79%	At least 79%	At least 79%
	Percentage of residents who are proud of how Hamilton looks and feels.	53%*	At least 60%	At least 60%	At least 60%	At least 60%

* This result was not reported in the 2019/20 Annual Report. The latest result presented is based on internal data.

Community Services

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



Learn to swim at Waterworld

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

Supporting our community to be increasingly more connected and resilient and to develop and express themselves in ways that help build their identity is fundamental to creating a city that's easy to live in.

Libraries

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

The capacity of our libraries network will be improved with the construction of a new library in Rototuna and expansion of the existing library in Hillcrest.

Aquatic facilities

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

Over the period of this plan we will increase

recreational swim space by putting a seasonal dome over the outdoor pool at Waterworld.

Community development

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

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

How will you know we're delivering?

What you can expect from us	What we will measure	Latest result (2019/20)	Targets			
			2021/22	2022/23	2023/24	By 2030/31
Our libraries are well used.	The number of physical and online visits to Hamilton Libraries each year.	890,440 [#]	1% increase on previous year	1% increase on previous year	2% increase on previous year	2% increase on previous year
	The number of physical and online issues by Hamilton City Libraries each year.	1,009,707 [#]	1% increase on previous year	1% increase on previous year	2% increase on previous year	2% increase on previous year
Our libraries provide quality customer experiences.	The percentage of library customers surveyed who are satisfied with their overall experience.	89%	At least 85%	At least 85%	At least 85%	At least 85%
Our aquatic facilities are well used.	The number of visits to Council-owned aquatic facilities each year.	321,106 [#]	At least 500,000 visits each year	At least 500,000 visits each year	At least 500,000 visits each year	At least 575,000 visits each year
Our aquatic facilities provide quality customer experiences.	The percentage of aquatic facilities customers surveyed who are satisfied with their overall experience.	80%*	At least 83%	At least 84%	At least 85%	At least 85%
We work alongside others to support a strong and connected community.	The value of services leveraged for every \$1 of community grant funding provided.	\$16.72*	At least \$3.00 worth of services leveraged for every \$1 provided	At least \$3.00 worth of services leveraged for every \$1 provided	At least \$3.00 worth of services leveraged for every \$1 provided	At least \$3.00 worth of services leveraged for every \$1 provided
	The percentage of community stakeholders surveyed who are satisfied with community and social development outcomes.	New measure	At least 80%	At least 80%	At least 80%	At least 80%

* This result was not reported in the 2019/20 Annual Report. The latest result presented is based on internal data.

Result impacted by COVID-19

Significant negative effects

There are no significant negative effects associated with this activity.

Capital projects

		R - Renewals		LOS - Levels of service		G - Growth					
Type		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Libraries											
CE10005 - Libraries collection purchases	R	980	1,013	1,070	1,210	1,246	1,494	1,615	1,208	1,773	1,743
CE10006 - Library operational renewals	R	171	167	142	149	145	173	155	109	238	233
CE10007 - Library building renewals	R	3,047	91	804	583	517	919	1,487	25	25	26
CE21044 - Libraries development	LOS	294	33	34	-	-	260	4,469	-	-	-
CE19017 - Rototuna community facilities	G	7,095	2,686	-	-	-	-	-	-	-	-
		11,587	3,990	2,050	1,942	1,908	2,846	7,726	1,342	2,036	2,002
Aquatic facilities											
CE10001 - Aquatic facilities building renewals	R	2,042	1,463	393	295	304	451	3,001	12,486	341	850
CE21005 - Aquatic facilities renewals	R	410	319	244	281	276	479	2,549	280	549	753
CE21046 - Aquatic facilities development	LOS	1,048	1,789	4,407	-	-	-	-	-	-	-
		3,500	3,571	5,044	576	580	930	5,550	12,766	890	1,603
Community services total		15,087	7,561	7,094	2,518	2,488	3,776	13,276	14,108	2,926	3,605

Prospective Community Services funding impact statement

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	17,994	19,438	20,828	22,323	23,940	25,660	27,763	29,706	31,810	34,051	36,405
Targeted Rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	2	2	2	2	2	2	2	2	2	2	2
Fees and charges	3,045	3,412	3,720	3,949	4,044	4,145	4,249	4,360	4,569	4,693	4,816
Local authorities fuel tax, fines, infringement fees, and other receipts	131	125	137	142	146	151	156	162	167	174	181
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	21,172	22,977	24,687	26,416	28,132	29,958	32,170	34,230	36,548	38,919	41,403
Applications of Operating Funding											
Payments to staff and suppliers	22,080	19,777	20,791	21,613	22,109	22,684	23,321	24,126	25,604	25,439	25,989
Finance Costs	54	243	597	712	834	940	971	1,079	1,422	1,686	1,633
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding (B)	22,134	20,019	21,388	22,325	22,943	23,624	24,292	25,205	27,026	27,124	27,622
Surplus/(Deficit) of Operating Funding (A - B)	(962)	2,958	3,299	4,091	5,189	6,334	7,878	9,024	9,522	11,795	13,781
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	265	30	31	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	986	15,057	7,635	7,037	2,514	2,332	3,555	12,985	13,697	2,610	3,117
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding (C)	986	15,322	7,665	7,068	2,514	2,332	3,555	12,985	13,697	2,610	3,117
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	9,503	7,095	2,563	-	-	-	-	-	-	-	-
- to improve the level of service	14	1,619	2,094	4,633	154	82	337	4,555	71	104	99
- to replace existing assets	3,488	7,102	3,453	2,984	3,004	2,950	4,013	9,337	14,579	3,546	4,198
Increase (decrease) in reserves	(12,994)	3,720	2,769	3,467	4,556	5,659	7,145	8,164	8,589	10,660	12,564
Increase (decrease) of investments	13	(1,256)	85	75	(11)	(25)	(63)	(47)	(20)	94	37
Total Applications of Capital Funding (D)	24	18,280	10,964	11,159	7,704	8,666	11,432	22,009	23,219	14,405	16,898
Surplus/(Deficit) of Capital Funding (C - D)	962	(2,958)	(3,299)	(4,091)	(5,189)	(6,334)	(7,878)	(9,024)	(9,522)	(11,795)	(13,781)
Funding Balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

Transport

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

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



Waikato riverpath

Transport network

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

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

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

The bus service in Hamilton is provided and managed by Waikato Regional Council in partnership with us. Central Government, through Waka Kotahi (NZ Transport Agency), partners with us in operating the State

Highways running through Hamilton, as well as co-investing in our transport infrastructure and services.

Planning for future development, growth, trends in network use and asset management needs is also a significant focus. Over the next 10 years we will continue to significantly invest in the transport network, focusing on safety, travel choice and the provision of new strategic infrastructure to support growth and economic development.

Improving road safety is a big focus and we have set a target of zero deaths (by 2028) on the transport network which is monitored quarterly throughout the year. Areas of the network where crashes occur most frequently are known, and we will invest in these to improve safety for everyone - regardless of how you choose to travel. Investment in road safety education will continue, along with exploring new ways to make sure everyone arrives safely at their destination.

The delivery of key projects in the Biking Plan to complete the cycle network and make it

safe, family-friendly and attractive is also a key focus of this plan. We are also investing in a prioritised programme of projects and actions that will make it safer for people to bike, scoot and skate around our city. These actions include things like building cycleways, bike/scooter parking and charging stations and delivering safety programmes.

Parking management

Parking management involves setting guiding principles and policies for the management and supply of on-street and Council-controlled off-street parking in Hamilton in a way that equitably supports wider transport and urban form outcomes such as mode shift and urban amenity improvements. We have a focus on encouraging efficient utilisation of parking resources and managing demand through compliance and enforcement activities.

A parking management plan will be developed to identify how parking will be provided for and managed, and support recent changes to Local, Regional and Central Government objectives.

How will you know we're delivering?

What you can expect from us	What we will measure	Latest result (2019/20)	Targets			
			2021/22	2022/23	2023/24	By 2030/31
As our city grows you can expect travel times for all vehicles to be predictable.	Travel times are predictable during peak hours.	New measure	A variation of no more than 25%	A variation of no more than 25%	A variation of no more than 25%	A variation of no more than 25%
You can expect the transport network to be safe to use.	The change from the previous financial year in the number of fatal and serious injury crashes on the local road network.+	38 (12 fewer death or serious injury crashes than in 2018/19)	Decrease from previous year	Decrease from previous year	Decrease from previous year	Decrease from previous year
You can expect the transport network to be kept in good operating condition.	The average quality of ride on Hamilton's sealed local road network, measured by smooth travel exposure.+	85%	At least 80%	At least 80%	At least 80%	At least 80%
	The percentage of the sealed road local network (by length) that is resurfaced each financial year.+	3.60%	At least 3.5%	At least 3.5%	At least 3.5%	At least 3.5%
	The percentage of qualifying footpaths within Hamilton which meet the level of service standard of less than 5 faults per 100m section.+	78%	At least 85%	At least 88%	At least 92%	At least 97%
You can expect customer service requests to be responded to promptly.	The percentage of customer service requests relating to roads and footpaths which are responded to within five working days.+	95.70%	At least 96%	At least 96%	At least 96%	At least 96%

What you can expect from us	What we will measure	Latest result (2019/20)	Targets			
			2021/22	2022/23	2023/24	By 2030/31
We'll prioritise building connected and safe walkways and cycleways that promote transport choices that are accessible to all, bringing neighbourhoods together and allowing people to move around our city quickly and easily.	The increase in active mode** trips on Hamilton's network.	New measure	Establish baseline	Increase of at least 3% on prior year	Increase of at least 3% on prior year	Increase of at least 5% on prior year

+ Measure required by the Department of Internal Affairs

** Micro-mobility

Significant negative effects

Activity	Wellbeing	Effect	Mitigation
Transport network	Social	Traffic can cause noise pollution.	Roads carrying more than 15,000 vehicles per day are surfaced with asphalt to reduce the noise.
Transport network	Social	Roads can form barriers between sections of the community. They can be difficult to cross particularly for pedestrians, cyclists and also motor vehicles.	Effectuated communities are consulted while obtaining resource consents for significant roading projects. Provisions are put in place to assist pedestrians and cyclists such as refuge islands, traffic signals and underpasses or over bridges.
Transport network	Environmental	Traffic can cause air pollution which effects the environment.	Alternative methods of transport such as walkways, cycling and public transport assist to mitigate air pollution.
Transport network	Cultural	Natural heritage sites can be negatively impacted by the construction of new roads.	Projects are investigated to identify possible heritage artefacts. Taangata whenua and other affected parties are consulted prior to construction.

Capital projects

R - Renewals

LOS - Levels of service

G - Growth

		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Transport network											
CE10072 - Footpath and street furniture renewals	R	3,305	3,660	3,171	4,060	4,376	4,626	4,764	3,996	5,180	4,285
CE10074 - Drainage (kerb and channel) renewals	R	2,390	2,709	2,780	2,656	2,756	2,949	3,058	3,169	3,281	3,381
CE10075 - Road base Renewals	R	5,184	4,882	3,852	4,448	4,694	4,196	4,322	4,452	5,850	6,014
CE10076 - Road resurfacing	R	5,900	6,077	4,986	6,502	6,809	9,317	9,597	5,975	10,181	10,647
CE10077 - Bridge and structures renewals	R	291	72	74	76	322	182	284	193	197	203
CE10078 - Retaining wall and structures renewals	R	90	258	265	13	14	14	-	-	-	52
CE10080 - Street lighting renewals	R	651	420	433	632	651	2,057	2,870	501	5,257	5,404
CE10081 - Traffic equipment renewals	R	942	970	999	1,032	1,062	1,092	1,127	1,161	1,449	1,489
CE19055 - Upgrade city directional signage	R	-	-	530	-	-	-	-	-	-	-
CE21012 - Transport building renewals	R	20	21	21	22	98	1,074	3,614	857	206	1,149
CE19052 - Intersection upgrades	LOS	4,950	9,785	2,122	-	-	-	-	-	-	-
CE19062 - Bridge resilience programme	LOS	-	-	3,821	328	-	-	-	-	-	-
CE19064 - Transport Centre rejuvenation	LOS	4,600	3,193	-	-	-	-	-	-	-	-
CE21053 - Central city transportation improvements	LOS	650	5,511	-	-	-	-	-	-	-	-
CE21057 - Ferrybank walking and cycling bridge	LOS	500	1,545	12,731	13,112	-	-	-	-	-	-
CE21058 - Transportation safety improvements	LOS	8,100	9,491	9,230	6,119	6,303	5,785	5,959	6,138	6,322	6,499
CE21059 - Transportation smart improvements	LOS	200	206	212	219	225	231	238	246	253	260
CE21060 - Public transport improvement	LOS	700	721	743	765	788	694	715	737	759	780
CE15087 - Transportation upgrades to allow for development	G	219	225	232	239	246	253	261	269	277	284
CE15088 - Peacocke transport upgrades and development stage 1	G	76	2,000	1,949	-	-	-	-	-	-	-
CE15089 - Peacocke transport upgrades and development stage 2	G	51,098	59,292	21,225	12,283	4,337	3,784	1,321	9,639	8,069	20,135
CE15090 - Rotokauri transport upgrades and development	G	6,667	2,175	2,216	-	-	-	478	5,300	12,298	6,410
CE15092 - Rototuna transport upgrades and development	G	13,226	8,952	7,810	-	3,819	62	-	5,253	6,169	10,558
CE15093 - Ruakura transport upgrades and development	G	36,392	1,859	53	-	-	752	830	27,036	27,753	25,651
CE15096 - Cross city connector	G	200	206	637	5,464	-	-	-	798	1,011	1,040
CE15097 - Northern city crossing	G	-	-	-	-	-	-	-	-	3,555	2,436
CE19036 - Ring Road	G	15,947	206	-	-	-	-	-	-	-	-
CE19037 - Hamilton transport model	G	60	1,131	1,763	243	-	-	358	-	-	-
CE19057 - Biking plan implementation	G	11,100	13,905	27,053	16,937	10,692	8,678	8,938	9,206	9,482	9,748
CE19058 - Public Transport Mode Shift	G	-	-	-	-	-	9,256	8,342	4,910	1,264	3,769
CE21052 - Peacocke transportation land	G	8,712	7,646	1,085	-	-	-	-	-	-	-
CE21055 - Te Rapa transportation upgrades and development	G	-	-	-	-	-	-	432	5,858	13,380	211
		182,170	147,118	109,994	75,149	47,193	55,003	57,507	95,691	122,192	120,404
Parking Management											
CE10070 - Parking enforcement renewals	R	615	124	59	55	45	50	52	56	58	60
		615	124	59	55	45	50	52	56	58	60
Transport total		182,785	147,242	110,053	75,204	47,237	55,052	57,559	95,747	122,250	120,464

Prospective Transport funding impact statement

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	35,426	46,953	50,305	53,909	57,808	61,954	67,026	71,711	76,783	82,186	87,862
Targeted Rates	145	145	145	145	145	145	145	145	145	145	145
Subsidies and grants for operating purposes	6,498	7,858	8,069	8,035	8,340	9,231	9,194	9,714	10,289	10,833	11,800
Fees and charges	4,253	4,444	4,593	5,271	6,006	6,191	6,357	6,532	6,717	6,902	7,087
Local authorities fuel tax, fines, infringement fees, and other receipts	3,359	3,507	3,568	3,624	3,680	3,736	3,794	3,856	3,923	3,995	4,065
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	49,682	62,907	66,680	70,983	75,979	81,258	86,516	91,958	97,858	104,061	110,959
Applications of Operating Funding											
Payments to staff and suppliers	29,332	39,376	41,267	44,090	44,439	47,562	48,114	49,834	52,104	54,383	58,090
Finance Costs	3,802	2,682	3,929	4,226	4,698	4,924	4,600	4,025	4,184	5,068	5,530
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding (B)	33,135	42,058	45,197	48,316	49,138	52,486	52,714	53,859	56,288	59,451	63,620
Surplus/(Deficit) of Operating Funding (A - B)	16,547	20,849	21,484	22,668	26,841	28,772	33,802	38,099	41,569	44,610	47,339
Sources of Capital Funding											
Subsidies and grants for capital expenditure	57,122	97,603	66,724	49,039	36,880	17,702	21,482	21,258	34,033	35,401	35,563
Development and financial contributions	6,717	11,638	11,521	12,608	12,524	13,012	13,743	14,745	14,252	13,987	14,170
Increase (decrease) in debt	47,969	64,404	59,907	34,687	7,893	(4,049)	(4,558)	(6,676)	16,189	37,861	28,998
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding (C)	111,807	173,645	138,152	96,334	57,298	26,665	30,667	29,326	64,473	87,249	78,731
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	96,432	143,697	97,598	64,023	35,165	19,095	22,785	20,958	68,268	83,258	80,242
- to improve the level of service	9,984	20,918	31,653	29,706	21,222	7,677	7,051	7,293	7,432	7,792	7,975
- to replace existing assets	22,856	21,380	20,957	18,630	21,641	22,867	27,749	32,027	22,441	34,398	35,302
Increase (decrease) in reserves	(1,552)	14,038	9,052	6,310	6,158	5,907	7,161	7,352	7,989	5,995	2,387
Increase (decrease) of investments	634	(5,539)	376	333	(47)	(110)	(277)	(206)	(87)	416	164
Total Applications of Capital Funding (D)	128,355	194,494	159,635	119,002	84,139	55,436	64,469	67,425	106,042	131,858	126,070
Surplus/(Deficit) of Capital Funding (C - D)	(16,547)	(20,849)	(21,484)	(22,668)	(26,841)	(28,772)	(33,802)	(38,099)	(41,569)	(44,610)	(47,339)
Funding Balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

A city where our people thrive



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

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

Young people are now coming to our city (and in some cases, returning home) to find good jobs, buy homes, raise families and

become part of our community. This, along with more than 160 ethnic groups making up our city, adds a valuable diversity to Hamilton which brings opportunities and benefits for all Hamiltonians.

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

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

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

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

What you can expect from us	What we will measure	Latest result (2019/20)	Targets			
			2021/22	2022/23	2023/24	By 2030/31
We will make decisions that improve the wellbeing of Hamiltonians.	The percentage of residents who believe we make decisions that are in the best interest of the city.	42%*	At least 32%	At least 32%	At least 32%	At least 32%

* This result was not reported in the 2019/20 Annual Report. The latest result presented is based on internal data.

Governance

Providing this activity helps create a city where people thrive



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

In carrying out this activity we enable, promote and support local democracy by providing governance advice and democratic services to Elected Members, Maangai Maaori, Appointed Members, the wider organisation and the public.

Governance and public affairs

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

We will undertake a representation review in line with legislative requirements to ensure

that our communities of interest within the city are effectively represented.

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

Partnership with Maaori

We seek to honour the principles of partnership in decision-making with our treaty partners. Working to foster opportunities for Maaori to be involved in our decision-making through relationships, Maangai Maaori, service contracts and the Co-Governance Forum with Waikato-Tainui which is an important part of

this activity. Our partnerships with iwi, mana whenua and maataa waka organisations assist us in ensuring Hamilton is a city where people from different cultures work together and respect each other's views, heritage, culture and strengths. Our Amorangi Maaori (Maaori Relationship Manager) provides support and advice on issues related to Maaori, particularly building stronger relationships. In 2021, Council resolved to establish Maaori wards, which will come into effect for the 2022 elections.

We will continue to build positive and stronger relationships with our Maaori partner organisations and through partnership projects with Waikato-Tainui, mana whenua and maataa waka.

How will you know we're delivering?

What you can expect from us	What we will measure	Latest result (2019/20)	Targets			
			2021/22	2022/23	2023/24	By 2030/31
We'll empower and enable our diverse communities to share their voice, and shape their city.	Percentage of Hamilton voter turnout for local government elections.	39.4% (2019 election)*	Not applicable, not an election year	Increase on previous result	Not applicable, not an election year	2025/26: Increase on previous result 2028/29: Increase on previous result

* This result was not reported in the 2019/20 Annual Report. The latest result presented is based on internal data.

Significant negative effects

There are no significant negative effects associated with this activity.

Capital projects

There are no capital projects directly associated with this activity.

Prospective Governance funding impact statement

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	3,018	3,065	3,283	3,518	3,772	4,043	4,373	4,678	5,009	5,361	5,731
Targeted Rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	13	12	170	13	13	183	14	14	198	15	16
Local authorities fuel tax, fines, infringement fees, and other receipts	21	26	27	28	29	30	31	32	33	34	35
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	3,052	3,102	3,480	3,559	3,814	4,255	4,417	4,724	5,240	5,410	5,782
Applications of Operating Funding											
Payments to staff and suppliers	3,165	3,592	4,119	3,581	3,686	4,391	3,833	3,927	4,741	4,148	4,312
Finance Costs	(6)	(7)	(5)	(8)	(15)	(10)	(8)	(8)	(7)	(6)	(8)
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding (B)	3,159	3,585	4,114	3,573	3,671	4,381	3,825	3,920	4,734	4,142	4,304
Surplus/(Deficit) of Operating Funding (A - B)	(107)	(483)	(634)	(15)	143	(126)	592	805	506	1,268	1,478
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	143	132	102	126	107	113	121	106	142	136
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding (C)	-	143	132	102	126	107	113	121	106	142	136
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	1	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	3	54	53	38	30	16	15	17	14	20	19
- to replace existing assets	125	89	78	65	95	91	97	104	92	122	116
Increase (decrease) in reserves	(235)	(237)	(651)	(29)	145	(121)	604	814	510	1,250	1,470
Increase (decrease) of investments	-	(246)	17	15	(2)	(5)	(12)	(9)	(4)	18	7
Total Applications of Capital Funding (D)	(107)	(340)	(502)	88	269	(19)	705	925	612	1,410	1,613
Surplus/(Deficit) of Capital Funding (C - D)	107	483	634	15	(143)	126	(592)	(805)	(506)	(1,268)	(1,478)
Funding Balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

Growth

Providing this activity helps create a city where people thrive



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

City planning

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

We manage the District Plan and monitor its effectiveness. The District Plan is the key document defining how and where the city grows. We manage the city's natural and physical resources along with other policies that guide the future development of our city.

Hamilton is experiencing very high growth and projections show the city is well on its way to

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

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

Over the next 10 years, we will review and update the District Plan to address new government requirements and ensure it delivers good urban design across our city,

improves housing affordability and diversity and enables a city that grows up and out in the appropriate places.

Planning guidance

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

Building control

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

How will you know we're delivering?

What you can expect from us	What we will measure	Latest result (2019/20)	Targets			
			2021/22	2022/23	2023/24	By 2030/31
A sufficient supply of land for housing and business.	There will be at least three years capacity of residential zoned land supplied with development infrastructure for the city.	3.7 years	At least three years	At least three years	At least three years	At least three years
	There will be at least three years capacity of business zoned land supplied with development infrastructure for the city.	2.6 years	At least three years	At least three years	At least three years	At least three years
We will support the delivery of safe, sustainable and attractive development.	Average processing days for non-notified land use and subdivision resource consents.	17.55 working days	20 working days^^	20 working days^^	20 working days^^	20 working days^^
	Average processing days for building consents.	16.31 working days	18 working days^^	18 working days^^	18 working days^^	18 working days^^
	Average processing days for Code of Compliance certificates.	12.1 working days*	18 working days^^	18 working days^^	18 working days^^	18 working days^^

* This result was not reported in the 2019/20 Annual Report. The latest result presented is based on internal data.

^^ A working day means any day except for a weekend day, public holiday, and those days between 20 December and 10 January. The processing clock may be stopped at any point should we require further information from the applicant.

Significant negative effects

There are no significant negative effects associated with this activity.

Capital projects

There are no capital projects directly associated with this activity.

Prospective Growth funding impact statement

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	5,690	8,938	9,575	10,260	11,001	11,790	12,753	13,644	14,608	15,635	16,714
Targeted Rates	310	2,448	2,611	2,785	2,973	3,172	352	361	371	381	391
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	8,511	10,451	11,034	11,360	11,710	11,880	12,228	12,841	13,262	13,541	13,731
Local authorities fuel tax, fines, infringement fees, and other receipts	104	90	93	97	100	104	107	111	115	119	124
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	14,615	21,927	23,313	24,503	25,784	26,946	25,441	26,957	28,356	29,676	30,959
Applications of Operating Funding											
Payments to staff and suppliers	16,093	20,002	19,600	18,932	19,340	19,565	19,765	19,794	20,494	21,036	21,331
Finance Costs	535	409	397	281	184	104	(3)	(119)	(242)	(386)	(520)
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding (B)	16,628	20,411	19,997	19,214	19,524	19,669	19,762	19,675	20,252	20,650	20,811
Surplus/(Deficit) of Operating Funding (A - B)	(2,012)	1,516	3,317	5,289	6,260	7,276	5,678	7,282	8,104	9,026	10,148
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	6,772	(2,052)	(1,840)	(2,484)	(2,897)	(3,255)	(3,731)	(4,282)	(4,579)	(4,901)	(5,650)
Gross proceeds from sale of assets	2,396	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding (C)	9,168	(2,052)	(1,840)	(2,484)	(2,897)	(3,255)	(3,731)	(4,282)	(4,579)	(4,901)	(5,650)
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	2	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	9	190	187	132	106	56	53	59	49	71	68
- to replace existing assets	439	333	293	247	356	340	369	394	346	459	440
Increase (decrease) in reserves	6,615	(196)	938	2,375	2,909	3,641	1,568	2,579	3,144	3,530	3,964
Increase (decrease) of investments	90	(862)	58	52	(7)	(17)	(43)	(32)	(14)	65	26
Total Applications of Capital Funding (D)	7,156	(536)	1,477	2,805	3,364	4,021	1,947	3,000	3,525	4,125	4,498
Surplus/(Deficit) of Capital Funding (C - D)	2,012	(1,516)	(3,317)	(5,289)	(6,260)	(7,276)	(5,678)	(7,282)	(8,104)	(9,026)	(10,148)
Funding Balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

Safety

Providing this activity helps create a city where people thrive



City safety



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

Public safety

We work with a range of other agencies to deter anti-social behaviour in the central city, look for opportunities to prevent crime, support the homeless or vulnerable and to enhance perceptions of safety for users of the central city. Services we provide include CCTV cameras, graffiti removal and City Safe patrols.

We will continue to look at ways we can improve our CCTV monitoring services in terms of the cameras operating, our analytic capability and links with different parts of our organisation. This will build the cohesiveness and efficiency of the CCTV operations that support safety services across the city. The City Safe patrols will continue in the central city, and Suburban Response Team patrols will continue in our suburbs.

Animal education and control

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

Environmental health and alcohol licensing

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

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

Civil defence

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

How will you know we're delivering?

What you can expect from us	What we will measure	Latest result (2019/20)	Targets			
			2021/22	2022/23	2023/24	By 2030/31
We work with partner organisations and the community to improve safety.	The percentage of central city users surveyed who feel very safe or reasonably safe in the central city during daytime.	89%	At least 80%	At least 80%	At least 80%	At least 80%
A timely response to requests for dog control, graffiti, and excessive noise.	The percentage of urgent dog control requests responded to within 60 minutes.	100%*	At least 95%	At least 95%	At least 95%	At least 95%
	The percentage of graffiti removed within two working days.	95%*	At least 95%	At least 95%	At least 95%	At least 95%
	The percentage of complaints about excessive noise responded to within 30 minutes.	92%*	At least 95%	At least 95%	At least 95%	At least 95%

* This result was not reported in the 2019/20 Annual Report. The latest result presented is based on internal data.

Significant negative effects

There are no significant negative effects associated with this activity.

Capital projects

R - Renewals

LOS - Levels of service

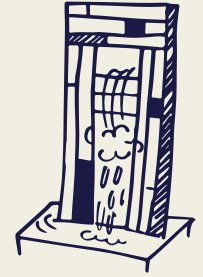
G - Growth

Type	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
Public safety											
CE21015 - City safe renewals	R	171	121	113	128	132	159	192	128	187	185
CE21016 - City safe upgrades	LOS	-	-	104	-	-	-	-	-	-	-
		171	121	217	128	132	159	192	128	187	185
Animal education and control											
CE21013 - Animal control building renewals	R	-	11	-	-	-	-	145	-	-	186
		-	11	-	-	-	-	145	-	-	186
Safety total		171	132	217	128	132	159	337	128	187	370

Prospective Safety funding impact statement

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	4,043	4,675	5,009	5,367	5,755	6,167	6,671	7,137	7,641	8,178	8,742
Targeted Rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	53	53	53	53	53	53	53	53	53	53	53
Fees and charges	1,954	2,108	2,190	2,244	2,301	2,358	2,417	2,480	2,547	2,616	2,685
Local authorities fuel tax, fines, infringement fees, and other receipts	62	69	71	72	73	75	76	78	80	82	84
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	6,112	6,905	7,321	7,736	8,181	8,652	9,217	9,748	10,321	10,928	11,563
Applications of Operating Funding											
Payments to staff and suppliers	6,477	7,118	7,217	7,390	7,728	8,044	8,288	8,538	8,785	9,083	9,357
Finance Costs	(9)	142	143	111	86	68	39	7	(25)	(62)	(98)
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding (B)	6,468	7,261	7,360	7,501	7,814	8,112	8,327	8,545	8,761	9,022	9,258
Surplus/(Deficit) of Operating Funding (A - B)	(357)	(356)	(39)	235	368	541	890	1,203	1,560	1,907	2,305
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	(451)	(422)	(553)	(767)	(885)	(1,012)	(1,007)	(1,306)	(1,347)	(1,403)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding (C)	-	(451)	(422)	(553)	(767)	(885)	(1,012)	(1,007)	(1,306)	(1,347)	(1,403)
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	1	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	4	81	80	160	45	24	23	25	21	31	29
- to replace existing assets	243	281	231	191	248	245	276	463	244	337	512
Increase (decrease) in reserves	(604)	(799)	(797)	(691)	(690)	(605)	(403)	(279)	(5)	164	349
Increase (decrease) of investments	-	(369)	25	22	(3)	(7)	(18)	(14)	(6)	28	11
Total Applications of Capital Funding (D)	(357)	(807)	(461)	(318)	(399)	(344)	(123)	196	254	559	902
Surplus/(Deficit) of Capital Funding (C - D)	357	356	39	(235)	(368)	(541)	(890)	(1,203)	(1,560)	(1,907)	(2,305)
Funding Balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

A central city where people love to be



We want our central city to be the beating heart of Hamilton which always has something going on for our diverse communities to come together and enjoy.

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

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

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

Inner-city dwellers will enjoy a range of apartment options, close to where they work

or close to strong transport links that get them to where they need to be. But they will always be close to green open spaces, along the river and with parks like Victoria on the River nearby.

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

All our activities (such as safety and transport) contribute to creating a central city where people love to be, and we have a number of exciting plans for the central city over the next 10 years².

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

Here are just some of the ways that we're investing in our central city over the next 10 years:

- \$1 million to revitalise and refresh the site of the former Municipal Pool.
- \$5 million to upgrade Embassy Park so there is a strong connection to the Waikato River and the new Waikato Regional Theatre when it opens in 2023.
- \$11 million to make a number of intersections within the central city safer such as Tristram Street and Collingwood Street, Ward Street (Tristram Street and Anglesea Street end), Sapper Moore-Jones Place and Victoria Street. We will be seeking co-investment from Waka Kotahi NZ Transport Agency for some of these projects, meaning ratepayers will not have to pay the full cost.

²This priority does not have a separate capital programme or funding impact statement as the costs are already reflected in our other activity statements.

A fun city with lots to do



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

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

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

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

these things add to the sense of community we all value about Hamilton.

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

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

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

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

Visitor Destinations



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

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



Feeding giraffes at Hamilton Zoo

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

By taking a strategic and joined-up approach to our three major cultural and tourism assets, we will strengthen their collective profile and maximise their potential and the benefits to the city. The investment in this plan will see increased visitation, through projects to enhance and improve our facilities, and initiatives that create new and diverse offerings for our people and visitors to Hamilton.

We are also committed to identifying and implementing initiatives that will reduce the contribution ratepayers make toward our attractions without negatively affecting the visitor experience.

Hamilton Gardens

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

We will continue to support the success of

Hamilton Gardens and seek to increase the economic contribution the Gardens make to our city. We plan to leverage growing visitor numbers to the Gardens to support the wider Hamilton tourism industry. We propose to start charging a \$10 fee to non-Hamiltonians over the age of 14 for entry to the enclosed gardens from 1 January 2023. This will coincide with the upgrading of the visitor arrival centre. Resulting revenue will contribute to improving and adding new services and facilities that make visiting Hamilton Gardens easier.

Some other projects we'll be delivering over the next three years include an Egyptian Garden, and a Palm Court.

Hamilton Zoo and Waiwhakareke Natural Heritage Park

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

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

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

The plan includes funding for new overnight stay facilities for visitors who are interested in a new unique zoo experience. The proposed accommodation facilities will be situated to provide visitors a view of the savannah enclosure, where animals such as Giraffe, Zebra and Black Buck can be seen in a natural setting. The accommodation together with the visitor precinct project currently underway will deliver modern facilities and connections to Waiwhakareke Natural Heritage Park creating a premier visitor experience.

Waikato Museum

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

One of the Museum's greatest strengths is its high-value location in the central city. Investment in this plan will see improvements

to the Museum’s Victoria Street entrance and foyer. In later years, we plan to create an entrance to the Museum from the river, increasing the Museum’s profile from the river paths and better utilising the river connection.

i-SITE Visitor Information Centre

Through a comprehensive nationwide information and booking service, i-SITE connects people with great places and

experiences in Hamilton and the Waikato region, promoting our liveable city and regional tourism.

How will you know we’re delivering?

What you can expect from us	What we will measure	Latest result (2019/20)	Targets			
			2021/22	2022/23	2023/24	By 2030/31
We’ll invest in and enhance Waikato Museum, Hamilton Gardens, Hamilton Zoo and Waiwhakareke Natural Heritage Park to create new and unique experiences for our people and visitors.	Total number of visits to Hamilton Zoo/ Waikwhakareke Natural Heritage Park, Waikato Museum, and Hamilton Gardens (enclosed gardens only).	633,026 [#]	Increase on previous year	Increase on previous year	Increase on previous year	1,000,000
	The number of new unique experiences.	New measure	At least 10 each year across the three visitor destinations.	At least 10 each year across the three visitor destinations.	At least 10 each year across the three visitor destinations.	At least 10 each year across the three visitor destinations.

Result impacted by COVID-19

Significant negative effects

Activity	Wellbeing	Effect	Mitigation
Hamilton Gardens and Museum	Cultural	Natural heritage sites may be adversely impacted as part of further developing the Hamilton Gardens or by work around the Museum.	Projects are investigated to identify possible heritage artefacts. Taangata whenua and other affected parties are consulted prior to development.

Capital projects

R - Renewals

LOS - Levels of service

G - Growth

Type	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
Hamilton Gardens											
CE10026 - Hamilton Gardens renewals	R	40	14	22	114	237	149	180	169	622	173
CE10028 - Hamilton Gardens building renewals	R	132	-	46	109	159	1,722	50	115	107	96
CE21001 - Nursery renewals	R	244	92	498	-	-	-	83	-	-	407
CE19023 - Hamilton Gardens development	LOS	1,963	2,010	331	2,292	972	580	584	2,385	2,549	1,684
CE21047 - Hamilton Gardens themed gardens	LOS	400	-	-	-	-	-	-	-	-	-
		2,779	2,116	897	2,515	1,368	2,451	814	2,752	3,278	2,360
Hamilton Zoo and Waiwhakareke Natural Heritage Park											
CE10017 - Hamilton Zoo building renewals	R	1,675	915	581	2,514	2,597	280	251	139	368	35
CE21002 - Hamilton Zoo operational renewals	R	2,317	2,035	1,540	1,741	1,793	2,151	2,324	1,738	2,552	2,507
CE21043 - Hamilton Zoo and Waiwhakareke development	LOS	3,237	7,976	217	246	324	4,571	328	246	360	355
		7,229	10,926	2,338	4,501	4,714	7,002	2,903	2,123	3,280	2,897
Waikato Museum											
CE10008 - Museum operational renewals	R	74	89	95	117	117	118	121	87	92	19
CE10011 - Museum building renewals	R	50	51	4,662	55	56	58	813	8,221	63	65
CE19028 - Collection acquisition fund	LOS	42	45	48	53	55	67	73	54	80	78
CE21045 - Museum development	LOS	504	618	3,818	-	-	1,388	6,435	-	-	-
		670	803	8,623	225	228	1,631	7,442	8,362	235	162
Visitor destinations total		10,678	13,845	11,858	7,241	6,310	11,084	11,159	13,237	6,793	5,419

Prospective Visitor Destinations funding impact statement

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	15,531	15,366	16,463	17,644	18,921	20,279	21,939	23,474	25,135	26,904	28,763
Targeted Rates	812	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	85	87	87	87	87	87	87	87	87	87	87
Fees and charges	1,622	2,702	3,883	4,976	6,108	6,267	6,611	6,876	7,189	7,486	7,926
Local authorities fuel tax, fines, infringement fees, and other receipts	210	227	243	251	259	267	275	284	294	305	315
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	18,259	18,382	20,675	22,957	25,374	26,900	28,913	30,720	32,705	34,782	37,092
Applications of Operating Funding											
Payments to staff and suppliers	15,316	16,522	18,246	18,247	18,739	20,520	20,077	20,752	22,112	22,110	22,820
Finance Costs	103	229	577	822	1,065	1,281	1,432	1,551	1,840	2,126	2,077
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding (B)	15,419	16,752	18,823	19,068	19,804	21,800	21,510	22,303	23,952	24,236	24,897
Surplus/(Deficit) of Operating Funding (A - B)	2,840	1,630	1,852	3,888	5,570	5,099	7,403	8,417	8,753	10,546	12,194
Sources of Capital Funding											
Subsidies and grants for capital expenditure	1,000	1,372	680	477	437	450	174	179	552	948	1,365
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	1,656	9,215	13,088	11,131	6,549	5,400	10,310	10,240	11,813	4,998	2,948
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding (C)	2,656	10,587	13,768	11,608	6,986	5,850	10,483	10,419	12,365	5,946	4,312
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	3	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	9,600	6,417	10,916	4,603	2,743	1,431	6,682	7,504	2,754	3,091	2,214
- to replace existing assets	2,291	4,999	3,599	7,767	5,160	5,425	4,965	4,259	11,027	4,413	3,884
Increase (decrease) in reserves	(6,420)	2,033	1,023	3,052	4,664	4,118	6,302	7,119	7,356	8,896	10,372
Increase (decrease) of investments	22	(1,231)	83	74	(11)	(24)	(62)	(46)	(19)	92	36
Total Applications of Capital Funding (D)	5,496	12,217	15,620	15,497	12,556	10,949	17,887	18,836	21,118	16,492	16,507
Surplus/(Deficit) of Capital Funding (C - D)	(2,840)	(1,630)	(1,852)	(3,888)	(5,570)	(5,099)	(7,403)	(8,417)	(8,753)	(10,546)	(12,194)
Funding Balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

Venues, Tourism and Major Events



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

Chiefs game at FMG Stadium Waikato



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

Live concert at Claudelands Event Centre



We manage several venues offering space for live entertainment, business meetings, functions, large sports events and other major events.

Claudelands Events Centre, FMG Stadium Waikato (events and turf management), and Seddon Park (events and turf management)

We will continue to attract a range of national and international standard events to Hamilton, most of which will be held at our Stadia and

Claudelands Events Centre. Our venues are well-positioned to cater for growth within their existing capacity levels and will be maintained to an appropriate standard.

Tourism and events funding

We provide funding for event sponsorship and annual funding to the Regional Tourism Organisation, Hamilton and Waikato Tourism Limited.

Alongside several neighbouring councils, our annual funding to Hamilton and Waikato

Tourism supports the development of a range of strategic tourism initiatives. These initiatives will strengthen the attraction of both Hamilton and the surrounding Waikato region to the visitor market.

Theatres

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

How will you know we're delivering?

What you can expect from us	What we will measure	Latest result (2019/20)	Targets			
			2021/22	2022/23	2023/24	By 2030/31
We provide stadia (FMG Stadium Waikato and Seddon Park) and Claudelands to host events. The measure indicates the utilisation of stadia and Claudelands.	The number of people attending events at the Stadia (FMG Stadium Waikato and Seddon Park) and Claudelands.	440,897 [#]	375,000	444,000	500,000	444,000

Result impacted by COVID-19

Significant negative effects

Activity	Wellbeing	Effect	Mitigation
Claudelands Events Centre, FMG Stadium Waikato, and Seddon Park	Environmental and social	Significant events at Claudelands Events Centre, FMG Stadium Waikato, and Seddon Park may have temporary environmental and social effects. These include litter, traffic congestion, anti-social behaviour, noise and lighting effects for surrounding residents.	We manage these effects in compliance with the District Plan and resource consents. Effective event management plans are also put in place to reduce the negative effects. These include alcohol, traffic and security strategies.

Capital projects

Type	R - Renewals LOS - Levels of service G - Growth										
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
CE21011 - VTME building renewals	R	5,558	6,290	236	5,045	5,285	1,738	6,178	10,203	5,472	2,492
CE21042 - VTME operational renewals	R	1,692	2,771	2,293	2,292	3,243	2,319	2,243	5,530	3,100	10,788
CE21041 - VTME security and health and safety programmes	LOS	861	721	596	753	857	541	566	419	585	426
Venues, Tourism and Major Events total		8,111	9,782	3,125	8,090	9,385	4,598	8,987	16,152	9,157	13,706

Prospective Venues, Tourism and Major Events funding impact statement

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	20,549	18,760	20,104	21,551	23,117	24,781	26,817	28,698	30,734	32,902	35,181
Targeted Rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	2,894	5,272	5,630	8,408	5,459	5,596	5,736	5,887	6,046	6,210	6,373
Local authorities fuel tax, fines, infringement fees, and other receipts	1,053	965	996	1,024	1,019	1,046	1,075	1,105	1,137	1,172	1,206
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	24,496	24,998	26,730	30,983	29,595	31,423	33,628	35,689	37,917	40,284	42,760
Applications of Operating Funding											
Payments to staff and suppliers	33,384	27,491	23,091	22,851	19,780	20,670	20,855	21,314	22,806	22,473	23,031
Finance Costs	1,424	1,598	1,823	1,570	1,443	1,430	1,195	864	767	662	381
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding (B)	34,808	29,089	24,914	24,421	21,223	22,100	22,050	22,178	23,573	23,135	23,412
Surplus/(Deficit) of Operating Funding (A - B)	(10,313)	(4,091)	1,816	6,562	8,372	9,323	11,578	13,511	14,344	17,149	19,348
Sources of Capital Funding											
Subsidies and grants for capital expenditure	200	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	18,034	379	2,842	(5,981)	(2,544)	(2,446)	(8,937)	(6,510)	(311)	(8,587)	(6,642)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding (C)	18,234	379	2,842	(5,981)	(2,544)	(2,446)	(8,937)	(6,510)	(311)	(8,587)	(6,642)
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	5	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	502	1,348	1,202	935	1,025	1,001	678	718	544	769	601
- to replace existing assets	5,060	8,047	9,767	3,112	8,196	9,344	4,933	9,356	16,565	9,667	14,326
Increase (decrease) in reserves	2,114	(10,892)	(6,460)	(3,599)	(3,373)	(3,425)	(2,859)	(2,991)	(3,041)	(2,040)	(2,287)
Increase (decrease) of investments	239	(2,216)	150	133	(19)	(44)	(111)	(82)	(35)	166	66
Total Applications of Capital Funding (D)	7,921	(3,713)	4,658	581	5,828	6,876	2,640	7,001	14,033	8,562	12,706
Surplus/(Deficit) of Capital Funding (C - D)	10,313	4,091	(1,816)	(6,562)	(8,372)	(9,323)	(11,578)	(13,511)	(14,344)	(17,149)	(19,348)
Funding Balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

Parks and Recreation



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

Hamilton Lake Domain destination playground



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

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

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

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

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

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

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

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

Cemeteries and crematorium

We provide, manage and maintain three cemeteries and one crematorium for burial and cremation services. As part of this management, we make burial records available to the public and protect our heritage cemeteries. The crematorium is a

critical service to the Waikato region in the event of a pandemic or civil emergency. The cemeteries also serve as passive spaces of reflection and remembrance for the community.

Indoor recreation

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

Community facilities

We provide community facilities throughout the city that offer places and spaces for community organisations and private providers to deliver a variety of services and activities to meet the needs of local communities. The facilities are a collection of centres, halls and heritage buildings providing a mix of bookable spaces and leased facilities. Council also leases buildings to community groups, including sheds/storage and changerooms.

How will you know we're delivering?

What you can expect from us	What we will measure	Latest result (2019/20)	Targets			
			2021/22	2022/23	2023/24	By 2030/31
Our parks and the facilities in them are accessible.	The percentage of residential households with access to a neighbourhood park within 500m walking distance.	78.30%	Maintain or increase on previous year	Maintain or increase on previous year	Maintain or increase on previous year	Maintain or increase on previous year
	The percentage of Parks Survey respondents who are satisfied with the way they get to our city's parks.	New measure	Maintain or increase on previous year	Maintain or increase on previous year	Maintain or increase on previous year	Maintain or increase on previous year
	The percentage of Parks Survey respondents who agree the facilities in our parks and open spaces are easily accessible.	65%*	Maintain or increase on previous year	Maintain or increase on previous year	Maintain or increase on previous year	Maintain or increase on previous year
The city's ecosystems and biodiversity are understood, protected and restored.	Provide a range of opportunities each year for the community to learn about, care for and restore nature.	New measure	At least two opportunities provided each year	At least two opportunities provided each year	At least two opportunities provided each year	At least two opportunities provided each year
Hamilton Park Cemetery is a preferred provider of cremation services.	The number of cremations carried out at Hamilton Park Cemetery.	1308*	At least 1350	At least 1425	At least 1500	Maintain over 1500

* This result was not reported in the 2019/20 Annual Report. The latest result presented is based on internal data.

Significant negative effects

Activity	Wellbeing	Effect	Mitigation
Cemeteries and crematorium	Environmental	Leachate from burial grounds can enter the groundwater.	Soil and water tests are taken regularly as required by resource consents to ensure leachate does not enter any groundwater.
Cemeteries and crematorium	Environmental	At times the air cremator units can discharge into the environment and may contain residual contaminants.	Maintenance is done regularly on the cremator units as per the manufacturer's guidelines. This reduces the likelihood of negative cultural or environmental effects on the community.

Capital projects

Activity	Type	2021/22 to 2030/31									
		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Parks and sport parks											
CE10030 - Parks and recreation building renewals	R	741	3,191	1,496	4,164	761	58	833	1,369	510	451
CE21001 - Nursery renewals	R	24	10	-	34	12	-	-	12	-	-
CE21003 - Parks and recreation renewals	R	2,686	4,975	4,622	3,634	3,749	6,852	3,475	8,295	12,476	8,562
CE17004 - River plan	LOS	1,132	5,154	-	-	-	-	-	-	-	-
CE21006 - Nature in the city gully restoration and development	LOS	581	971	1,483	1,594	1,696	2,312	2,811	2,471	2,622	2,757
CE21010 - Parks and recreation development	LOS	3,030	8,891	4,187	2,170	2,206	1,360	1,717	753	776	383
CE19007 - Peacocks parks development	G	1,190	555	17,953	7,268	2,030	1,636	642	1,461	10,628	1,981
CE19009 - Rototuna parks development	G	2,000	-	237	-	-	579	-	-	-	-
		11,384	23,747	29,978	18,864	10,454	12,797	9,478	14,361	27,012	14,134
Cemeteries and crematorium											
CE10021 - Cemetery and crematorium building renewals	R	5	5	5	5	6	6	30	6	6	26
CE21004 - Cemeteries and crematorium renewals	R	113	146	72	411	69	89	97	616	40	75
CE21007 - Cemeteries and crematorium development	G	70	49	320	98	101	596	164	98	662	3,626
		188	200	397	514	176	691	291	720	708	3,727
Indoor recreation											
CE21008 - Indoor recreation development	LOS	675	1,680	-	-	-	-	-	-	-	-
		675	1,680	-	-	-	-	-	-	-	-
Community facilities											
CE19070 - Community facilities building renewals	R	1,620	933	3,642	1,906	1,572	2,777	348	1,203	903	546
		1,620	933	3,642	1,906	1,572	2,777	348	1,203	903	546
Parks and recreation total		13,867	26,560	34,017	21,284	12,202	16,265	10,117	16,284	28,623	18,407

Prospective Parks and Recreation funding impact statement

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	23,230	24,948	26,732	28,651	30,726	32,934	35,634	38,128	40,829	43,705	46,727
Targeted Rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	7	7	7	7	7	7	7	7	7	7	7
Fees and charges	3,948	4,998	5,144	5,274	5,406	5,541	5,681	5,830	5,988	6,151	6,313
Local authorities fuel tax, fines, infringement fees, and other receipts	439	471	488	504	519	535	551	568	587	608	628
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	27,625	30,424	32,371	34,435	36,659	39,017	41,873	44,533	47,410	50,470	53,675
Applications of Operating Funding											
Payments to staff and suppliers	19,938	24,358	24,630	28,123	27,667	27,045	27,300	28,956	28,967	30,255	31,371
Finance Costs	1,592	1,841	2,355	2,618	3,107	3,339	3,163	2,770	2,656	2,827	2,656
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding (B)	21,530	26,199	26,985	30,741	30,774	30,383	30,463	31,726	31,623	33,082	34,027
Surplus/(Deficit) of Operating Funding (A - B)	6,095	4,226	5,386	3,694	5,885	8,634	11,409	12,807	15,787	17,388	19,648
Sources of Capital Funding											
Subsidies and grants for capital expenditure	100	198	3,043	133	355	366	260	149	153	158	162
Development and financial contributions	1,196	821	1,168	1,651	1,553	2,088	2,242	2,495	1,983	2,072	2,089
Increase (decrease) in debt	20,207	5,166	16,027	23,816	9,141	(1,295)	981	(7,241)	(2,192)	8,765	(4,380)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding (C)	21,503	6,184	20,238	25,599	11,050	1,158	3,483	(4,597)	(55)	10,995	(2,129)
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	13,365	3,260	605	18,510	7,366	2,132	2,810	807	1,559	11,290	5,607
- to improve the level of service	5,190	6,035	17,429	6,099	4,108	4,085	3,844	4,721	3,383	3,630	3,361
- to replace existing assets	10,813	6,174	10,145	10,577	11,208	7,190	10,892	5,967	12,543	15,323	10,987
Increase (decrease) in reserves	(2,038)	(2,253)	(2,744)	(6,062)	(5,723)	(3,558)	(2,513)	(3,181)	(1,709)	(2,071)	(2,520)
Increase (decrease) of investments	268	(2,806)	190	169	(24)	(56)	(140)	(104)	(44)	211	83
Total Applications of Capital Funding (D)	27,598	10,410	25,624	29,293	16,935	9,792	14,893	8,210	15,732	28,383	17,519
Surplus/(Deficit) of Capital Funding (C - D)	(6,095)	(4,226)	(5,386)	(3,694)	(5,885)	(8,634)	(11,409)	(12,807)	(15,787)	(17,388)	(19,648)
Funding Balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

A green city



We want to do it right together, so our city will get better by the day and we can leave a legacy we can all be proud of.

We'll promote becoming a sustainable city by challenging the way we grow our city and how we live within our city. We love our environment and we're all committed to protecting it for future generations.

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

We are proud of our green, clean city and we're taking a thoughtful and city-wide partnership approach between businesses, organisations

and community groups to tackle how our city responds to climate change.

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

To deliver a green city we invest in the following:

- Water supply
 - Water treatment and storage

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

We are also investing in our gullies and implementing our Nature in the City strategy. For more information on this see page 53.

How will you know we're delivering?

What you can expect from us	What we will measure	Latest result (2019/20)	Targets			
			2021/22	2022/23	2023/24	By 2030/31
We'll reduce the carbon footprint of the city and build a city that is resilient to the effects of climate change.	Reduction in greenhouse emissions footprint for Hamilton City Council.	0.068 tonnes CO ₂ e per head of population*	Decrease in greenhouse emissions per head of population from previous year	Decrease in greenhouse emissions per head of population from previous year	Decrease in greenhouse emissions per head of population from previous year	2024/25 - 2029/30: Decrease in greenhouse emissions per head of population from previous year By 2030/31: 50% reduction in per head of population greenhouse emissions~

* This result was not reported in the 2019/20 Annual Report. The latest result presented is based on internal data.

~ Reduction on 2018/19 actual emissions of 0.068 tonnes CO₂e per head of population.

Water Supply

Providing this activity contributes to a green city



Hamilton City Council reservoir at Ruakura



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

Water treatment and storage; and water distribution

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

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

Monitoring and managing risks to the quality and safety of water is an important part of this service. We undertake planning to manage

future capacity needs. Legally, we must ensure our water is used sustainably. We do this in many ways, including water restrictions when demand is high, encouraging residents to conserve our precious water resource, and investment in infrastructure to enhance monitoring and manage water usage better.

An important piece of work for us is preparing for potential changes to drinking water regulation and management arising from the establishment of Taumata Arowai, a new, dedicated water services regulator from July 2021. We will also continue to work with central Government as part of its proposed Three Waters Reform programme which is looking at alternative mechanisms for delivering three waters services (refer to page 90 for further details).

In line with our Water Conservation and Demand Strategy, we will continue implementing discrete water demand zones

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

Over the next 10 years, there are many key projects and initiatives to support the effective management of our water supply. These involve a range of network capacity and management reviews, renewals, upgrades and increases in capacity to cater for growth. A capacity upgrade for our treatment plant will be needed to meet increasing demand from growth. This will also support our resilience during peak demand times to cope with potential unplanned asset failure.

How will you know we're delivering?

What you can expect from us	What we will measure	Latest result (2019/20)	Targets			
			2021/22	2022/23	2023/24	By 2030/31
The water we supply is safe to drink.	The extent to which the Council's water supply complies with Part 4 of the drinking water standards for bacteria compliance criteria.+	Achieved compliance	Achieve compliance	Achieve compliance	Achieve compliance	Achieve compliance
	The extent to which the Council's water supply complies with Part 5 of the drinking water standards for protozoa compliance criteria.+	Achieved compliance	Achieve compliance	Achieve compliance	Achieve compliance	Achieve compliance
Our water network is managed in a way that minimises the loss of water.	The percentage of real water loss from the water network infrastructure in the city.+*	13.2%	No more than 16%	No more than 16%	No more than 16%	No more than 16%
To be satisfied with the clarity, taste, odour, continuity and pressure of the water supply.	The total number of complaints received about drinking water clarity, taste, odour, pressure, flow or continuity of supply and Council's response to any of these issues.+	1.5 complaints per 1000 connections	No more than 5 complaints per 1000 connections (rounded to nearest whole number)	No more than 5 complaints per 1000 connections (rounded to nearest whole number)	No more than 5 complaints per 1000 connections (rounded to nearest whole number)	No more than 5 complaints per 1000 connections (rounded to nearest whole number)
We will work with the community to sustainably manage the supply and use of water.	The average consumption of drinking water per resident per day.+	348 litres	No more than 400 litres per resident, per day	No more than 400 litres per resident, per day	No more than 400 litres per resident, per day	No more than 400 litres per resident, per day

What you can expect from us	What we will measure	Latest result (2019/20)	Targets			
			2021/22	2022/23	2023/24	By 2030/31
A timely response and a timely resolution if there is a problem with the water supply.	The median attendance time for urgent call-outs from the time that Council receives notification of the fault or unplanned interruption to the time that service personnel reach the site.+	36 minutes	No more than 60 minutes	No more than 60 minutes	No more than 60 minutes	No more than 60 minutes
	The median resolution time of urgent call-outs from the time that Council receives notification of the fault or unplanned interruption to the time that service personnel confirm resolution of the fault or interruption.+	2.7 hours	No more than 5 hours	No more than 5 hours	No more than 5 hours	No more than 5 hours
	The median attendance time for non-urgent call-outs from the time that Council receives notification of the fault or unplanned interruption to the time that service personnel reach the site.+	3 working days	No more than 5 working days	No more than 5 working days	No more than 5 working days	No more than 5 working days
	The median resolution time of non-urgent call-outs from the time that Council receives notification of the fault or unplanned interruption to the time that service personnel confirm resolution of the fault or interruption.+	4 working days	No more than 10 working days	No more than 10 working days	No more than 10 working days	No more than 10 working days

+ Measure required by the Department of Internal Affairs.

* We use the water New Zealand Loss Guidelines to calculate how much water is lost from the water network.

Significant negative effects

Activity	Wellbeing	Effect	Mitigation
Water treatment and storage and water distribution	Environmental	Extracting an excess volume of water from the Waikato River can impact the amount of water available for users downstream from Hamilton.	Resource consents restrict the amount of water taken from the Waikato River.
Water treatment and storage and water distribution	Cultural	Water management practices utilised in the abstraction of water from natural resources like the Waikato River can vary from Maaori cultural beliefs and practices.	We work in partnership with iwi to incorporate Maaori values into the management of water-related activities.

Capital projects

R - Renewals

LOS - Levels of service

G - Growth

Type	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
Water treatment and storage											
CE10138 - Treatment plant and reservoir renewals	R	1,283	1,042	1,095	1,803	1,757	3,255	2,215	2,121	2,268	1,766
CE15139 - Water treatment plant compliance - minor upgrades	LOS	425	1,195	3,105	2,006	3,991	1,385	393	589	288	283
CE15144 - Upgrade water treatment plant	G	14,000	7,674	4,880	1,967	-	-	-	-	-	3,249
		15,708	9,911	9,080	5,776	5,748	4,640	2,608	2,710	2,556	5,298
Water distribution											
CE10123 - Watermain renewals	R	2,525	5,131	5,503	6,059	6,498	8,055	8,684	3,917	3,999	3,941
CE10124 - Watermain valves and hydrants renewals	R	700	668	726	826	854	1,054	1,177	682	999	395
CE10145 - Tools of trade renewals	R	40	41	43	49	51	61	66	49	72	70
CE15158 - Water model	R	100	121	52	625	61	73	192	59	86	84
CE15133 - Water network improvements	LOS	350	427	876	651	520	598	767	361	531	521
CE15126 - Rototuna upgrade or new watermains	G	-	796	2,264	26	-	-	-	897	2,218	710
CE15127 - Water pipe upgrades	G	-	-	1,989	683	703	723	745	767	790	812
CE15128 - Rotokauri upgrade and new watermains stage 1	G	84	130	532	27	-	-	-	261	853	3,506
CE15130 - Peacocke watermains stage 1	G	-	-	103	937	-	-	-	-	-	-
CE15132 - Water network upgrades to allow new development	G	1,200	3,605	4,031	109	113	116	119	123	126	130
CE15134 - Water demand management - Pukete reservoir zone	G	-	-	-	-	84	-	-	-	-	-
CE15135 - Peacocke water distribution mains stage 1	G	22	-	-	-	-	-	-	-	-	-
CE15137 - Water demand management - Newcastle reservoir zone	G	10,000	4,076	-	-	-	-	-	-	-	-
CE15141 - Water demand management - Hillcrest reservoir zone	G	63	-	-	-	-	86	-	-	-	-
CE15146 - Water customer connections	G	50	52	53	55	56	58	60	61	63	65
CE15148 - Ruakura upgrade and new watermains	G	200	-	212	-	225	-	238	-	253	-
CE15159 - Water master plan	G	183	188	-	164	37	-	179	41	-	195
CE19045 - Ruakura reservoir and associate bulk mains	G	-	-	-	-	-	60	184	16,840	-	-
CE19046 - Peacocke watermains stage 2	G	242	1,267	1,004	1,048	959	76	94	529	510	1,145
CE21036 - Rotokauri upgrade and new watermains stage 2	G	-	-	-	-	-	-	-	-	-	362
		15,759	16,502	17,388	11,259	10,161	10,900	12,381	7,931	27,340	11,936
Water supply total		31,467	26,413	26,468	17,035	15,909	15,540	14,989	10,641	29,896	17,234

Prospective Water Supply funding impact statement

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	20,136	10,981	11,766	12,610	13,523	14,494	15,682	16,779	17,967	19,232	20,561
Targeted Rates	8,518	10,591	10,975	11,341	11,723	12,121	12,533	12,972	13,441	13,930	14,427
Subsidies and grants for operating purposes	-	6	-	-	-	-	-	-	-	-	-
Fees and charges	433	450	465	488	502	525	539	555	571	588	606
Local authorities fuel tax, fines, infringement fees, and other receipts	93	(68)	(71)	(75)	(79)	(83)	(90)	(96)	(101)	(105)	(109)
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	29,180	21,961	23,134	24,364	25,668	27,056	28,663	30,209	31,877	33,645	35,485
Applications of Operating Funding											
Payments to staff and suppliers	14,524	18,051	18,622	19,759	20,325	21,678	22,155	22,983	23,949	25,071	26,092
Finance Costs	2,931	3,477	4,241	4,016	4,073	3,981	3,469	2,742	2,222	1,880	1,292
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding (B)	17,455	21,528	22,863	23,775	24,398	25,660	25,623	25,725	26,171	26,951	27,383
Surplus/(Deficit) of Operating Funding (A - B)	11,725	433	272	589	1,270	1,396	3,040	4,484	5,706	6,694	8,102
Sources of Capital Funding											
Subsidies and grants for capital expenditure	54	50	52	53	439	56	58	60	61	63	65
Development and financial contributions	4,359	5,111	5,140	5,353	5,240	5,112	5,291	5,681	5,682	5,527	5,776
Increase (decrease) in debt	36,762	15,098	11,566	7,316	(5,709)	(8,821)	(12,690)	(17,247)	(23,510)	(7,007)	(24,954)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding (C)	41,175	20,258	16,758	12,722	(31)	(3,653)	(7,341)	(11,506)	(17,767)	(1,417)	(19,113)
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	11,689	26,042	17,789	15,068	5,016	2,177	1,059	1,495	2,863	21,655	10,175
- to improve the level of service	2,128	1,560	2,396	4,528	3,095	4,744	2,202	1,406	1,152	1,115	1,086
- to replace existing assets	9,814	5,932	8,141	8,359	10,745	10,534	13,910	13,841	8,169	9,189	7,944
Increase (decrease) in reserves	28,782	(9,274)	(11,539)	(14,857)	(17,586)	(19,642)	(21,294)	(23,631)	(24,189)	(26,950)	(30,322)
Increase (decrease) of investments	487	(3,570)	242	214	(31)	(71)	(178)	(133)	(56)	268	106
Total Applications of Capital Funding (D)	52,900	20,691	17,030	13,311	1,239	(2,257)	(4,301)	(7,022)	(12,061)	5,277	(11,011)
Surplus/(Deficit) of Capital Funding (C - D)	(11,725)	(433)	(272)	(589)	(1,270)	(1,396)	(3,040)	(4,484)	(5,706)	(6,694)	(8,102)
Funding Balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

Wastewater

Providing this activity contributes to a green city



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



Pukete Wastewater Treatment Plant

Wastewater collection; and wastewater treatment and disposal

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

At the wastewater treatment plant, wastewater is thoroughly treated before being discharged into the Waikato River. Solid waste (biosolids) removed as part of the treatment process is also treated on site and then composted for reuse. The wastewater network services approximately 53,000 households and 5500 commercial and industrial premises. The network includes the wastewater treatment

plant, pump stations and pipes.

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

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

Peacockes trench and pipeline install



How will you know we're delivering?

What you can expect from us	What we will measure	Latest result (2019/20)	Targets			
			2021/22	2022/23	2023/24	By 2030/31
Our wastewater system is designed and maintained to minimise harm to the community and environment.	The number of dry weather wastewater overflows from the wastewater system.+	1.0 overflows per 1000 connections	No more than 4 overflows per 1000 connections	No more than 4 overflows per 1000 connections	No more than 4 overflows per 1000 connections	No more than 4 overflows per 1000 connections
We operate and maintain the wastewater system to minimise odour and blockages.	The total number of complaints received about sewage odour, system faults or blockages and responses to issues raised with Council's wastewater system.+	9.62 complaints per 1000 connections	No more than 20 complaints per 1000 connections	No more than 20 complaints per 1000 connections	No more than 20 complaints per 1000 connections	No more than 20 complaints per 1000 connections
We operate and maintain the wastewater system to minimise the impact on the environment.	The number of abatement notices received in relation to resource consents for discharge from the wastewater system.+	0 abatement notices	No more than 1 abatement notice	No more than 1 abatement notice	No more than 1 abatement notice	No more than 1 abatement notice
	The number of infringement notices, enforcement orders and convictions received in relation to resource consents for discharge from the wastewater system.+	1 conviction	0 infringement, enforcement or conviction actions	0 infringement, enforcement or conviction actions	0 infringement, enforcement or conviction actions	0 infringement, enforcement or conviction actions

What you can expect from us	What we will measure	Latest result (2019/20)	Targets			
			2021/22	2022/23	2023/24	By 2030/31
A timely response and resolution if there is an urgent problem with the wastewater system.	The median attendance time for call-outs from the time that the Council receives notification of the blockage or other fault to the time that service personnel reach the site.+	28 minutes	No more than 60 minutes	No more than 60 minutes	No more than 60 minutes	No more than 60 minutes
	The median resolution time for call-outs from the time that the Council receives notification of the blockage or other fault to the time that service personnel confirm resolution of the fault or interruption.+	2.6 hours	No more than 4 hours	No more than 4 hours	No more than 4 hours	No more than 4 hours

+ Measure required by the Department of Internal Affairs

Significant negative effects

Activity	Wellbeing	Effect	Mitigation
Wastewater collection, treatment and disposal	Environmental	If not properly managed wastewater can have negative environmental effects such as odour, noise and quality of discharge.	Effects are managed through complying with resource consents. This includes maintaining odour control devices at treatment plants and upgrading or replacing infrastructure as necessary.
Wastewater collection, treatment and disposal	Cultural	Wastewater discharge practices can vary from Maaori cultural beliefs and practices.	We work in partnership with iwi to incorporate Maaori values into the management of wastewater activities.

Capital projects

R - Renewals

LOS - Levels of service

G - Growth

		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Wastewater collection											
CE10100 - Wastewater pump station asset renewals	R	1,063	983	809	931	1,189	1,074	1,117	810	914	1,631
CE10101 - Wastewater asset renewals	R	5,000	3,924	4,979	4,725	4,554	5,262	5,417	4,237	8,073	11,874
CE15160 - Wastewater model	R	100	109	60	722	71	84	173	69	101	99
CE15103 - Wastewater network improvements	LOS	1,304	2,060	1,548	1,199	1,008	1,864	1,356	1,339	1,963	1,931
CE15104 - Wastewater pipe upgrades	G	-	-	1,194	410	422	434	447	460	474	487
CE15105 - Rototuna wastewater infrastructure	G	500	470	204	-	-	-	-	171	234	2,083
CE15106 - Wastewater network upgrades to allow development	G	-	-	318	109	113	116	119	123	126	130
CE15107 - Rotokauri wastewater infrastructure	G	121	166	1,146	47	-	-	-	164	394	546
CE15109 - Peacocke wastewater infrastructure stage 1	G	-	-	179	-	145	307	1,662	199	668	32
CE15111 - Increase capacity of wastewater network	G	1,233	1,594	-	-	-	-	-	-	-	-
CE15113 - Peacocke wastewater strategic pump station	G	-	-	-	-	-	-	-	-	-	-
CE15121 - Wastewater customer connections to network	G	75	77	80	82	84	87	89	92	95	97
CE15161 - Wastewater master plan	G	600	103	318	109	113	347	119	123	379	130
CE19040 - Peacocke wastewater infrastructure stage 2	G	742	711	10,177	6,680	1,446	304	825	1,109	1,223	1,561
CE19041 - Increase capacity wastewater far east network	G	3,500	-	-	-	-	-	-	3,509	8,649	147
CE19042 - Peacocke wastewater south network	G	11,480	23,863	10,215	159	-	-	-	-	-	-
CE19043 - Increase capacity wastewater west network	G	5,258	4,746	8,684	10,513	2,491	23	-	339	6,523	23,860
CE19044 - Increase capacity wastewater east network	G	1,100	-	-	1,028	12,669	8,489	5,060	14,009	10,206	98
		32,076	38,806	39,911	26,714	24,305	18,391	16,384	26,753	40,022	44,706
Wastewater treatment and storage											
CE10115 - Wastewater treatment plant asset renewals	R	3,029	3,302	3,392	4,181	3,875	5,252	5,198	2,795	4,649	2,165
CE15120 - Wastewater treatment plant compliance	LOS	490	577	522	2,360	6,787	522	1,680	1,306	1,917	1,673
CE15117 - Upgrade wastewater treatment plant	G	1,700	11,433	12,275	1,421	16,883	6,942	25,622	12,275	13,907	14,297
CE21073 - Subregional wastewater treatment plant	G	1,000	6,695	1,591	-	-	-	-	-	-	-
		6,219	22,007	17,780	7,962	27,545	12,716	32,500	16,376	20,473	18,135
Wastewater total		38,295	60,813	57,691	34,676	51,850	31,107	48,884	43,129	60,495	62,841

Prospective Wastewater funding impact statement

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	29,370	24,689	26,453	28,351	30,404	32,588	35,259	37,727	40,398	43,244	46,234
Targeted Rates	1,216	4,436	4,738	5,061	5,410	5,780	6,170	6,584	7,030	7,504	8,002
Subsidies and grants for operating purposes	-	6	-	-	-	-	-	-	-	-	-
Fees and charges	5,747	7,060	7,145	7,335	7,791	7,996	8,198	8,413	8,641	8,877	9,111
Local authorities fuel tax, fines, infringement fees, and other receipts	677	488	507	526	544	562	581	601	622	647	671
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	37,009	36,679	38,844	41,274	44,149	46,926	50,208	53,324	56,692	60,272	64,018
Applications of Operating Funding											
Payments to staff and suppliers	21,921	26,983	27,671	28,517	29,591	30,944	31,859	33,229	34,770	36,135	37,636
Finance Costs	3,285	3,781	4,614	4,660	5,133	5,777	5,797	5,388	5,639	6,150	6,134
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding (B)	25,206	30,763	32,285	33,177	34,723	36,721	37,656	38,617	40,409	42,285	43,770
Surplus/(Deficit) of Operating Funding (A - B)	11,803	5,915	6,559	8,097	9,426	10,205	12,552	14,707	16,283	17,987	20,248
Sources of Capital Funding											
Subsidies and grants for capital expenditure	54	75	77	80	82	84	87	89	92	95	97
Development and financial contributions	7,378	9,123	9,796	10,782	11,385	12,072	12,562	13,482	12,700	12,125	12,013
Increase (decrease) in debt	41,438	20,209	42,556	34,505	7,933	22,386	(2,286)	11,361	3,407	17,764	14,138
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding (C)	48,870	29,408	52,429	45,366	19,400	34,542	10,363	24,933	16,199	29,984	26,249
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	53,509	27,310	49,858	46,380	20,558	34,364	17,048	33,944	32,574	42,879	43,470
- to improve the level of service	4,885	2,823	3,651	2,785	4,133	8,100	2,673	3,358	2,909	4,268	3,973
- to replace existing assets	10,604	10,874	9,809	10,472	12,370	11,411	13,523	13,880	9,668	16,049	17,980
Increase (decrease) in reserves	(8,875)	(1,006)	(4,648)	(6,456)	(8,195)	(9,035)	(10,095)	(11,369)	(12,595)	(15,575)	(19,064)
Increase (decrease) of investments	549	(4,677)	317	281	(40)	(93)	(234)	(174)	(73)	351	139
Total Applications of Capital Funding (D)	60,673	35,323	58,987	53,463	28,826	44,748	22,915	39,640	32,482	47,971	46,497
Surplus/(Deficit) of Capital Funding (C - D)	(11,803)	(5,915)	(6,559)	(8,097)	(9,426)	(10,205)	(12,552)	(14,707)	(16,283)	(17,987)	(20,248)
Funding Balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

Stormwater

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

Providing this activity contributes to a green city



North City Wetland in Rototuna



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

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

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

Through our comprehensive master planning activities, we'll be working towards improving

the resilience, sustainability and compliance of the stormwater network over the next 10 years.

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

To meet these requirements, we'll be focusing on establishing stormwater infrastructure in greenfield areas, erosion control works, retrofitting and new treatment devices in brownfield areas and continuing thorough catchment management planning.

How will you know we're delivering?

What you can expect from us	What we will measure	Latest result (2019/20)	Targets			
			2021/22	2022/23	2023/24	By 2030/31
The stormwater system is designed and maintained to minimise the likelihood of stormwater entering habitable buildings.	The number of flooding events [^] that occur within the city. ⁺	No flooding events	No more than 1 flooding event	No more than 1 flooding event	No more than 1 flooding event	No more than 1 flooding event
	For each flooding event [^] , the number of habitable floors affected. ⁺	0 per 1000 properties (no flooding events)	No more than 1 per 1000 properties	No more than 1 per 1000 properties	No more than 1 per 1000 properties	No more than 1 per 1000 properties
The Council will operate and maintain the stormwater system to minimise the impact on the environment.	The number of abatement notices related to the management of the stormwater system. ⁺	0 abatement notices	No more than 1 abatement notice	No more than 1 abatement notice	No more than 1 abatement notice	No more than 1 abatement notice
	The number of infringement notices, enforcement orders and convictions related to the management of the stormwater system. ⁺	0 infringement, enforcement or conviction actions	0 infringement, enforcement or conviction actions	0 infringement, enforcement or conviction actions	0 infringement, enforcement or conviction actions	0 infringement, enforcement or conviction actions
A timely response if there is a problem with the stormwater system or flooding of a habitable building.	The median response time, from the time that we receive notification to the time that our service personnel reach the site of the flooding event. ⁺	No flooding events	No more than 60 minutes	No more than 60 minutes	No more than 60 minutes	No more than 60 minutes
We provide a reliable and effective stormwater system that the community is satisfied with.	The number of complaints received about the performance of the stormwater system. ⁺	9.4 complaints per 1000 connections (rounded to the nearest whole number)	No more than 10 complaints per 1000 properties	No more than 10 complaints per 1000 properties	No more than 10 complaints per 1000 properties	No more than 10 complaints per 1000 properties

[^] A flooding event means an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor (a floor of a building (including a basement) but does not include ancillary structures such as stand-alone garden sheds or garages)

⁺ Measure required by the Department of Internal Affairs

Significant negative effects

Activity	Wellbeing	Effect	Mitigation
Stormwater	Environmental	There is potential for adverse environmental effects due to stormwater possibly containing contaminants. Examples of potential contaminants could be sediments, oils, greases, rubbish and metal/organic materials that have washed off roads or other surfaces.	These are managed through network design and resource consents which include regular street sweeping, monitoring of stormwater quality and investigating the sources of contaminants.
Stormwater	Cultural	The mixing of stormwater from different water catchments discharging into water bodies and the Waikato River can contrast with Maaori cultural beliefs and practices.	We work collaboratively with iwi to incorporate Maaori values into the management of stormwater related activities.

Capital projects

Type	R - Renewals LOS - Levels of service G - Growth										
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
CE10058 - Stormwater asset renewals	R	569	860	945	1,011	1,455	1,248	1,568	1,189	1,505	1,729
CE15067 - Comprehensive stormwater consent implementation	LOS	79	329	321	392	374	485	484	392	532	551
CE19026 - Erosion control works	LOS	1,434	1,341	2,149	2,439	1,698	1,312	2,148	1,431	2,125	2,773
CE21031 - Flood management	LOS	-	155	797	2,733	1,803	2,316	2,384	3,193	2,973	2,342
CE21062 - Stormwater asset upgrades	LOS	50	161	102	160	164	395	265	319	47	-
CE15059 - Rototuna stormwater infrastructure	G	57	178	688	5,169	2,111	78	77	238	2,792	1,701
CE15060 - Rotokauri stormwater infrastructure stage 1	G	2,200	2,266	4,668	-	-	-	3,568	16,971	15,519	16,740
CE15062 - Peacocke stormwater infrastructure stage 1	G	-	157	-	-	-	-	-	-	-	-
CE15063 - Peacocke stormwater infrastructure stage 2	G	4,826	2,951	3,996	1,568	1,907	193	30	-	3,118	1,352
CE15068 - Stormwater customer connections	G	25	26	27	27	28	29	30	31	32	32
CE15162 - Integrated Catchment Management Plan	G	1,151	1,133	954	1,148	1,182	1,099	954	983	1,012	1,041
CE21032 - Stormwater infrastructure upgrades	G	-	-	2,188	410	422	434	447	3,913	948	3,737
CE21066 - Ruakura stormwater infrastructure	G	3,000	1,030	-	-	-	-	-	-	-	-
Stormwater total		13,391	10,587	16,835	15,057	11,144	7,589	11,955	28,660	30,603	31,998

Prospective Stormwater funding impact statement

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	6,883	15,447	16,548	17,732	19,013	20,375	22,041	23,580	25,246	27,020	28,884
Targeted Rates	-	2,260	2,423	2,598	2,788	2,990	3,203	3,429	3,673	3,934	4,208
Subsidies and grants for operating purposes	-	4	-	-	-	-	-	-	-	-	-
Fees and charges	341	317	327	341	350	364	374	384	395	406	417
Local authorities fuel tax, fines, infringement fees, and other receipts	223	128	134	138	143	148	153	158	164	170	177
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	7,447	18,157	19,432	20,810	22,294	23,877	25,770	27,550	29,477	31,530	33,686
Applications of Operating Funding											
Payments to staff and suppliers	5,047	5,800	6,130	6,399	6,245	6,637	7,212	7,511	7,873	8,441	8,744
Finance Costs	899	1,093	1,384	1,451	1,749	1,985	1,920	1,750	2,019	2,588	2,894
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding (B)	5,946	6,893	7,514	7,850	7,994	8,622	9,133	9,261	9,892	11,029	11,639
Surplus/(Deficit) of Operating Funding (A - B)	1,501	11,264	11,918	12,960	14,300	15,256	16,637	18,289	19,585	20,501	22,047
Sources of Capital Funding											
Subsidies and grants for capital expenditure	104	2,025	1,056	27	27	28	29	30	31	32	32
Development and financial contributions	2,854	4,929	6,197	6,211	5,399	4,906	5,130	5,121	4,877	4,819	9,179
Increase (decrease) in debt	11,350	6,403	5,074	11,008	8,251	3,598	(1,035)	2,090	18,195	19,306	19,066
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding (C)	14,308	13,357	12,327	17,246	13,677	8,532	4,124	7,240	23,102	24,157	28,278
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	14,953	11,259	7,740	12,521	8,322	5,650	1,833	5,107	22,136	23,421	24,603
- to improve the level of service	2,288	1,834	2,253	3,557	5,875	4,119	4,583	5,365	5,405	5,779	5,763
- to replace existing assets	1,214	1,012	1,252	1,269	1,487	1,909	1,735	2,088	1,652	2,113	2,310
Increase (decrease) in reserves	(2,796)	11,748	12,916	12,785	12,304	12,134	12,671	13,015	13,515	13,253	17,612
Increase (decrease) of investments	150	(1,231)	83	74	(11)	(24)	(62)	(46)	(19)	92	36
Total Applications of Capital Funding (D)	15,809	24,621	24,245	30,207	27,978	23,787	20,761	25,529	42,687	44,659	50,325
Surplus/(Deficit) of Capital Funding (C - D)	(1,501)	(11,264)	(11,918)	(12,960)	(14,300)	(15,256)	(16,637)	(18,289)	(19,585)	(20,501)	(22,047)
Funding Balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

Rubbish and Recycling

Providing this activity contributes to a green city



Rubbish and Recycling collection truck

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

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

Refuse collection (refuse and recycling)

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

We own the Transfer Station, Recycling Centre and the green waste composting facilities at the Hamilton Organic Centre. The operation of these facilities is contracted to privately owned businesses.

Planning for new or reconfigured infrastructure to support projected growth of the city will be important as this will enable us to increase the effectiveness of our resource recovery at solid waste sites.

Landfill site management

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

Waste minimisation

We work hard to minimise waste and to encourage more recycling and reuse through education programmes and promoting waste minimisation. Effective and efficient waste minimisation is a requirement of all councils under a range of legislation.

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

How will you know we're delivering?

What you can expect from us	What we will measure	Latest result (2019/20)	Targets			
			2021/22	2022/23	2023/24	By 2030/31
We will collect your rubbish and recycling.	The number of valid missed collections of kerbside rubbish, food waste and recycling.	New measure	0 months with greater than 110	0 months with greater than 110	0 months with greater than 110	0 months with greater than 110
A timely response if there is a problem with rubbish and recycling.	The number of valid missed collections of kerbside rubbish, food waste and recycling not resolved by the end of the business day following the initial report.	New measure	0 months with greater than six	0 months with greater than six	0 months with greater than six	0 months with greater than six
We will promote and encourage waste reduction, reuse and recycling.	The percentage of waste recovered for recycling through Council-owned facilities.	New measure	At least 30%	At least 30%	At least 30%	At least 30%
	The percentage of waste recovered for recycling through the kerbside collection.	28.1% ^{+>}	At least 45%	At least 45%	At least 45%	At least 45%
	The amount of waste received at Council-operated waste facilities that is diverted from landfill.	13,383 tonnes	At least 16,000 tonnes per year	At least 16,000 tonnes per year	At least 16,000 tonnes per year	At least 16,000 tonnes per year

+> The target for percentage of waste recovered for recycling through the kerbside collection has increased due to the implementation of the new rubbish and recycling service, which took effect 1 September 2020. The new level of service sees approximately 500 tonnes a month of food waste that was previously going to landfill recovered and composted.

Significant negative effects

Activity	Wellbeing	Effect	Mitigation
Rubbish and recycling	Environmental	Closed landfill sites can potentially have negative effects on the environment and public health.	Closed landfills are managed to comply with resource consents. These include monitoring gas and leachate.
Rubbish and recycling	Environmental	Illegal dumping causes a negative visual impact on the community and can potentially have negative effects on the environment and public health.	We manage collection contracts and comply with the Hamilton City Waste Management and Minimisation Bylaw 2019 to minimise the likelihood of these events occurring. In addition, illegal dumping is monitored and where appropriate enforcement action is undertaken.

Capital projects

		R - Renewals		LOS - Levels of service				G - Growth			
Type		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
CE10054 - Closed landfill assets renewals	R	450	58	222	281	41	360	129	238	1,540	1,185
CE10056 - Refuse Transfer Station and Hamilton Organics Centre asset renewals	R	50	108	65	669	926	1,112	4	71	-	9
CE15055 - Closed landfill management	LOS	50	25	74	30	86	36	112	29	123	43
CE19027 - Refuse drop off points	LOS	-	-	-	20	182	183	1,772	-	-	-
Rubbish and recycling total		550	191	361	1,000	1,235	1,691	2,017	338	1,663	1,237

Prospective Rubbish and Recycling funding impact statement

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	7,175	8,306	8,899	9,537	10,226	10,960	11,857	12,686	13,583	14,539	15,543
Targeted Rates	18	267	280	294	309	324	340	356	374	392	411
Subsidies and grants for operating purposes	583	642	650	659	668	676	685	694	702	711	719
Fees and charges	34	35	36	37	38	39	40	41	43	44	46
Local authorities fuel tax, fines, infringement fees, and other receipts	425	432	445	457	469	481	494	508	522	537	552
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	8,235	9,682	10,311	10,983	11,709	12,480	13,416	14,285	15,224	16,223	17,271
Applications of Operating Funding											
Payments to staff and suppliers	9,657	9,042	9,817	10,143	10,538	11,313	11,665	12,441	12,973	13,621	12,498
Finance Costs	324	198	201	176	158	178	194	202	205	208	196
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding (B)	9,981	9,240	10,019	10,319	10,696	11,491	11,860	12,643	13,178	13,829	12,694
Surplus/(Deficit) of Operating Funding (A - B)	(1,746)	441	292	664	1,013	989	1,556	1,642	2,046	2,394	4,577
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	895	460	118	120	730	868	1,251	1,497	(258)	1,075	508
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding (C)	895	460	118	120	730	868	1,251	1,497	(258)	1,075	508
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	45	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	84	185	158	168	125	308	256	1,926	64	174	91
- to replace existing assets	1,696	721	362	449	1,188	1,193	1,715	392	540	1,844	1,485
Increase (decrease) in reserves	(2,688)	610	(152)	131	436	367	866	843	1,192	1,406	3,491
Increase (decrease) of investments	12	(615)	42	37	(5)	(12)	(31)	(23)	(10)	46	18
Total Applications of Capital Funding (D)	(851)	902	410	785	1,743	1,857	2,807	3,139	1,787	3,470	5,086
Surplus/(Deficit) of Capital Funding (C - D)	1,746	(441)	(292)	(664)	(1,013)	(989)	(1,556)	(1,642)	(2,046)	(2,394)	(4,577)
Funding Balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

Overhead and support unit capital projects

The following table summarises our overhead and support units capital programme for the next 10 years.

Information on capital projects for other activity areas can be found on pages 16-80.

		R - Renewals		LOS - Levels of service		G - Growth					
Type		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
OVERHEAD AND SUPPORT UNITS											
Corporate buildings											
CE10158 - Fleet vehicles renewals	R	1,944	1,392	1,073	1,542	1,748	3,255	4,164	2,973	4,879	5,534
CE21014 - Corporate building renewals	R	2,754	2,837	2,922	3,439	3,542	3,641	2,529	2,605	2,683	2,758
		4,698	4,228	3,994	4,981	5,290	6,896	6,693	5,578	7,562	8,292
Information Services											
CE21025 - Information Services renewals	R	4,070	3,502	2,304	3,326	2,600	2,742	3,409	2,619	4,486	3,105
CE21026 - Information Services upgrades	LOS	5,415	5,340	3,766	3,020	1,606	1,512	1,693	1,390	2,039	1,940
		9,485	8,842	6,070	6,346	4,206	4,254	5,103	4,009	6,525	5,045
Strategic property											
CE10151 - Strategic property renewals	R	85	113	185	1,228	1,175	103	291	1,047	123	239
		85	113	185	1,228	1,175	103	291	1,047	123	239
Overhead and support units total		14,268	13,183	10,249	12,555	10,671	11,253	12,086	10,634	14,209	13,577

Financial matters

Ko ngaa take puutea



River path

Financial Strategy

The Financial Strategy outlines our overall approach to managing the Council's finances and provides guidance when we make spending decisions.

The budget for the 2021-31 Long-Term Plan has been developed as a 'Community Wellbeing Budget' to give effect to the five priorities as agreed by Council. Council has also indicated a commitment to 'looking after what we have'. As such, the budget provides for an increase in the Renewals and Compliance budget as well as increased investment in renewing assets that will directly improve the amenity of the city.

The Financial Strategy in the previous Long-Term Plan highlighted the unprecedented

growth experienced by Hamilton, which has put increased pressure and demand on existing infrastructure and services. This demand for services is forecast to continue for the next 10 years.

Along with the increasing demand for services, Council is facing a number of challenges being driven by increasing policy and legislation requirements. This includes new direction on growth, water, wastewater and stormwater standards, transport and climate change.

Council's asset base continues to increase with investment in infrastructure assets being the key driver. This in turn results in increased costs to maintain these assets throughout the 10-year period.

The Financial Strategy has been adapted to respond to the challenges outlined above. Council has increased its debt to revenue limits over the 10 years to match that set by the New Zealand Local Government Funding Agency (NZLGFA).

The average rates increase to existing ratepayers will be 8.9% in 2021/22. The rates increase is comprised of an increase to the general rate of 4.4% and the implementation of a targeted rate to meet the challenges of compliance, equivalent to a 4.5% average rates increase for existing ratepayers.

Debt

Debt-to-revenue limit

The debt-to-revenue limit will be set at 300% for the year ending June 2022 and decreasing 5% for each of the next four years to 280% for the year ending June 2026 and beyond.

Council is investing \$2.5 billion across the 10 years in its largest capital programme to date. This includes increasing spending on community infrastructure, on renewing existing assets and on delivering projects that meet the objectives of our five priorities.

The initial debt-to-revenue limit of 300% in the first year, and subsequent reductions, is higher than was set in the previous Financial Strategy, however it is in line with the limits set by the NZLGFA.

Remaining under these limits over the 10 years supports Council's strong credit rating (AA-). Our ability to fund potential unforeseen events is discussed in the section below.

Table 2 shows budgeted net debt for the financial years ending 30 June 2021 to 30 June 2031.

Projections show net debt increasing to a peak of \$1.2 billion in 2031. Rates increases from 2023 onwards at 4.9% will create surpluses to contribute to repaying debt.

Table 1: Debt-to-revenue limit

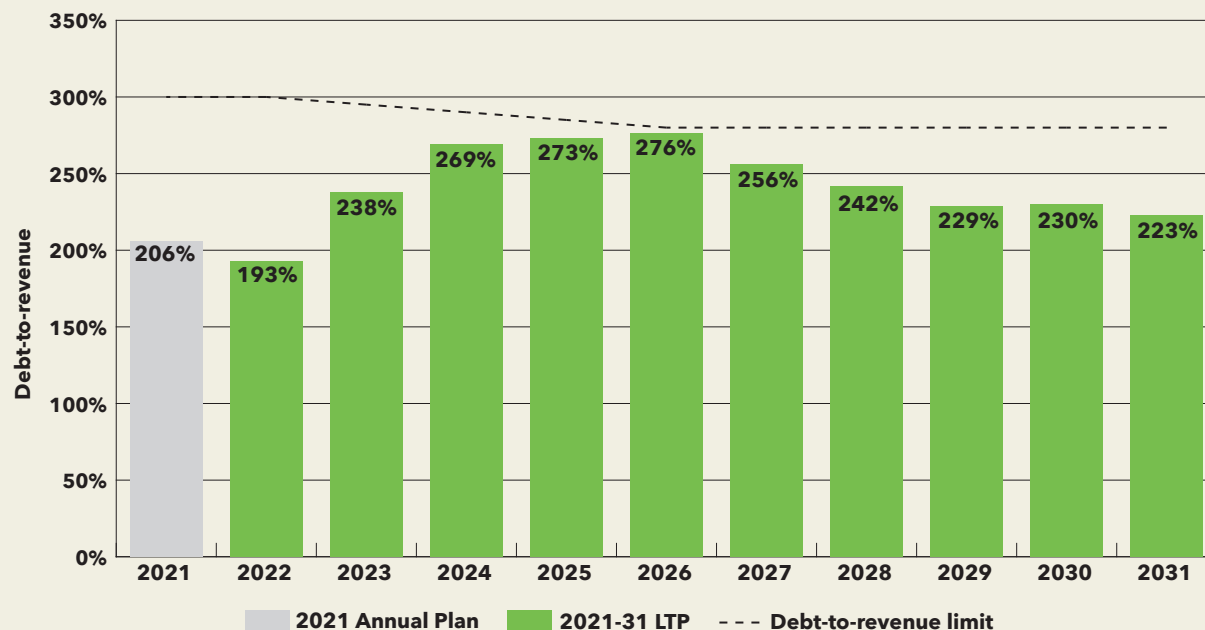
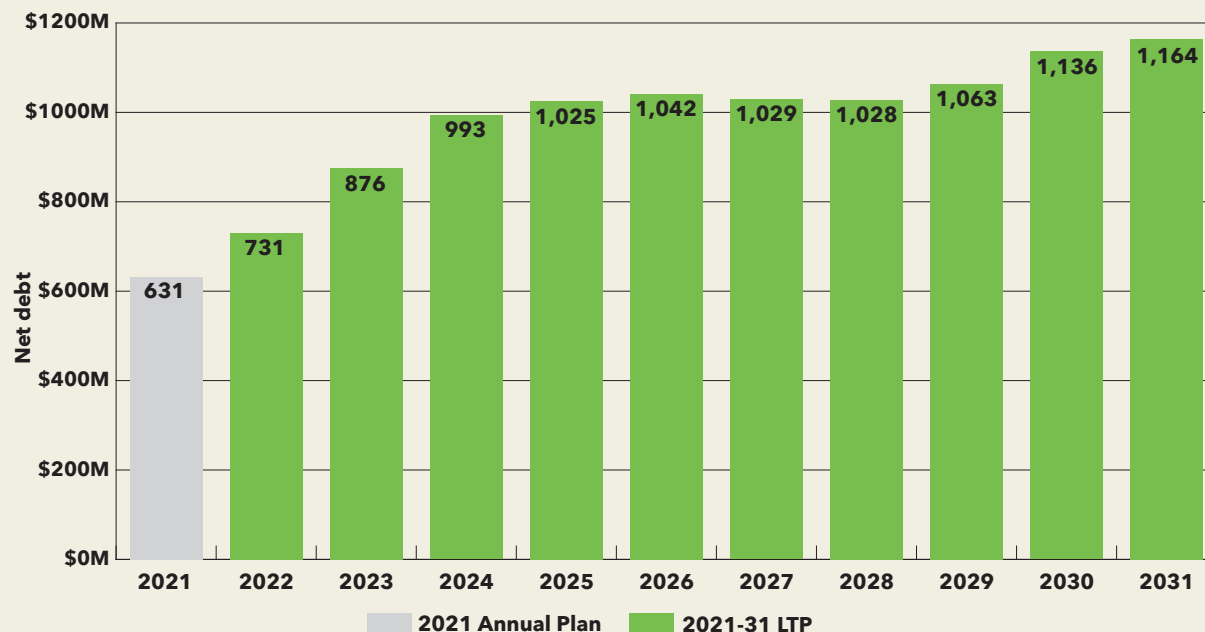


Table 2: Net debt



By 2031 Council will have \$297 million of debt capacity within the 280% debt-to-revenue limit. Council’s 2021-2051 Infrastructure Strategy shows that debt capacity is needed beyond 2031 for future infrastructure investment.

Council debt includes a Housing Infrastructure Fund (HIF) loan from central government. This provides \$180 million interest free for 10 years.

The HIF loan is no different from other debt when considering the debt-to-revenue limit and the impacts of net debt on our credit rating.

Paying for the city’s everyday costs

Everyday costs should be paid for from everyday revenues.

If we fail to achieve this, these costs are funded by increasing debt. This means existing ratepayers are not paying for some of the services and amenities being provided to them. Using debt to fund everyday costs also means future ratepayers will pay for this cost and the extra interest. This is neither prudent nor sustainable.

We must operate with surpluses if we are to repay debt and continue to invest in the city’s future by maintaining existing assets and building new infrastructure. This Financial Strategy enables a balanced or surplus budget from year three onwards.

Rates

Rating limits

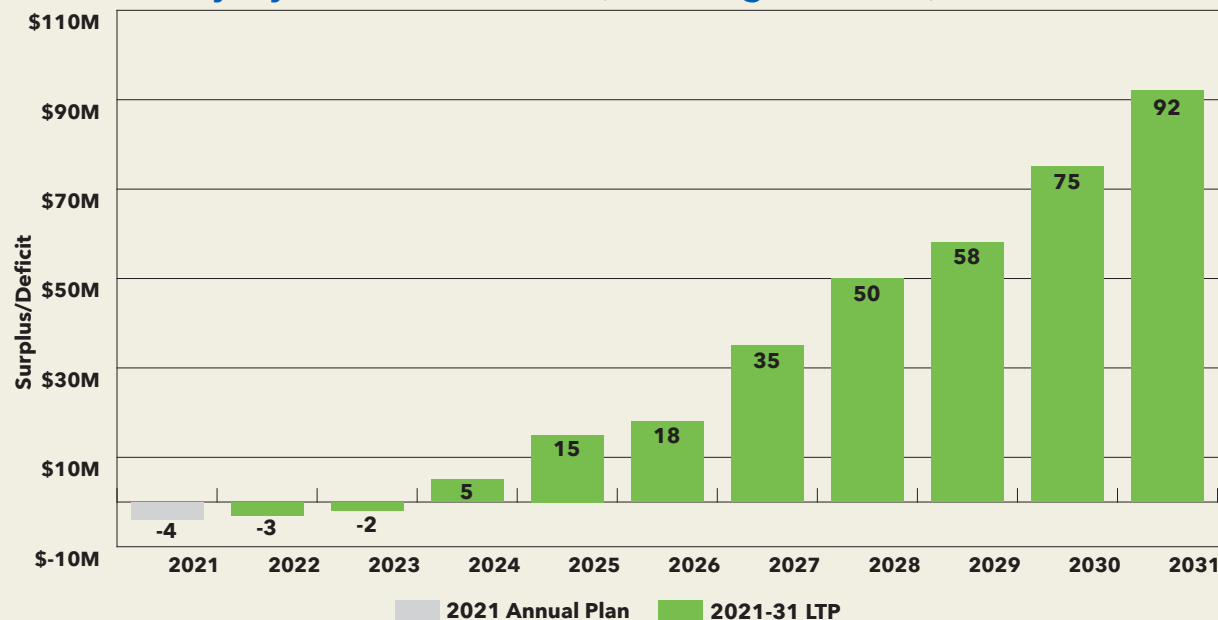
Rate increases

Average rate increases to existing ratepayers will not exceed 8.9% in 2021/22. From 2022/23 onwards, rate increases will not exceed 4.9%.

Total rates

Rates will not exceed 0.627% of Hamilton’s rateable capital value.

Table 3: Everyday costs and revenues (Balancing the books)



After making budget decisions, capping debt and agreeing that paying for everyday costs with everyday revenues was a priority, we have determined our rates limits.

The Council’s rating system has been considered with the intention that it represents the most appropriate rates options to address the present and future needs of the city.

A new targeted rate has been introduced for 2021/22 onwards. This new rate is to fund compliance related

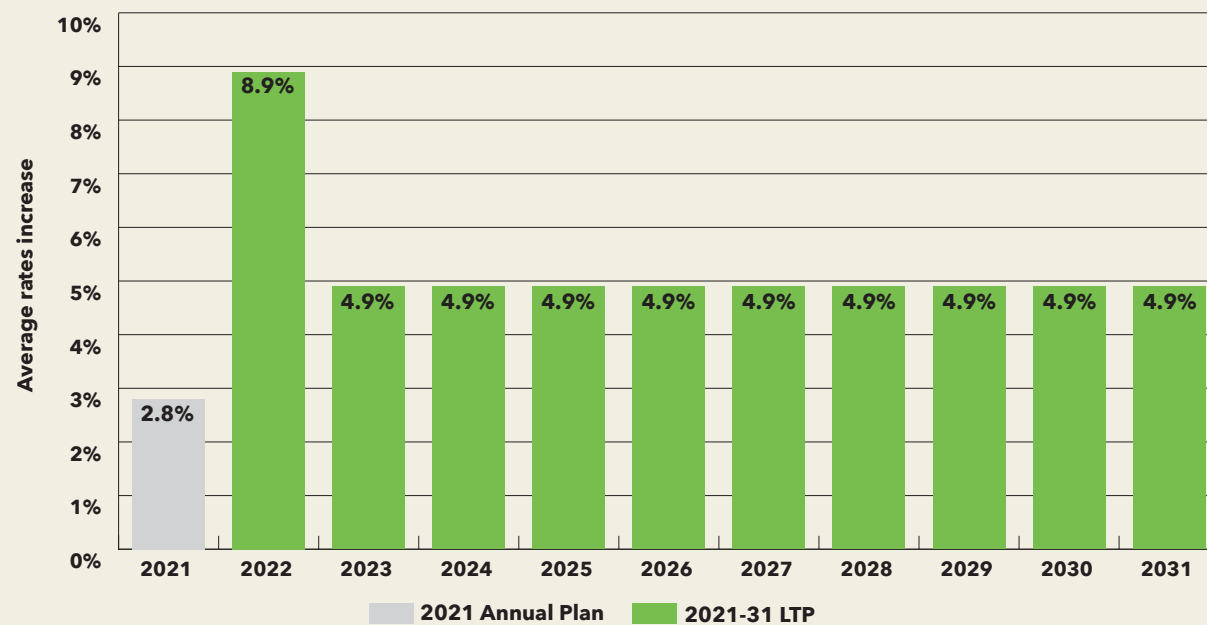
costs which Council faces in relation to water services activities and the District Plan review. The Hamilton Gardens targeted rate will cease from 1 July 2021.

Average rates increases to existing ratepayers are proposed to be 8.9% in 2021/22. This comprises a 4.4% increase to general rates and 4.5% increase resulting from the implementation of the Government compliance targeted rate described above. From 2022/23 onwards, the general rate and Government compliance targeted rate will increase by 4.9%. Average rates increases for existing ratepayers in the previous Financial Strategy were 3.8% per year.

The average rates increases are set at the lowest level possible to still achieve our capital investment programme. Much of this programme is funded from debt and the amount we can borrow is constrained by our debt-to-revenue ratio limits. The budget shows that at this level we can complete our capital investment programme, maintain services and create surpluses necessary to repay debt.

Rates from new growth (new investment in houses and businesses) is essential to Council's financial strategy. When including new rates from growth, our total rates revenue increases by an average of 7.3% each year of the 10 years. A reduction in growth would mean that rates from existing ratepayers would not be sufficient to cover our capital investment programme.

Table 4: Average rates increases (to existing ratepayers)



Growth

Hamilton continues to experience a period of high growth. This presents a financial challenge for Council. A key guiding principle in the development of this Long-Term Plan is to ensure that those who benefit from growth pay a fair share of the costs incurred supporting that growth.

The National Policy Statement on Urban Development requires councils to provide development capacity for housing and business land to meet demand over the next 30 years. Council has a requirement

to provide enabling infrastructure to meet growth demand, with current Government policy settings requiring supply of serviceable land 20% greater than forecast demand.

This budget is geared as much as possible towards community amenity, however this creates tension with our legislative obligations to enable growth. Our response in preparing the budget was to balance these two tensions to recommend a capital programme of growth infrastructure in the early years that invests at limited levels to meet demand and fund

planning work for future growth, aligned to the Hamilton Urban Growth Strategy and the Metro Spatial Plan.

In this Long-Term Plan, we have adopted the Low series of population projections provided by the Waikato University National Institute of Demographic and Economic Analysis (NIDEA). This means we need to supply 12,500 new dwellings over the next 10 years and 32,000 over the next 30 years. Currently there are 61,000 dwellings in Hamilton. The population is projected to grow from 176,500 in 2020 to more than 200,000 in 2031.

Dwelling projections have been used to prepare a 30-year demand forecast for the 2021-2051 Infrastructure Strategy and the related capital expenditure programme for the Long-Term Plan has been prioritised from this forecast.

Table 5 shows the total cost of projects over 10 years categorised by type of expenditure. Growth capital expenditure provides new or improved assets which supports more residents to live in our city. Capital expenditure to improve service levels is where we are investing in new assets to service the existing population; and renewals restore our current assets to their original function or capacity.

There are additional operating costs, such as depreciation, associated with adding new assets. These costs are included in the rates increase limit.

Risk of growth being higher or lower

Should growth be lower than forecast, revenue budgets for rates, building consents, resource consents and development contributions may not be met. This will constrain borrowing as the debt limit of 300% is calculated at three times revenue. We would need to reconsider the appropriateness of the capital programme.

Should growth be higher than forecast, then revenue would be higher. We would then need to consider the speed and timing of the capital programme to maintain housing supply.

These impacts are further considered in the Significant Forecasting Assumptions section of this Long-Term Plan.

Unplanned Events

This Long-Term Plan provides for the everyday maintenance of assets and the renewal of assets at the end of their economic life. Unplanned events require earlier than planned investment (e.g. Civil Defence emergencies,

Table 5: Capital expenditure

Activity Group	2021-31 Long-Term Plan			
	Growth (\$000)	LOS (\$000)	Renewals (\$000)	Total (\$000)
Wastewater	348,384	33,406	107,992	489,782
Stormwater	122,591	43,148	12,080	177,819
Transport	635,090	142,482	234,024	1,013,596
Water supply	103,338	19,265	82,995	205,598
Other	63,727	149,628	380,352	593,707
All activity groups	1,273,130	387,929	819,443	2,480,502
External funding (excl DC's*)	431,340			

*Development contributions

natural events, river slips, fire, theft, and safety concerns). These events, if they occur, could result in significant unplanned operating and capital costs.

The Council has mitigations that can be executed in the case of such an event. The Council can call on an additional \$60 million bank facility, and has the ability to urgently reprioritise and reduce capital spending and community levels of service spending.

Collectively with other councils in the Waikato region, we have an insurance programme through Waikato Local Authority Shared Services Ltd (WLASS). This programme will fund some operational costs (e.g. business interruption) and capital costs where a claimable event occurs.

All councils in the WLASS group have material damage insurance and infrastructure insurance using a maximum probable loss approach rather than reinstatement value for all properties. This policy has the benefit of spreading risk across a wider geographical area. Maximum probable loss is the anticipated value of the biggest monetary loss that might result from an event, whether natural or otherwise.

Additionally, we have a layer of insurance to ensure appropriate cover for key assets including the five Waikato River bridges, other key transportation bridges and underground infrastructure. The water and wastewater treatment plants, reservoirs and pump stations are fully insured including increased costs

of operation through business interruption during a disaster event.

Investments

We hold investments in companies, property and cash.

Investments in companies

We are an equity holder in five companies. The principal reason for holding an equity interest in these investments is to achieve efficiency and community outcomes rather than for a financial return on investment. We hold shares in the companies in table 6 (left).

There are no plans to change our shareholdings. In accordance with good practice, however, this is reviewed regularly.

Table 6: Council's investments

Company	Shareholding %	Principal reason for investment	Budgeted return
Waikato Regional Airport Ltd	50.00	Economic development	Nil
Waikato Innovation Growth Ltd	100.00	Economic development	Nil
Waikato Local Authority Shared Services Ltd	19.6	Efficient government	Nil
New Zealand Local Government Funding Agency Ltd	8.30	Borrowing	\$100,000 per annum
Civic Financial Services Ltd	1.8	Superannuation	Nil

Property investments

Property investments are divided into three categories:

Municipal Endowment property

Budgeted rate of return on property value for Municipal Endowment property is 2%.

From time to time, we will buy and sell endowment properties in the portfolio to improve financial returns. Surplus cash is held in the Municipal Endowment Fund and

is available for reinvestment in property. All endowment transactions are governed by our investment and endowment policies.

Domain Endowment property

Budgeted rate of return on property value for Domain Endowment property is 2%.

From time to time we will buy and sell endowment properties in the portfolio to improve financial returns. Surplus cash is held in the Domain Endowment Fund and is available for reinvestment in property. All endowment transactions are governed by our investment and endowment policies.

Corporate investment property

Budgeted rate of return on property value for investment property is 5%.

Cash investments

We hold cash for three main reasons:

- To support the balance of reserves.
- To ensure strong lines of liquidity and access to cash. Cash is supplemented by committed banking facilities. In the present financial markets, holding cash is a cheaper option than is available through committed facilities.
- To provide the funds for maturing debt.

Cash is invested on short-term deposit to manage cash flows and maximise returns. Our target is to exceed the average 90-day bank bill rate.

Other investments

As part of borrowing from the Local Government Funding Agency, we are required to invest in financial bonds with the agency. We will receive interest on these bonds.

Policy on securities

To borrow cash, we must offer our lenders security, just like residents do with their mortgage. Like most councils, debt is secured against rates income.

Lenders like this as security and it helps keep our interest rates low. Giving rates as security means that our lenders can make us charge ratepayers more to repay debt. That is why it is important to keep our debt at a sustainable level.

We may also offer other security, including physical assets, in certain circumstances.

The full policy on giving securities can be found in the Investment and Liability Management Policy on our website.

Disclosure Statement

We have included the Disclosure Statement in this Long-Term Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014.

The purpose of this statement is to disclose our planned financial performance in relation to various nationally consistent benchmarks. These benchmarks enable the assessment of whether we are prudently managing our revenues, expenses, assets, liabilities, and general financial dealings.

Our Long-Term Plan budget meets or exceeds all measures of financial management as determined by the government.

Our target of everyday revenues paying for everyday costs is more appropriate than the regulation measure for balancing the books. This is because it excludes capital revenue. Capital revenue is used for building assets and not to pay for everyday costs. The result is a more transparent view of what it would normally cost to run the city.

Significant forecasting assumptions

COVID-19

This LTP assumes COVID-19 Alert Level 1¹ for Year 1 (July 2021-June 2022). From Year 2 (2022/23) each activity area has based their budget on a post-COVID-19 'new normal' operating context.

We have forecast a decrease in revenue in year one at our venues (FMG Stadium Waikato, Claudelands and Seddon Park), our community facilities, and through our consenting activities.

Given the unpredictable nature of this virus, there is a high degree of uncertainty in relation to this assumption. COVID-19 could still be in our community and result in the country or the Waikato region moving into higher alert levels. The impact of this would be a restriction on people attending major events and restrictions on commercial activities. This would reduce our revenue forecasts.

¹ New Zealand Government. <https://covid19.govt.nz>

Three waters reform

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

- Improve national-level leadership, oversight, and support relating to the three waters - through the creation of Taumata Arowai, a new, dedicated Water Services Regulator from July 2021
- Significantly strengthen compliance, monitoring, and enforcement relating to drinking water regulation - through the creation of a new Water Services Bill and revised Drinking Waters Standards of New Zealand that are expected to come into effect mid 2021
- Manage risks to drinking water safety and ensure sources of drinking water are protected
- Improve the environmental performance

and transparency of wastewater and stormwater networks.

We expect that the regulatory reform and the establishment of Taumata Arowai will change the way we will need to demonstrate regulatory compliance, assess risk relating to source and treated water quality and require licencing and authorisation of water supplier entities and individuals involved in providing three water services. As legislative changes relating to regulatory compliance are still in progress, the operating and capital budgets have been developed to anticipate likely new regulatory requirements where possible, however if the new regulatory requirements are unknown then budgets have been set to maintain current service levels under the current regulatory framework.

In addition to regulatory reform, Government has initiated a reform process for service

delivery of three waters. While the Government's starting intention is for publicly-owned multi-regional models for water service delivery (with a preference for local authority ownership), final decisions on a service delivery model will be informed by discussion with the local government sector and the work of the Joint Steering Committee. As details of proposed new entities are still unknown, it is assumed that Council will continue to provide water, wastewater and stormwater services for the duration of the 2021-31 LTP, however this assumption has a high level of uncertainty.

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

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

The \$17.46 million three waters stimulus includes \$500,000 to fund the early participation in the reform programme,

to cover the engagement of additional resource to collate information, provide advice and backfilling of existing roles. Given the complexity of the three waters reform investigations and the time involved to participate and influence outcomes, it is highly likely that further funding will be required during the period of the 2021-31 LTP. At this time no budget allowance has been made for any further three waters reform project funding, in part because there have been suggestions that further Government funding may be available to support councils as the reform programme progresses.

Climate change

The Ministry for Environment has prepared climate change projections for the Waikato region that provide a range of scenarios for what the future climate may look like for Hamilton. The predicted impacts include:

- Increase in average temperatures, compared to 1995, of between 0.7°C and 1.1°C by 2040 and of between 0.7°C and 3.1°C by 2090
- Winter rainfall in the Hamilton area is expected to rise by 4% to 8% by 2090, whereas spring rainfall is projected to decrease by 6%. The variability could lead

to more extreme weather events such as drought and flooding

- There are also potential increases to the intensity of storms, wind extremes and thunderstorms.

These predicted impacts are likely to result in more frequent droughts and flooding. The topography and relatively low natural hazard risk in Hamilton is considered an advantage compared to other parts of the country (such as coastal communities) which are more directly impacted by changes to climate. However, Hamilton may experience changes to our economy, population growth or community wellbeing as a result of impacts on our surrounding council areas.

A programme of funded work in 2020/21 is underway to further understand how Hamilton may be impacted by the physical changes, the impacts of transitioning to a low carbon future and by the changes occurring in the wider region. The outcomes from the work programme will be considered in subsequent LTPs.

Population growth

Population growth has been forecast for territorial authorities in the Waikato by the National Institute of Demographic and Economic Analysis (NIDEA), University of Waikato. We have assumed the NIDEA low projection (2020) to prepare this LTP.

Population projections have been used to help prepare 30-year demand forecasts for the Infrastructure Strategy.

Growth infrastructure investment

It is anticipated that all growth cells will be developed by us in partnership with those providing privately funded infrastructure.

As our current financial constraints do not allow for all growth infrastructure in all areas zoned for development, third party funding has been anticipated across all growth cells through the vesting of developer-provided infrastructure and the use of private development agreements (PDAs). Council will

continue to explore the use of new funding and financing tools such as off balance sheet structures provided by the Infrastructure Funding and Financing Act.

It has been assumed we will generally make upsizing contributions to developers on an incremental marginal cost basis where these are required.

Settlement pattern

Hamilton Urban Growth Strategy, Future Proof Growth Strategy, Operative Waikato Regional Policy Statement and the Operative District Plan (ODP) outline the existing long-term settlement pattern for the city.

The 2021-31 LTP has been developed based on the following land use assumptions.

Citywide development

Urban regeneration will focus in and around key nodes as identified in the ODP, areas of high accessibility and within walkable catchments of the Central City, major centres and planned rapid and frequent transport in accordance with the National Policy Statement for Urban Development.

The programme of infrastructure investment at a strategic level including treatment plant headworks and bulk reticulation will support both greenfield and urban infill growth.

Total population at 30 June is projected to be:		New households at 30 June are projected to be:	
2022	180,741	2022	1177
2023	183,036	2023	1215
2024	185,377	2024	1279
2025	187,741	2025	1274
2026	190,090	2026	1232
2027	192,422	2027	1221
2028	194,744	2028	1295
2029	197,038	2029	1300
2030	199,276	2030	1246
2031	201,483	2031	1248

Infill within the existing established areas of the city will be progressed in parallel with greenfield areas and will accommodate approximately 50 per cent of Hamilton's new dwellings. Further infrastructure investment will be required for intensification once areas for accelerated development are identified. This additional investment will be the subject of subsequent LTPs.

Rototuna

Rototuna is to remain the city's primary growth cell for the early years of the LTP with investment prioritised on completing strategic infrastructure as the need arises. Residential development in Rototuna is expected to be completed within this 10-year period.

Peacocke

Peacocke Stage 1 residential development will continue and is expected to be completed within this 10-year period, with no further strategic infrastructure investment required.

Peacocke Stage 2 is poised to become the city's primary growth cell for residential development following completion of the Housing Infrastructure Fund key strategic transport and wastewater infrastructure in the northern part of the cell.

Rotokauri

Residential growth in Rotokauri Stage 1 is currently limited by the need to invest in strategic stormwater and transport infrastructure.

Staff continue to work with land developers as well as Crown Infrastructure Partners for innovative infrastructure funding, financing and delivery options.

A development which was initially approved as a Special Housing Area in Rotokauri Stage 2 (MADE Development) has now been zoned through a Private Plan Change.

Ruakura

The Ruakura growth cell in the precinct around the Inland Port Development has been enabled through private, Hamilton City Council and central Government funding through the Provincial Growth Unit and Crown Infrastructure Partners.

Te Rapa North

Council is progressing a plan change for Te Rapa North to change the zoning to Employment land. No substantial growth is forecast due to limitations associated with infrastructure capacity.

The Te Awa Lakes Private Plan Change has now been approved and consent is being sought for other parts of the area that will require infrastructure investment.

Temple View

No substantial growth is forecast due to limitations associated with infrastructure capacity.

City boundary change

Hamilton City Council and Waikato District Council have a Strategic Boundary Agreement that provides for boundary extensions in relation to the growth areas of HT1 (Horsham Downs), R2 (Ruakura North) and WA (Whatawhata Road) when required by the City.

Any boundary change will require decisions of both Hamilton City Council and the neighbouring district council, a Local Government Commission process, with any financial considerations reported in a future Annual Plan or LTP.

Revenue

Ratepayer growth

Ratepayer growth has been calculated based on assumptions on the increase in the number

of households as forecast by NIDEA low. The relationship between ratepayer growth and the forecast growth metrics is complex. One household does not represent a one-to-one relationship with one rating unit. Ratepayer growth has been calculated based on the historic trends in the relationship between these forecasts and actual rating unit growth over the previous four years.

As a result of this complexity there is a high degree of uncertainty around these forecasts. The percentage increases and revenue growth on the right represent the expected increase from the previous year due to growth in the general rate, UAGC, and Government compliance rate.

Development contributions

Future revenue has been projected using the Development Contributions (DC) Model.

The DC revenue assumption also considers current payment patterns, remissions and takes consideration of growth modelling error margins.

Should Hamilton grow more quickly than expected, then DC revenue is likely to exceed these expectations. However, the increase in revenue will be offset over time by a need to accelerate growth-related core network infrastructure.

Conversely, if growth is slower than expected new infrastructure may be deferred until needed, and over time this will offset the loss of projected revenue.

In cases where infrastructure cannot be deferred, infrastructure is supplied ahead of need and the costs will be recouped as the demand (and DCs) is realised.

Expenditure

Cost of growth

As Hamilton grows, costs increase for some services. We have assumed increases for contract escalations relating to the growing number of households as forecast by NIDEA low. This occurs only where the

Ratepayer growth:			DC revenue is estimated to be:	
	Percentage increase	Additional revenue (\$000)		Revenue estimate (\$000)
2021/22	2.05%	4,104	2021/22	31,622
2022/23	2.04%	4,558	2022/23	33,822
2023/24	2.07%	4,938	2023/24	36,605
2024/25	2.13%	5,452	2024/25	36,101
2025/26	2.08%	5,697	2025/26	37,190
2026/27	1.95%	5,714	2026/27	38,969
2027/28	1.92%	6,005	2027/28	41,524
2028/29	2.00%	6,682	2028/29	39,494
2029/30	1.96%	7,034	2029/30	38,530
2030/31	1.85%	7,070	2030/31	43,227

supplier agreement includes a set number of households and a contracted escalation if the number of households increase (an example is the household refuse collection contract). Many contracts do not include a contracted escalation clause.

Further consequential cost of growth will be included in relevant activity budgets to reflect the cost of maintenance and operating new assets that are created.

	Savings (\$000)
2021/22	4,733
2022/23	5,984
2023/24	7,274
2024/25	11,698
2025/26	11,991
2026/27	12,291
2027/28	12,610
2028/29	12,951
2029/30	13,300
2030/31	13,646
Ten year total	106,478

Savings

We have budgeted for savings for over the 10 years of the plan, with a total value of \$106 million (see table left). This LTP assumes these savings will be realised.

We expect to make these savings through digital-enabled business transformation, property savings, strategic procurement and capital programme optimisation. It is our intention that savings will be achieved without changing the services the community receives.

Given the size and diversity of our activities, along with opportunities to partner with central and other local government, business and the community, we are confident these can be achieved.

Risk and sensitivity

We have identified that the majority of these savings will be generated from four areas:

- digital-enabled business transformation
- property savings
- strategic procurement
- capital programme optimisation.

Over the next 10 years we have budgeted \$60.5 million of capital investment in information services renewals and upgrades designed to help digitally transform the Council. This investment is expected to achieve

long-term, sustainable savings, enabled by technology. It is expected that these savings will begin to be realised from year one of the plan, and will consolidate from year three onwards as more end-to-end processes are automated. We expect digital-enabled business transformation will deliver the largest proportion of savings over the 10 years.

We expect to realise savings from changing the way we utilise physical space by adopting new ways of working, including but not limited to redesigning work spaces to enable agile working, enabling increased remote-working, exploring options for consolidation of operation worksites and increasing utilisation of community-based facilities.

We are in the process of moving to a strategic procurement model which would see greater centralisation of procurement functions. Moving to a strategic procurement model is expected to deliver savings through, process improvement, negotiated savings, rebates and hard cost avoidance.

We are forecasting our biggest ever capital programme and with that comes new opportunities to gain efficiencies through scale and new procurement opportunities. We are rethinking the way we currently deliver our capital programme to drive a focus on realising these opportunities. This

means new assets are likely to cost us less while still delivering planned service levels. Through this opportunity we expect planned savings in operational costs will come from reduced interest and depreciation costs. We have observed larger councils achieving procurement efficiencies which we are yet to access. We recognise that to realise these savings will have some challenges and therefore note a moderate degree of risk in achieving them.

In the case that we are unable to achieve all of our savings targets there will be consequences that could affect rates, service levels or capital expenditure. However, we have decided that we will not allow service levels to be reduced in this LTP and that this principle is prioritised over the achievement of savings.

We have modelled the impact of only achieving a portion of the savings. If we only saved 50% of the budgeted savings the impact of this would be an increase in our debt to revenue ratio, over the 280% limit in 2025/26. To stay within our financial strategy limits in all years we could increase city rates by an additional 0.5% in 2022/23 or decrease unsubsidised capital spending by \$2 million for each year of the 2021-31 LTP.

Inflation treatment

Separate inflation rates have been used for the operational and capital budgets due to the different cost drivers that impact these types of cost.

Business and Economic Research Ltd (BERL) were contracted on behalf of the local government sector to provide inflation forecasts for the period of this LTP. These

forecasts are related to the types of costs that the local government sector is likely to incur.

BERL has provided projections of scenarios as to how the New Zealand economy will respond to the impact of the COVID-19 pandemic. The scenarios are:

- BERL mid-scenario – considered to be a likely outcome relevant to most regions of New Zealand

Operating expenditure and revenue inflation used in financial modelling is:

	Operating inflation
2021/22	3.60%
2022/23	2.90%
2023/24	2.50%
2024/25	2.50%
2025/26	2.50%
2026/27	2.50%
2027/28	2.60%
2028/29	2.70%
2029/30	2.70%
2030/31	2.60%

Capital expenditure and revenue (capital subsidies, capital contributions) inflation used in financial modelling is:

	Capital inflation
2021/22	3.30%
2022/23	3.00%
2023/24	3.00%
2024/25	3.00%
2025/26	3.00%
2026/27	2.80%
2027/28	3.00%
2028/29	3.00%
2029/30	3.00%
2030/31	2.80%

- Stalled rebuild scenario – where GDP and employment grow more slowly
- Faster rebuild scenario – where GDP and employment grow more rapidly.

The Council has assumed the mid-scenario for operating inflation rates. The mid-scenario is considered to be the most likely outcome relevant to most areas of New Zealand.

Further comfort is provided as cost adjusters used in all three scenarios are consistent with economic forecasts published by the Reserve Bank of New Zealand, the New Zealand Treasury and BERL.

The Council has assumed the faster rebuild scenario for capital inflation rates. The faster rebuild scenario is applicable to councils in areas that have relatively sound infrastructure but also expect to engage in significant infrastructure upgrades in the next decade.

Availability of contractors to complete capital programme

There is a high degree of uncertainty around this assumption as there are high levels of forecasted capital expenditure from other central and local government agencies in the upper North Island as well as strong ongoing demand for new housing and development. The impact of this could be high as budgets

may not be sufficient to undertake the works as planned. The capital expenditure inflation forecast above has included a higher inflation rate in its budget, based on BERL's faster rebuild scenario. This is to recognise the higher costs associated with the high demand for contractors.

Capital expenditure forecasts

The capital programme budgets have been developed using a base estimate plus a nominal contingency. This approach is consistent with previous LTPs and results in budget provisions which assume a risk management approach to actual costs.

Availability of resources to deliver service levels

We have assumed additional staffing resources are required to meet the higher demand of growth.

This includes both staffing associated with capital projects, consequential staff needed to operate the asset and indirect staff to support the greater corporate support activity a bigger city generates.

It is assumed all staff positions can be filled and maintained so we can deliver the proposed service levels.

Interest rates

We use Price Waterhouse Cooper (PwC) Treasury Division for advice on all aspects of our treasury management. We have policies in place providing direction in the management of risks associated with debt.

Council's interest rate risk, the risk of adverse interest rate movements, is mitigated by requiring at least 40 per cent (but no more than 95 per cent) of Council's debt to be at fixed rates with greater than 12 months to maturity. Council's Liquidity and Funding Risk, the risk that Council may not be able to access funds at the time that we need or at a cost no greater than the existing terms, is mitigated in two ways: firstly, by spreading the due dates of our debt per the policy; and, secondly, by ensuring we have access to additional undrawn funds.

The policy also outlines the financial institutions from whom Council can borrow and includes borrowing caps for all but New Zealand Local Government Funding Agency (NZLGFA) and the New Zealand Government.

Being credit rated as AA- by S&P Global Ratings has provided the opportunity to access cheaper sources of debt. On average, the margin benefit is 20 to 30 basis points, for example if the market is 5.1 per cent then Council can borrow at 4.8 per cent.

Interest rates applying to debt are estimated based on current fixed rate contracts, forward looking market rates and expected credit margins.

The interest rate applying to cash investments is 0.5 per cent. It is estimated that the average cash balance of \$50 million will earn approximately \$0.25 million interest per annum.

These rates reflect the current S&P Global Credit Rating being maintained throughout

the LTP. A change in rating up or down could be expected to impact on interest costs by approximately 0.05 per cent or 5 basis points.

Assets

Property investment

Expected return on investment in property is based on the objective of maximizing financial return. This is realised by operating property assets to achieve the market or better than market rates of return through maximum rental income, high levels of building occupancy and quality tenants. Rents have been set in line with prevailing market conditions.

Asset sales

The forecast financial statements include transactions to complete existing contracted asset sales. There are no other asset sales assumed.

No financial impact is assumed from minor assets sales (e.g. disposal of surplus operational assets).

Revaluation of non-current assets

Revaluations on property, plant and equipment have been calculated on the preceding year's balance as disclosed in the

Statement of Financial Position. This includes an inflation allowance calculated based on Local Government Cost Index (LGCI) as listed in the Local Government Cost Adjustor Factor Forecasts 2020 Update from BERL.

Useful lives of significant assets

Assets are depreciated on a straight-line basis over their useful lives with annual depreciation expense included in the total costs for each significant service. We have made numerous assumptions about the useful lives of our assets. These are disclosed in the depreciation note within the Statement of accounting policies included in the Prospective financial statements.

Acquisition of significant assets

Capital expenditure to replace existing assets (renewal projects) it is recognised that projects will be completed throughout the year. It is assumed half of those projects are completed within the first six months. As such, depreciation is forecast based on six months' depreciation for renewal projects in the year the renewals are first budgeted.

For each new capital project, staff have assessed the expected completion date for the project from which time the assets are depreciated.

The interest rates on borrowing used in this LTP are:

	Interest rates
2021/22	2.62%
2022/23	2.93%
2023/24	2.68%
2024/25	2.82%
2025/26	2.91%
2026/27	2.77%
2027/28	2.53%
2028/29	2.56%
2029/30	2.66%
2030/31	2.51%

Depreciation is applied based on the estimated useful life of the asset, consistent with the accounting policies.

Capital expenditure to replace assets (renewals) is primarily funded from rates, and capital expenditure to improve levels of service and growth is funded by loans. Some capital expenditure is also funded by subsidies, development contributions and grants.

Seismic rating of Council buildings

A programme of prioritised seismic assessments on Council buildings has been carried out over recent years on Councils building portfolio. Significant buildings that require further seismic assessment are the Brian Perry Stand at FMG Waikato Stadium and the Chimpanzee House at Hamilton Zoo.

Where a Detailed Seismic Assessment (DSA) has already been done on a building, this assessment is used to determine if a seismic upgrade is required. Asset Management Plans (AMPs) have included any known seismic upgrades needed to meet minimum legislative requirements. Where a DSA has not been done, no provision has been made for seismic upgrade.

Investment properties

We revalue investment properties on an

annual basis and an annual gain on investment property values of 2.5% has been assumed in each year of this LTP.

Vested assets

The level of vested assets has been determined using growth expectations and then compared to historical trends for reasonableness.

Infrastructure asset condition information

Some of our asset data is not as complete as we would ideally like. As we use this information to do our planning, there is a risk that we have not correctly identified some assets that may need replacing. Only having one water treatment plant and one wastewater treatment plant means if either was unable to operate, this would have a significant impact on the community. We lessen this risk by continuing to update our asset information, undertake condition assessments and monitor the performance of our assets. We will continue to use this information to reprioritise our replacement and preventative maintenance on our assets, and to ensure we manage the risk of failure for the most-critical infrastructure. Hamilton is a relatively young city and its assets are newer and made from more modern materials than

those of most other large cities. Because of this, we are confident our water network is in good health and unlikely to experience significant disruption. To ensure this, Council is committed to looking after these assets by investing more in this Long-Term Plan. We are also spending more on understanding the state of our assets as this helps us make better planning and budget decisions. We are working to improve what we know about our assets, including their age, how well they're performing, and their condition.

Activity specific assumptions

City planning and growth

Building control and planning guidance

Expected revenue is based on a combination of current growth projections and previous year actuals as approved by Council.

Transport

Elected Members have provided direction in the development of the Transport Improvement Programme that has informed additional capital and operational requirements. This aims to address services in relation to safety, micro-mobility, passenger transport and congestion.

Third party funding

We have assumed that operating and capital expenditure programmes which have in the past received Waka Kotahi NZ Transport Agency subsidies and/or satisfy the criteria required for subsidy, will continue to receive subsidy funding over the course of this LTP.

The Waka Kotahi NZ Transport Agency subsidy rates that have generally been applied have been at the subsidy rate of 51%.

Waka Kotahi NZ Transport Agency provide confirmation of the programmes of work which will receive funding as part of its three yearly National Land Transport Programme (NLTP). Indicative funding advice has been received for the 2021-24 period, but funding beyond 2023/24 will not be known until the next NLTP is released. We have assumed that Waka Kotahi NZ Transport Agency funding in years 4 - 10 will be provided on those projects which have in the past received subsidies and/or satisfy the criteria for subsidy.

There is a risk that Waka Kotahi could make changes to the subsidies and/or criteria required to be satisfied which could result in more or less revenue than forecast. If subsidies from Waka Kotahi are higher than we've assumed, we could complete our work programmes at a lower cost to ratepayers. Alternatively, if funding from Waka Kotahi is

lower than we've assumed, we would need to review our planned programme of work. Work that would otherwise receive subsidy may be reassessed and the approved programme may be adjusted as part of future Annual Plans or Finance Committee meetings.

Three waters

Water safety plan

We have an approved Water Safety Plan that has been assessed by a Drinking Water Assessor and confirmed as implemented. This plan identifies potential risk associated with a water supply and details how those risks are managed. It is assumed that routine reviews of the water safety plan will not identify any significant changes to currently identified risk mitigations.

Water safety planning requirements are likely to be enhanced as part of Government water regulatory reforms. It has been assumed that the current approach to water safety planning will continue as the nature of the reform enhancements are unknown.

Drinking Water Standards

Our water supply is fully compliant with the current Drinking Water Standards for New Zealand 2005 (revised 2018) and part 2A of

the Health Act 1956.

Taumata Arowai, the new Water Services Regulator, has indicated that they will be reviewing the current Drinking Water Standards of New Zealand and we expect changes to the way in which we report and demonstrate compliance. As it is unknown what changes could be made, we are not able to forecast the impacts of these changes on costs and levels of service.

LTP planning has generally been based on meeting the current drinking water standards, with the inclusion of some anticipated competency training requirements of the Government reform. There is a high level of uncertainty with this assumption.

Freshwater quality standards

Freshwater quality standards are changing. The government has recently released a revised National Policy Statement for Freshwater and Waikato Regional Council has progressed significant changes to the Regional Plan. It has been assumed that current resource consent conditions will continue for the remaining life of discharge resource consents. Resource consent conditions determine the level of infrastructure investment required. There is a medium level of uncertainty with this assumption.

Project Watershed

We have assumed contributions will be received from Waikato Regional Council for Project Watershed projects over the full term of this LTP as proposed in the Project Watershed 10-Year plan submitted to Waikato Regional Council. These contributions are sourced from a Waikato Regional Council targeted rate for Project Watershed. We will apply these funds to projects meeting the criteria set out in the Project Watershed agreement between us and the Waikato Regional Council.

Rubbish and recycling

Emission Trade Scheme and Waste Levy

The government set the rate of Emission Trade Scheme (ETS) and Waste Levy payable of waste disposed of nationally.

The central government Waste Levy Scheme will be increased, and scope expanded (all classes of landfills to be included) by 2023. There is also a proposal to review the Waste Minimisation Act, any review may have an impact on the allocation of waste levy fund contributions.

Current assumptions are that waste levy contributions will continue at current levels (including increases related to growth), over the full term of the LTP. The funds will be

used to deliver on actions from the Waste Management and Minimisation Plan.

Visitor destinations

Hamilton Zoo-Waiwhakareke Natural Heritage Park entry precinct

We have assumed \$900,000 external funding to complete capital works of \$5.7 million. Should the funding targets not be met then the development work would be adjusted to the funding available. There is a low risk of impact on our overall Financial Strategy.

Parks and recreation

Playgrounds development

We have assumed \$600,000 external funding to complete capital works of \$6.6 million. Should the funding targets not be met then the development work would be adjusted to the funding available. There is a low risk of impact on our overall Financial Strategy.

Other specific assumptions

Infrastructure Funding and Financing Act

The recently enacted Infrastructure Funding and Financing Act (IFF) enables Council

to access a new off balance sheet funding mechanism to support the delivery of infrastructure projects.

We are exploring many potential opportunities for the application of the IFF tool at Council, including the possibility of converting part of our current Housing Infrastructure Fund loan into an IFF arrangement for the Peacocke growth area; and using the IFF to provide significant off balance sheet funding and contribution to infrastructure costs, and as the basis of negotiating a private developer agreement in the Rotokauri growth cell for the major lead infrastructure.

We have not yet negotiated any IFF deals, as such, the financial forecasts do not currently reflect any potential off balance sheet funding arrangements.

Unquantified legal claims

This LTP does not assume any provision for legal claims which are currently in progress.

Future legislative change

The details of future legislative changes are unable to be anticipated with any level of certainty.

The information that has been made available through various policy announcements to date

suggests that the potential risks to materially impact this LTP are moderate in scale.

However, given the lack of detail available on future legislative changes and their timing our projects have been planned based on the current legislative regime.

Changes to other legislation, regulations or rules that affect how we operate (usually through requiring compliance with new and higher standards) cannot be anticipated at this point. As a result, this LTP has been developed based on current legislation, regulations, rules and policy.

Resource consents

It has been broadly assumed that the necessary consents will be able to be obtained.

The following key consents are planned for renewal:

- Wastewater Treatment Plant discharge - 2027
- Water Treatment Plant abstraction - 2044
- Hamilton Gardens water abstraction - 2034
- Comprehensive stormwater consent - 2036
- Crematorium emission consent - 2040

Sensitivity analysis

Inflation and interest

A variance in the LGCI (Local Government Cost Index) operating expenditure rate of inflation by 1% would impact the budget by approximately \$854,000 per annum (including staff costs). A similar variance in the capital expenditure inflation rate would impact the capital programme by approximately \$3.4 million per annum.

A 1% variance to interest rates would increase or decrease interest costs by approximately \$6.7 million per annum based on expected 2021/22 debt levels, assuming all of our debt is floating. We currently have 43% of our borrowings at fixed rates, therefore the impact of a 1% variance would be \$3.8 million.

The impact of a 1% increase in inflation can be absorbed within the existing Financial Strategy limits for debt to revenue and balancing the books. The impact of a 1% increase in interest, or a combined increase in both inflation and interest would cause a breach in the balancing the books and debt limits. In the medium term (first three years of this LTP) this is partially mitigated by the 43% of interest on fixed debt.

We would have to respond to such a large change in interest rates and inflation. This

response would depend on any effects these factors had on population growth and associated investment.

Growth assumptions

In making these forecasting assumptions we have to be mindful the future may not unfold as expected. Many of our assumptions are based on our growth forecasts. As such, we need to prepare for variations to these.

Our current growth assumptions show unprecedented sustained growth over the next ten years. This matter has the greatest impact on our LTP. It results in more expenditure to run the city, more capital expenditure earlier to provide for the growing city and more revenue to pay for it. Growth affects most of our assumptions and it affects our resilience to manage certain types of assumptions, for example climate change.

The Financial Strategy, based on the assumptions in this document, show that growth is affordable. To be prepared for the possibility of growth happening other than planned, analysis has been done on the effects of a 15% change in growth.

The forecast growth is based on the NIDEA low household growth series.

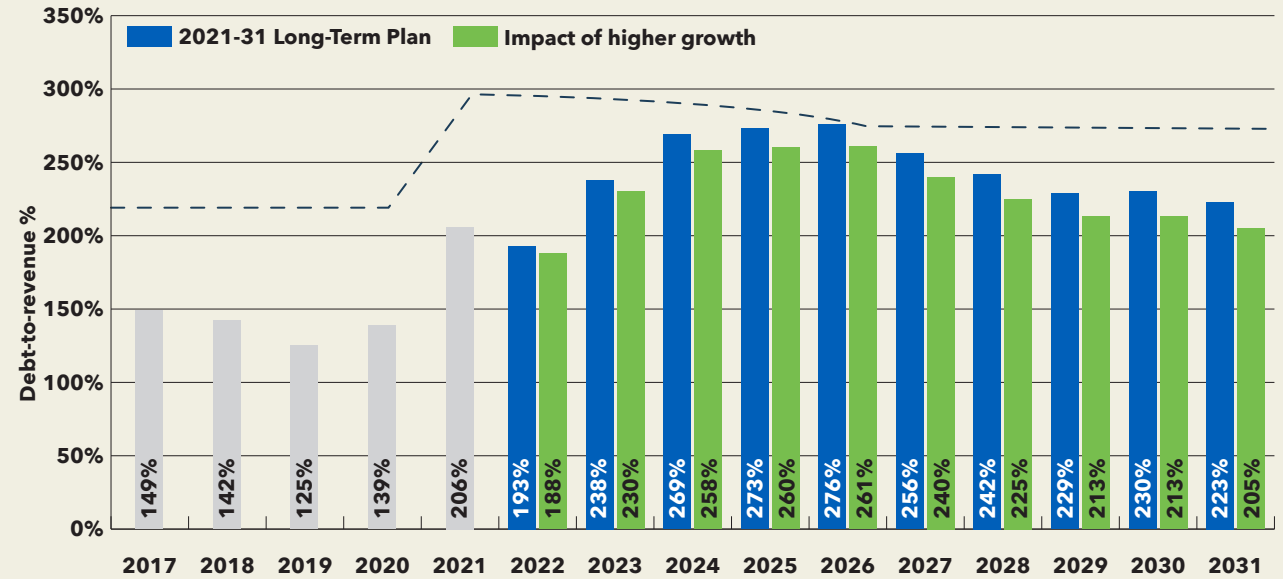
15% higher than forecast growth

Higher growth means more income from growth, particularly in terms of revenue from development contributions, rates and consenting processes. This helps pay for the higher everyday costs of running the city that more people create.

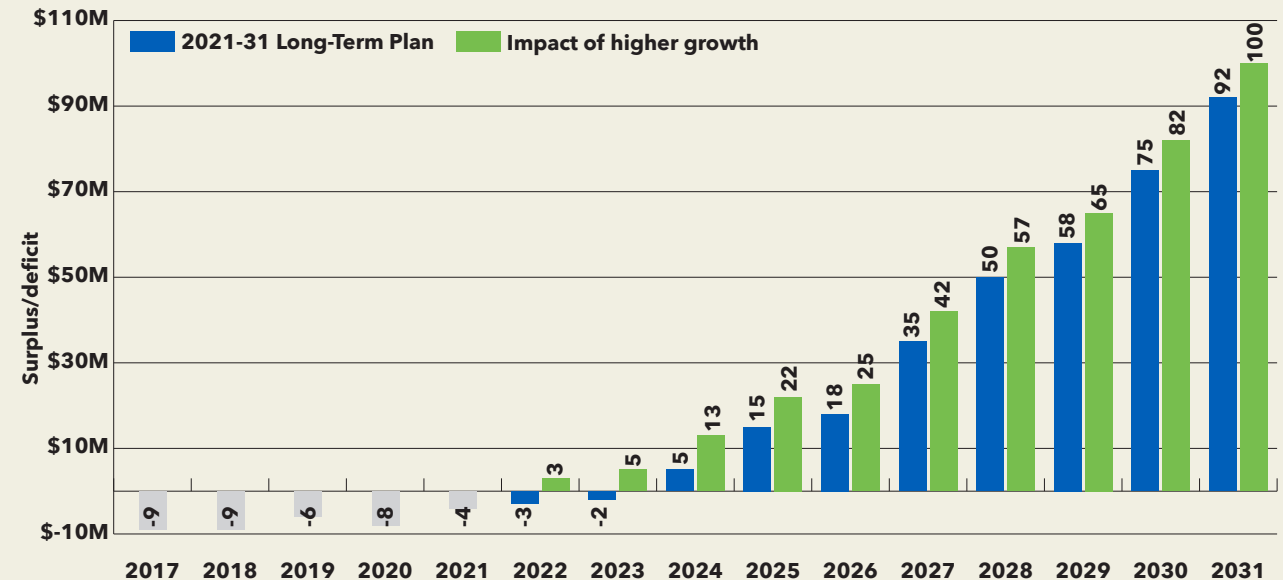
Based on the existing capital programme, Hamilton will be able to accommodate a larger population in the short-term. More infill housing will occur as a result. In time, capital projects currently beyond the ten years will need to be brought forward. A benefit of higher growth would be greater debt capacity for the next big spend when new growth cells need to be opened.

The graphs to the right show that if growth was 15% higher than assumed, surpluses will get stronger and debt capacity increase.

Debt-to-revenue: 15% higher than forecast growth



Balancing the books: 15% higher than forecast growth



15% lower than forecast growth

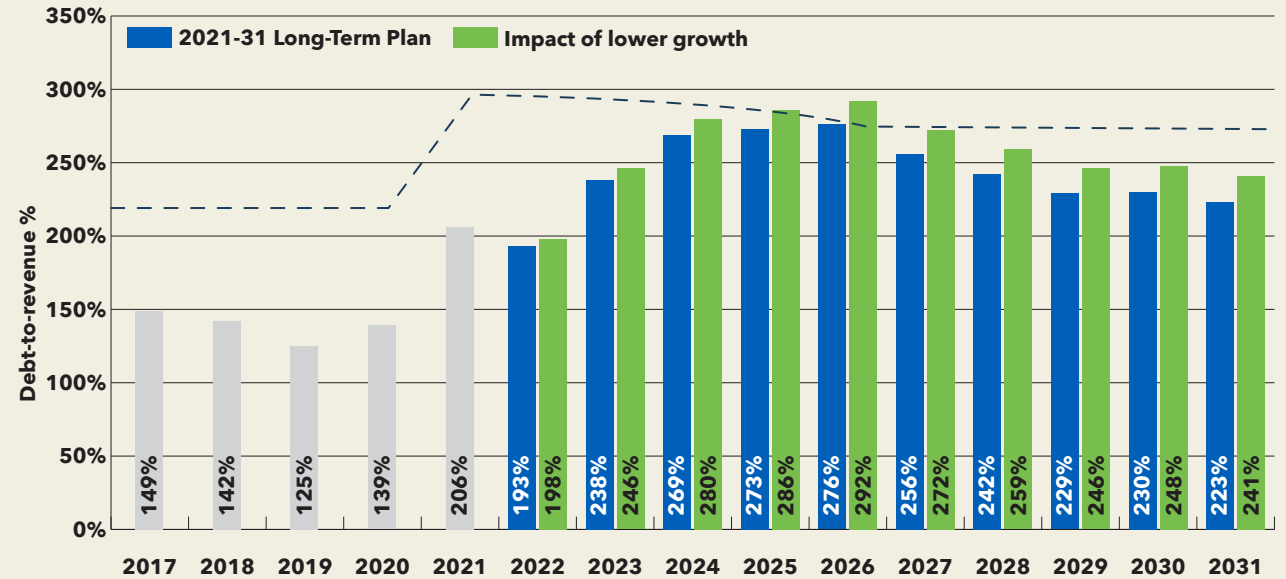
Typically, a recession is likely to occur in any ten year period, but they are almost impossible to forecast. If growth is lower than assumed our challenges will be greater.

With the Financial Strategy forecast to maximise the debt-to-revenue limit in 2025-2026 we are more vulnerable to drops in revenue. Less revenue from grants and subsidies and fees and charges could push us beyond our 280% limit in these years. The biggest impacts come from lower than forecast growth particularly in terms of development contributions, consent processing and rates. Costs are difficult to rein in quickly. The first three years of the plan has our biggest capital programme ever. This will be well underway before a change in growth would become apparent and once started, contracts and practical arrangements would make it difficult to stop.

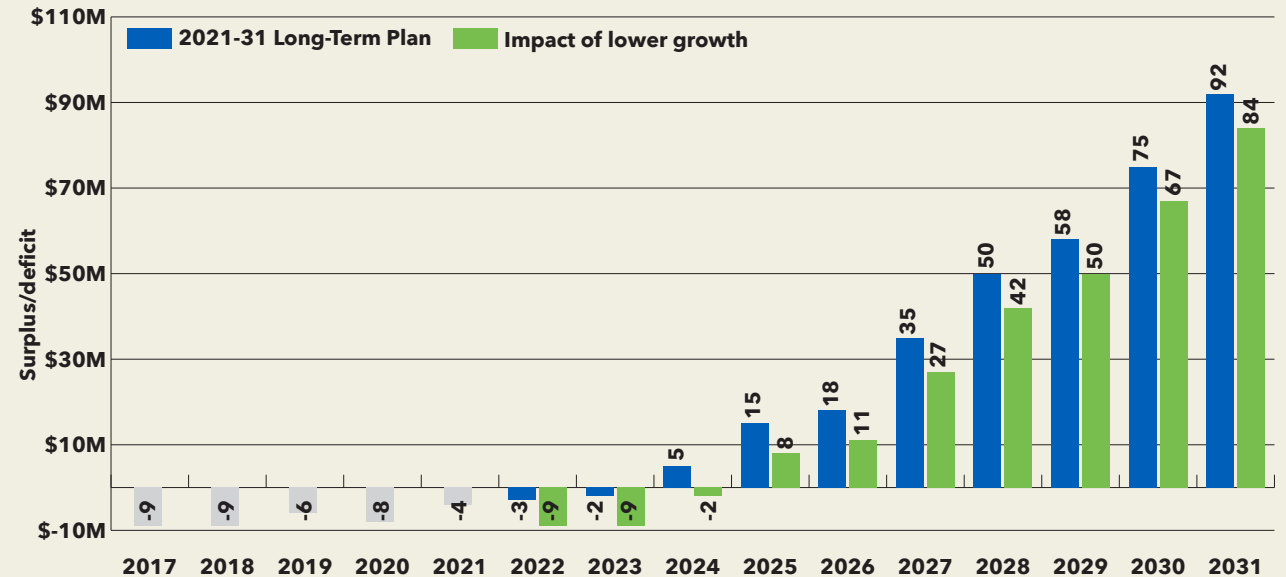
The effect of this on the Financial Strategy would be movements in the wrong direction. The graphs to the right model a lower growth scenario which shows deficits, meaning we would be borrowing more to pay for everyday costs. They also show the impact of less revenue on the debt-to-revenue graphs with two years of debt above the Financial Strategy limit.

We are aware of this risk and constantly monitor actual growth and revenue so we can respond quickly if required.

Debt-to-revenue: 15% lower than forecast growth



Balancing the books: 15% lower than forecast growth



Forecast Financial Statements

Prospective statement of comprehensive revenue and expense

Forecast for the year ending 30 June 2021-31

		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Notes	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Revenue												
Rates	2	200,066	221,714	237,140	253,677	271,554	290,555	310,558	331,793	354,775	379,244	404,933
Fees and user charges	3	32,260	40,723	43,775	49,115	49,126	50,463	51,798	53,543	55,472	56,807	58,379
Subsidies and grants	4	7,227	8,664	8,867	8,842	9,156	10,055	10,027	10,556	11,140	11,692	12,667
Interest revenue	5	1,250	302	311	318	317	315	309	304	302	312	315
Other revenue	6	10,298	14,780	18,667	11,865	8,896	7,832	7,558	7,731	7,935	8,147	8,360
Development contributions	7	22,504	31,622	33,822	36,605	36,101	37,190	38,969	41,524	39,494	38,530	43,227
Capital revenue	8	58,634	101,588	71,661	49,839	38,221	18,686	22,089	21,764	34,922	36,697	37,285
Vested assets	9	32,479	34,491	39,199	41,750	45,268	46,408	46,057	47,129	51,490	53,198	52,412
Total revenue (excluding gains)		364,718	453,885	453,441	452,010	458,640	461,504	487,365	514,344	555,530	584,626	617,577
Expenditure												
Personnel costs		83,802	96,917	100,204	103,686	107,175	110,491	113,644	116,644	119,761	122,794	125,675
Depreciation and amortisation expense	10	74,727	75,534	79,914	83,941	90,107	96,816	99,920	103,497	108,204	109,561	114,657
Finance costs	11	17,124	16,270	21,583	23,056	25,425	27,124	26,012	23,570	24,074	26,209	25,713
Operating and maintenance costs		47,775	68,670	73,832	80,007	78,892	87,279	86,620	92,411	98,920	100,623	105,990
Professional costs		13,820	16,531	15,071	13,976	12,700	13,190	13,572	12,565	13,376	14,258	13,492
Administration costs		41,520	24,215	19,578	18,802	17,321	15,327	15,141	15,566	16,105	16,659	17,377
Property costs		10,017	11,779	12,517	13,174	14,098	14,766	15,469	16,218	17,017	17,863	18,738
Total expenditure (excluding losses)		288,785	309,917	322,699	336,641	345,719	364,994	370,378	380,472	397,457	407,967	421,641
Operating surplus/(deficit)*		75,933	143,968	130,742	115,369	112,922	96,510	116,987	133,872	158,073	176,659	195,936
Gains		593	756	775	795	815	835	856	877	899	922	945
Losses		(10,457)	(61,103)	-	-	-	-	-	-	-	-	-
Total surplus/(deficit)		66,069	83,622	131,517	116,164	113,736	97,345	117,843	134,749	158,972	177,581	196,881
Other comprehensive revenue and expense												
Items that will not be reclassified to surplus/(deficit)												
Gain on property, plant and equipment revaluations		178,286	112,916	48,475	145,580	231,920	66,971	189,232	262,526	71,978	232,468	313,010
Total other comprehensive revenue and expense		178,286	112,916	48,475	145,580	231,920	66,971	189,232	262,526	71,978	232,468	313,010
Total comprehensive revenue and expense		244,355	196,538	179,992	261,744	345,656	164,316	307,074	397,275	230,950	410,049	509,891

The accompanying notes form part of these financial statements.

* Surplus before gains and losses, share of associate's surplus and tax

Prospective statement of changes in equity

Forecast for the year ending 30 June 2021-31

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Notes	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Equity balance at 1 July	3,964,373	4,221,514	4,418,052	4,598,044	4,859,789	5,205,445	5,369,761	5,676,835	6,074,111	6,305,061	6,715,110
Total comprehensive revenue and expense for the period	244,355	196,538	179,992	261,744	345,656	164,316	307,074	397,275	230,950	410,049	509,891
Equity balance at 30 June	4,208,728	4,418,052	4,598,044	4,859,789	5,205,445	5,369,761	5,676,835	6,074,111	6,305,061	6,715,110	7,225,001
Accumulated comprehensive revenue and expense											
Balance at beginning of year	1,855,419	1,931,292	2,014,949	2,146,511	2,262,727	2,376,525	2,473,912	2,591,797	2,726,606	2,885,656	3,063,333
Operating surplus/(deficit)	66,069	83,622	131,517	116,164	113,736	97,345	117,843	134,749	158,972	177,581	196,881
Transfers (to)/from restricted and council created reserves	(2,196)	35	44	53	62	41	42	60	78	96	115
Balance at end of year	1,919,292	2,014,949	2,146,511	2,262,727	2,376,525	2,473,912	2,591,797	2,726,606	2,885,656	3,063,333	3,260,329
Revaluation reserves											
Balance at beginning of year	2,069,204	2,248,275	2,361,192	2,409,667	2,555,247	2,787,167	2,854,138	3,043,370	3,305,896	3,377,874	3,610,342
Revaluation gains	178,286	112,916	48,475	145,580	231,920	66,971	189,232	262,526	71,978	232,468	313,010
Balance at end of year	2,247,490	2,361,192	2,409,667	2,555,247	2,787,167	2,854,138	3,043,370	3,305,896	3,377,874	3,610,342	3,923,352
Restricted and council created reserves											
Balance at beginning of year	39,750	41,946	41,911	41,867	41,814	41,752	41,711	41,669	41,609	41,531	41,435
Transfers (to)/from reserves	2,196	(35)	(44)	(53)	(62)	(41)	(42)	(60)	(78)	(96)	(115)
Balance at end of year	41,946	41,911	41,867	41,814	41,752	41,711	41,669	41,609	41,531	41,435	41,320
Equity balance at 30 June	4,208,728	4,418,052	4,598,044	4,859,789	5,205,445	5,369,761	5,676,835	6,074,111	6,305,061	6,715,110	7,225,001

The accompanying notes form part of these financial statements.

Prospective balancing the books measure

Forecast for the year ending 30 June 2021-31

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Notes	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Surplus/(deficit)	66,069	83,622	131,517	116,164	113,736	97,345	117,843	134,749	158,972	177,581	196,881
Remove capital revenue											
Vested assets	(32,479)	(34,491)	(39,199)	(41,750)	(45,268)	(46,408)	(46,057)	(47,129)	(51,490)	(53,198)	(52,412)
Part of development and financial contributions ^A	(14,628)	(20,554)	(21,984)	(23,793)	(23,466)	(24,173)	(25,330)	(26,990)	(25,671)	(25,044)	(28,097)
Capital subsidy (excluding subsidy on transport renewals) ^B	(37,736)	(60,479)	(58,906)	(36,690)	(25,930)	(9,703)	(13,385)	(13,027)	(25,597)	(25,738)	(25,593)
Other capital contributions	(12,496)	(32,863)	(5,040)	(5,415)	(4,781)	(985)	(607)	(506)	(890)	(1,296)	(1,722)
Other items not considered everyday operating revenue ^C	(4,217)	(8,084)	(11,780)	(4,815)	(1,710)	(473)	(18)	-	-	-	-
Remove (gains)/losses											
All (gains)/losses	9,864	60,347	(775)	(795)	(815)	(835)	(856)	(877)	(899)	(922)	(945)
Remove other expenses											
Other items not considered everyday operating expenses ^D	21,189	9,585	4,327	2,421	2,910	3,128	3,242	3,318	3,394	3,470	3,546
Balancing the books (surplus/ (deficit))	(4,434)	(2,918)	(1,840)	5,328	14,677	17,897	34,832	49,537	57,819	74,852	91,658

The accompanying notes form part of these financial statements.

A Development contributions contain an element of funding for interest costs that are part of every day expenses. An adjustment is made to match the revenue with the expense. The budget has assumed interest costs funded from development contributions represent 35% of development contributions revenue.

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

C Adjustment for fair value calculation on the Housing Infrastructure Fund loans.

D Adjustment for grants to other parties to invest in significant assets for the benefit of the city and fair value discount unwinding on the Housing Infrastructure Fund loans.

Prospective statement of financial position

Forecast for the year ending 30 June 2021-31

		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Notes	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Assets												
Current assets												
Cash & cash equivalents		76,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Receivables		28,177	34,520	34,817	32,148	29,678	27,179	28,105	28,519	31,028	31,586	32,030
Prepayments		1,755	1,755	1,755	1,755	1,755	1,755	1,755	1,755	1,755	1,755	1,755
Inventory		160	160	160	160	160	160	160	160	160	160	160
Other financial assets	12	432	1,320	1,488	1,335	1,343	1,351	1,359	1,250	-	-	-
Total current assets		106,524	87,755	88,220	85,398	82,936	80,445	81,379	81,684	82,943	83,501	83,945
Non-current assets												
Property, plant and equipment		4,868,181	5,118,820	5,435,271	5,813,393	6,188,478	6,371,655	6,663,311	7,057,052	7,317,981	7,792,496	8,324,715
Intangible assets		23,711	31,886	38,646	40,506	44,845	44,418	43,905	45,231	45,908	51,288	55,286
Investment property		30,258	31,014	31,790	32,585	33,399	34,234	35,090	35,967	36,866	37,788	38,733
Other financial assets												
- Investment in CCOs and other similar entities		10,445	11,230	11,230	11,230	11,230	11,230	11,230	11,230	11,230	11,230	11,230
- Other investments		13,089	13,151	14,212	15,396	14,723	13,763	12,053	10,769	11,633	13,482	14,212
Total other financial assets	12	23,534	24,381	25,442	26,626	25,953	24,993	23,283	21,999	22,863	24,712	25,442
Investment in associates	13	7,430	7,430	7,430	7,430	7,430	7,430	7,430	7,430	7,430	7,430	7,430
Derivative financial instruments		1,191	1,191	1,191	1,191	1,191	1,191	1,191	1,191	1,191	1,191	1,191
Total non-current assets		4,954,305	5,214,722	5,539,770	5,921,731	6,301,296	6,483,921	6,774,210	7,168,870	7,432,240	7,914,905	8,452,796
Total assets		5,060,829	5,302,477	5,627,990	6,007,129	6,384,232	6,564,366	6,855,589	7,250,554	7,515,183	7,998,406	8,536,741
Liabilities												
Current liabilities												
Payables and deferred revenue		38,446	38,446	38,446	38,446	38,446	38,446	38,446	38,446	38,446	38,446	38,446
Employee entitlements		9,620	9,620	9,620	9,620	9,620	9,620	9,620	9,620	9,620	9,620	9,620
Provisions		2,116	1,626	1,830	1,883	1,682	1,934	1,850	1,849	1,849	1,848	1,847
Borrowings	14	22,800	86,900	81,900	71,900	71,900	71,900	71,100	71,100	21,100	21,100	21,100
Derivative financial instruments		322	322	322	322	322	322	322	322	322	322	322
Total current liabilities		73,304	136,914	132,118	122,171	121,970	122,222	121,338	121,337	71,337	71,336	71,335
Non-current liabilities												
Employee entitlements		1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Provisions		16,948	13,368	12,454	11,483	10,710	9,682	8,731	7,771	6,805	5,832	4,850
Borrowings	14	694,021	666,315	817,545	945,857	978,279	994,873	980,856	979,506	1,064,152	1,138,300	1,167,727
Derivative financial instruments		66,728	66,728	66,728	66,728	66,728	66,728	66,728	66,728	66,728	66,728	66,728
Total non-current liabilities		778,797	747,511	897,827	1,025,169	1,056,817	1,072,383	1,057,415	1,055,106	1,138,785	1,211,960	1,240,405
Total liabilities		852,101	884,425	1,029,945	1,147,340	1,178,787	1,194,605	1,178,753	1,176,443	1,210,122	1,283,296	1,311,740
Net assets		4,208,728	4,418,052	4,598,044	4,859,789	5,205,445	5,369,761	5,676,835	6,074,111	6,305,061	6,715,110	7,225,001
Equity												
Accumulated funds		1,919,292	2,014,949	2,146,511	2,262,727	2,376,525	2,473,912	2,591,797	2,726,606	2,885,656	3,063,333	3,260,329
Other reserves		2,247,490	2,361,192	2,409,667	2,555,247	2,787,167	2,854,138	3,043,370	3,305,896	3,377,874	3,610,342	3,923,352
Restricted reserves	15	41,369	41,410	41,451	41,492	41,533	41,574	41,615	41,656	41,697	41,738	41,779
Council created reserves	15	577	501	416	322	219	137	54	(47)	(166)	(303)	(459)
Total equity		4,208,728	4,418,052	4,598,044	4,859,789	5,205,445	5,369,761	5,676,835	6,074,111	6,305,061	6,715,110	7,225,001

The accompanying notes form part of these financial statements.

Prospective statement of cash flows

Forecast for the year ending 30 June 2021-31

		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Notes		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cash flows from operating activities												
Cash will be provided from:												
Rates revenue	2	200,066	221,714	237,140	253,677	271,554	290,555	310,558	331,793	354,775	379,244	404,933
Fees and user charges		32,260	40,723	43,775	49,115	49,126	50,463	51,798	53,543	55,472	56,807	58,379
Government operating subsidies and grants		7,227	8,664	8,867	8,842	9,156	10,055	10,027	10,556	11,140	11,692	12,667
Government capital subsidies and grants		46,138	68,725	66,621	44,424	33,440	17,702	21,482	21,258	34,033	35,401	35,563
Other capital contributions		35,000	64,485	38,862	42,020	40,882	38,175	39,576	42,030	40,384	39,826	44,949
Interest received		1,250	302	311	318	317	315	309	304	302	312	315
Dividends received		104	104	104	104	104	104	104	104	104	104	104
Sundry revenue	6	5,977	2,113	6,486	9,615	9,552	9,755	6,509	7,213	5,322	7,485	7,812
Total		328,022	406,831	402,165	408,114	414,131	417,123	440,364	466,800	501,531	530,870	564,722
Cash will be applied to:												
Payments to employees		83,802	96,917	100,204	103,686	107,175	110,491	113,644	116,644	119,761	122,794	125,675
Payments for suppliers		113,132	125,398	121,829	126,990	124,093	131,437	131,928	137,802	146,458	150,441	156,634
Interest paid		14,670	15,554	20,134	20,519	22,407	23,898	22,679	20,170	20,607	22,675	22,112
Net GST paid		-	-	-	-	-	-	-	-	-	-	-
Total		211,604	237,868	242,167	251,196	253,675	265,826	268,251	274,617	286,826	295,911	304,421
Net cash flow from operating activities		116,418	168,962	159,998	156,918	160,456	151,297	172,113	192,184	214,705	234,960	260,301
Cash flows from investing activities												
Cash will be provided from:												
Proceeds from reduction in other financial assets		425	432	440	448	455	464	471	479	-	-	-
Proceeds from maturity of NZLGFA borrower notes		-	960	880	1,040	880	880	880	880	1,250	-	-
Proceeds from sale of assets held for sale		2,396	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of property, plant and equipment		-	-	-	-	-	-	-	-	-	-	-
Total		2,821	1,392	1,320	1,488	1,335	1,344	1,351	1,359	1,250	-	-
Cash will be applied to:												
NZLGFA borrower notes		2,464	2,342	2,549	2,519	670	392	(351)	(34)	864	1,850	730
Purchase of property, plant and equipment and intangible assets		302,844	328,668	316,310	277,969	194,786	168,560	158,111	191,368	249,061	306,805	288,862
Total		305,308	331,010	318,860	280,488	195,456	168,952	157,760	191,334	249,925	308,655	289,592
Net cash flow from investing activities		(302,487)	(329,618)	(317,540)	(279,000)	(194,121)	(167,608)	(156,409)	(189,975)	(248,675)	(308,655)	(289,592)
Cash flows from financing activities												
Cash will be provided from:												
Finance leases raised		300	300	300	300	300	300	300	300	300	300	300
Loans raised		246,069	194,030	230,783	189,806	90,322	73,039	41,059	53,632	84,552	73,979	29,181
Total		246,369	194,330	231,083	190,106	90,622	73,339	41,359	53,932	84,852	74,279	29,481
Cash will be applied to:												
Loan repayments		60,000	60,000	74,100	69,100	59,100	59,100	59,100	58,300	53,300	3,300	3,300
Finance lease repayments		300	300	300	300	300	300	300	300	300	300	300
Total		60,300	60,300	74,400	69,400	59,400	59,400	59,400	58,600	53,600	3,600	3,600
Net cash flow from financing activities		186,069	134,030	156,683	120,706	31,222	13,939	(18,041)	(4,668)	31,252	70,679	25,881
Cash Balance												
Net increase/(decrease) in cash held		-	(26,000)	-	-	-	-	-	-	-	-	-
Opening cash and cash equivalents balance		76,000	76,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Closing cash and cash equivalents balance		76,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000

The accompanying notes form part of these financial statements.

Notes to the prospective 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.

Our primary objective is to provide goods or services for community or social benefit rather than making a financial return. As such, for the purposes of financial reporting, we are considered a public benefit entity.

These prospective financial statements are for Hamilton City Council as a separate legal entity. Consolidated prospective financial statements covering both us and our subsidiaries and associates have not been prepared as the income and expenditure is not material to our long-term planning.

Basis of preparation

We authorised the prospective financial statements on 24 June 2021. We believe the assumptions underlying these prospective financial statements are appropriate. We accept responsibility for the preparation of

the prospective financial statements, including the appropriateness of the assumptions underlying these statements and all other required disclosures. No actual results have been included within the prospective financial statements. We do not intend to update the prospective financial statements after they are presented.

Statement of compliance

The prospective financial statements have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The prospective financial statements have been prepared to comply with Public Benefit Entity Standards (PBE Standards) for a Tier 1 entity.

The reporting period for these prospective financial statements is for the 10 years ending 30 June 2031. The prospective financial

statements are presented in New Zealand dollars, rounded to the nearest thousand (\$000), unless otherwise stated.

The accounting policies set out below have been applied consistently to all periods presented here.

The purpose of the prospective financial information is to support our planning.

Measurement base

The basis for measurement applied is historical cost, modified by the revaluation of certain assets and liabilities as identified in this summary of significant accounting policies. The accrual basis of accounting has been used unless otherwise stated.

For the assets and liabilities recorded at fair value, fair value is defined as the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's-length transaction. For investment property, non-current assets classified as held for sale and items of

property, plant and equipment which are revalued, the fair value is determined by reference to market value. The market value of a property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction.

Amounts expected to be recovered or settled more than one year after the end of the reporting period are recognised at their present value. The present value of the estimated future cash flows is calculated using applicable inflation factors and a discount rate. The inflation rates used are from the latest relevant BERL forecasts and the discount rate is our forecast long-term cost of borrowing.

Judgements and estimations

The preparation of prospective financial statements using PBE standards requires the use of judgements, estimates and assumptions. Where material, information on the main assumptions is provided in the relevant accounting policy.

The estimates and assumptions are based on historical experience as well as other factors that are believed to be reasonable under the circumstances. Subsequent actual results may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis and adjustments are made where necessary.

Judgements that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the relevant notes. Significant judgements and estimations include landfill post-closure costs, asset revaluations, impairments, certain fair value calculations and provisions.

Significant accounting policies

Significant accounting policies are included in the notes to which they relate. Those that do not relate to a specific note are outlined below.

Standards issued and not yet effective, but early adopted

PBE IPSAS 41 - Financial Instruments

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

Council adopted PBE IPSAS 41 effective 1 July 2021 and have determined that adopting this standard does not materially impact the financial instruments held.

Revenue

Revenue includes rates, revenue from operating activities, investment revenue, gains, finance and other revenue. It is measured at the fair value of consideration received or receivable.

Revenue may come from either exchange or non-exchange transactions.

Exchange transactions

Exchange transactions are transactions where we receive assets (primarily cash) or services, or have liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services, or use of assets) to another entity in exchange.

Non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, we either receive value from or give value to another entity without directly giving or receiving approximately equal value in exchange.

An inflow of resources from a non-exchange transaction recognised as an asset is considered revenue, except to the extent that a liability is also recognised in respect of the same inflow.

At times we satisfy a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset. Doing so reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Gains

Gains include additional earnings on the disposal of property, plant and equipment as well as movements in the fair value of financial assets and liabilities. Gains are classified as exchange revenue.

Goods and services tax (GST)

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

Taxation

Income tax expense on the surplus or deficit for the year includes current and deferred tax.

Current tax is the expected tax payable based on the taxable income for the year. This uses tax rates enacted or substantively enacted at the end of the reporting period, plus any adjustment to tax payable in respect of previous periods.

Deferred tax is provided using the balance sheet liability method. This provides for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the assets and liabilities. It also takes into account the unused tax losses using tax rates enacted or substantively enacted at the end of the reporting period. Deferred income tax assets are recognised to the extent it is probable future tax profit will be available against which they can be utilised.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short term highly liquid investments. The

carrying value of cash at bank and short-term deposits with original maturities of less than three months approximates their fair value.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Receivables

Short-term receivables are recorded at the amount due less any provision for collectability.

A receivable is considered to be uncollectable when there is evidence the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

Inventory

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at cost (using the FIFO method), adjusted, when applicable for any loss of service potential.

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition. Inventories held for use

in the provision of goods and services on a commercial basis are valued at the lower of cost (using the FIFO method) and net realisable value.

Property, plant and equipment

Property, plant and equipment include:

Operational assets

These are land, buildings (including cultural assets and 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 is the actual expense incurred in acquiring the Zoo animals.

Restricted assets

These are parks and reserves we own that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Heritage assets

These are museum collections and library collections (New Zealand Room).

Asset Class	Years	Depreciation rate
Buildings - structure/fit out/services	5 - 200	0.5% - 20%
Plant and vehicles	3 - 15	6.7% - 33.3%
Furniture, fittings and equipment	5 - 50	2% - 20%
Library books	3 - 14	7.1% - 33.3%
Zoo animal (acquisition costs)	10	10%
Improvements - Parks & Gardens	5 - 150	0.7% - 20%
Roads and traffic network:		
Top surface (seal)	5 - 20	5% - 20%
Pavement (basecourse)	50 - 140	0.7% - 2%
Concrete	60	1.7%
Drainage	60 - 70	1.4% - 1.7%
Carparks	6 - 110	0.9% - 6.7%
Footpaths and cycleways	5 - 75	1.3% - 20%
Kerbs and traffic islands	20 - 60	1.7% - 5%
Signs	15	6.7%
Street lights	5 - 50	2% - 4%
Bridges and culverts	40 - 150	0.7% - 2.5%

Asset Class	Years	Depreciation rate
Underpasses	80	1.3%
Traffic signals	15	6.7%
Guarding and railing	20 - 25	4% - 5%
Bus shelters and fences	20	5%
Verge, embankment and retaining walls	50 - 100	1% - 2%
Wastewater reticulation		
Pipes	30 - 100	1% - 3.3%
Manholes	100	1%
Treatment plant	5 - 100	1% - 20%
Valves	40 - 75	1.3% - 2.5%
Pump stations	15 - 100	1% - 6.7%

Infrastructure assets

These are the fixed utility systems that we own. Each asset type includes all items that are required for the network to function.

Property, plant and equipment are shown at cost or valuation, less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and

only if, it is probable future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported in the net surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Subsequent costs

Costs incurred after initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

Revaluation

Land and buildings (operational and restricted), heritage assets, and infrastructural assets (except land under roads) are revalued regularly to ensure that their carrying amount does not differ materially from fair value. These revaluations occur at least every three years. All other asset classes are carried at depreciated historical cost.

The carrying values of revalued assets are assessed annually to make sure they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

Revaluations of property, plant, and equipment are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive income and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive income but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then in other comprehensive income.

Depreciation

The residual value and useful life of an asset is reviewed and adjusted if applicable at each financial year end.

Heritage assets are not depreciated.

The useful lives and associated depreciation rates of major classes of assets are estimated as follows:

Asset Class	Years	Depreciation rate
Stormwater system:		
Pipes	30 - 100	1% - 3.3%
Manholes, inlets and outlets	100	1%
Soakage trench	50	2%
Fish Pass	50	2%
Channels	70-90	1.1%-1.4%
Water reticulation:		
Bulk main chambers	100	1%
Backflow devices	40	2.5%
Pipes	40 - 100	1% - 2.5%
Valves	40 - 75	1.3% - 2.5%
Treatment plant	5 - 100	1% - 20%
Meters	15	6.7%
Hydrants	50 - 75	1.3% - 2%
Cathodic Protection Device	15 - 100	1% - 6.7%
Reservoirs	15 - 100	1% - 6.7%
Refuse - Rubbish and Recycling	5 - 100	1% - 20%

Depreciation is not provided in these statements on the following assets:

- land
- formation costs associated with roading
- investment properties
- non-current asset held for resale
- work in progress and assets under construction.

Investment properties

Properties leased to third parties under operating leases are classified as investment property. This is unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

These assets consist of investment properties owned by us, funded either from Corporate Funds, the Domain Endowment Fund or the Municipal Endowment Fund.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, all investment property is measured at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

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 and not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value, less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Intangible assets

Intangible assets are defined as identifiable non-monetary assets without physical form. Amortisation is the systematic allocation of the depreciable amount of an intangible asset over its useful life.

Intangible assets include:

Software acquisition and development

- Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.
- Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.
- Staff training costs are recognised in the surplus or deficit when incurred. Costs associated with maintaining computer software are recognised in the surplus or deficit when incurred. Costs associated with development and maintenance of the Council's website are recognised as an expense when incurred.

These are capitalised at historic cost and are amortised on a straight-line basis over their estimated useful lives (five years). Costs associated with maintaining computer software are recognised as an expense when incurred.

Consents and designations

- Consents and designations not attributed

to a specific asset are capitalised at historic cost. These are amortised on a straight-line basis over their estimated useful lives.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life.

The useful lives of major classes of intangible assets have been estimated as follows:

Computer software	3-5 years
Consents & designations	10-35 years
Licenses	3-10 Years
Models	7-15 years

Impairment of property, plant and equipment

Property, plant and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

If an asset's carrying amount exceeds its

recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

Impairment in term deposits, local authority stock, government stock bonds, general and community loans are recognised directly against the instrument's carrying amounts.

Creditors and other payables

Short-term creditors and other payables are recorded at their face value.

Employee entitlements

Short-term employee entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to

balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date to the extent it will be used by staff to cover those future absences.

The provision for retirement gratuities has been calculated on an actuarial basis bringing to account what is likely to be payable in the future. This is in respect of service that employees have accumulated up until twelve months after balance date.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff. These are based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information.

- the present value of the estimated future cash flows.

Presentation of employee entitlements

Sick leave, annual leave, and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Superannuation schemes

Defined contribution schemes

Employer contribution to KiwiSaver is accounted for as defined contribution superannuation scheme and is expensed in the surplus or deficit when incurred.

Derivative financial instruments

Derivative financial instruments are used to manage exposure to interest rate risks arising from our financing activities. Derivative financial instruments are recognised initially at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date. We have chosen not to hedge account for these derivative financial instruments.

Changes in the fair value of the derivative financial instruments are recognised in the surplus or deficit.

For the purpose of preparing prospective financial statements, the Council has recognised the fair value of contracted derivatives in the prospective statement of financial position. Movements in the fair value of derivatives has not been recognised in the prospective statement of comprehensive revenue and expense.

Leases

Leases include:

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.

Finance leases

- A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

- At the start of the lease term, finance leases are recognized as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item and the present value of the minimum lease payments.
- The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.
- The amount recognized as an asset is depreciated over its useful life. If there is no reasonable certainty as to whether we will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Provisions

We recognise 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.
- 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. This is done using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost and is included in “finance costs”.

Landfill aftercare costs

We have legal obligations under resource consents to provide ongoing maintenance and monitoring services at several of our closed landfill sites. 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. This takes 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 capitalized to the landfill asset where they give rise to future economic benefits to be obtained. Components of the capitalized 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 the Council.

All subsequent changes in the liability shall be recognized in the surplus or deficit and the periodic unwinding of the discount will also be recognized in the surplus or deficit as a finance cost as it occurs.

Contingencies

Financial guarantee

At times we are requested to act as a guarantor to loans raised by community organisations and sports clubs to construct facilities on council reserve land. These structures form part of the reserve but are not included in the fixed asset figures. No provision has been made because we do not consider it likely that these loans will require settlement.

Equity

Equity is the community’s interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- accumulated funds
- other reserves – revaluation reserves and fair value through other comprehensive revenue and expense reserve
- restricted reserves
- council created reserves.

Accumulated funds include accumulated surpluses over the years.

Prospective statement of cash flows

Cash and cash equivalents for the purposes of the cashflow statement include bank balances, cash on hand and short-term deposits with a maturity of three months or less.

Operating activities include cash received from all our non-financial revenue sources and record the cash payments made for the supply of goods and services. Investing activities relate to the acquisition and disposal of assets and investment revenue. Financing activities relate to activities that change our equity and debt capital structure and financing cost.

Significant judgements

We have made a number of judgements in selecting performance measures for inclusion in the Council's 2021-31 Long-Term Plan. The main judgements made in the selection of performance measures are outlined below:

Community services; Governance, Safety; Venues, tourism and major events; Visitor destinations; Parks and recreation; Rubbish and recycling

There are no mandatory performance measures for these activities, nor any measures that have been established through legislation. As such, in selecting measures for these activities regard was given to those that:

- are considered to be of high public interest;
- relate to a community service level or expectation that is well understood; or
- arise out of a contractual arrangement.

Transport

The Department of Internal Affairs (DIA) has specified a series of mandatory performance measures for this activity. All measures required to be reported against by the DIA have been included in our performance framework.

DIA have not set any mandatory performance measures in relation to mode shift or travel times. We consider these to be material aspects of the service we deliver and have included performance measures for these outcomes in our performance framework.

Growth

We are required under legislation to process building consents, resource consents and Code of Compliance certificates within a specified timeframe - as such, we have included performance measures relating to timeliness of processing in our performance framework.

We also consider the sufficient supply of land for housing and business to be a material aspect of the service we deliver and have included performance measures for this outcome in our performance framework.

Water supply; Wastewater; Stormwater

The Department of Internal Affairs (DIA) has specified a series of mandatory performance measures for these activities. All measures required to be reported against by the DIA have been included in our performance framework. We have not identified any significant aspects of service performance outside of the DIA measures, as such, no additional performance measures have been

included for these activities.

Public benefit entity financial reporting standard 42 prospective financial statements (PBE FRS 42)

The Council has complied with PBE FRS 42 in the preparation of these draft prospective financial statements. The following information is included to satisfy the requirements of PBE FRS 42:

- (i) Description of the nature of the entity's current operation and its principal activities:

Hamilton City Council is a territorial local authority, as defined in the Local Government Act 2002. Our principal activities are outlined within this Long-Term Plan.

- (ii) Purpose for which the prospective financial statements are prepared:

It is a requirement of the Local Government Act 2002 to present prospective financial statements that span one year and include them within the Long-Term Plan. This allows ratepayers and residents the opportunity to review our projected financial results and position. Prospective financial statements are revised annually to reflect updated assumptions and costs.

(iii) Bases for assumptions, risks and uncertainties:

The financial information has been prepared based on best estimate assumptions as to the future events which we expect to take place. We have considered factors that may lead to a material difference between information in the prospective financial statements and actual results. These factors, and the assumptions made in relation to the sources of uncertainty and potential effect, are outlined on pages 90 to 104 of the Long-Term Plan.

(iv) Cautionary note:

The financial information is prospective. Actual results are likely to vary from the information presented. These variations may be material.

(v) Other disclosures:

These prospective financial statements were adopted as part of the assumptions that form this Long-Term Plan. We are responsible for the prospective financial statements presented, including the assumptions underlying prospective financial statements and all other disclosures. This Long-Term Plan is prospective and as such contains no actual operating results.

Note 2: Rates

Accounting policy

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

Rates penalties

Revenue from rates penalties is recognised when the penalty is imposed.

Rates remissions

Rates remissions are recognised as a reduction of rates revenue when we receive an application that satisfies our rates remission policy.

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
General rates											
General rates	199,929	213,260	228,225	244,299	261,670	280,135	302,613	323,458	346,002	370,003	395,217
Rates charges to Council properties	(465)	(518)	(544)	(570)	(598)	(627)	(658)	(690)	(724)	(760)	(797)
Targeted rates											
Government compliance rate	-	9,656	10,352	11,102	11,913	12,776	10,655	11,406	12,220	13,087	13,998
Metered water supply	8,468	8,618	8,868	9,090	9,317	9,550	9,789	10,044	10,314	10,593	10,869
Metered water charges to Council properties	(484)	(460)	(474)	(486)	(497)	(510)	(524)	(538)	(553)	(569)	(585)
Business improvement district rate	310	310	319	327	335	344	352	361	371	381	391
Service category rates (wastewater, water, and refuse)	1,284	1,419	1,488	1,561	1,638	1,718	1,802	1,890	1,983	2,080	2,182
Hamilton Gardens rate	812	-	-	-	-	-	-	-	-	-	-
Central city rate	145	145	145	145	145	145	145	145	145	145	145
Penalties and remissions											
Rates penalties	1,112	1,067	1,119	1,174	1,231	1,292	1,355	1,421	1,491	1,564	1,641
Rates remissions	-	-	-	-	-	-	-	-	-	-	-
- Hardship	(573)	(319)	(335)	(351)	(368)	(386)	(410)	(431)	(452)	(474)	(497)
- HCC utilities	(9,191)	(10,056)	(10,549)	(11,066)	(11,608)	(12,177)	(12,773)	(13,399)	(14,056)	(14,745)	(15,467)
- HCC other	(1,066)	(1,152)	(1,209)	(1,268)	(1,330)	(1,395)	(1,464)	(1,535)	(1,610)	(1,689)	(1,772)
- Community retail	(54)	(59)	(61)	(65)	(68)	(71)	(74)	(78)	(82)	(86)	(90)
- Wastewater, water and refuse	(163)	(196)	(205)	(215)	(226)	(237)	(249)	(261)	(274)	(287)	(301)
Total rates	200,066	221,714	237,140	253,677	271,554	290,555	310,558	331,793	354,775	379,244	404,933

Note 3: Fees and charges

Accounting policy

Revenue from the rendering of services (e.g. building consent fees) is recognised by reference to the stage of completion of the transaction, based on the actual service provided as a percentage of the total services to be provided. Under this method, revenue is recognised in the accounting periods in which the services are provided. Within rendering of services most activities are at least partially funded by rates and therefore classified as non-exchange. The exceptions are: Parking (excluding fines), Planning Guidance, Housing and Building control which are 100% funded by users and classified as exchange revenue.

Sale of goods

The sale of goods is classified as exchange revenue. Sale of goods is recognised when a product is sold to the customer and all risks and rewards of ownership have transferred to the customer.

Building and resource consents

Fees and charges for building and resource consent services are recognised when the building consent application process is completed.

Entrance fees

Entrance fees are fees charges to users of our local facilities, such as the zoo, pools and museum. Revenue from entrance fees is recognised upon entry to such facilities.

Note 3: Fees and charges

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Animal control charges	1,096	1,045	1,075	1,102	1,130	1,158	1,187	1,218	1,251	1,284	1,318
Building and resource consent charges	8,817	10,347	11,389	11,952	12,315	12,501	12,865	13,494	13,932	14,228	14,435
Cemetery and crematorium charges	1,719	1,629	1,676	1,718	1,761	1,805	1,850	1,898	1,949	2,002	2,054
Event facilities charges	1,796	4,141	4,282	7,026	4,282	4,389	4,498	4,616	4,740	4,868	4,995
Hamilton Gardens charges	56	140	990	1,931	2,842	2,971	3,210	3,361	3,522	3,692	4,004
Parking fees	1,831	1,900	1,955	2,531	3,135	3,213	3,294	3,379	3,470	3,564	3,657
Swimming pools charges	2,381	2,745	3,034	3,245	3,322	3,405	3,490	3,581	3,678	3,777	3,875
Trade waste charges	2,950	3,095	3,179	3,252	3,598	3,682	3,766	3,857	3,954	4,054	4,152
Zoo charges	1,027	1,736	1,878	1,980	2,057	2,109	2,161	2,218	2,309	2,372	2,433
Other fees and charges	2,790	3,867	3,538	3,456	3,625	3,774	3,870	3,973	4,174	4,289	4,403
Commission received	842	830	1,059	1,095	972	1,001	1,031	1,063	1,098	1,133	1,176
Sale of goods	2,075	3,143	3,371	3,472	3,576	3,684	3,796	3,916	4,045	4,179	4,314
Operating contributions	4,880	6,105	6,348	6,355	6,511	6,772	6,780	6,967	7,349	7,365	7,562
Total fees and charges	32,260	40,723	43,775	49,115	49,126	50,463	51,798	53,543	55,472	56,807	58,379

Note 4: Grants, subsidies and reimbursements

Accounting policy

Grants, subsidies, and reimbursements are initially recognised at their fair value where there is reasonable assurance that the payment will be received, and all attaching conditions will be complied with. Grants and subsidies received in relation to the provision of services are recognised on a percentage of completion basis. Reimbursements (e.g. NZTA roading claim payments) are recognised upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
New Zealand Transport Agency roading subsidy - operating	6,245	7,440	7,648	7,630	7,929	8,813	8,764	9,232	9,808	10,351	11,318
Waste minimisation levy	583	642	650	659	668	676	685	694	702	711	719
Other grants	398	582	569	553	560	566	578	630	630	630	630
Total grants, subsidies and reimbursements	7,227	8,664	8,867	8,842	9,156	10,055	10,027	10,556	11,140	11,692	12,667

Note 5: Interest revenue

Accounting policy

Interest revenue is exchange revenue and recognised using the effective interest rate method.

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Term deposits	1,250	302	311	318	317	315	309	304	302	312	315
Total interest revenue	1,250	302	311	318	317	315	309	304	302	312	315

Note 6: Other revenue

Accounting policy

Infringement fees and fines

Revenue from fines and penalties (e.g. traffic and parking infringements, library overdue book fines, rates penalties) is recognised when infringement notices are issued or when the fines/penalties are otherwise imposed.

Dividends

Dividends are classified as exchange revenue and are recognised when our right to receive a payment has been established.

Investment property rental revenue

Lease rentals (net of any incentives given) are recognised on a straight-line basis over the term of the lease.

Bequests and other donations

Donated and bequeathed financial assets are recognised as revenue unless there are substantive use or return conditions. A liability is recorded if there is substantive use or return conditions and the liability released to revenue as the conditions are met (e.g. as the funds are spent for the nominated purpose).

Fair value gains

Gains arising from the fair value assessment of borrowing at low or zero interest cost are recognised as other revenue at the date of drawdown for the period of low or interest free benefit. Over the period of the benefit the fair value is adjusted down to the nominal value of the loan.

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Infringements and fines	1,356	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656
Rental income	3,450	3,693	3,848	3,979	4,083	4,223	4,368	4,524	4,689	4,861	5,034
Dividend revenue	104	104	104	104	104	104	104	104	104	104	104
Petrol tax income	1,138	1,200	1,235	1,266	1,297	1,330	1,363	1,398	1,436	1,475	1,513
Sponsorship income	13	22	22	22	22	22	22	22	22	22	22
Donations received	20	22	23	24	25	25	26	27	29	30	31
Housing Infrastructure Fund - fair value benefit	4,217	8,084	11,780	4,815	1,710	473	18	-	-	-	-
Total other revenue	10,298	14,780	18,667	11,865	8,896	7,832	7,558	7,731	7,935	8,147	8,360

Note 7: Development contributions

Accounting policy

Development and financial contributions are recognised as non-exchange revenue when the application for service connection or code of compliance or s.224(c) completion of resource consent conditions is received.

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Community Services	-	-	-	-	-	-	-	-	-	-	-
Reserves	1,196	821	1,168	1,651	1,553	2,088	2,242	2,495	1,983	2,072	2,089
Stormwater	2,854	4,929	6,197	6,211	5,399	4,906	5,130	5,121	4,877	4,819	9,179
Transport	6,717	11,638	11,521	12,608	12,524	13,012	13,743	14,745	14,252	13,987	14,170
Wastewater	7,378	9,123	9,796	10,782	11,385	12,072	12,562	13,482	12,700	12,125	12,013
Water Supply	4,359	5,111	5,140	5,353	5,240	5,112	5,291	5,681	5,682	5,527	5,776
Total development contributions	22,504	31,622	33,822	36,605	36,101	37,190	38,969	41,524	39,494	38,530	43,227

Note 8: Capital revenue

Accounting policy

New Zealand Transport Agency roading subsidies - capital

Reimbursements (e.g. NZTA roading claim payments) are recognised upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Capital contributions - general	12,496	32,863	5,040	5,415	4,781	985	607	506	890	1,296	1,722
New Zealand Transport Authority roading subsidy - capital	46,138	68,725	66,621	44,424	33,440	17,702	21,482	21,258	34,033	35,401	35,563
Total capital revenue	58,634	101,588	71,661	49,839	38,221	18,686	22,089	21,764	34,922	36,697	37,285

Note 9: Vested assets

Accounting policy

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as non-exchange revenue when we have control of the asset.

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Vested assets	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
- Stormwater	5,508	4,800	5,455	5,811	6,299	6,458	6,410	6,559	7,166	7,404	7,294
- Transport	21,764	24,589	27,946	29,765	32,273	33,085	32,835	33,599	36,708	37,925	37,365
- Wastewater	3,287	3,312	3,764	4,008	4,347	4,456	4,422	4,525	4,943	5,108	5,032
- Water supply	1,920	1,790	2,034	2,166	2,349	2,409	2,390	2,447	2,672	2,761	2,720
Total vested assets	32,479	34,491	39,199	41,750	45,268	46,408	46,057	47,129	51,490	53,198	52,412

Note 10: Depreciation and amortisation expense by group of activity

Accounting policy

Depreciation is provided on a straight-line basis on all property, plant, and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

Amortisation is provided on intangible assets and begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Growth	-	-	-	-	-	-	-	-	-	-	-
Safety	70	89	90	92	114	116	117	118	120	100	101
Community Services	4,007	4,105	4,176	4,429	4,607	4,679	4,753	4,825	4,985	5,069	5,155
Governance	-	-	-	-	-	-	-	-	-	-	-
Overheads/Support Units	6,188	5,147	5,815	5,604	5,011	5,385	5,740	4,823	3,823	2,828	2,266
Parks and Recreation	4,707	5,391	5,514	6,435	6,762	6,922	7,682	7,853	8,055	8,893	9,110
Rubbish and Recycling	564	560	587	590	594	640	648	652	743	746	752
Stormwater	9,748	9,838	10,349	10,511	10,401	11,685	11,896	12,057	13,387	13,615	14,063
Transport	20,411	20,546	22,222	23,723	27,887	29,477	30,125	33,291	33,737	34,376	38,547
Venues, Tourism and Major Events	5,599	5,918	6,085	6,239	6,386	6,554	6,730	6,890	7,066	7,243	7,430
Visitor Destinations	2,219	2,687	2,849	3,242	3,385	3,522	3,616	3,833	4,055	4,205	4,369
Wastewater	12,716	12,909	13,651	14,240	15,308	17,079	17,695	18,147	20,142	20,328	20,461
Water Supply	8,498	8,344	8,576	8,836	9,653	10,757	10,918	11,007	12,090	12,157	12,404
Total depreciation expense	74,727	75,534	79,914	83,941	90,107	96,816	99,920	103,497	108,204	109,561	114,657

Note 11: Finance costs

Accounting policy

All borrowing costs are recognised as an expense in the period in which they are incurred.

Fair value discount unwinding

Fair value discount unwinding is recognised as a finance cost for borrowing at low or zero interest cost. The fair value benefit is recognised as other revenue.

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Interest on borrowings	14,599	15,534	20,114	20,499	22,387	23,878	22,659	20,150	20,587	22,655	22,092
Interest on finance leases	70	20	20	20	20	20	20	20	20	20	20
Discount unwind on provisions	265	132	122	115	107	98	91	82	73	64	55
Fair value discount unwinding	2,189	585	1,327	2,421	2,910	3,128	3,242	3,318	3,394	3,470	3,546
Total finance costs	17,124	16,270	21,583	23,056	25,425	27,124	26,012	23,570	24,074	26,209	25,713

Note 12: Other financial assets

Accounting policy

Financial assets (other than shares in subsidiaries) are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Term deposits and community loans (loans and receivables)

For loans to community organisations, the difference between the loan amount and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as an interest expense.

After initial recognition, term deposits and loans to community organisations are measured at amortised cost using the effective interest method. Where applicable, interest accrued is added to the investment balance.

At year-end, the assets are assessed for indicators of impairment. Impairment is established when there is evidence that we will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation and default in payments are indicators that the asset is impaired. If assets are impaired, the amount not expected to be collected is recognised in the surplus or deficit.

Shares in subsidiaries

The investment in subsidiaries is carried at cost.

Unlisted shares

Shares (other than shares in subsidiaries) and listed bonds (other than those designated as held to maturity) are designated at fair value through other comprehensive revenue and expense.

Note 12: Other financial assets

After initial recognition, the shares are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to the surplus or deficit.

For shares, a significant or prolonged decline in the fair value of the shares below its cost is considered to be objective evidence of impairment.

If impairment evidence exists, the cumulative loss recognised in other comprehensive revenue and expense is transferred to the surplus or deficit.

Impairment losses on shares recognised in the surplus or deficit are not reversed through the surplus or deficit.

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Current portion											
Loan to Melody Dairies Partnership Limited	432	440	448	455	463	471	479	-	-	-	-
Term deposits with maturities greater than 3 months but less than 1 year	-	880	1,040	880	880	880	880	1,250	-	-	-
Total current portion	432	1,320	1,488	1,335	1,343	1,351	1,359	1,250	-	-	-
Non-current portion											
Investment in CCOs and similar entities											
NZ Local Government Funding Agency Limited	6,154	6,939	6,939	6,939	6,939	6,939	6,939	6,939	6,939	6,939	6,939
Shares in subsidiaries											
- Waikato Innovation Growth Limited	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Waikato Local Authority Shared Services Limited	291	291	291	291	291	291	291	291	291	291	291
	10,445	11,230	11,230	11,230	11,230	11,230	11,230	11,230	11,230	11,230	11,230
Other investments											
Civic Financial Services Limited	188	188	188	188	188	188	188	188	188	188	188
Loan to Melody Dairies Limited Partnership	2,757	2,317	1,869	1,414	951	479	-	-	-	-	-
Term deposits with maturities greater than 1 year	10,144	10,646	12,155	13,794	13,584	13,096	11,865	10,581	11,445	13,294	14,024
	13,089	13,151	14,212	15,396	14,723	13,763	12,053	10,769	11,633	13,482	14,212
Total non-current portion	23,534	24,381	25,442	26,626	25,953	24,993	23,283	21,999	22,863	24,712	25,442
Total other financial assets	23,966	25,701	26,930	27,961	27,296	26,344	24,642	23,249	22,863	24,712	25,442

Note 13: Investment in associates

Accounting policy

An associate is an entity over which we have significant influence and that is neither a subsidiary nor an interest joint venture.

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Investment in associates											
Waikato Regional Airport Limited	7,430	7,430	7,430	7,430	7,430	7,430	7,430	7,430	7,430	7,430	7,430
Total investment in associates	7,430	7,430	7,430	7,430	7,430	7,430	7,430	7,430	7,430	7,430	7,430
Total investment in CCOs (as per Note 12) and other entities	7,430	7,430	7,430	7,430	7,430	7,430	7,430	7,430	7,430	7,430	7,430

Note 14: Borrowings

Accounting policy

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless we have an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Housing Infrastructure Fund Loan

The Housing Infrastructure Fund Loan (HIF) is interest free for ten years from the date of each drawdown. The fair value of the loan recognises the interest free benefit and is recognised as other revenue. Ten years after each drawdown the loan will be recognised at its nominal value with the unwinding of the fair value gains being recognised annually as a finance cost.

Finance leases

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item and the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty as to whether we will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Note 14: Borrowings

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Current portion	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Secured loans - Housing Infrastructure Fund	-	4,100	4,100	4,100	4,100	4,100	3,300	3,300	3,300	3,300	3,300
Secured loans - general	22,500	82,500	77,500	67,500	67,500	67,500	67,500	67,500	17,500	17,500	17,500
Finance leases	300	300	300	300	300	300	300	300	300	300	300
Current portion	22,800	86,900	81,900	71,900	71,900	71,900	71,100	71,100	21,100	21,100	21,100
Non-current portion											
Secured loans - general	649,004	592,538	699,509	810,274	837,058	852,737	838,705	837,337	921,888	995,867	1,025,048
Secured loans - Housing Infrastructure Fund	44,182	72,942	117,201	134,748	140,386	141,301	141,316	141,335	141,428	141,598	141,844
Finance Leases	835	835	835	835	835	835	835	835	835	835	835
Non-current portion	694,021	666,315	817,545	945,857	978,279	994,873	980,856	979,506	1,064,152	1,138,300	1,167,727
Total external debt	716,821	753,215	899,445	1,017,757	1,050,179	1,066,773	1,051,956	1,050,606	1,085,252	1,159,400	1,188,827
Adjustments required to determine overall debt:											
External debt	716,821	753,215	899,445	1,017,757	1,050,179	1,066,773	1,051,956	1,050,606	1,085,252	1,159,400	1,188,827
Less cash held and cash investments	(86,144)	(61,526)	(63,195)	(64,674)	(64,464)	(63,976)	(62,745)	(61,831)	(61,445)	(63,294)	(64,024)
Net debt	630,677	691,689	836,250	953,083	985,715	1,002,798	989,211	988,775	1,023,807	1,096,106	1,124,803
Debt servicing performance indicators financial ratios											
Liquidity ratio (target >110%)	>110%	>110%	>110%	>110%	>110%	>110%	>110%	>110%	>110%	>110%	>110%
Net debt/Total revenue (target <230%)	206%	193%	238%	269%	273%	276%	256%	242%	229%	230%	223%
Net interest on external debt/Total revenue (target <20%)	5%	4%	6%	6%	7%	7%	6%	5%	5%	5%	5%

Liquidity is defined as external term debt plus committed bank facilities plus liquid investments divided by current external debt.

Net debt is defined as total external debt less cash and cash equivalents.

Net interest on external debt is defined as the amount equal to all interest and financing costs (on external debt) less interest income for the relevant period.

Cash flow is defined as net surplus (or deficit) plus depreciation, less vested assets, and capital subsidies.

Total revenue is defined as total revenue less vested assets, development contributions, and fair value benefit of Housing Infrastructure Fund loans.

Note 15: Reserves

Accounting policy

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into accumulated funds, restricted and Council created reserves, revaluation reserves and fair value through other comprehensive revenue and expense reserve.

Restricted and Council created reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Restricted reserves include those subject to specific conditions we accept as binding and which may not be revised without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met. Also included in restricted reserves are reserves we restrict by resolution. We may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at our discretion. Council created reserves are restricted in their application by our resolution.

Revaluation reserves

This reserve relates to the revaluation of property, plant and equipment to fair value.

Fair value through other comprehensive revenue and expense reserve

This reserve comprises the cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expense.

Note 15: Reserves

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Restricted reserves											
Cemetery plot maintenance in perpetuity	1,733	1,733	1,733	1,733	1,733	1,733	1,733	1,733	1,733	1,733	1,733
Municipal endowment fund	31,415	31,415	31,415	31,415	31,415	31,415	31,415	31,415	31,415	31,415	31,415
Domain endowment fund	8,210	8,251	8,292	8,333	8,374	8,415	8,456	8,497	8,538	8,579	8,620
Waikato Art Gallery endowment reserve	11	11	11	11	11	11	11	11	11	11	11
Total restricted reserves	41,369	41,410	41,451	41,492	41,533	41,574	41,615	41,656	41,697	41,738	41,779
Council created reserves											
Bus shelter (adshel) reserve	-	-	-	-	-	-	-	-	-	-	-
Project watershed operating reserve	308	308	308	308	308	308	308	308	308	308	308
Waste minimisation reserve	269	193	108	14	(89)	(171)	(254)	(355)	(474)	(611)	(767)
Hamilton Gardens reserve	-	-	-	-	-	-	-	-	-	-	-
Total council created reserves	577	501	416	322	219	137	54	(47)	(166)	(303)	(459)
Total restricted and council created reserves	41,946	41,911	41,867	41,814	41,752	41,711	41,669	41,609	41,531	41,435	41,320

Note 15: Reserves

	Activities to which the reserve relates	Opening balance July 2021	Transfers into reserve	Transfers out of reserve	Closing balance June 2031
Restricted reserves		\$000	\$000	\$000	\$000
Cemetery Plot Maintenance in perpetuity - to maintain and provide for improvements to the cemeteries.	Cemeteries and Crematorium	1,733	90	(90)	1,733
Municipal endowment fund - to provide a capital fund for crown endowment land vested in the Council for investment	Strategic Property Investment	31,415	1,570	(1,570)	31,415
Domain endowment fund - to provide a capital endowment fund for domain land for investment in property. Rental income and interest earned from domain endowment land is used to fund parks and reserves operating costs.	Parks and Recreation Stormwater	8,210	410	-	8,620
Waikato Art Gallery endowment reserve - to provide funds for the acquisition of works of art for the Waikato Museum of Art and History	Visitor Attractions	11	-	-	11
Total restricted reserves		41,369	2,070	(1,660)	41,779
Council created reserves					
Bus shelter (adshel) reserve - to manage the income generated from advertising in bus shelters to provide, maintain and enhance passenger infrastructure	Transport	-	1,201	(1,201)	-
Project watershed operating reserve - to fund works relating to river flood protection and erosion control (project watershed). Waikato Regional Council is the funding agency and Hamilton City Council carries out agreed works within the city boundary.	Parks and Recreation Stormwater	308	20	(20)	308
Waste minimisation reserve - to encourage a reduction in the amount of waste generated and disposed of in New Zealand, and to lessen the environmental harm of waste. The reserve was created in 2009 as a result of the Waste Minimisation Act 2008. Funding is distributed to local authorities by the Ministry of Environment and expenditure includes grants to others, waste minimisation initiative operating expenses and recycling contract.	Rubbish and Recycling	269	6,805	(7,851)	(767)
Hamilton Gardens reserve - to provide funds for the development of Hamilton Gardens. Funds are being sourced from a targeted rate.	Parks and Recreation	-	-	-	-
Total council created reserves		577	8,026	(9,072)	(459)
Total restricted and council created reserves		41,946	10,096	(10,732)	41,320

Note 16: Reconciliation between Prospective Statement of Comprehensive Revenue and Expense and Prospective Funding Impact Statement

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operating surplus/(deficit) per prospective statement of comprehensive revenue and expense	66,069	83,622	131,517	116,164	113,736	97,345	117,843	134,749	158,972	177,581	196,881
Items recognised as revenue in the statement of comprehensive revenue and expense and as capital expenditure funding sources in funding impact statements:											
Capital subsidies	(46,138)	(68,725)	(66,621)	(44,424)	(33,440)	(17,702)	(21,482)	(21,258)	(34,033)	(35,401)	(35,563)
Development, financial and capital contributions	(34,999)	(64,485)	(38,862)	(42,020)	(40,882)	(38,175)	(39,576)	(42,030)	(40,384)	(39,826)	(44,949)
Non-cash items recognised in prospective statement of comprehensive revenue and expense and not included in funding impact statements:											
Depreciation	74,727	75,534	79,914	83,941	90,107	96,816	99,920	103,497	108,204	109,561	114,657
Recognition of revenue from vested assets	(32,479)	(34,491)	(39,199)	(41,750)	(45,268)	(46,408)	(46,057)	(47,129)	(51,490)	(53,198)	(52,412)
Gain on fair value of investment properties	(593)	(756)	(775)	(795)	(815)	(835)	(856)	(877)	(899)	(922)	(945)
Housing Infrastructure Fund - fair value benefit	(4,217)	(8,084)	(11,780)	(4,815)	(1,710)	(473)	(18)	-	-	-	-
Housing Infrastructure Fund - fair value discount unwinding	2,189	585	1,327	2,421	2,910	3,128	3,242	3,318	3,394	3,470	3,546
Transfer of assets constructed but not owned	10,457	61,103	-	-	-	-	-	-	-	-	-
Operating funding surplus/(deficit) per prospective funding impact statement	35,016	44,302	55,522	68,724	84,639	93,698	113,016	130,270	143,764	161,265	181,216
Balance as per Council FIS operating surplus/(deficit) of operating funding	35,015	44,302	55,522	68,724	84,639	93,698	113,016	130,270	143,764	161,265	181,216

Note 17: Operating funding variance by activity

		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Total applications of operating funding		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Community Services	1	22,134	20,019	21,388	22,325	22,943	23,624	24,292	25,205	27,026	27,124	27,622
Safety	2	6,468	7,261	7,325	7,428	7,699	7,957	8,131	8,306	8,479	8,695	8,886
Governance	3	3,159	3,585	4,114	3,573	3,671	4,381	3,825	3,920	4,734	4,142	4,304
Parks and Recreation	4	21,530	26,199	26,985	30,741	30,774	30,383	30,463	31,726	31,623	33,082	34,027
Growth	5	16,628	20,411	19,997	19,214	19,524	19,669	19,762	19,675	20,252	20,650	20,811
Rubbish and Recycling		9,981	9,240	10,019	10,319	10,696	11,491	11,860	12,643	13,178	13,829	12,694
Stormwater	6	5,946	6,893	7,514	7,850	7,994	8,622	9,133	9,261	9,892	11,029	11,639
Transport	7	33,135	42,058	45,197	48,316	49,138	52,486	52,714	53,859	56,288	59,451	63,620
Venues, Tourism and Major Events	8	34,808	29,089	24,914	24,421	21,223	22,100	22,050	22,178	23,573	23,135	23,412
Visitor Destinations	9	15,419	16,752	18,823	19,068	19,804	21,800	21,510	22,303	23,952	24,236	24,897
Wastewater	10	25,206	30,763	32,285	33,177	34,723	36,721	37,656	38,617	40,409	42,285	43,770
Water Supply	11	17,455	21,528	22,863	23,775	24,398	25,660	25,623	25,725	26,171	26,951	27,383

Explanation for variances +/- 10% (figures highlighted in blue above)

- Community Services.** 2020/21 included a one off grant to the Community Lands Trust. Two indoor recreation grants of \$2 million are budgeted in 2023/24 and 2024/25.
- Safety.** Increase in staff costs across the group.
- Governance.** Costs increase every three years to pay for our local government elections.
- Parks and Recreation.** Consultants for capex projects \$825,000. Nature in the City \$900,000. Depreciation increase \$1.4 million.
- Growth.** Increase due to the cost of the District Plan.
- Stormwater.** Increase in interest expense and general operating and maintenance.
- Transport.** Personnel costs increase \$1.5 million. Operating and maintenance costs increase \$5.8 million.
- Venues, Tourism and Major Events.** The variance is due to the timing of the Waikato Regional Theatre grant. Operating and maintenance costs increase \$2 million.
- Visitor Destinations.** The cost increase in 2025/26 is due to painting of Visitor Destinations buildings.
- Wastewater.** Increased operating and maintenance costs.
- Water Supply.** Increase in interest expense and general operating and maintenance.



Disclosure Statement

This statement discloses our planned financial performance in relation to various benchmarks which help us to assess whether we are prudently managing our revenues, expenses, assets, liabilities, and general financial dealings.

We are required to include this statement in our 10-Year Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Please refer to the regulations for more information, including definitions of some of the terms used in this statement.

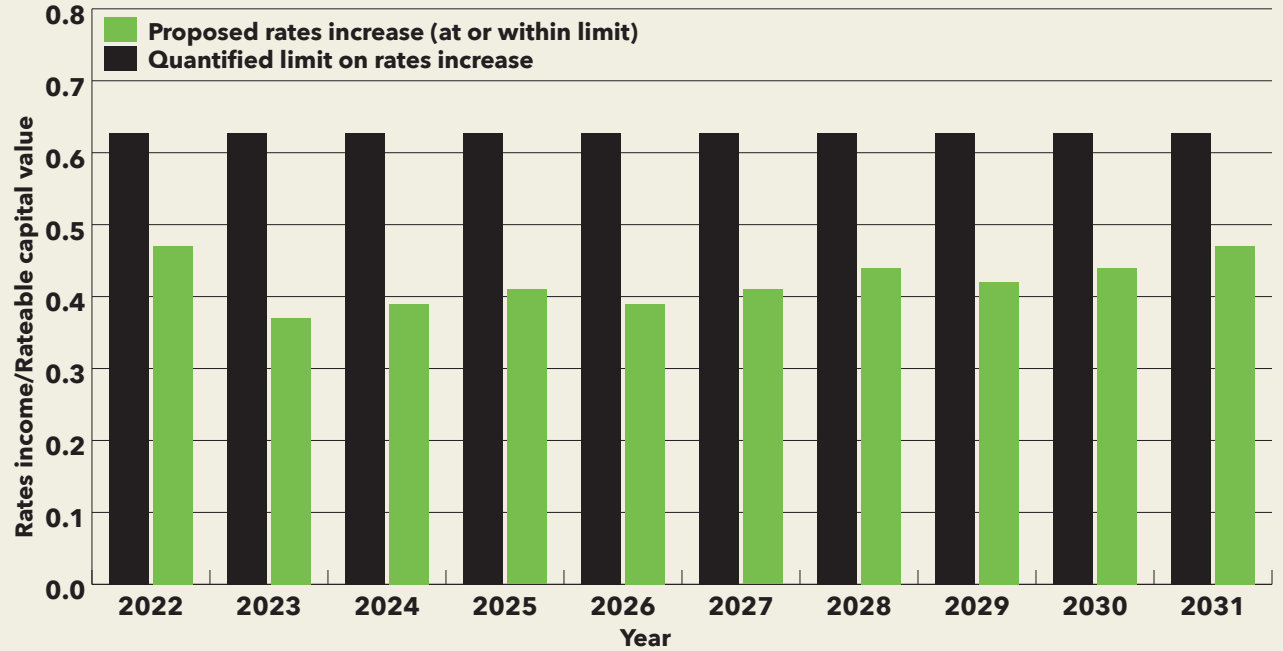
Rates affordability benchmark

We meet the rates affordability benchmark if:

- Planned rates income equals or is less than each quantified limit on rates; and
- Planned rates increases equal or are less than each quantified limit on rates increases.

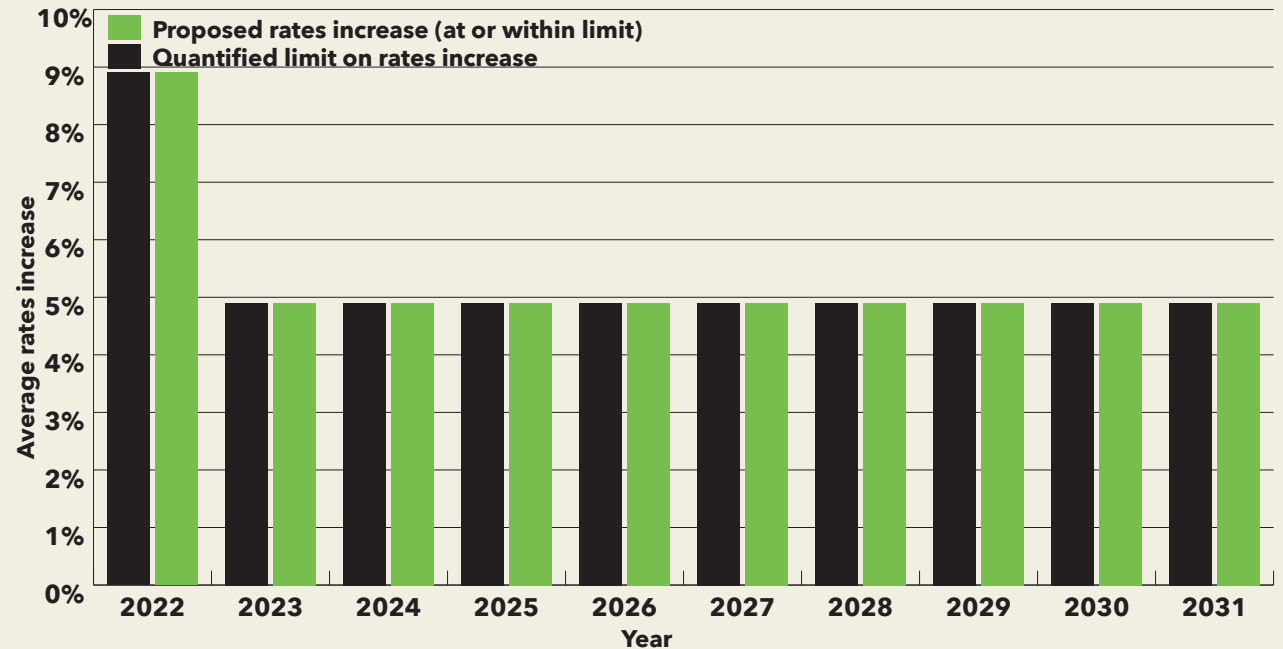
Rates (income) affordability

The following graph compares our planned rates income with a quantified limit on rates contained in the 2021-31 Financial Strategy. The quantified limit is that rates will not exceed 0.627% of the city's rateable capital value.



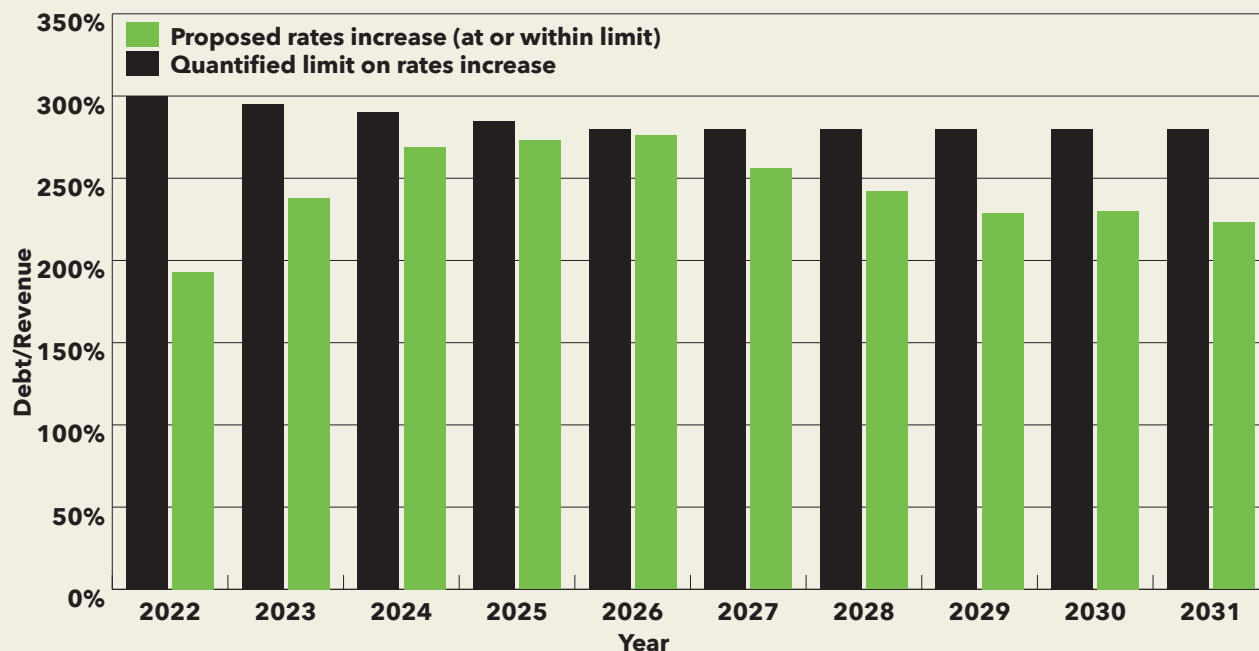
Rates (increases) affordability

The following graph compares our planned rates increases with a quantified limit on rates increases contained in our 2021-31 Financial Strategy. The quantified limit is that average rate increases to existing ratepayers will not exceed 8.9% in 2021/22 or 4.9% thereafter.



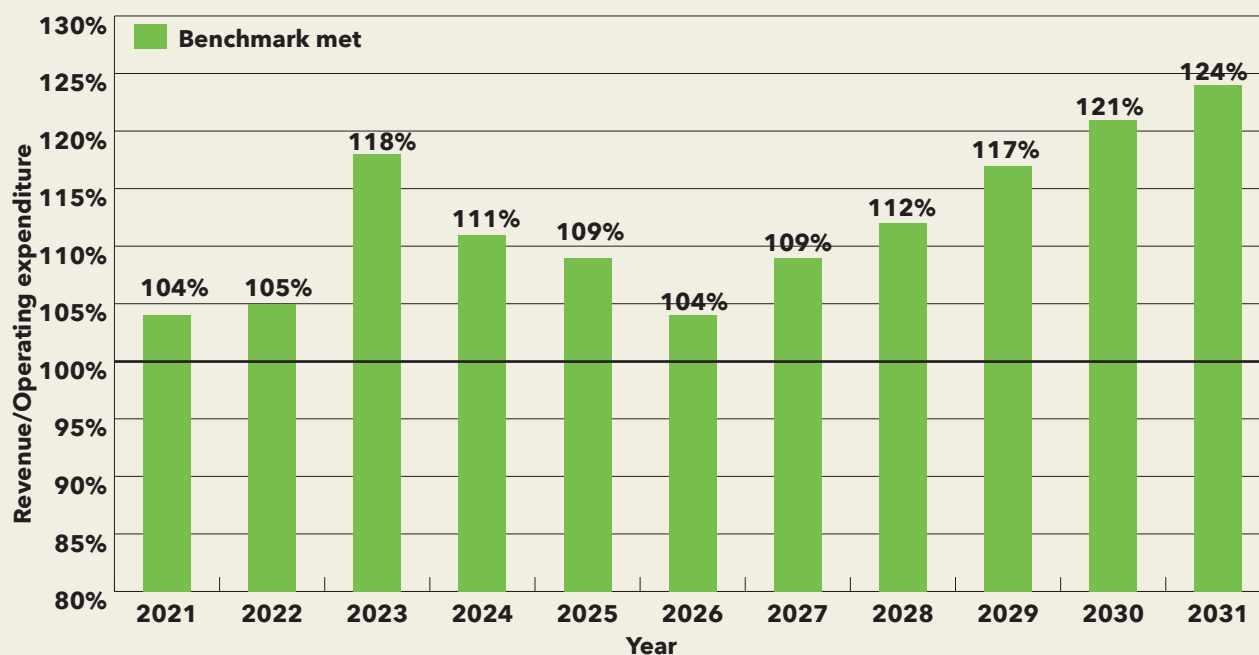
Debt affordability benchmark

We will meet the debt affordability benchmark if our planned borrowing is within each quantified limit on borrowing. The following graph compares our planned debt with a quantified limit on borrowing contained in the 2021-31 Financial Strategy. The quantified limit is that the debt to revenue ratio will remain below 300% in 2022, 295% in 2023, 290% in 2024, 285% in 2025 and 280% thereafter.



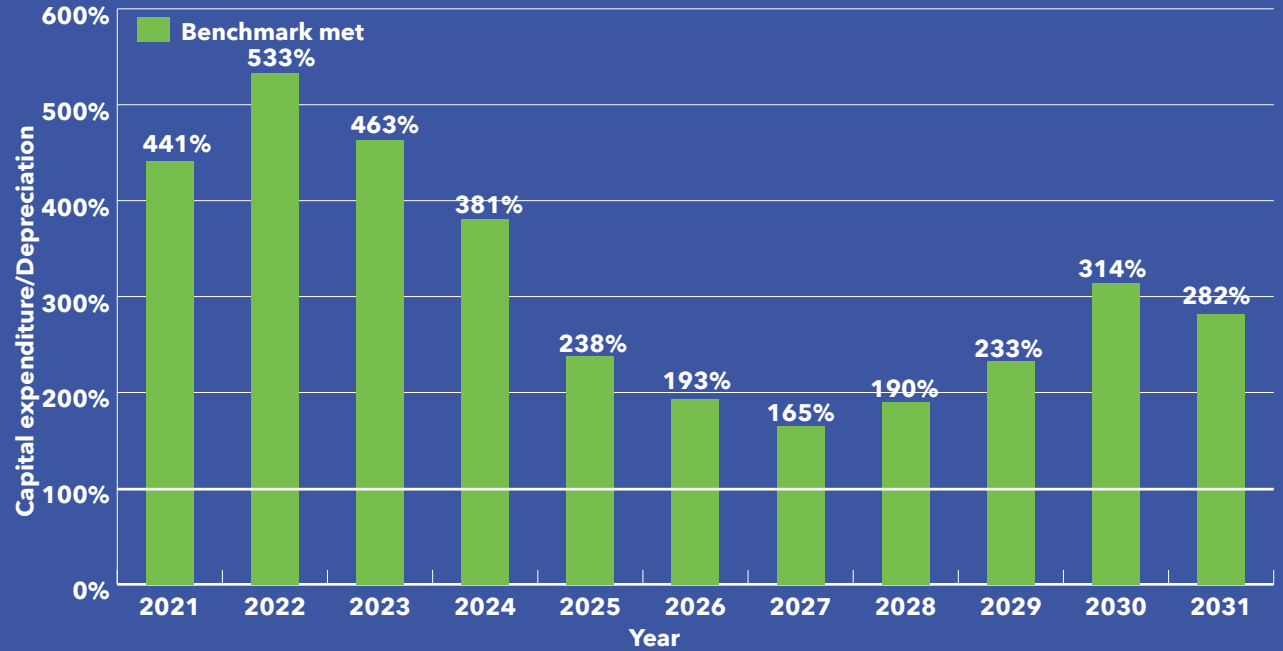
Balanced budget benchmark

The following graph shows our planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment). We meet the balanced budget benchmark if our planned revenue equals or is greater than our planned operating expenses.



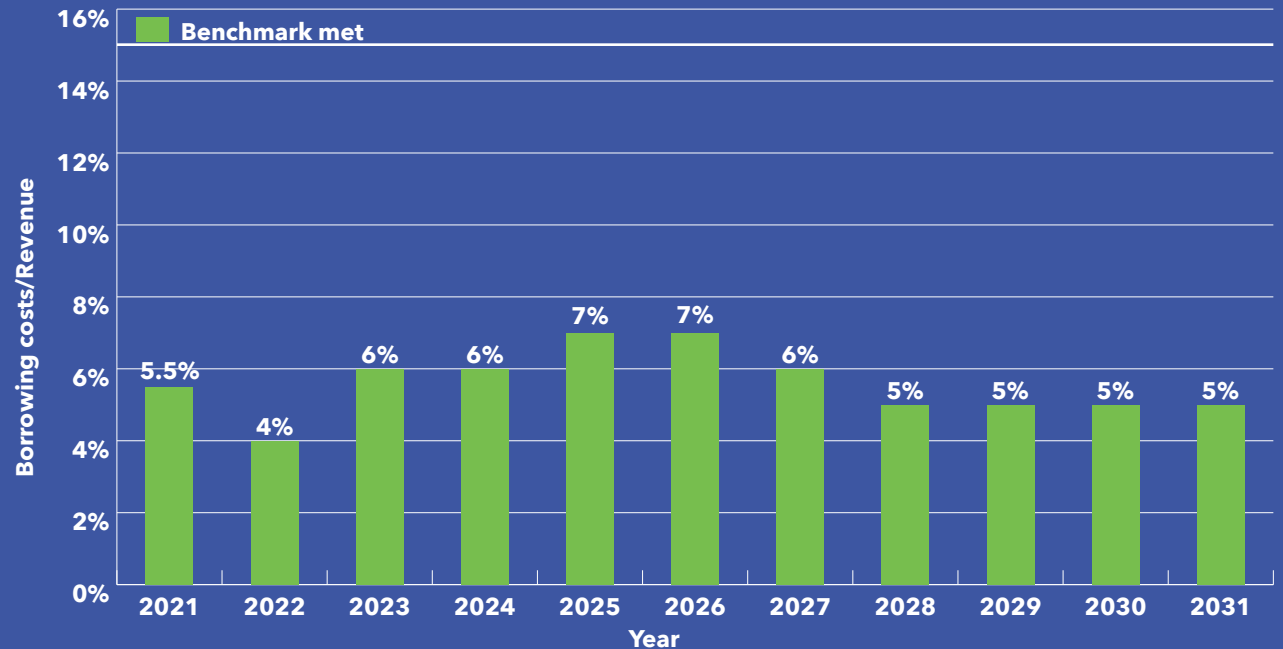
Essential services benchmark

The following graph shows our planned capital expenditure on network services as a proportion of expected depreciation on network services. We meet this benchmark if our planned capital expenditure on network services equals or is greater than the expected depreciation on our network services.



Debt servicing benchmark

The following graph displays our planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment). Because Statistics New Zealand projects that our population will grow faster than the national population is projected to grow, we will meet the debt servicing benchmark if our planned borrowing costs equal or are less than 15% of our planned revenue.



Council Funding Impact Statement

The Funding Impact Statement is made up of three parts:

- Rating Information for 2021/22
- Rates Samples for 2021/22
- The Whole of Council Funding Impact Statement.

The Funding Impact Statement should be read in conjunction with our Revenue and Financing Policy and Rating Policy. These can be found on our website.

Figures in this statement include GST unless otherwise stated.

Rating information for 2021/22

We set and assess these rates under the Local Government (Rating) Act 2002:

- General rate
- Uniform Annual General Charge (UAGC)
- Targeted rates include:
 - Business Improvement District (BID)
 - Central city
 - Government compliance
 - Service use water
 - Service use wastewater
 - Service use refuse
 - Metered water
 - Commercial and Other category non-metered water

Details of the rates revenue to be collected and the rating categories that will pay these rates are in this funding impact statement.

General rate

A general rate is set and assessed on the capital value of all rateable land in the city.

General rates are set on a differential basis on the categories of land identified below. The differential bases are the use to which the land

is put, the provision or availability to the land of a service provided, the activities permitted, controlled, or discretionary for the area in which the land is situated and the rules to which the land is subject under the operative district plan, and in the case of the BID Commercial differential, the location of the land.

The objective of including differentials in the general rate is to achieve an appropriate distribution of the general rate, considering all factors we believe are relevant. This rate covers all of the services we provide.

The total revenue sought is \$204,952,463.

Land described in Part 2 Schedule 1 of the Local Government (Rating) Act 2002 (broadly speaking, land owned or used by societies for arts or sports) will be assessed at 50% of

the residential rate (general rate, UAGC, and Government compliance rate) that applies to the land. This general rate revenue is included within the Residential category shown in the table below, and within the targeted rates revenue where applicable.

Uniform Annual General Charge

A Uniform Annual General Charge (UAGC) is set and assessed on all rateable land. The UAGC is set at \$584 per Separately Used or Inhabited Part of a rating unit (SUIP). We have determined the level of UAGC in order to distribute the allocation of the general rate at an appropriate level among all ratepayers.

The total revenue sought from the UAGC is \$40,296,000.

The general rate is set and assessed on a differential basis as follows:

Source	Differential categories	Differential factor	Percentage of total general rates	Rate in the dollar of capital value (GST incl)	Rates revenue (GST incl)
General rate	Commercial	2.6473	34.03%	0.00947723	\$69,757,651
	BID Commercial	2.5149	7.07%	0.00900337	\$14,488,969
	Other	0.7400	1.40%	0.00264921	\$2,865,041
	Residential	1.0000	57.50%	0.00358001	\$117,840,802

General rate category	Description
Commercial	<p>All rating units:</p> <ul style="list-style-type: none"> i. used solely or principally for commercial or industrial purposes; or ii. used solely or principally for commercial residential purposes, including, but not limited to, hotels, boarding houses, rest homes, motels, residential clubs, hospital care facilities, hostels. Commercial residential purposes are where a property is being provided for residential accommodation at a fee with the average occupancy period of the property not exceeding three months; or iii. used as a chartered club, for any area used for restaurant, bar, or gaming machines; or iv. used as a mixed-use development, for any area used commercially; or v. where land is developed or under development for a commercial use; or vi. where a commercial development is marketed for sale or lease, but where works have not yet commenced, whether-or-not wastewater services are currently available; or vii. where vacant land is within any District Plan zone that is predominantly used for commercial or industrial purposes; or viii. used as show homes; or ix. where resource consents require the rating units can only be used for a commercial purpose; or x. used as utility networks. <p>Rating Units that meet the definition above but are located in the Business Improvement District will be categorised as BID Commercial.</p>
BID Commercial	<p>All rating units that meet the definition of Commercial above and are located within the Business Improvement District as shown on the 'Business Improvement District (BID) and Central City areas map' in Schedule one of the Rating Policy.</p>
Other	<p>All rating units that do not meet the definition of Commercial or BID Commercial rating categories and where:</p> <ul style="list-style-type: none"> i. connection to our wastewater network is not available; and ii. water supply is through a metered connection or connection to the council's water network is not available.
Residential	<p>All rating units that do not meet the definition of Commercial, BID Commercial, or Other rating categories; or:</p> <ul style="list-style-type: none"> i. land under development intended for a residential use; or ii. land where a proposed residential development is marketed for sale, whether-or-not water and wastewater services are currently available.

Separately Used or Inhabited Part of a Rating Unit (SUIP)

An SUIP is every rating unit and, without limitation, every additional dwelling, commercial or community activity. This includes:

- a. any part or parts of a rating unit used or occupied by the ratepayer for more than one single use
- b. any parts, whether or not actually occupied at any particular time, which are used for rental (or other form of occupation) on an occasional or long-term basis
- c. vacant land and vacant premises offered or intended for use or habitation and usually used as such are defined as 'used'.

For the purposes of clarity, every rating unit has a minimum of one SUIP.

As part of this definition, the list below sets out our intent in the application of SUIPs to rating units used as for residential purposes:

- the second and each additional SUIP must have a separate bathroom, bedroom or living area and separate sink
- any part of a rating unit as described in a - c above that is inhabited by virtue of a

tenancy, lease, license or other agreement on an occasional or long-term basis

- single dwelling with flat attached
- two or more houses, flats or apartments on one rating unit
- ancillary flat or detached dwellings (as defined in the District Plan)
- individually surveyed lots of vacant land on one Certificate of Title offered for sale separately or in groups; and
- residential accommodation rented individually per room. For a residential property to be classified as having additional SUIPs, each part must have a separate bathroom, bedroom or living area and separate sink.

As part of this definition, the list below sets out our intent in the application of SUIPs to rating units used for commercial activities:

- a commercial activity is any activity involving the exchange of goods or services for reward (whether for profit or not)
- any part of a rating unit as described in a - c above that is inhabited through a tenancy, lease, license or other agreement on an occasional or long-term basis
- commercial building where there are clearly defined vacant parts, advertised for

lease or tenancy

- business premise with separate permitted residential activity
- home-based business (as defined in the District Plan)
- each use within a single rating unit involving a different activity conducted by a person, company, or organisation different to the ratepayer (i.e. a large store which has a café operating within it, where the café is a separate business entity)
- commercial building leased, or sub-leased, to multiple tenants
- a separate dwelling used for short-term accommodation
- commercial accommodation provided on a single rating unit for short-term stays (where average occupancy is limited as prescribed within the District Plan) will be one SUIP.

In addition to the primary use, the list below defines our intent in the application of SUIPs to rating units used as community activities:

- a community activity is any activity operated by an organisation (including clubs and societies)
- any activity meeting the definition of Schedule 1 of the Local Government Rating Act 2002.

Targeted rates

We are not seeking or inviting lump sum contributions for targeted rates.

Metered water rate

This rate is set and assessed for metered and restricted flow water supply on a differential basis to all rating units that are metered (as defined by Hamilton City Council's Water Supply Bylaw 2013).

This rate is:

- a fixed amount per connected meter, based on the nature of the connection, as follows:
 - i. \$444 for all metered rating units (except rating units receiving a restricted flow supply); and
 - ii. \$360 for rating units receiving a restricted flow supply.
- a charge per unit of water consumed or supplied on every metered connection in accordance with the following scale:
 - i. all metered rating units (except rating units receiving a restricted supply) - \$1.85 per kilolitre of water supplied after the first 60 kilolitres of consumption or supply per quarter;

and

- ii. rating units receiving a restricted flow supply - \$1.50 per kilolitre of water supplied after the first 60 kilolitres of consumption or supply per quarter.

This rate contributes to the funding of the Water Distribution and Water Treatment and Storage activities. The total revenue sought is \$9,644,774.

Commercial and Other category non-metered water rate

This rate is set and assessed on Commercial and Other category properties connected to the water network, but not provided with a metered connection. The rate is \$444 per rating unit.

This rate contributes to the funding of the Water Distribution and Water Treatment and Storage activities. The total revenue sought is \$266,260.

Properties in Waikato District Council and Waipa District Council areas supplied with water under contractual arrangements will be charged according to these contracts.

Business Improvement District (BID) rate

This rate is set and assessed on all rating units defined within the BID Commercial General rate category and comprises both a fixed amount per SUIP and a rate in the dollar based on the Capital Value.

The Business Improvement District (BID) and Central City rating areas map is shown in Schedule 1 of the Rating Policy. The components of this rate are:

- a. BID Fixed rate: a fixed amount of \$240 per SUIP of a commercial rating unit within the defined area; and
- b. BID CV rate: a rate per dollar of capital value required to meet the total revenue, after allowing for the total revenue raised by the BID Fixed rate. The rate is \$0.00002602 per dollar of capital value.

The rate provides funding to the City Planning activity. The total revenue sought is \$356,528.

Central city rate

This rate is set on all rating units defined within the BID Commercial General rate category and is set as a fixed amount per SUIP.

The Business Improvement District (BID) and Central City rating areas map is shown on Schedule 1 of the Rating Policy.

This rate is a fixed amount of \$127 per SUIP.

This rate provides funding to the Transportation Network activity. The total revenue sought is \$166,750.

Government compliance rate

This rate is set and assessed on the capital value of all rateable land in the city.

This rate is set on a differential basis on the categories of land identified below. The differential bases are the use to which the land is put, the provision or availability to the land of a service provided, the activities permitted, controlled, or discretionary for the area in which the land is situated and the rules to which the land is subject under the operative district plan, and in the case of the BID Commercial differential, the location of the land.

This rate provides funding to the Wastewater Treatment and Disposal, Wastewater Collection, Water Treatment and Storage, Water Distribution, Stormwater Network and City Planning activities. The total revenue sought is \$11,104,400.

This rate is set and assessed on a differential basis as follows:

Source	Differential categories	Differential factor	Percentage of total Government compliance rates	Rate in the dollar of capital value (GST incl)	Rates revenue (GST incl)
Government compliance rate	Commercial	2.6473	34.03%	0.00051347	\$3,779,495
	BID Commercial	2.5149	7.07%	0.00048779	\$785,018
	Other	0.7400	1.40%	0.00014353	\$155,229
	Residential	1.0000	57.50%	0.00019396	\$6,384,658

Land described in Part 2 Schedule 1 of the Local Government (Rating) Act 2002 (broadly speaking, land owned or used by societies for arts or sports) will be assessed at 50% of the residential rate that applies to the land. This Government compliance rate revenue is included within the Residential category shown in the table above.

Service use category

Service Use Category means rating units that are defined by the use of the land, for the purpose of charging water, wastewater and refuse collection, set and assessed as targeted rates.

Service Use Category rating units are provided

with one or more of these services and are used:

- i. as a reserve under the Reserves Act 1977
- ii. for conservation, wildlife management or preservation purposes and not for private pecuniary profit and accessible to the public
- iii. by us for:
 - public garden, reserve, or children's playground
 - games and sports
 - public hall, athenaeum, museum, gallery or similar institution
 - public baths, swimming baths and sanitary convenience.

Government compliance rate category	Description
Commercial	<p>All rating units:</p> <ul style="list-style-type: none"> i. used solely or principally for commercial or industrial purposes; or ii. used solely or principally for commercial residential purposes, including, but not limited to, hotels, boarding houses, rest homes, motels, residential clubs, hospital care facilities, hostels. Commercial residential purposes are where a property is being provided for residential accommodation at a fee with the average occupancy period of the property not exceeding three months; or iii. used as a chartered club, for any area used for restaurant, bar, or gaming machines; or iv. used as a mixed-use development, for any area used commercially; or v. where land is developed or under development for a commercial use; or vi. where a commercial development is marketed for sale or lease, but where works have not yet commenced, whether-or-not wastewater services are currently available; or vii. where vacant land is within any District Plan zone that is predominantly used for commercial or industrial purposes; or viii. used as show homes; or ix. where resource consents require the rating units can only be used for a commercial purpose; or x. used as utility networks. <p>Rating Units that meet the definition above but are located in the Business Improvement District will be categorised as BID Commercial.</p>
BID Commercial	<p>All rating units that meet the definition of Commercial above and are located within the Business Improvement District as shown on the 'Business Improvement District (BID) and Central City areas map' in Schedule one of the Rating Policy.</p>
Other	<p>All rating units that do not meet the definition of Commercial or BID Commercial rating categories and where:</p> <ul style="list-style-type: none"> i. connection to our wastewater network is not available; and ii. water supply is through a metered connection or connection to the council's water network is not available
Residential	<p>All rating units that do not meet the definition of Commercial, BID Commercial, or Other rating categories; or:</p> <ul style="list-style-type: none"> i. land under development intended for a residential use; or ii. land where a proposed residential development is marketed for sale, whether-or-not water and wastewater services are currently available.

- cemeteries or crematorium
- iv. by the Queen Elizabeth the Second National Trust
- v. by the Royal Foundation of the Blind, except as an endowment
- vi. by or for an education establishment, special school or other institution under s159(1) of the Education Act 1989
- vii. by a district health board for health and health related services
- viii. solely and principally as a place of religious worship, Sunday or Sabbath school or other form of religious worship and not for private pecuniary profit
- ix. as Maaori meeting house that is Maaori freehold land not exceeding 2ha
- x. as railway or for the loading and unloading of goods or passengers from trains
- xi. for the free maintenance or relief of persons in need, not exceeding 1.5 hectares.

Where there is a community, sporting or cultural activity on Council reserve land, and the activity is subject to a lease agreement as defined within our Community Occupancy Policy, these targeted rates will apply.

Upon application, we extend the rating treatment of the Service Use category to

rating units which are operated by not for profit organisations, whom provide benefits to the wider community and where there is no private pecuniary gain. Refer to the Rates Remissions and Postponements Policy for criteria.

Service use water rate

The rate is set and assessed on properties as defined as a Service Use Category and which are connected to our water network but are not provided with a metered connection.

The rate is a fixed amount of \$444 per SUIP.

The rate provides funding towards the Water Distribution and Water Treatment and Storage activities. The total revenue sought is \$59,940.

Service use refuse rate

The rate is set and assessed on properties defined as a Service Use Category and which are provided with refuse collection service. The rate is a fixed amount of \$178 per SUIP.

The rate provides funding towards the Refuse Collection activity. The total revenue sought is \$25,454.

Service use wastewater rate

The rate is set and assessed on properties

defined as a Service Use Category and which are connected to the wastewater network. This rate comprises two components. These are:

- a rate per dollar of land value set at \$0.00126242; and
- a rate per dollar of capital value set at \$0.00036402.

The rate provides funding towards the Wastewater Collection and Wastewater Treatment and Disposal activities.

The total revenue sought is \$1,546,198.

Future rates

Based on the assumptions and decisions included in this Long-Term Plan we intend to set and assess rates from the sources listed above in each year of the Plan.

Future rates are proposed to increase by 4.9% annually, except:

- the Government compliance rate in year six which is proposed to decrease and cease to provide funding to the City Planning activity
- the General rate in year six which is proposed to increase to maintain the overall increase of the UAGC, General rate, and Government compliance rate at 4.9%
- the BID rate, for which the total revenue

sought is proposed to increase by Council’s rate of operating inflation

- the Central City rate, for which the total revenue sought is not proposed to change
- rates for water, wastewater, and refuse collection which are linked to the cost of providing the service.

Inspection of Rating Information Database

In accordance with the Local Government (Rating) Act 2002, the District Valuation Roll and Rates Records are available for public inspection at the Council Offices, 260 Anglesea Street, Hamilton, between the hours of 7:45 am and 5.00 pm on all business days of the week.

Rating base

Total land value for 2021/22 is \$23,915,332,000.

Total capital value for 2021/22 is \$45,592,703,000.

The projected number of rating units for the following ten years are:

2021/22	61,823
2022/23	62,802
2023/24	63,813
2024/25	64,878
2025/26	65,938
2026/27	66,963
2027/28	67,979
2028/29	69,056
2029/30	70,138
2030/31	71,174

2021/22 Rates - sample properties

General rate differential category	Separate parts (SUIPs)	2018 capital value	2020/21 RATES				2021/22 RATES					Total rates change (\$)	Total rates change (%)
			Uniform Annual General Charge	General rates	Other rates	Total rates	Uniform Annual General Charge	General rates	Other rates	Government compliance rate	Total rates		
Residential	1	365,000	534	1,259	14	1,807	584	1,307	0	71	1,962	155	8.6%
Residential	1	435,000	534	1,500	14	2,048	584	1,557	0	84	2,226	178	8.7%
Residential	1	530,000	534	1,828	14	2,376	584	1,897	0	103	2,584	208	8.8%
Residential	1	670,000	534	2,311	14	2,859	584	2,399	0	130	3,113	254	8.9%
Residential	1	820,000	534	2,828	14	3,376	584	2,936	0	159	3,679	303	9.0%
Residential	4	875,000	2,136	3,018	55	5,209	2,336	3,133	0	170	5,638	429	8.2%
Residential	12	2,000,000	6,408	6,898	166	13,472	7,008	7,160	0	388	14,556	1,084	8.0%
Other	1	490,000	534	1,252	14	1,800	584	1,298	0	70	1,952	152	8.5%
Other	1	1,005,500	534	2,570	14	3,118	584	2,664	0	144	3,392	274	8.8%
Other	1	2,960,000	534	7,566	14	8,113	584	7,842	0	425	8,851	737	9.1%
Commercial	1	190,000	534	1,735	14	2,283	584	1,801	0	98	2,482	200	8.7%
Commercial	1	374,500	534	3,419	14	3,967	584	3,549	0	192	4,326	358	9.0%
Commercial	1	640,000	534	5,844	14	6,391	584	6,065	0	329	6,978	587	9.2%
Commercial	1	1,375,000	534	12,555	14	13,103	584	13,031	0	706	14,321	1,219	9.3%
Commercial	1	2,962,000	534	27,045	14	27,593	584	28,072	0	1,521	30,176	2,583	9.4%
Commercial	4	2,100,000	2,136	19,175	55	21,366	2,336	19,902	0	1,078	23,316	1,951	9.1%
Commercial	10	12,000,000	5,340	109,569	138	115,047	5,840	113,727	0	6,162	125,728	10,681	9.3%
BID Commercial	1	188,000	534	1,631	387	2,552	584	1,693	372	92	2,740	188	7.4%
BID Commercial	1	310,000	534	2,689	390	3,613	584	2,791	375	151	3,901	288	8.0%
BID Commercial	1	700,000	534	6,072	401	7,007	584	6,302	385	341	7,613	606	8.6%
BID Commercial	1	1,460,000	534	12,664	422	13,621	584	13,145	405	712	14,846	1,225	9.0%
BID Commercial	1	3,268,000	534	28,347	472	29,354	584	29,423	452	1,594	32,053	2,699	9.2%
BID Commercial	4	3,000,000	2,136	26,023	1,610	29,769	2,336	27,010	1,546	1,463	32,356	2,587	8.7%
BID Commercial	10	20,000,000	5,340	173,484	4,372	183,197	5,840	180,067	4,190	9,756	199,854	16,657	9.1%

Prospective Whole of Council Funding Impact Statement

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	189,531	201,566	215,967	231,453	248,206	266,022	287,816	307,946	329,742	352,958	377,348
Targeted Rates	10,535	20,148	21,173	22,225	23,348	24,532	22,743	23,847	25,033	26,286	27,585
Subsidies and grants for operating purposes	7,227	8,664	8,867	8,842	9,156	10,055	10,027	10,556	11,140	11,692	12,667
Fees and charges	32,260	41,262	44,335	49,695	49,728	51,085	52,444	54,212	56,166	57,527	59,125
Interest and dividends from investments	1,354	406	415	422	421	419	413	408	406	416	419
Local authorities fuel tax, fines, infringement fees, and other receipts	5,977	6,053	6,222	6,365	6,481	6,634	6,790	6,958	7,137	7,322	7,510
Total Operating Funding (A)	246,884	278,100	296,979	319,002	337,340	358,747	380,232	403,927	429,624	456,201	484,654
Applications of Operating Funding											
Payments to staff and suppliers	196,934	218,113	221,202	229,644	230,187	241,053	244,446	253,404	265,179	272,197	281,271
Finance Costs	14,934	15,686	20,256	20,634	22,515	23,996	22,770	20,252	20,680	22,740	22,167
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding (B)	211,869	233,798	241,457	250,278	252,701	265,049	267,216	273,656	285,860	294,936	303,438
Surplus/(Deficit) of Operating Funding (A - B)	35,015	44,302	55,522	68,724	84,639	93,698	113,016	130,270	143,764	161,265	181,216
Sources of Capital Funding											
Subsidies and grants for capital expenditure	58,634	101,588	71,661	49,839	38,221	18,686	22,089	21,764	34,922	36,697	37,285
Development and financial contributions	22,504	31,622	33,822	36,605	36,101	37,190	38,969	41,524	39,494	38,530	43,227
Increase (decrease) in debt	186,069	134,030	156,683	120,706	31,222	13,939	(18,041)	(4,668)	31,252	70,679	25,881
Gross proceeds from sale of assets	2,396	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding (C)	269,603	267,240	262,166	207,149	105,543	69,815	43,017	58,620	105,668	145,906	106,393
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	199,508	218,663	176,152	156,502	76,426	63,419	45,536	62,310	127,399	182,503	164,097
- to improve the level of service	34,691	43,064	72,073	57,345	42,661	31,644	28,397	36,950	23,796	26,844	25,280
- to replace existing assets	68,645	66,942	68,086	64,122	75,699	73,497	84,178	92,108	97,866	97,459	99,486
Increase (decrease) in reserves	(690)	7,492	(292)	(3,575)	(4,394)	(4,559)	(847)	(1,564)	757	(1,484)	(1,983)
Increase (decrease) of investments	2,464	(24,618)	1,669	1,479	(210)	(488)	(1,231)	(914)	(386)	1,850	730
Total Applications of Capital Funding (D)	304,618	311,542	317,688	275,873	190,182	163,513	156,033	188,890	249,432	307,171	287,609
Surplus/(Deficit) of Capital Funding (C - D)	(35,015)	(44,302)	(55,522)	(68,724)	(84,639)	(93,698)	(113,016)	(130,270)	(143,764)	(161,265)	(181,216)
Funding Balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-



Council Controlled Organisations

We are involved with and represented in a number of organisations to support the realisation of our vision for Hamilton City. Council Controlled Organisations (CCOs) are any organisation in which one or more local authorities control 50% or more of the voting rights or appoint 50% or more of the directors.

We have an interest in the following CCOs:

- Waikato Local Authority Shared Services Limited,
- New Zealand Local Government Funding Agency Limited,
- Waikato Regional Airport Limited and its subsidiaries, Hamilton & Waikato Tourism Limited, Titanium Park Limited and Waikato Regional Airport Hotel Limited, and
- Waikato Innovation Growth Limited and its subsidiary, New Zealand Food Innovation (Waikato) Limited.

The following tables explain what these organisations do, our objectives in regard to ownership, nature and scope of activities, key performance targets and outcomes. We also have interests in other Council Organisations details of which are available on our website.

We manage and monitor our investment in CCO's by reviewing statement of intents, six month and annual reports at our Finance Committee.

Organisation	Waikato Local Authority Shared Services Limited (WLISS)														
Ownership	13.72% SDVS shares, 37.5% WRTM Service shares and 17.8% WRAPS shares equating to 19.6% of the total weighted value of issues shares. The balance of shares is owned by other Local Authorities in the Waikato Region. Council has only one voting right out the 12 voting Local Authorities.														
Representation (total members)	1(6) - WLISS has six Directors, with five Directors each representing a shareholder Council, as well as an Independent Chair.														
Significant policies and objectives	To make a regional leadership contribution and seek opportunities to operate more efficiently by participating with the region's local authorities on shared services, particularly in respect of information collection and management, with the aim of reducing the cost of those activities to the community at large.														
Nature and scope of activities	<ul style="list-style-type: none"> Shared Valuation Data Service Regional Asset Technical Accord Local Government Contractor Health and Safety Pre-qualification Scheme Aligned Resource Consent Planning Light Detection and Ranging Technology Waikato Building Consent Group 	<ul style="list-style-type: none"> Energy Management Joint Procurement Initiatives Waikato Regional Transportation Model Waikato Regional Aerial Photography Syndicate WLISS Water Services Regional Infrastructure Technical Specifications 													
Key performance targets	<ul style="list-style-type: none"> Prioritise and develop business cases for opportunities, including measurable benefits (projected savings/increased revenue to councils of at least \$300K), that are supported by 75% of councils. Develop opportunities and deliver projects within agreed budgets (target of 90%) and timelines (target of 80%). Ensure projects realise their expected benefits by monitoring measurable benefits and reporting on a six-monthly basis. Audit <p>Financial forecasts to be achieved:</p>	<ul style="list-style-type: none"> & Risk Committee undertake an assessment of projects following implementation for \$200K+ projects, within 15 months, and 90% of quantifiable benefits are realised. Ensure existing services are meeting the needs of 80% of councils. Foster and promote cross-council collaboration and networking to share a target of four ideas per annum, on improving efficiencies and best practice. 													
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Organisation	New Zealand Local Government Funding Agency Limited (NZLGFA)																																													
Ownership	8.3%																																													
Representation (total members)	1(31) - There are currently 31 shareholders comprising of the New Zealand Government at 20% and 30 local councils at 80%																																													
Significant policies and objectives	Council's main objective for ownership in NZLGFA is to access shared funding at better rates and for more flexible terms.																																													
Nature and scope of activities	NZLGFA will raise debt funding either domestically and/or offshore in either NZ dollars or foreign currency and provide debt funding to New Zealand Local Authorities and CCO's, and may undertake any other activities considered by the Board to be reasonably related or incidental to, or in connection with, that business. The NZLGFA will only lend to local authorities that enter into all the relevant arrangements with it (Participating Local Authorities) and comply with the NZLGFA's lending policies.																																													
Key performance targets	<ul style="list-style-type: none"> Statement of Corporate Intent, Interim Report and Annual Report is presented to the CCO Subcommittee. Financial forecasts, based on the draft Statement of Corporate Intent, to be achieved as follows: 																																													
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	<ul style="list-style-type: none"> Performance targets to be met or exceeded as follows: NZLGFA's total operating income for the period to: <ul style="list-style-type: none"> 30 June 2022 will be greater than \$18.7 million 30 June 2023 will be greater than \$24.2 million 30 June 2024 will be greater than \$27.6 million 	NZLGFA's annualised issuance and operating expenses for the period to: <ul style="list-style-type: none"> 30 June 2022 will no more than \$7 million 30 June 2023 will no more than \$7.2 million 30 June 2024 will no more than \$7.4 million Total lending to participating local authorities at: <ul style="list-style-type: none"> 30 June 2022 will be at least \$12,874 million 30 June 2023 will be at least \$13,291 million 30 June 2024 will be at least \$13,578 million 																																												

Organisation	Waikato Regional Airport Limited (WRAL) and its Subsidiaries, Hamilton & Waikato Tourism Limited and Titanium Park Limited																																										
Ownership	50%																																										
Representation (total members)	0(4)																																										
Significant policies and objectives	Council's main objective in the ownership of WRAL (and its subsidiaries) is to support and provide economic growth to our community which can benefit from the opportunities WRAL provides.																																										
Nature and scope of activities	<ul style="list-style-type: none"> Operate an efficient, sustainable and resilient airport. Enhance the traveller experience. Maintain a viable and sustainable aeronautical business. Maximise revenue diversification through non-aeronautical business opportunities. 																																										
Key performance targets	<ul style="list-style-type: none"> Financial performance targets be achieved as follows: <table border="1" data-bbox="539 555 2116 938"> <thead> <tr> <th>Financial Forecasts</th> <th>2022</th> <th>2023</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td colspan="4">Consolidated company forecast:</td> </tr> <tr> <td>EBITDA excluding land sales</td> <td>\$3.6M</td> <td>\$4M</td> <td>\$4.2M</td> </tr> <tr> <td>EBITDA including land sales</td> <td>\$5.7M</td> <td>\$6.1M</td> <td>\$5.5M</td> </tr> <tr> <td>Net surplus/(deficit) after tax</td> <td>\$1.9M</td> <td>\$2M</td> <td>\$2.3M</td> </tr> <tr> <td>Net operating cash flow (excluding land sales)</td> <td>\$4.2M</td> <td>\$5.2M</td> <td>\$5.2M</td> </tr> <tr> <td>Total debt</td> <td>\$29M</td> <td>\$29M</td> <td>\$29M</td> </tr> <tr> <td colspan="4">Parent Company operations only:</td> </tr> <tr> <td>Percentage of non- landing charges revenue</td> <td>60%</td> <td>60%</td> <td>60%</td> </tr> <tr> <td>Interest cover</td> <td>4.0</td> <td>4.0</td> <td>4.0</td> </tr> </tbody> </table> 			Financial Forecasts	2022	2023	2024	Consolidated company forecast:				EBITDA excluding land sales	\$3.6M	\$4M	\$4.2M	EBITDA including land sales	\$5.7M	\$6.1M	\$5.5M	Net surplus/(deficit) after tax	\$1.9M	\$2M	\$2.3M	Net operating cash flow (excluding land sales)	\$4.2M	\$5.2M	\$5.2M	Total debt	\$29M	\$29M	\$29M	Parent Company operations only:				Percentage of non- landing charges revenue	60%	60%	60%	Interest cover	4.0	4.0	4.0
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	<ul style="list-style-type: none"> Non-financial performance targets: Health & safety: <ul style="list-style-type: none"> Facilitate Health & Safety meeting every two months with representatives from each entity in the Group. Zero Worksafe notifiable accidents/ injuries. Independently review and audit the Health & Safety system each year. Operational Compliance: <ul style="list-style-type: none"> To achieve the Airport Certification Standards as required by the Civil Aviation Authority and as evidenced by the Civil Aviation Authority audit reports. Ensure airport is operationally available for all passenger services (except for uncontrollable events). 	<ul style="list-style-type: none"> Monitor aeronautical noise and facilitate noise management meetings in accordance with the Noise Management Plan. 	<ul style="list-style-type: none"> Property (Titanium Park Limited) <ul style="list-style-type: none"> Complete construction of the 5th Stage of Titanium Park's Central Precinct. Prepare a private plan change submission to Waipa District Council in relation to the future Northern Precinct Development. Hotel operation <ul style="list-style-type: none"> Implement a recovery plan to enable a steady return from a Managed Isolation Facility to normal trading as a hotel and achieve pre-covid metrics in line with the expectations underlying the achievement of a Qualmark 4 Star rating. 																																								

Organisation	Waikato Innovation Growth Limited (WIGL) and its subsidiary, New Zealand Food Innovation (Waikato) Limited (NZFIW)																						
Ownership	Council has 100% shareholding in WIGL and holds a 70% shareholding in NZFIW (its subsidiary).																						
Representation (total members)	0(5) - There are two boards. WIGL and NZFIW. The WIGL board consists of all NZFIW board members except one.																						
Significant policies and objectives	Our ownership in WIGL & NZFIW is to promote and provide support to business development and innovation in our community.																						
Nature and scope of activities	<p>WIGL</p> <ul style="list-style-type: none"> To provide business and innovation advisory services for customers such as small and medium-sized enterprises (SMEs) and High Value Manufacturing and Services (HVMS) business in the Waikato Region. <p>NZFIW</p> <ul style="list-style-type: none"> To provide facilities on an open access basis in which food processing companies and those entering new markets can develop new or improved food ingredient products To provide open access basis a small-scale production plant capable of producing samples for market development which is to be self-sustaining in the medium to long term To participate in and promote a national network of similarly focussed food innovation organisations as a shareholder in a food innovation network To provide an independent and secure facility to ensure the intellectual property and know-how of the Company and its customers are protected To provide a centre of learning for food technology, catering primarily to the pastoral product value chain, in cooperation with tertiary education intuitions To provide one of several tangible centres and organisations throughout New Zealand around which networks of food processors and exporters, food equipment manufacturers and other partners can develop. 																						
Key performance targets	<ul style="list-style-type: none"> Statement of Corporate Intent, Interim Report and Annual Report is presented to the CCO Subcommittee. Financial Forecast and Performance Targets are specified annually in the Statement of Corporate. Financial forecast targets to be achieved: <table border="1"> <thead> <tr> <th>Financial Forecasts</th> <th>2022</th> <th>2023</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>EBITDA (earnings before interest, tax, dep & amortisation)</td> <td>\$1.4M</td> <td>\$1.5M</td> <td>\$1.6M</td> </tr> <tr> <td>Cash from operating activities</td> <td>\$0.9M</td> <td>\$1.2M</td> <td>\$1.1M</td> </tr> <tr> <td>Surplus after tax & dividends</td> <td>\$0.1M</td> <td>\$0.1M</td> <td>\$0.2M</td> </tr> <tr> <td>Shareholders' funds/Total assets</td> <td>57%</td> <td>60%</td> <td>62%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Key objectives include: <ul style="list-style-type: none"> 253 days of product development and small-scale commercial powder production via the spray dryer thereby contributing > \$40 million to the regional economy. An 11% minority interest in a second spray dryer will increase open access space for the sheep industry customers. Total sheep milk production increasing by 70% to 938 tonnes. Assist with the development of new valued added sheep milk industry products. Income receiving from managing Melody Dairies expects to amount to a gross of \$1.1 million. 			Financial Forecasts	2022	2023	2024	EBITDA (earnings before interest, tax, dep & amortisation)	\$1.4M	\$1.5M	\$1.6M	Cash from operating activities	\$0.9M	\$1.2M	\$1.1M	Surplus after tax & dividends	\$0.1M	\$0.1M	\$0.2M	Shareholders' funds/Total assets	57%	60%	62%
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Revenue and Financing Policy

Purpose and scope

This policy outlines the choices Hamilton City Council (Council) has made in deciding the appropriate sources of funding for operating and capital expenditure from those sources listed in the New Zealand Local Government Act 2002 (NZLGA). The policy also illustrates Council's compliance with NZLGA section 101(3) which sets out the factors Council must consider in making these decisions. A comprehensive analysis of how Council has complied with this section of NZLGA s 101(3) is included in the Funding Needs Analysis.

Deciding the best way to fund Council activities is complex. Complying with legislation takes account of many factors including, but not limited to, the following:

- Legal
- Social
- Competition
- Affordability
- Impact of change
- Efficiency
- Equity
- Cost
- Intergenerational equity
- Transparency
- Accountability
- Business
- Strategic alignment
- Benefit

Principles

The following guiding principles will be applied when considering our use of funding sources:

Strong financial management

- We will adopt a prudent Financial Strategy, which supports our current credit rating
- The everyday costs of running the city will be met from everyday revenues
- The main source of everyday revenue will be general rates

Strong asset management

- We will prioritise funding maintenance and renewals as per Asset Management Plans, with these being regularly updated to reflect changing needs and emerging risks that will ensure resilience of our assets and services

Beneficiary pays

- Those who benefit from growth pay a fair share of the cost of that growth
- When a private benefit can be identified, and it is efficient to collect the revenue, user charges will be considered
- Targeted rates could be used to fund our

portion of new projects where costs and beneficiaries of these activities can be easily identified

- Growth cells will be completed to an approved level of service

Affordability for ratepayers

- Rates certainty will be a key consideration
- Affordability of rates will be considered
- We will explore external funding options for new agreed discretionary projects wherever possible
- Asset sale proceeds will be used to pay down debt

Balancing these principles can be challenging at times. Council must use its judgement in assessing many options in the development of budgets or acquisition of assets and the choice of funding sources to enact these.

Policy

Funding sources for operating costs

Operating costs are the everyday spending on services Council provides. This includes contributions to the wear and tear of assets used (depreciation), interest charged on borrowing for capital projects and overhead costs.

We must consider the funding for each activity individually. Some activities may be best funded by user charges, such as swimming pool admission fees, others with targeted rates, such as a Business Improvement District Rate, and others from the general rate, such as road maintenance.

The funding sources for operating costs are described in the following sections.

User charges

User charges are applied to services where it is identified there is a benefit to an individual or group. User charges are a broad group of fees charged directly to an individual or entity and includes:

- Entry fees
- Service charges
- Hire
- Rent, lease, licences for land and buildings
- Permits
- Regulatory charges
- Fines and penalties
- Connection fees
- Disposal fees
- Deposits
- Private works
- Memberships

- Planning and consent fees
- Statutory charges
- Retail sales

The price of the service is based on a number of factors, including:

- The cost of providing the service;
- The estimate of the users' private benefit from using the service;
- The impact of cost on encouraging/discouraging behaviours;
- The impact of cost on demand for the service;
- Market pricing, including comparability with other councils;
- The impact of rates subsidies if competing with local businesses;
- Cost and efficiency of collecting the user charge;
- The impact of affordability on users;
- Statutory limits; and
- Other matters as determined by the Council.

Council's ability to charge user charges is limited by various statutes and regulations. As a general rule, fees for statutory functions should be set at no more than the cost of providing the service. In some cases,

legislation sets the fees at a level that is below cost and in other cases, where provided by legislation (e.g. Waste Minimisation Act 2008) fees may be set at greater than the cost of providing the service. Council considers it appropriate to incorporate overhead charges when determining the cost of providing a service.

Where goods or services are sold commercially, and taking into consideration legislative limitations, Council's preference is to charge a market price. This includes leases, rents and licences for land and buildings.

Fees and charges may be set at any time and are reviewed annually. A list of current fees and charges is maintained on our website.

Revenue from user charges is allocated to the activity which generates the revenue.

Grants, sponsorship, subsidies and other income

Grants, sponsorship and subsidies are used where they are available. Many of these types of income are regular and predictable and can therefore be budgeted for. Some other types are unexpected or unpredictable and may not be able to be prudently budgeted (e.g. reparation payments, civil defence and other reimbursements, legal settlements and

insurance claims).

Council expects to continue to receive substantial subsidies from central government or its agents for road maintenance.

Investment income

Council's approach to investments is documented in its Investment and Liability Management Policy. These investments generate income such as dividends, interest, and rents.

Income from assets is receipted to the activity that owns the asset.

Development contributions, financial contributions, proceeds from the sale of assets and lump sum contributions

Generally, Council does not collect revenue from these funding sources to fund operating costs.

Development Contributions revenue funds the interest cost on debt for growth-related capital projects.

Reserve funds

Council maintains a small number of cash-funded reserve funds. Some of these reserve funds may be used to meet operating costs (e.g. cemetery maintenance). Generally, reserve funds are used for the purposes that they were created for.

Borrowing

Borrowing is generally undertaken at a whole of Council level subject to constraints on rates increases and debt levels set by the Financial Strategy.

Council generally plans to fund all cash operating costs from sources other than borrowing. However, in specific circumstances, where Council decides it is prudent to do so, it may fund some operating costs from borrowing.

Rates

Having appropriately exhausted all other funding sources, we fund all remaining operating expenses from rates. For many activities this is the main funding source.

The above matters are all considered when determining the funding required from general rates or targeted rates for each activity

in the Funding Needs Analysis, as required by section 101(3)(a).

Council may choose to establish targeted rates to fund operating costs.

Further information on rates can be found from clause 68 of this policy.

Summary of sources of funding for operating costs by activity

Council will apply the funding source preferences noted above to each activity in its Funding Needs Analysis. Table 1 shows the degree to which (expressed as a range) each funding source is used to fund operating costs following the NZLGA s101(3)(a) assessment.

This s101(3)(a) assessment may be modified by the s101(3)(b) assessment. The latter assessment requires Council to consider the overall impact of any allocation of liability for revenue needs on the community. Council's consideration of s101(3)(b) is included later in this policy.

The ranges in Table 1 are expressed as a percentage of the revenue required to fund each activity and are indicative only. They may change over time as a result of changes

in expenditure requirements. It is possible that actual funding sources may differ from budgeted funding sources.

Table 1: Summary of funding sources by activity s.101(3)(a) only

Range name	Range	Key												
Unlikely	0%	x												
Minimal	0% - 20%	✓												
Low	20% - 40%	✓												
Moderate	40% - 60%	✓												
High	60% - 80%	✓												
Most	80% - 100%	✓												
All	100%	✓												
Activity	General Rates	Targeted Rates	Fees and User Charges	Grants and subsidies	Other	Borrowing	Activity	General Rates	Targeted Rates	Fees and User Charges	Grants and subsidies	Other	Borrowing	
Animal Control	✓	x	✓	x	✓	✓	Streetscapes	✓	x	✓	x	✓	✓	
Aquatics	✓	x	✓	x	✓	✓	Sports Parks	✓	x	✓	x	✓	✓	
Community Development	✓	x	x	x	✓	✓	Playgrounds	✓	x	✓	x	✓	✓	
Building Control	x	x	✓	x	✓	✓	Indoor Recreation	✓	x	✓	x	✓	✓	
Cemeteries and Crematorium	✓	x	✓	✓	x	✓	Partnership with Maaori	✓	x	x	x	x	✓	
City Planning	✓	✓	✓	x	✓	x	Growth Programmes	✓	x	✓	x	x	✓	
Public Safety	✓	x	✓	✓	✓	✓	Planning Guidance	✓	x	✓	x	x	✓	
Civil Defence	✓	x	x	x	x	✓	Refuse Collection	✓	✓	x	✓	✓	✓	
Claudelands	✓	x	✓	x	✓	✓	Waste Minimisation	✓	✓	x	✓	✓	✓	
Environmental Health	✓	x	✓	x	x	✓	Landfill Site Management	✓	✓	x	✓	✓	✓	
Governance and Public Affairs	✓	x	x	x	x	✓	FMG Stadium Waikato	✓	x	✓	x	✓	✓	
Hamilton Gardens	✓	x	✓	x	✓	✓	Seddon Park	✓	x	✓	x	✓	✓	
Hamilton Zoo	✓	x	✓	✓	✓	✓	Stormwater Network	✓	✓	x	x	✓	x	
i-Site	✓	x	✓	x	✓	✓	Theatres	✓	x	x	x	x	✓	
Libraries	✓	x	✓	✓	x	✓	Event Sponsorship	✓	x	x	x	x	✓	
Liquor Licensing	x	x	✓	x	x	x	Transportation Network	✓	x	✓	✓	✓	✓	
Museum	✓	x	✓	✓	✓	✓	Wastewater Treatment and Disposal	✓	✓	✓	x	x	✓	
Parking	✓	✓	✓	x	✓	x	Wastewater Collection	✓	✓	✓	x	✓	✓	
Community Parks	✓	x	✓	x	✓	✓	Water Treatment and Storage	✓	✓	✓	x	x	✓	
Natural Areas	✓	x	✓	x	✓	✓	Water Distribution	✓	✓	✓	x	x	✓	

Funding sources for capital costs

Capital costs are those costs associated with the purchase and improvement of assets and for the repayment of debt. The funding sources for capital costs are described in the sections that follow.

User charges

User charges are not often used for capital costs as individual user contributions would generally be too large to be affordable. Borrowing and charging users annually for financing costs (interest and principal) via rates is often a more affordable method of collecting user contributions for capital costs.

Council charges for capital works that are solely for private benefit (e.g. a network extension to a single dwelling) or where capital works are undertaken outside of Asset Management Plans at the request of individuals (e.g. a rural seal extension for dust suppression).

Grants, subsidies, and other income

Council relies on significant subsidies for capital works relating to the transport activity. Grants and subsidies may be available for

other activities from time to time. Other income can be from many and varied sources and is unlikely to be predictable enough to budget for in advance. Other income used to fund capital costs could include bequests, insurance claims, and legal settlements.

Grants, subsidies and other income are used wherever they are available.

Development contributions

Council collects development contributions (DCs) to fund capital costs necessary to service growth, in accordance with the Development Contributions Policy (DC Policy).

DCs are applied on an activity and catchment basis, as identified by the DC Policy. Projects identified in the DC Policy may be either completed projects (with debt yet to be repaid from future development contributions) or future projects planned in the period for which DCs may be collected.

Most contributions receipted are used to repay development contributions debt and interest on that debt. A portion may pay for capital expenditure in the year it is receipted, depending on projects.

It is important to note that, in addition to the requirements of sections 103 and 101(3), the

DC Policy describes funding matters in more detail as required by section 106(2)(c).

Financial contributions

Council collects financial contributions under the Resource Management Act 1991 to avoid, remedy or mitigate adverse effects on the environment as conditions to resource consents. The requirements for these contributions are outlined in the Operative and Proposed Hamilton District Plan. Council receives most contributions as revenue by the vesting of assets although some may be paid directly to us.

Proceeds from the sale of assets

From time to time assets are disposed of. Usually these are low value items and the revenue is received by the activity that owns the assets.

Council holds some higher value assets for investment purposes which, although not budgeted for, could be sold. Unrestricted proceeds from the sale of these assets would be used to repay debt, unless otherwise resolved by Council. Restricted revenues would be placed in the appropriate reserve fund and used for the purpose required by the document that imposes the restriction (e.g. Municipal Endowments reserve).

Reserve funds

We maintain some reserve funds for capital projects and will approve the use of the funds when a project meets the specific criteria for accessing the reserve.

Borrowing

Council must borrow to fund its asset programme. The amount of borrowing available is restricted by the Financial Strategy debt limits.

Borrowed funds, both the principal and interest components, are generally repaid by future rates.

Borrowing spreads the cost of a project over a longer period of time, smoothing changes in rates and ensuring that future ratepayers who will enjoy the benefit of long-lived assets contribute to their costs.

Council will budget to borrow from the Housing Infrastructure Fund (HIF) in the 2021-31 Long-Term Plan to fund some capital expenditure on growth related infrastructure. This loan is treated the same as other borrowing except that it is interest free.

Lump sum contributions

When undertaking a major project, Council

has the option to seek lump sum contributions to the capital cost of the project from those who are identified in the “capital project funding plan”. Lump sum contributions are provided for in the Local Government (Rating) Act 2002 and have restrictions placed on how they are used. Where a lump sum payment option is proposed ratepayers may choose to pay the lump sum or not. If not, the rating unit will be liable to pay any targeted rate set to recover the loan costs.

Generally, Council does not plan to seek lump sum contributions.

Rates

Rates are mostly used to fund everyday expenses including depreciation and interest costs related to borrowing.

Each year, Council calculates its operating cash surplus which determines the amount of rates funding available to fund capital projects or debt repayment. The greatest portion of this rates funding is allocated to pay for depreciation (which is a non-cash operating cost). These funds are used to fund capital replacement and/or renewal projects.

A portion of rates funds the capital (principal) repayments of debt.

Council may establish targeted rates to fund specific capital projects. Targeted rates are more likely to be considered where a benefit can be linked to an identifiable individual or group, either arising from the use of the asset or as a consequence of a decision. For clarity, this may include the growth portion of any project or groups of projects that are unable to be funded from a DC Policy.

Potential future funding sources

Infrastructure Funding and Financing Act (IFF)

The IFF, which was enacted in August 2020, enables Council to access a new off-balance sheet funding mechanism to support the delivery of infrastructure projects.

Council is exploring many potential opportunities for the application of the IFF tool, including the possibility of converting part of the current Housing Infrastructure Fund loan into an IFF arrangement for the Peacocke growth area; and using the IFF to provide significant off-balance sheet funding and contribution to infrastructure costs, and as the basis of negotiating a private developer agreement in the Rotokauri growth cell for the major lead infrastructure.

Council has not yet negotiated any IFF deals,

as such, the 2021-31 Long-Term Plan does not reflect any potential off-balance sheet funding arrangements.

Strategic Land Agreements

Hamilton City Council is working with neighbouring Councils on Strategic Land Agreements which may result in boundary reorganisation. An agreement with Waikato District Council has been finalised covering land around Hamilton currently in the Waikato District Council area. Council is also working with Waipa District Council to establish a similar agreement. Strategic Land Agreements are intended to provide a degree of certainty around the future expansion of Hamilton and the transfer of land to the City from the District Councils.

Strategic Land Agreements outline a clear process to initiate a transfer of land and include financial principles for any land transfer. Financial considerations will be reviewed and reported to the relevant Committee if and when parcels of land are considered for transfer.

Once transferred to the City, rates will be set by Hamilton City Council, based on the rating system at that time. Hamilton City Council would also assume responsibility for the direct costs to provide services to the land.

Summary of sources of funding for capital costs by activity

As described in the Financial Strategy, Council has a challenge to manage growth, affordable rates increases and debt. To achieve the appropriate balance between these variables Council will take the following approach:

- a. Council will set the annual rate increase;
- b. The existing rating base plus an estimate for growth determines the rates income;
- c. Activity operating revenue and expenditure budgets are determined, within the rate income constraint;
- d. An amount is budgeted for development contributions payments, which is set aside to fund growth projects or growth debt and interest, as determined by the DC Policy;
- e. The net cash operating costs is determined (net of cash revenue budgets);
- f. This leaves the funded portion of operating costs. A small amount may be held in a cash funded reserve; otherwise the funds are available for capital costs. This amount largely represents rate funded depreciation but may include operating surpluses from some activities and

accounting provisions not held in reserve funds. This funding is not held by specific activities and is available to fund any capital costs; and

- g. Council will then set the limit on debt, which determines the maximum debt funding available for capital costs.

This process is intended to result in the following funding sources being available to fund capital costs:

- Cash from general rates, for use on all activities;
- Cash from targeted rates, for example for use on the Business Improvement District grant
- Cash from development and financial contributions, for growth projects and related interest costs;
- Cash from grants and subsidies, targeted to capital projects; and
- Cash from borrowing.

Council will use the following guidelines when considering the funding of capital projects:

- All projects are first funded from grants, subsidy or other income, which are budgeted as operating revenues;
- Growth related projects for network

infrastructure to meet increased demand are funded from DCs, as allowed for under the DC Policy;

- Reserve funds for other purposes are considered. We have a small number of cash funded reserves available for capital costs projects;
- Targeted rating options may be considered; and
- Projects that have exhausted previous funding sources are funded from general rates and/or debt.

A single project may have a mix of each of the above funding options.

Whenever Council resolves to fund a separate project, it will consider the sources of funds above, the Revenue and Financing Policy and NZLGA section 101(3) to determine an appropriate funding policy for that project. Generally, Council will resolve the funding in setting the budget for the project at the time it is proposed in an Annual Plan or Long-Term Plan.

Overall funding consideration

Council is required by NZLGA section 101(3) (b) to consider the overall impact of the

allocation of liability for revenue needs on the community. This allows Council, as a final measure, to modify the overall mix of funding that would otherwise apply after the s101(3)(a) analysis.

The following adjustments have been made:

- a. The Financial Strategy has the guiding financial principle that those who benefit from growth pay a fair share of the cost of that growth. Growth drives both operating and capital costs. Council will use all available funding sources to ensure that those who benefit from or create growth contribute an appropriate share towards the costs of providing infrastructure to meet the demands of that growth. This includes financial contributions, development contributions, user charges and general and targeted rates.
- b. Council has made the following adjustments to targeted rates:
 - i. A compliance targeted rate has been introduced to fund additional costs in Council's water services as well as the cost of changing the District Plan as a result of legislation introduced by central government.
 - ii. Funding for development at Hamilton Gardens has transferred from a

targeted rate to the general rate.

- iii. The Transitional targeted rate has ceased. The Transitional rate was implemented to transition the impact of the change from the Land Value General rate to a Capital Value General rate. This transition has been completed so this rate is no longer required.
- c. Council considers the benefits of services associated with the development of land that are realised from the time the development is started.
- d. Council may waive or discount fees and charges where it is considered appropriate to do so. Some matters considered in deciding whether it is appropriate to waive fees are for social reasons, the promotion of events and facilities, commercial reasons, due to poor service or to minimise risk.
- e. Council may remit rates where it is considered appropriate to do so and as allowed for in the Rates Remissions and Postponements Policy. These policies address social matters as well as adjusting rates for benefits that differ for some rates assessments (e.g. additional or no provision of some services).

- f. Council may use accounting provisions and reserve funds to spread the costs of activities over multiple years to smooth the cost to users and ratepayers.
- g. Council may modify the allocation of liability for growth related network infrastructure projects when considering the matters required by s106 in the DC Policy.

Rates

Council's final consideration of funding by rates comes:

- a. After considering how other funding sources will be used to fund operating and capital costs;
- b. After that has been applied to activities in the Funding Needs Analysis; and/or
- c. After being adjusted for the overall funding considerations.

The following section outlines the Revenue and Financing Policy requirements that are used to set rates. To have a full understanding of rates they should be read with regard to the analysis above and in conjunction with the Rating Policy, Funding Impact Statement and Rates Resolution.

General rates

The general rate is allocated to all rateable properties based on the capital value of the property. A Uniform Annual General Charge (UAGC) will be set on each separately used or inhabited part (SUIP) of all rating units.

The Council has determined in its Funding Needs Analysis that all or part of the following activities should be funded from the general rate and the UAGC:

- Community Development
- Libraries
- Theatre
- City Planning
- Planning Guidance
- Building Control
- Growth Programmes
- Claudelands
- FMG Stadium Waikato
- Seddon Park
- I-SITE
- Tourism and Events Funding
- Hamilton Gardens
- Waikato Museum
- Hamilton Zoo
- Animal Education and Control
- Environmental Health
- Alcohol Licensing
- Public Safety
- Civil Defence
- Governance and Public Affairs
- Partnership with Maaori
- Community Parks
- Natural Areas
- Streetscapes
- Sports Parks
- Cemeteries and Crematorium
- Aquatics
- Indoor Recreation
- Landfill Site Management
- Refuse Collection
- Waste Minimisation
- Stormwater Network
- Transportation Network
- Parking Management
- Wastewater Treatment and Disposal
- Wastewater Collection
- Water Treatment and Storage
- Water Distribution

Council differentiates the general rate into four differential rating categories based on the use and location of rating units. The categories are:

- Residential;
- Commercial;
- BID Commercial; and
- Other.

The full definition of these categories is contained in the Funding Impact Statement.

The general rate differential factors will be calculated as shown in the Funding Impact Statement.

In setting the differential categories, and the differential factors, Council considers the requirements of the NZLGA and a number of other considerations, including:

- The activities funded by the general rate and the s101(3) considerations for the activities;
- The impact of any change, or rate of change to the differential;
- The views of those impacted by the differentials;
- Other reasonable options, and the advantages and disadvantages of those options; and
- The overall impact of the differential on ratepayers.

UAGC

The level of the UAGC will be determined based on the overall impact of rates to individual ratepayers and categories. There is no direct allocation of any activity nor is there a calculation methodology for determining the UAGC amount.

Targeted rates

Government compliance rate

A Government compliance targeted rate has been introduced to fund additional costs in the Council's water services activities as well as the cost of changing the District Plan as a result of legislation introduced by central government.

The Government compliance targeted rate has been implemented to clearly identify and explain additional costs associated with water services and changes to the District Plan.

The Government compliance targeted rate is applied to all rateable land on the basis of capital value, and differentiated on the same basis as the general rate.

The differential bases are outlined in the Council Funding Impact Statement.

Other targeted rates

Council collects other targeted rates either to fund activities as identified in the Funding Needs Analysis or as a result of overall funding considerations.

Name	Activities funded	Basis for rate
Central city	Transportation network activity.	Fixed amount per Separately Used or Inhabited Part of a Rating Unit (SUIP). A SUIP is defined in the Council Funding Impact Statement.
Business Improvement District (BID)	City Planning activity.	Fixed amount per SUIP and a rate per dollar of capital value for all properties in the BID area.
Government compliance rate	Wastewater Treatment and Disposal, Wastewater Collection, Water Treatment and Storage, Water Distribution, Stormwater Network and City Planning activities.	Applied to all rateable land on the basis of capital value, and differentiated on the same basis as the general rate.
Metered water supply	Water Distribution and Water Treatment and Storage activities.	Fixed amount per water connection to rateable land supplied with water for land with a water meter or a restricted flow supply and a charge per unit of water consumed or supplied.
Commercial and other category non-metered water supply	Water Distribution and Water Treatment and Storage activities.	Fixed amount per rating unit with a water connection but without a meter.
Service use water	Water Distribution and Water Treatment and Storage activities.	Fixed amount per SUIP for connected land used for certain purposes as defined in the Funding Impact Statement.
Service use refuse	Refuse Collection Activity.	Fixed amount per SUIP for connected land used for certain purposes as defined in the Funding Impact Statement.
Service use wastewater	Wastewater Collection and Wastewater Treatment and Disposal activity.	A rate per dollar of land value and a rate per dollar of capital value for connected land used for certain purposes as defined in the Funding Impact Statement.

Council may introduce new targeted rates when setting rates in any year as documented in the relevant year's Funding Impact Statement and Rates Resolution.

References

- Funding Needs Analysis, section 101(3), provides the background and analysis to explain the funding decisions Council has made. It is guided by the funding principles and choices of funding sources documented in the Revenue and Financing Policy.
- The DC Policy provides further analysis, as required by section 106(2)(c). This explains why Council has chosen to use DCs to fund the capital costs needed to meet increased demand for infrastructure.
- The Investment and Liability Management Policy places restrictions on the use of the proceeds from asset sales.
- The Rating Policy further clarifies funding requirements by documenting matters not included in the Funding Impact Statement, rates resolutions or this Revenue and Financing Policy. It includes detailed definitions and maps for rating areas.
- The Funding Impact Statement is included

in each Long-Term Plan and Annual Plan as required by clauses 15 or 20 of schedule 10. This statement shows the results of the detailed rates calculation for the first year of the 2021-31 Long-Term Plan.

- Together the above documents form the necessary components to lawfully charge under the NZLGA for Council's revenue requirements. Council must also comply with other legislation regarding the setting of some fees and charges and the Local Government (Rating) Act 2002 for the setting of rates.

Summary of our significance and engagement policy

He whakaraapopotanga o te take whakahaere o te tomo me te taapua

What is a significance and engagement policy?

The Local Government Act 2002 (NZLGA 2002) requires us to have a Significance and Engagement Policy (the policy).

This policy provides clear guidance for the community about:

- how we decide if a decision or proposal is significant
- when, and to what degree, the community can expect to be engaged on a decision or proposal.

When and how does this policy apply?

Every formal decision we make will take this policy into account. The policy is applied in a two-step process:

1. identify the level of significance
2. decide the level of engagement and approach to be taken (if any).

How is significance assessed?

The level of significance of a proposal or decision is identified by assessing the impact of the decision against eight key considerations (on the following page).

After assessing the proposal or decision against the key considerations, we decide if the level of significance is low, medium or high as follows:

- If it triggers four or more of the key considerations under the highly significant column, the level of significance will be classified as high.
- If it triggers five or more of the key considerations under the low significance column, the level of significance will be low.
- If the level of significance is not classified high or low as above then the level of significance will be considered moderate.

* The full policy can be found on our website under Policies, Bylaws and legislation.

Key consideration <i>Does the proposal or decision mean...</i>	Highly significant	Moderately significant	Low significance
A service which is part of the Council's significant activities will...	Start or stop.	Change significantly.	Change in a minor way or not at all.
There will be a transfer of ownership or control of strategic assets to or from the Council?	If so, then the transfer is major.	If so, then the transfer is minor or insignificant.	No transfer.
There will be financial consequences in the financial year of the proposal/decision that are unbudgeted operating cost or capital costs in the 10-Year Plan that are ...	Greater than 10% of total expenses and/or greater than 1% of total assets.	Greater than 5% but less than 10% of total expenses and/or greater than 0.5% but less than 1% of total assets.	Less than 5% of total expenses and/or less than 0.5% of total assets.
The ability to reverse the decision will be ...	Highly difficult.	Moderately difficult.	Easy.
The decision in regard to prior decisions is ...	Significantly inconsistent.	Consistent but with some differences.	Consistent.
The public will have a ...	High level of interest.	Moderate levels of interest.	Low levels of interest.
There will be...	A large proportion of the community impacted.	A subgroup or groups within the community impacted.	An individual household or person impacted.
The degree of impact on the people affected by the decision will be	High.	Moderate.	Low.

How do we decide the level of engagement to be carried out?

The level of engagement on a proposal or decision is guided by the level of significance:

- A high level of significance will mean a high level of engagement and we will develop an appropriate engagement approach to reflect the high significance.
- A medium level of significance will mean a medium level of engagement. In these cases we will decide whether, and to what extent it is appropriate to engage with the community.
- If the level of significance is low we are not required to engage.

At any time, we may choose to engage at a higher level than required by the policy but not at a lower level.

We will apply the Principles of Consultation (s82 of the LGA 2002) and consider the communities preferences when deciding the engagement approach.

Can we make a decision that is inconsistent with this policy?

If we choose to make a decision significantly inconsistent with the policy we are obligated by section 80 of the Local Government Act 2002 to:

- make the inconsistency clear
- explain the reasons for the inconsistency
- explain how we plan to address the discrepancy.

Auditor's report

He whakaaro taatari kaute



Auditor's report

To the reader:

Independent Auditor's report on Hamilton City Council's 2021-31 long-term plan

I am the Auditor General's appointed auditor for Hamilton City Council (the Council). The Local Government Act 2002 (the Act) requires the Council's long-term plan (plan) to include the information in Part 1 of Schedule 10 of the Act. Section 94 of the Act requires an audit report on the Council's plan. Section 259C of the Act requires a report on disclosures made under certain regulations. I have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 24 June 2021.

Opinion

In our opinion:

- the plan provides a reasonable basis for:
 - long term, integrated decision making and co ordination of the Council's resources; and
 - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 143 to 145 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

Emphasis of Matters

Without modifying our opinion, we draw attention to the following disclosures.

Uncertainty over three waters reforms

Page 90 outlines the Government's intention to make three waters reform decisions during 2021. The effect that the reforms may have on three waters services provided is currently uncertain because no decisions have been made. The plan was prepared as if these services will continue to be provided by the Council, but future decisions may result in significant changes, which would affect the information on which the consultation document has been based.

Uncertainty over cost savings

Page 95 outlines how the Council expects to achieve cost savings of \$106 million over the next 10 years. If the Council is unable to achieve all the expected cost savings, the Council will need to find alternative funding sources or reduce costs elsewhere. The Council notes that it intends to maintain levels of service.

Uncertainty over infrastructure asset condition information

Page 99 outlines that, although the Council continues to update its asset information, the asset condition information used to support its planned infrastructure assets renewal programme is not complete. The Council uses information about the age and performance of assets and the types of materials the assets are made of, to determine the renewals required. There is therefore a risk that some assets that may need replacing have not been identified. The Council sets out how it reduces this risk and notes that it proposes to spend more on better understanding its assets.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. In meeting the requirements of this standard, we took into account particular elements of the Auditor General's Auditing Standards and the International Standard on Assurance Engagements 3400 *The Examination of Prospective Financial Information* that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the Council's forecasts to replace existing assets are consistent with its approach to replace its assets, and reasonably take into account the Council's knowledge of the assets' condition and performance;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

We are responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. We do not express an opinion on the merits of the plan's policy content.

Independence and quality control

We have complied with the Auditor General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 issued by the New Zealand Auditing and Assurance Standards Board; and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the New Zealand Auditing and Assurance Standards Board.

Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council or any of its subsidiaries.




Clarence Susan
Audit New Zealand
On behalf of the Auditor General
Tauranga, New Zealand

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