

ITEM 7 - ATTACHMENTS

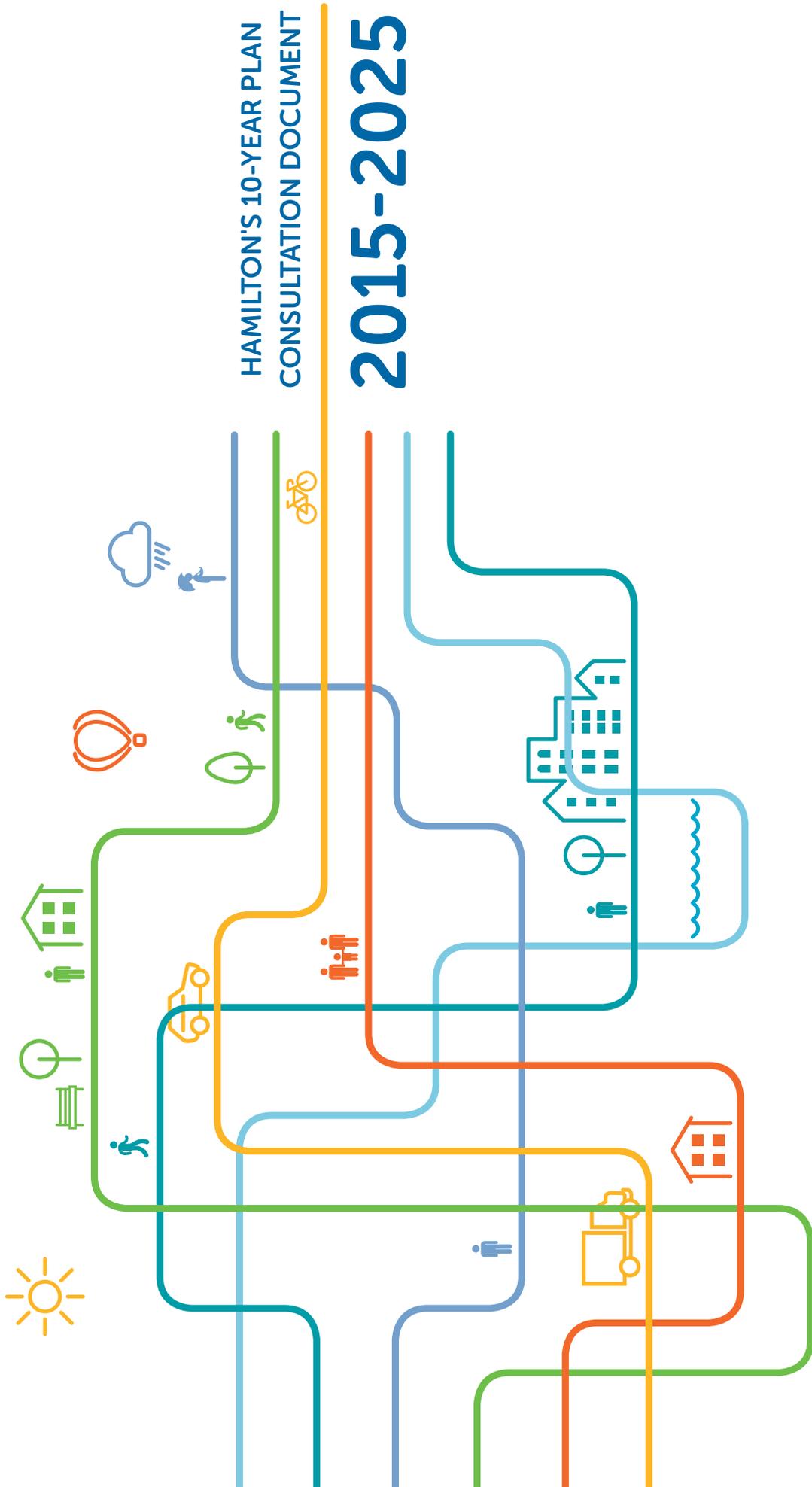
10-Year Plan

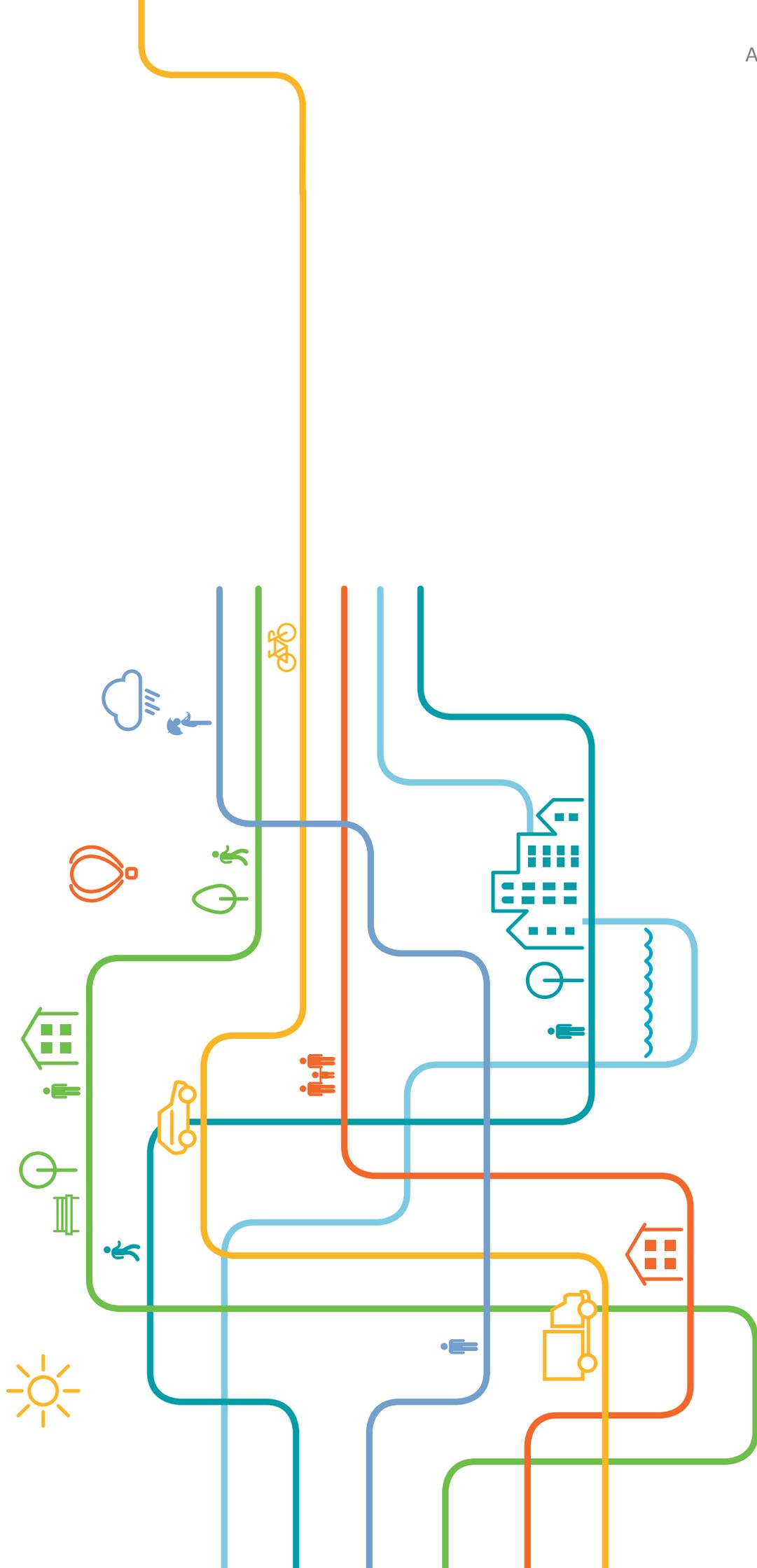
2015-25

**Adoption of 10-Year Plan Consultation Document and
Supporting Information**

Extraordinary Council Meeting – 9 April 2015

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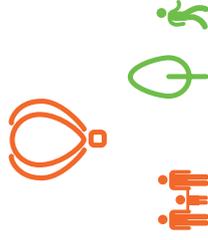




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INTRODUCTION



This consultation document sets out the Council's priorities, plans and budget for Hamilton over the next 10 years, with a specific focus on the next three years. It tells you about the big issue for Hamilton and other important matters, discusses the options and choices the Council has and what decisions will mean for rates, debt levels and services.

This new way of sharing information about the Council's 10-Year Plan aims to generate discussion about where we are now, where we will be in 10 years and the choices we face along the way. The legislation says this document should cover only the significant and important issues. If you would like more

information including the detailed financial plan and 30-Year Infrastructure Strategy, visit hamilton.govt.nz/10yearplan or phone us on **07 838 6699**.

The environment in which the Council is operating and preparing this budget is very different to the one three years ago. The impact of the global financial crisis and the serious financial issues facing the city back then no longer exist. Instead, the big issue today, which is discussed in this consultation document, is about the challenge of providing services and infrastructure for a fast growing city in a way that's affordable and financially responsible. We must continue to live within our means.

The Council is proposing to respond to this big issue by investing the right amount of money at the right time, while continuing to operate within the financial plan that's been in place for the last three years - with one change. There is a big focus in the budget on core infrastructure and investment in existing assets; these come first. There is still some money for investment in arts, sport and recreation and for the River Plan. The details are set out in this document.

We want to hear from you about the issue and options in this consultation document and what you think about the Council's proposed decisions.



BACKGROUND

A lot has changed in the last three years. Back in 2012, we made some tough decisions to get the city back on track financially, which meant cuts to some Council services, increases to some user charges, reducing the Council's own running costs by around \$15 million and selling some assets. We also extended the timeframe to upgrade and maintain some assets and pulled back on infrastructure projects, only completing them if really necessary. The exception was for critical projects including those already contractually committed to, such as the Ring Road and the Waikato Expressway.

Those tough decisions and the financial plan put in place at that time have paid off. The Council's finances are now back on track, we are in a much stronger financial position and in better shape than originally planned. The debt balance is lower than forecast in our last 10-Year Plan. We will balance the books in 2016, a year earlier than planned, putting us back in black for the first time in a decade.

"The Council's finances are now back on track, we are in a much stronger financial position and in better shape than originally planned."

PLANNING FOR A GROWING CITY



The government has made changes to the way councils operate through the Local Government Act. The Act sets out the services councils should focus on and invest ratepayer money in. It requires us to provide good quality local infrastructure, local public services and regulatory functions in a way that is most cost-effective for households and businesses.

The Council has also made a lot of changes to the way the city's \$3.2 billion of assets are managed, the most important being improving our asset management planning. This means the Council now has much better up-to-date information about the likely costs to maintain existing assets for their whole lifetime. As a result, budget planning is now more accurate than it has been in the past.

There have been other changes in the last three years. New Zealand has come through the global financial crisis and there is a lot more economic activity and investment in Hamilton. This can be seen in the changes to the number of residential and commercial building consents.

Hamilton's population is growing faster now than it has in recent years. Our population is more youthful than most places in New Zealand and this will continue into the future.

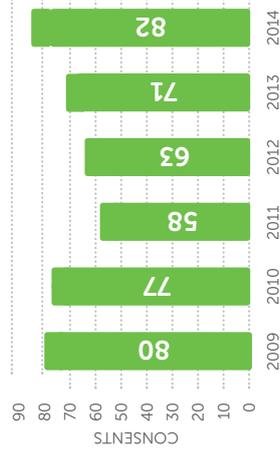
This population growth is the big challenge for Hamilton and the Council. Growth is already creating demand for new housing and expanded city services. Based on the information provided by the research¹, these demands are only going to increase.

This impacts on all parts of the city, particularly the water and transport networks, but also on other services like parks, playgrounds and pools. A growing population is a great challenge to have, but getting the balance right between looking after the assets we already have, providing critical infrastructure for the future and doing so in a way which is affordable, sustainable and financially responsible is a big focus of the Council's budget discussions.

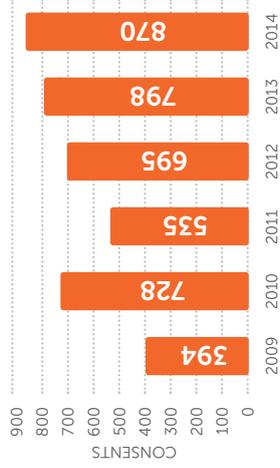
¹2014 Review of Demographic, Households and Labour Force Projections for the Future Proof Sub-Region for the Period 2013 – 2063, National Institute of Demographic and Economic Analysis, The University of Waikato, June 2014



NON-RESIDENTIAL CONSENTS
 COMMERCIAL AND INDUSTRIAL BUILDING CONSENTS HAVE INCREASED GRADUALLY SINCE 2011



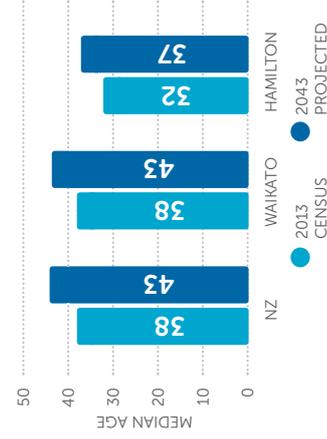
RESIDENTIAL CONSENTS
 THE NUMBER OF RESIDENTIAL BUILDING CONSENTS ISSUED IN HAMILTON HAS INCREASED MARKEDLY SINCE THE GLOBAL FINANCIAL CRISIS IN 2008



POPULATION INCREASE
 IN 30 YEARS, HAMILTON'S TOTAL POPULATION IS PREDICTED TO INCREASE BY 60,000 PEOPLE. THAT REPRESENTS POPULATION GROWTH OF ROUGHLY 40%



A YOUTHFUL POPULATION
 WE HAVE A LOWER MEDIUM AGE THAN BOTH THE WAIKATO AND NEW ZEALAND AS A WHOLE. THIS IS PROJECTED TO CONTINUE INTO THE FUTURE



THE HAMILTON PLAN

Hamilton is emerging as a New Zealand success story. A city built on a strong economy, growing rich from the land around it.

Our city is home to many young people and families and is one of only a few places in New Zealand that will continue to experience growth in its youth population.

The Council has developed the Hamilton Plan to build a stronger economy and an attractive city for families.

We will focus on 10 priorities over the next 10 years that will collectively redefine Hamilton as a major New Zealand city. These priorities build on the lifestyle and economy Hamilton already has.

The Hamilton Plan does not include all the detail, as plans, policies and actions already exist to support many of the 10 priorities. Others are still to be developed.

For more information about the Hamilton Plan visit hamilton.govt.nz/hamiltonplan

"We will focus on 10 priorities over the next 10 years that will collectively redefine Hamilton as a major New Zealand city."





We want to:

1. Balance our books

We plan to have our income exceed our expenses by 2016 and every year after that.

2. Become the third city economy in New Zealand

Hamilton moves from fourth to third in New Zealand's city economy ranking.

3. Provide outstanding infrastructure

Infrastructure development prepares the city for a population of more than 200,000.

4. Strengthen our connection to the Waikato River

At least five transformational projects from the Waikato River Plan are completed.

5. Have the best garden in the world

The Hamilton Gardens are completed in 10 years, which is consistent with the Hamilton Gardens vision.

6. Have an active, strong, commercial central city with distinctive suburban villages

The central city has a strong commercial centre, is connected to the Waikato River and residential living is starting to grow.

7. Become an urban garden

Hamilton is green, with parks, trees, beautiful gardens and street plantings.

8. Provide access to affordable housing

The city continues to provide a balanced supply of housing options to meet the city's growth.

9. Establish the Waikato as the capital of high performance sport

Hamilton and Waipa are known as the home of New Zealand's high performance sport.

10. Celebrate our arts and culture

Hamiltonians recognise the importance of art, music and culture in our everyday lives.



GROWTH – THE CHALLENGES AND OPPORTUNITIES

More than 150,000 people already live in Hamilton. In the last year, it's estimated that our population grew by 2800 people. We are one of the fastest growing places in New Zealand and it is easy to see this growth in the north of the city around areas such as Rotoruna. Growth comes from births as well as people moving here for work and education who see Hamilton as a great place to bring up a family.

This growth creates increasing demands on Council services and existing roads, water networks, sewerage and community facilities like pools, playgrounds and parks. It also means new infrastructure and community facilities are needed. All of this makes it challenging to manage budgets in an affordable way.

Challenges

- More and more pressure is going on our water and sewerage infrastructure assets, which are now reaching maximum capacity. That, combined with predicted future population growth, means that soon some assets will need to be replaced or upgraded.
- We must have land available to build houses. There is no shortage of zoned land in Hamilton; the challenge is paying for the infrastructure to enable people to live on that land. In the next 10 years, we need to spend money on pipes and roads to the new areas like Rotoruna, Rotokauri, Peacocke and Ruakura.

- If we make investments in certain infrastructure now, in a carefully planned and staged way, we can put in place the assets we need for the long term and avoid a huge backlog of expensive work in the next 20 – 30 years. Many of the costs of providing growth-driven infrastructure are recouped from developers through contributions they pay to the Council. These are called development contribution charges. These charges don't meet all the costs, around half the costs are paid for by ratepayers.

“There is no shortage of zoned land in Hamilton; the challenge is paying for the infrastructure to enable people to live on that land.”



- The Council already owns \$3.2 billion of existing assets. The majority are water, sewerage, stormwater and transport assets. We have to look after these assets to an appropriate standard so they keep delivering the services we expect to all parts of the city, including the parts that are growing.
- Cities aren't just about pipes and roads. We need to continue investing and reinvesting in the other infrastructure a growing population needs, especially families. Things like playgrounds, the Hamilton Gardens, sports, arts and cultural facilities.

"Growth stimulates economic activity and generates employment, which creates more opportunities for people in Hamilton."

- It ensures that services like schools, public transport and health care are sustainable. Those services need strong populations to attract investment from other funders, including the government and the private sector. A good example of this is the new high school at Rotoruna that is being built to respond to the growing population of young people in that area. Existing communities benefit from that investment.
- A growing city is a far more appealing city to private investors willing to invest in projects and initiatives the Council cannot afford to do on its own.

Opportunities

While growth is challenging, it also presents significant opportunities for Hamilton and the city's future.

- It stimulates economic activity and generates employment, which in turn creates more opportunities for people in Hamilton.
- It allows the city to spread the cost of vital public services across more people, which means more people are paying to run the city.



OUR GROWTH AREAS

Providing land for a growing population is managed by opening up new subdivisions as well as adding more housing in existing residential areas. Linking this up with where people work and where existing services are located is important.

Land has been zoned to allow different kinds of development in different parts of the city. The Council carefully prioritises when and where it will invest in new infrastructure to enable houses to be built and commercial development to happen.

Rototuna, Rotokauri, Peacocke and Ruakura are the city's main growth areas. The Council's priority is to build water, sewerage and transport infrastructure for these areas first,

but we cannot afford to complete all areas at once. Some areas will have to wait until there is room in the budget. Other smaller infrastructure specifically needed for these areas, like local roads and pipes, will be largely paid for by developers.

Existing areas of the city are also growing and some of these areas are zoned for higher density housing. Over time, growth in existing areas will account for around half of the new dwellings in Hamilton. We need to upgrade existing infrastructure in these areas to meet this demand.

Te Rapa North and Temple View are also marked for future growth, but they are not a priority in this 10-Year Plan.

"Rototuna, Rotokauri, Peacocke and Ruakura are the city's main growth areas."



WHAT GROWTH LOOKS LIKE



WATER

BY 2045 (WHEN THE POPULATION REACHES 210,000) PEAK WATER CONSUMPTION IS EXPECTED TO RISE FROM 89 MEGALITRES PER DAY TO

126 MEGALITRES PER DAY



WATER RESERVOIR STORAGE WILL NEED TO INCREASE FROM 86 MEGALITRES TO

130 MEGALITRES



SEWERAGE

THE PUKETE SEWERAGE TREATMENT PLANT HAS A SECONDARY TREATMENT CAPACITY OF

600 LITRES PER SECOND



THIS IS EXPECTED TO BE EXCEEDED BY ABOUT 2020.



TRANSPORT

THE NUMBER OF MOTOR VEHICLES IN HAMILTON IS PROJECTED TO GROW BY

66 PER CENT

BY 2045.



OUR ROADS WILL HAVE TO ACCOMMODATE AN ESTIMATED

130,000



ADDITIONAL DAILY JOURNEYS TO WORK OR TO DROP CHILDREN AT SCHOOL BY 2045.



PARKS AND GREEN SPACES

BY 2021 THE CITY WILL NOT BE ABLE TO MEET THE PROJECTED DEMAND FOR THE WINTER SPORTS CODES. AT LEAST

FOUR NEW FIELDS



NEED TO BE DEVELOPED BY 2020.



OUR APPROACH TO THE BUDGET

Investment priorities

To ensure we provide services and infrastructure for a fast growing city in a way that's affordable and financially responsible, this is how we have prioritised:

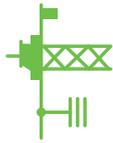
- Looking after the assets we already have is the top priority. We need to get the maximum possible return from the money we have already invested and in some cases it is no longer appropriate to defer upgrades and maintenance, which has been done in the past.
- Core services come first. Water, sewerage and stormwater infrastructure are at the top of the priority list. As the city grows, more pressure is going on these very important assets and we need to ensure

they can continue to cope. We also need to get new infrastructure in place to extend these services to the city's growth areas.

- Transport comes next. Over recent years, there's been significant investment in transport infrastructure, including roads, with the focus on completing the city's Ring Road. We are planning to complete the Ring Road to Cobham Drive but we're not planning any major intersection upgrades or any projects to reduce congestion or travel time. However, we will continue to maintain and replace roads and roading assets as they wear out. We will also continue to invest in the Resolution Drive extension to connect with the Waikato Expressway.

- Liveability is important. For our city to remain an attractive place to live, we need to continue investing in community assets such as parks, playgrounds, gardens, arts, cultural and sporting facilities. We can only fund these community assets when there is room in the budget to do so. This is not our top priority: core infrastructure comes first, but we have included investment in these as part of the budget. The details are on pages 30-31

- We are not proposing any changes to service levels or any service cuts.



The right time to invest

The city's assets are worth \$3.2 billion and our asset management planning determines the best time to invest in our existing assets. This isn't gold plated investment; it's about getting the most out of our assets and investing only when we need to, not before.

In the past some upgrades and maintenance occurred at the last possible moment. This creates risk of unexpected asset failure and can make it more expensive in the long run.

Investment in some existing assets must happen now. Our water and sewerage treatment plants are the only infrastructure the city has to treat drinking water and sewage. Those plants are operating all the time, meaning we are vulnerable to plant failure. We need to spend money to improve resilience and capacity in the plants and our

pipe networks to deal with unexpected events and lessen the risk to our city.

For more information about the expected investments required over the life of assets, see our Infrastructure Strategy at hamilton.govt.nz/10yearplan

We also have to get new growth-driven infrastructure to the right place, at the right time. We need to do so in a way that doesn't exceed our borrowing limit we have put in place or impact on rates.

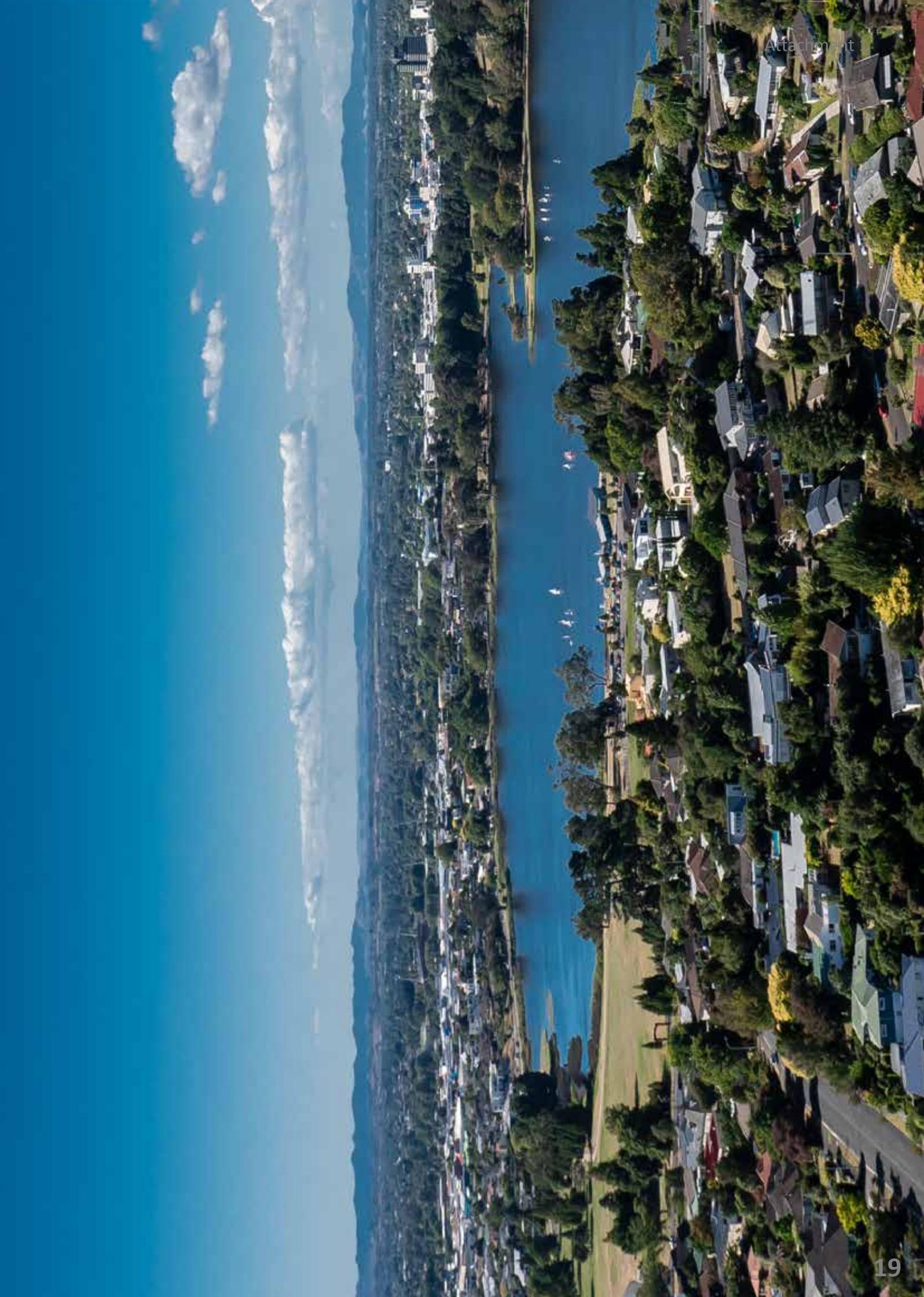
The city has more than 30 years' supply of land zoned for future development, but it doesn't make sense to spend money on infrastructure to support these new developments until we have to. We have carefully planned where and when the money will be spent to ensure we get the best return on our investment. More details about the

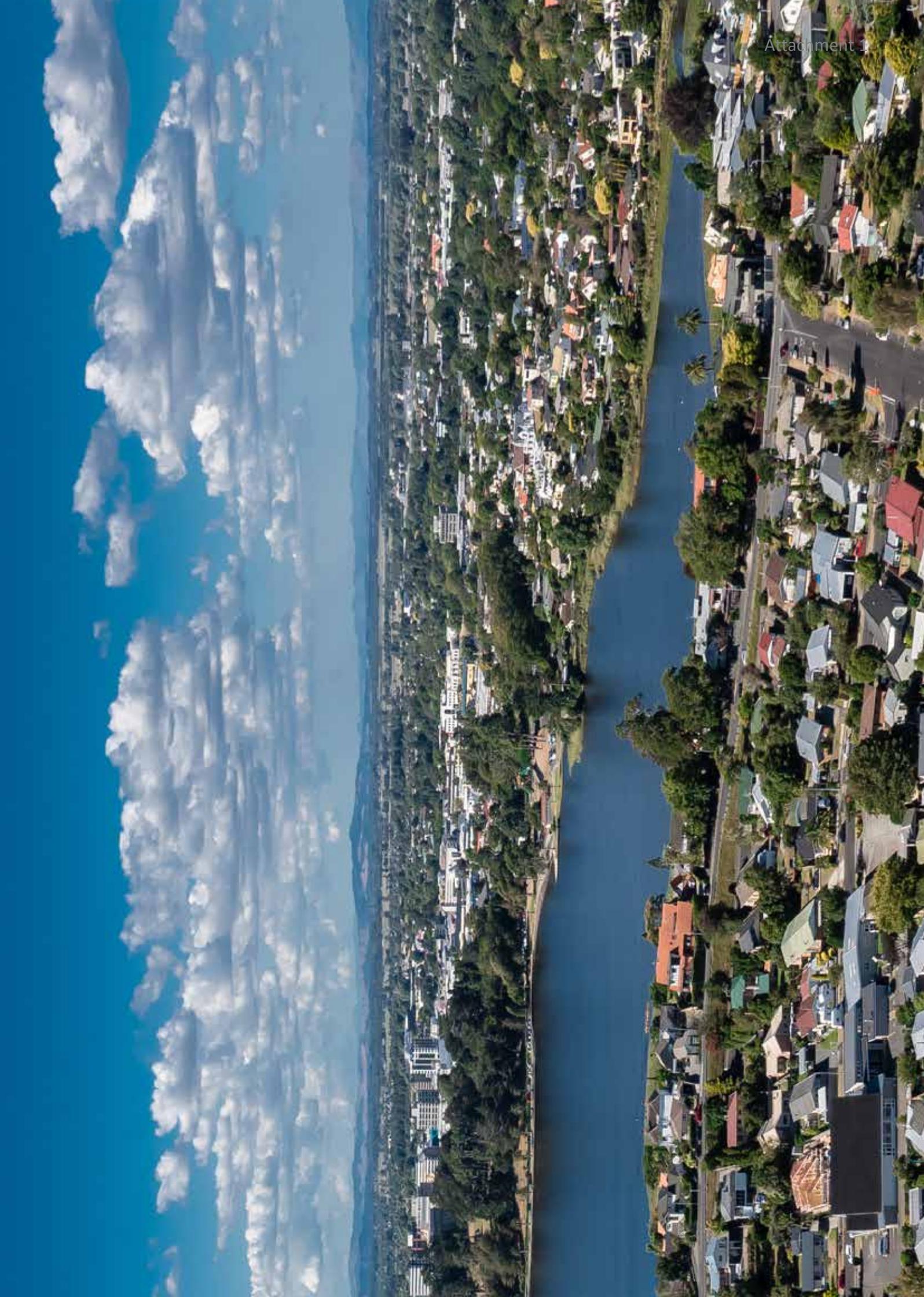
timeframes for these investments is on pages 38-40.

If housing developments progress ahead of the Council's agreed programme, the necessary infrastructure will need to be paid for by developers.

Partnerships

The Council can't pay for everything on its own. We see the future as being about partnerships with others who also benefit from the services we provide. Partners could include government agencies, philanthropic groups, neighbouring local authorities, education providers or private industry. Partnerships mean we can still proceed with projects, but others help the Council pay for them.





THE BIG ISSUE



THERE IS ONE BIG
ISSUE WE NEED YOUR
FEEDBACK ON:
BALANCING
INVESTMENT WITH
AFFORDABILITY

What is the right balance between investing in existing and new assets and affordability?

The following sections explain the options and what the Council is proposing to do.

THE THREE OPTIONS

- 1 Our proposal - right investment, right time
Page 21
- 2 Borrow more, do some projects earlier
Page 34
- 3 Borrow less, do some projects later
Page 36

OPTION 1: OUR PROPOSAL RIGHT INVESTMENT, RIGHT TIME



The Council is proposing this option, which keeps to the financial plan established three years ago, with a change to when we achieve our borrowing limit. This change recognises that we need to invest in more projects, earlier, to respond to Hamilton's growth and look after the important assets we already have.

The financial plan is:

- Rates certainty. No change to the rates increase of 3.8 per cent each year for existing ratepayers.
- Balancing the books. We will balance the books in 2016, one year earlier than originally planned.
- A debt to revenue ratio of 200% by 2020. This means \$2 of debt for every dollar collected in rates and user charges. Or in other words, it's like having a mortgage of \$200,000 with a household income of \$100,000. We are proposing to achieve this by 2020, which is one year later than originally planned. However, debt will remain under \$440M until 2018.
- Keeping service levels the same. Three years ago we made cuts to some services and consulted with the public about that. We are not proposing any further changes to service levels.

Rates

Rates certainty is provided by continuing with an increase of 3.8% each year for existing ratepayers. This is an important part of the overall financial plan to manage debt and balance the books, by reducing our reliance on borrowing and paying for more projects through rates.

To achieve lower rates increases than proposed, cuts to some infrastructure investments and services would have to be made.

Rates increases to existing ratepayers





Balancing the books

Balancing the books means our income is greater than our expenses.

Since 2008, the Council has been spending more than it is earning and borrowing to pay the difference. Three years ago we made a plan to change that and balance the books by 2017. Our proposed budget achieves this in 2016, one year earlier than originally planned.

Balancing the books is critical. It means we will be able to pay for new assets and upgrades without the same amount of borrowing.

Balancing the books



Debt

The definition we use for debt is the money we owe the bank, less cash. We refer to this as total overall debt.

The Council is proposing a debt to revenue ratio of 200%, to be achieved by 2020 and each year after that. This equates to a borrowing limit of \$2 for every dollar collected in rates and user charges. Or in other words, it's like having a mortgage of \$200,000 with a household income of \$100,000.

This limit will keep our borrowing in proportion to our income, so we can afford to service debt.

Achieving the borrowing limit by 2020 is a change to the existing financial plan, which achieves it by 2019. We are proposing this change to ensure we invest enough at the optimal time in looking after our assets and in the new infrastructure needed for our fast growing city.

Total overall debt is currently well below \$440M. Under our proposed budget, we will have three more years of total overall debt below \$440M. In 10 years, total overall debt is projected to be around \$486M. This equates to borrowing of around \$1.70 for every dollar collected. This is well under our borrowing limit and is also within financial market guidelines for prudent financial management.



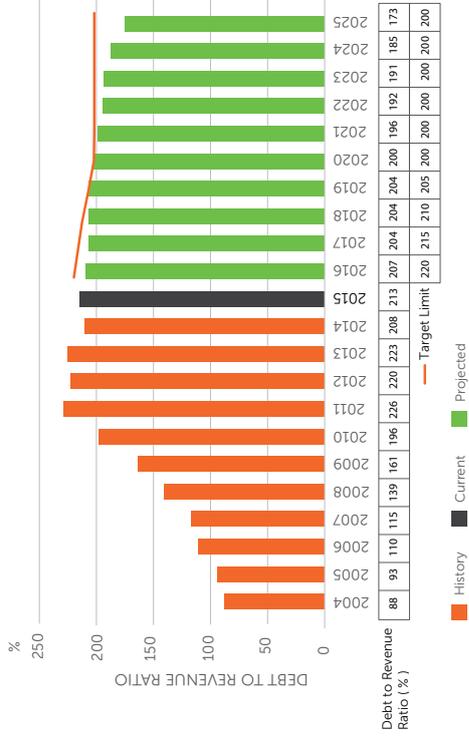
The Council can borrow up to \$2.50 for every dollar it collects in rates and user charges. However, we want to keep our borrowing limit lower than this because we're planning ahead further than just 10 years. Over the next 30 years many projects will need to be completed as the city grows.

Total overall debt

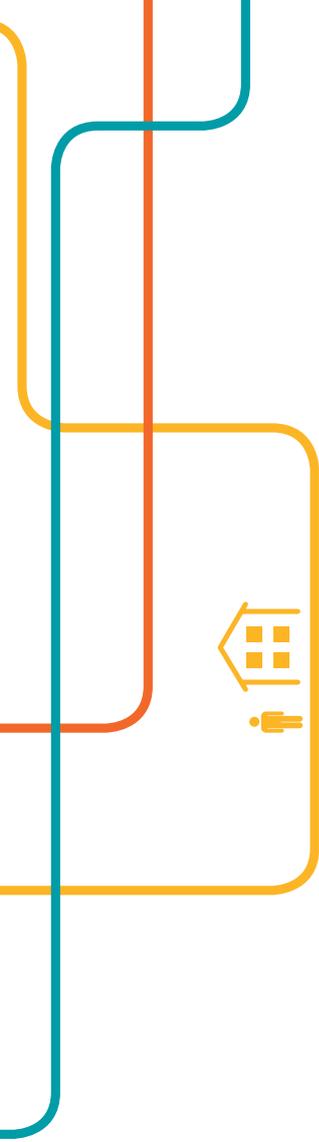


We need to make sure we don't use up all our debt capacity now and have nothing left for the future. We also need to make sure we have the resources available if something unforeseen happens, like a natural disaster or an unexpected big asset failure.

Borrowing limit



Do you agree with the financial plan?



HOW RATES WILL CHANGE

The examples in the following graphs show how rates will change from what you are paying now to what you will pay next year.

The graphs show the land value, capital value and other rates that are proposed for residential, commercial and rural properties for a range of property values.

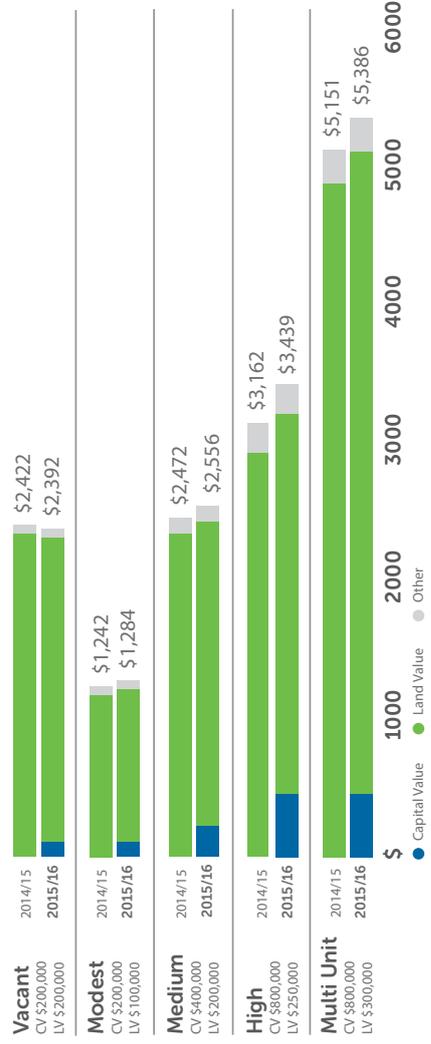
All rates are impacted by the 3.8% increase and the transition to a capital value rating system. This will result in different rates increases for different property values.

You can check how your property is affected using our online rates calculator. Visit hamilton.govt.nz/10yearplan

RESIDENTIAL



The residential sector (50,211 ratepayers) continues to pay for 64 per cent of the general rates.

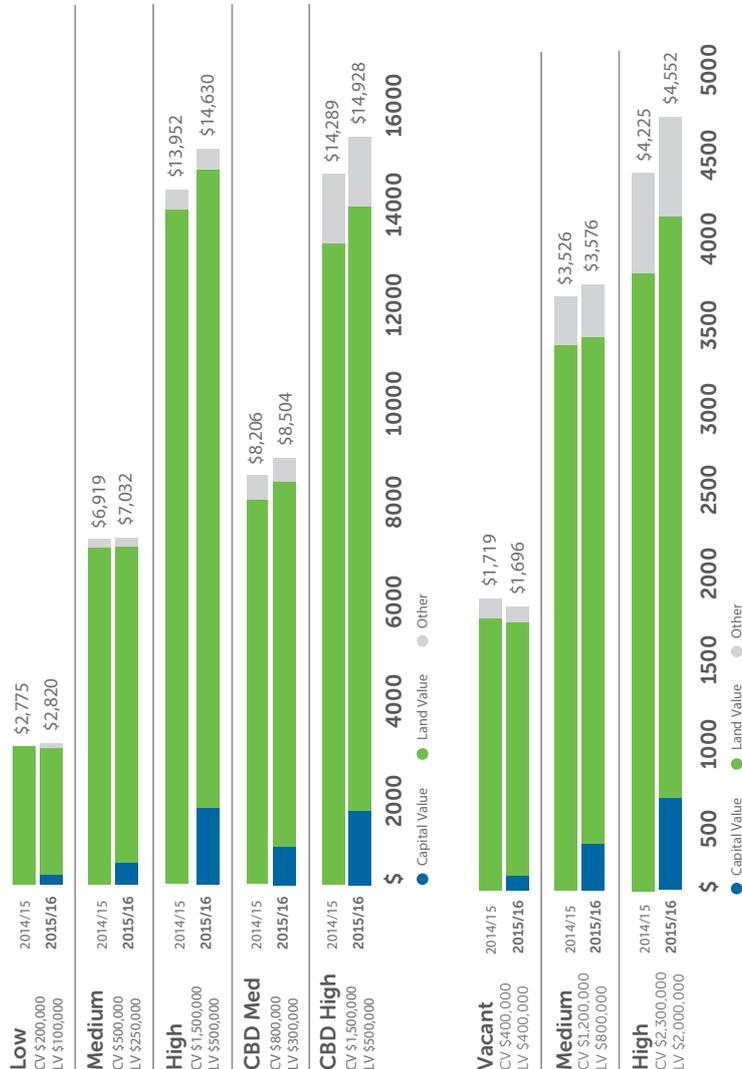




COMMERCIAL



The commercial sector (4361 ratepayers) continues to pay for 35 per cent of the general rates.



RURAL



The rural sector (653 ratepayers) continues to pay for 1 per cent of the general rates.

Last year the Council undertook an extensive review and consultation before deciding to transition from a land value to a capital value rating system over 10 years.

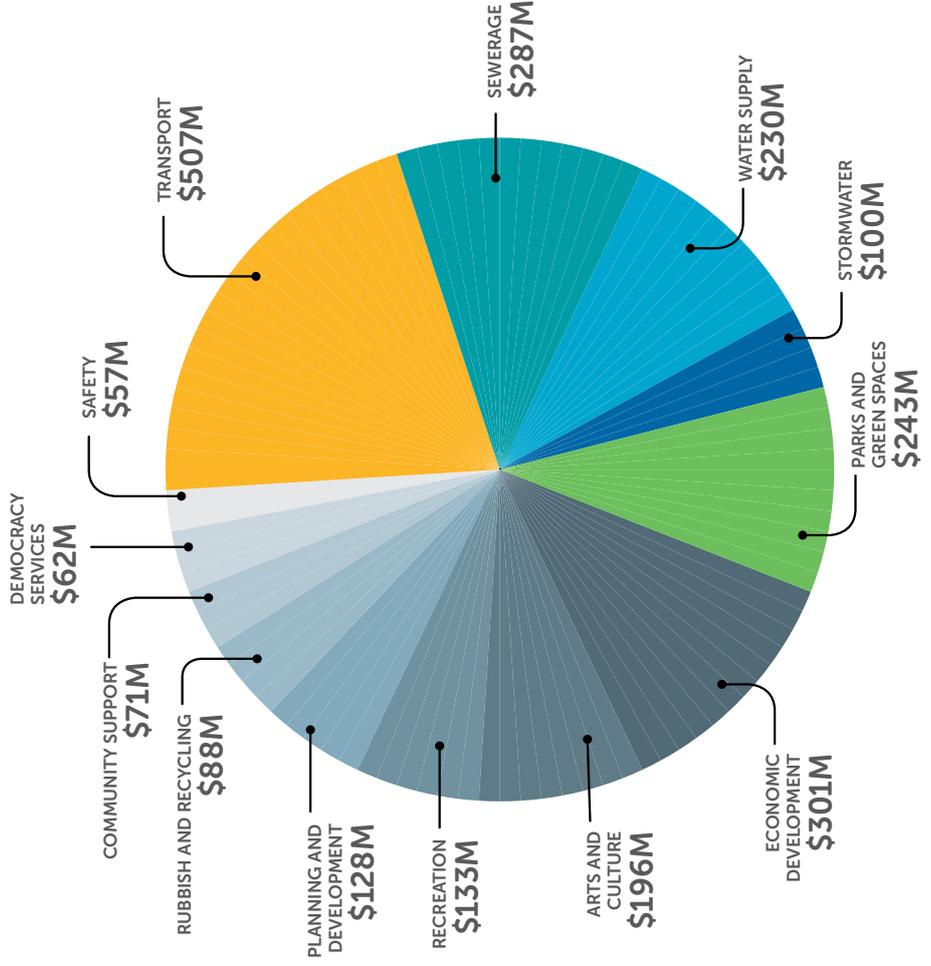
To implement this change, we are revising our Revenue and Financing Policy and Rates Remissions and Postponements Policy. The Council is consulting on these policies

alongside the 10-year planning process. For information on the consultation for these policies visit hamilton.govt.nz/10yearplan



WHERE THE MONEY WILL GO

Operating expenditure
\$2.4B over 10 years



The next three sections set out how the operating and capital budgets have been allocated, what we're proposing to invest in and highlight the key projects planned for the next decade.

Our core services - water supply, sewerage, stormwater and transport - make up 77% of the capital budget and 47% of the operating budget over the next ten years.

A full list of projects is at hamilton.govt.nz/10yearplan.

All figures on this page include inflation.



What we provide

- **Water supply**
Water treatment plant, reservoirs, pump stations, pipes and water conservation initiatives
- **Sewerage**
Sewerage treatment plant, pump stations and pipes
- **Stormwater**
Pipes, streams, drains, ponds and wetlands
- **Transport**
Roads, footpaths, cycleways, traffic and street lights, landscaping, street cleaning, bus stops, street furniture and parking meters
- **Rubbish and recycling**
Kerbside rubbish and recycling collections, managing old landfills, Refuse Transfer Centre
- **Recreation**
Waterworld, Gallagher Aquatic Centre, Te Rapa Sportsdrome, Hamilton Zoo
- **Arts and culture**
Libraries, theatres, Waikato Museum, public art support
- **Safety**
Dog registration, noise control, graffiti removal, food and liquor licensing, City Safe patrols, CCTV cameras
- **Community support**
Grants and funding advice, Civil Defence, housing for older people, community centres and halls
- **Parks and green spaces**
Playgrounds, parks, Hamilton Gardens, public toilets, river walkways and cemeteries
- **Economic development**
Event sponsorship, property investments, I-site visitor information centre, Claudelands, Waikato Stadium and Seddon Park
- **Planning and development**
Building consents and inspections, resource consents, property information, District Plan
- **Democracy services**
Council meetings, elected members' remuneration, local body elections, civic events and partnerships with Maaori



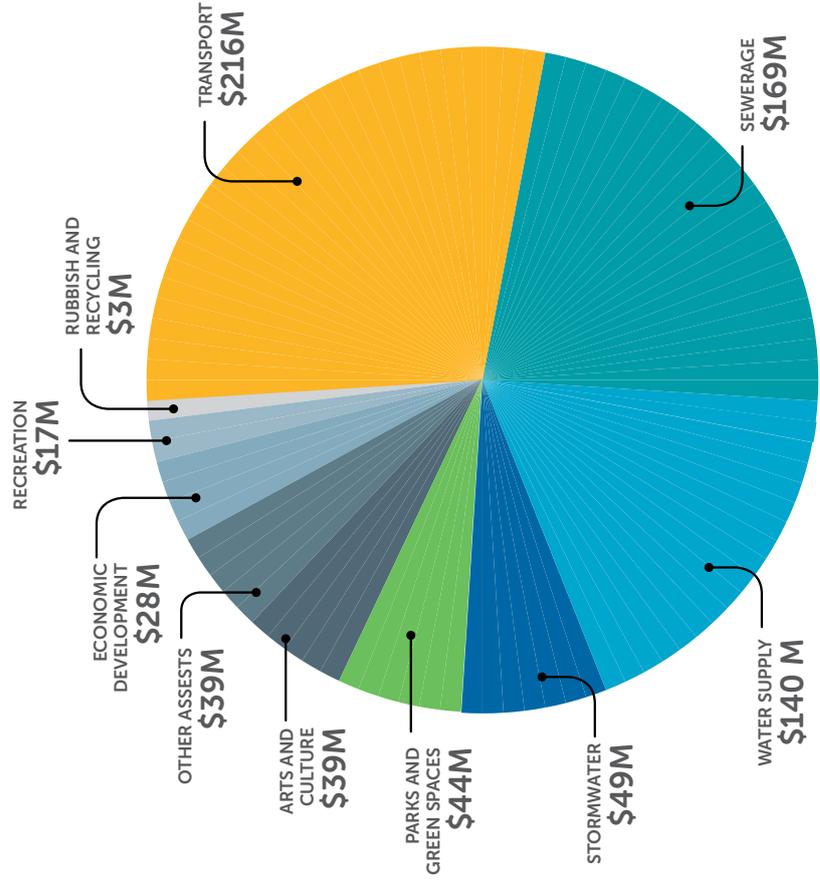
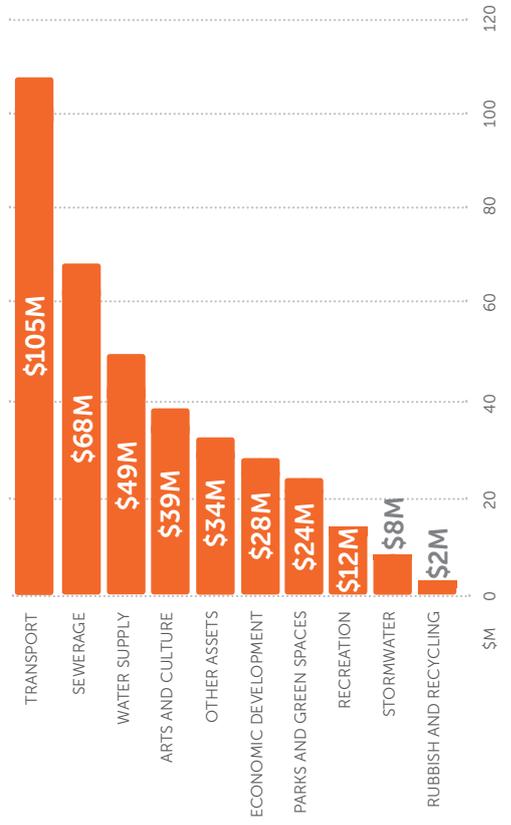
PROJECTS

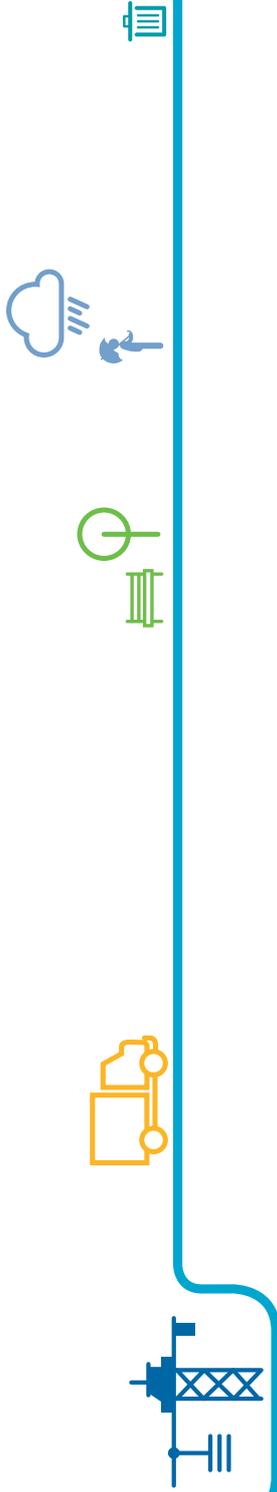
Total capital expenditure
\$744M over 10 years

Looking after what we've got

When it comes to spending on infrastructure, looking after the assets we already have is our top priority. If we don't maintain and replace our assets we will face big costs in the future. We also run the risk of assets breaking down unexpectedly. Over the next 10 years the Council is planning to spend \$369M on replacing existing assets that are worn out. All figures on pages 28 and 29 exclude inflation.

Asset replacements over 10 years

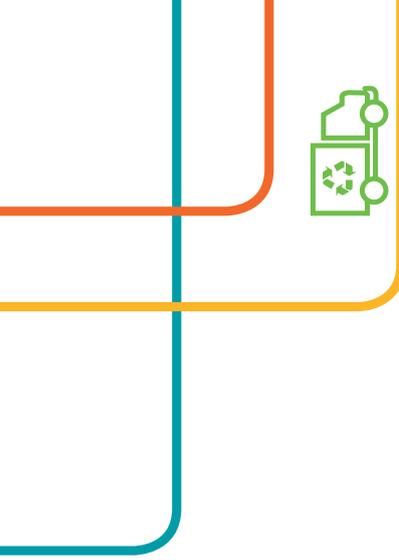




Asset improvements and new assets to support growth

Over the next 10 years we are planning to spend \$78M on new and upgraded assets and \$298M on new assets to provide for a growing city. Some of the key projects over the next 10 Years are:

- New and upgraded roads in Rototuna (including connecting Resolution Drive to Waikato Expressway) YEARS 1-10, \$41.3M
- New and upgraded roads in Peacocke YEARS 1-10, \$16.1M
- New and upgraded roads in Rotokauri YEARS 1-10, \$20.2M
- Planning and designing a new bridge for north of the city YEAR 8, \$5.9M
- Improvements to the main road connecting the east and west sides of the city. This includes traffic signals at the Heaphy Terrace/ Boundary Road intersection and Five Cross Roads YEARS 5-7, \$4.9M
- Water reservoir in Rototuna YEARS 1-2, \$14.4M
- Upgrading the Water Treatment Plant YEARS 1-6, \$26.5M
- Building new water mains in growth areas YEARS 1-10, \$20.6M
- Wet weather sewerage network storage YEARS 1-9, \$30.9M
- Upgrading the Sewerage Treatment Plant YEARS 1-5, \$17.2M
- Increasing sewerage network capacity YEARS 1-10, \$44.2M
- Stormwater infrastructure in Rotokauri YEARS 7-10, \$23.3M
- Stormwater consent implementation YEARS 3-10, \$1.7M
- Purchasing land for future parks and reserves YEARS 1-4, \$1.4M
- A new sports park in Rototuna YEARS 8-10, \$4.8M
- Hamilton Gardens development YEARS 1-3, \$7.0M
- Playgrounds development YEARS 1-10, \$3.7M
- Founders Theatre refurbishment YEARS 7-8, \$13.9M
- New pool YEAR 8, \$4.8M



COMMUNITY PROJECTS

Core infrastructure comes first. But we have allowed some money in the draft budget for other projects that are also important to the city. Money for these projects is not made available until after money has been budgeted for core infrastructure. All figures on pages 30-31 exclude inflation.

Founders Theatre

The Council has set aside \$13.9M to upgrade the Founders Theatre in 2021/22 because maintaining the theatre has been deferred in the past and an independent report is saying we can no longer defer work. First we plan to spend \$100,000 on a business case to examine all the options for upgrading the 50-year-old theatre.

The estimated cost of upgrading the fly tower and stage house structure, and to upgrade toilets in the venue, is \$10.8M. Upgrading the

auditorium, foyer and facade is estimated to cost \$3M. A decision on whether or not to go ahead with this project will not be made until after the business case is finished, which will be later in 2015.

Waikato River Plan funding

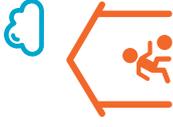
The Waikato River Plan was approved by the Council in December 2014. It aims to better integrate the Waikato River with Hamilton. The Council has allocated \$250,000 in 2015/16 and \$500,000 in each subsequent year of the 10-Year Plan to help fund River Plan projects. This will be paid for from existing operating budgets.

In the first two years the funding will focus on The Ferrybank and Roose Commerce Park Development and Master Plan, Hayes Paddock/Wellington Street beach development and Pukete Flower Bridge.

Recycling wheelie bins

We are proposing an expanded recycling service from 2017/18, with a preference for introducing recycling wheelie bins. We have included \$2.8M in the draft budget to purchase the bins.

A business case will be prepared over the next year, to be considered by the Council as part of the 2016/17 Annual Plan. The business case will also look at options for a user-pays rubbish bag system.



Indoor Recreation Centre

The Council is considering several options for developing an indoor recreation centre to meet future demand for sports codes like netball, basketball, badminton, volleyball, indoor bowls and indoor soccer. We are also looking at how the city's sports fields will cope with future demand.

This is based on independent expert reports done on sports facilities across the Waikato and the demand now and into the future. The Council's approach to this facility is being guided by these reports, in particular the Waikato Regional Sports Facilities plan*.

We have included \$4M in the budget for a grant towards the construction of an indoor recreation centre. We have agreed to support the development of a feasibility study led by Sport Waikato in conjunction with other

stakeholders, to look at the best options for the city. The feasibility study will be reported back to the Council by October 2015.

Sports fields

We have included \$4.8M in the draft budget from 2021-2025 to develop Rotoruna Sports Park. The Ministry of Education is developing four sports fields in the new Rotoruna High School, mainly for rugby and cricket. The Council will develop five sand carpet fields, public changing rooms and parking.

We have also allocated \$2.5M in the draft budget in 2023/24 – 2024/25 for improvements to existing sports fields, including field irrigation, drainage and enhanced turf maintenance. The fields include Galloway, Porritt, Mahoe, Resthills, Marist and Ashurst parks.

Swimming pools

There is a shortage of swimming pool space in Hamilton, particularly during winter. This is based on independent expert reports done on sports facilities across the Waikato and the demand now and into the future. The Council's approach to swimming pools is being guided by these reports, which are available at hamilton.govt.nz/10yearplan

The Council has been looking at how to address this. Funding of \$4.8M has been made in 2022/23 for an additional 25m pool within the city, with the location to be determined.

The Council would also like to look at what can be done to address the pool space shortage in the short term, and the Council will receive a report back on options as part of developing the 2016/17 Annual Plan.

*A summary of the Waikato Regional Sports Facilities plan is available at hamilton.govt.nz/10yearplan

PERMANENTLY CLOSING THE MUNICIPAL POOL

We need your feedback on this proposal

As part of considering what to do about swimming pools, the Council also looked at refurbishing the Municipal Pool. The pool has been closed since mid-2012 because of mechanical and structural issues needing major repairs.

Since the closure, the Council has been in discussions with stakeholders to see if the pool can be repaired and at what cost. We were also awaiting the outcome of the Waikato Regional Sports Facilities Plan. A summary of this plan is available on our website hamilton.govt.nz/10yearplan

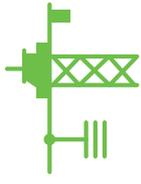
Options were presented to the Council by the community group Sink or Swim and council staff, to bring the pool up to a standard necessary to operate safely and efficiently.

The Council considered the following options.

Options

- a) Refurbish as an open air pool - \$6.8M**
A three-staged proposal to renovate and rebuild the Municipal Pool to be implemented over a period of time, which would allow the community group to secure funding from private and philanthropic funders to support the pool refurbishment.
Stages one and two (\$5.5M) would see demolition and rebuilding of a number of parts of the facility which are beyond repair, including the main pool, and the development of new changing rooms, office space and green space. It would also include a new 25m pool suitable for junior swimming education, plus a café or restaurant and grandstand upgrade. Stage three (\$1.3M) would include construction of new boutique office space next to the pools and the Celebrating Age Centre.





If the Council was to fund stages one and two (\$5.5M) this would be done instead of an additional 25m pool (\$4.8M) elsewhere in the city and our debt balance would increase by an extra \$928,000 by 2025.

b) Rebuild as an indoor heated pool - \$8.8M

As an alternative to the open air refurbishment proposal, council staff requested a cost estimate from Opus International Consultants to refurbish and enclosure the Municipal Pool that would allow for all year swimming and activities within the pool.

If the Council was to fund this option (\$8.8M) this would be done instead of an additional 25m pool (\$4.8M) elsewhere in the city and our debt balance would increase by an extra \$5.6M by 2025.

c) Permanently close the Municipal Pool

Our proposal

The Council has now decided not to invest in the Municipal Pool and is proposing to close it permanently because:

- The pool would require at least \$5.5m to repair it and upgrade the site.
- Even if repaired, an open air pool would not address the shortfall in indoor pool space over winter.
- The Waikato Regional Sports Facilities Plan recommends closure of the Municipal Pool, saying the funds would be better invested in an indoor community pool elsewhere in the city.

Removing the pool and reinstating the site for other use would cost \$670,000. The Council wants to consider the future of the site as part of the River Plan, so has decided not to remove the pool structure yet. Our proposed budget includes \$10,000 per year to keep the site secure.

If you would like to read more about the options considered by the Council, the reports are available on our website at hamilton.govt.nz/10yearplan

Do you agree with the proposal to permanently close the Municipal Pool?



OTHER OPTIONS



Our proposed approach (option 1) enables us to respond to Hamilton’s growth and look after the assets we already have. It also invests in some community projects so the city remains an attractive place to live. While we believe this achieves the right balance between investment and affordability, we have explored two other options.

Option 2 identifies seven projects which could be completed earlier. Option 3 looks at delaying seven projects until a later date.

These projects are already included in the draft budget, so what needs to be decided is the best time to complete them. Changing the timing of projects changes the amount we borrow and the interest costs we pay over the next 10 years, and when we achieve our borrowing limit.

All of these options keep rates increases at 3.8 per cent each year for existing ratepayers. The community has sent a clear message that rates rises should be kept to a minimum, so we are not proposing rates increases higher than 3.8 per cent. We also need to balance our books and we won’t achieve this with rates increases lower than 3.8 per cent.

OPTION 2: BORROW MORE, DO SOME PROJECTS EARLIER

The following table lists seven projects that could be completed earlier. These projects have been selected because:

- They address identified gaps in the city’s sporting, recreational and cultural facilities (projects a – d).

- They provide core infrastructure to more parts of the Rotoruna growth area. Developing roads, water and sewerage infrastructure in this area earlier would provide opportunities for more development to happen earlier. Upgrading roads earlier would also help to manage traffic congestion as the northern suburbs grow, making it easier and quicker to get around (projects e – g).

Under this option, if we did all seven projects earlier we would take on \$19.6M more debt than Option 1 by 2025 and we would not achieve our borrowing limit until 2023.





Financial Implications

Project	Project Cost \$M*	Debt by 2025 \$M	Additional cost to do this project earlier \$M	When we will achieve our borrowing limit
Option 1: Our proposal	486.4			2020
This Option:				
a) New pool Starting 2017: 6 years earlier	4.8	487.6	1.2	2021
b) New Rototuna sports park Starting 2016: 6 years earlier	4.8	489.9	3.5	2021
c) Indoor recreation centre grant Starting 2018: 4 years earlier	4.0	487.8	1.4	2021
d) Founders Theatre refurbishment Starting 2016: 5 years earlier	13.9	494.9	8.5	2022
e) Borman Road East Starting 2016: 5 years earlier	17.7	490.9	4.5	2022
f) Borman Road West Starting 2016: 2 years earlier	2.7	486.6	0.2	2020
g) North City Road Starting 2016: 2 years earlier	7.2	486.7	0.3	2021
Do all 7 projects earlier:	55.0	506.0	19.6	2023

* Figures in this column exclude inflation

Why this is not our preferred option

Doing these projects earlier will cost us more. We need to borrow money to deliver these projects, and that also means borrowing to pay the interest costs. If we elect not to bring these projects forward and stick with the timing in our financial plan, it means we'll be borrowing less, so we will pay less interest.

The Council discounted this option because of the extra debt burden it would place on the city. It was felt this approach wasn't financially responsible or affordable. Borrowing more money now also limits our ability to fund future projects, and we are mindful that over the next 30 years there will be a lot more projects needed as the city grows. We need to make sure we don't spend all our resources now and have nothing left for later. We also need resources available if something unforeseen happens, such as a natural disaster or if we have to deal with an unexpected big asset failure.

Do you think we should borrow more to complete any of these projects earlier? If so, which ones?



OPTION 3: BORROW LESS, DO SOME PROJECTS LATER

This option outlines seven projects that could be completed at a later time. These projects have been selected because:

- They are more discretionary projects. Although they are important, we can live without them (projects a–d).
- They provide an option to spend less on growth, but some growth would still be able to go ahead (projects e–g).

Under this option, if we deferred all seven of these projects we would have \$47.2M less debt than Option 1 by 2025. Apart from one project (project e) we would still achieve our borrowing limit in 2020, at the same time as Option 1.

Deferring these projects would not result in lower rates increases because the savings would be used to pay off debt.

Financial Implications

Project	Project Cost \$M*	Debt by 2025 \$M	Debt reduction if this project is deferred \$M	When we will achieve our borrowing limit
Option 1: Our proposal		486.4		2020
This Option:				
a) New pool Deferred beyond 2025	4.8	479.6	6.8	2020
b) New Rototuna sports park Deferred beyond 2025	4.8	479.3	7.1	2020
c) Indoor Recreation Centre grant Deferred beyond 2025	4.0	479.9	6.5	2020
d) Upgrade Founders Theatre Deferred beyond 2025	13.9	466.2	20.2	2020
e) Rototuna Infrastructure: the extension to Borman Rd east and west and the development of water and wastewater From 2016 -2020 deferred until 2021- 2025 and beyond	13.5	481.1	5.3	2018
f) Rotokauri Industrial Infrastructure: roading upgrades and water and wastewater infrastructure From 2016-2020 deferred until 2021-2022	5.4	485.5	0.9	2020
g) Peacocke Stage 2 Infrastructure: roading upgrades and property purchases From 2016-2020 deferred until 2021-2023	2.6	485.9	0.5	2020
Defer all 7 projects:	48.9	439.2	47.2	2017

* Figures in this column exclude inflation



Why this is not our preferred option

The major consequence of this option is that it may slow growth in the city. Without the right investment in infrastructure at the right time, some new growth areas will not be opened up for development. We will become more dependent on developers to supply what we aren't financing and that leads to a much greater uncertainty.

There will be more potential for infrastructure that doesn't meet the needs of a growing city, for example not having the right roads in place, leading to more traffic congestion. Fixing these problems in the future is much more costly than getting it right the first time.

This option also impacts on the livability of our city. It means that development of key community assets would be put on the back burner for another decade, putting more pressure on existing assets. This doesn't match our vision for Hamilton as a city that provides a great quality of life for families.

We will save money in one sense under this option, but by deferring costs, we may end up spending more in the long run.



**Do you think we should defer any of these projects to a later date?
If so, which ones?**

TIMELINE OF MAJOR CAPITAL PROJECTS FOR THE NEXT 30 YEARS



Alongside our 10-Year Plan we're also planning for what the city will need 30 years from now. A 30-year Infrastructure Strategy is a new requirement in the Local Government Act. It looks at what infrastructure issues the city will face in the future and what we will do to address these issues.

Because Hamilton is growing, there are some big projects coming up. When we're considering which projects to fund over the next 10 years and which ones to put off to later, we need to consider the financial and community consequences.

Assets that are wearing out must be replaced at some point, and we need to provide essential infrastructure to cope with growth. Putting off too much today can create a backlog of work later on, which can be costly.

Likewise, we cannot borrow too much now and leave no room to borrow in the future to pay for essential new infrastructure the city may need.

The diagram that follows shows the major capital investments anticipated for the next 30 years.

A copy of our full 30-year Infrastructure Strategy is available on our website [hamilton.govt.nz/10yearplan](https://www.hamilton.govt.nz/10yearplan)

“Because Hamilton is growing, there are some big projects coming up.”

DETAIL

OUTLINE

KEY



TRANSPORT



COMMUNITY



PARKS & GREENS



SEWERAGE

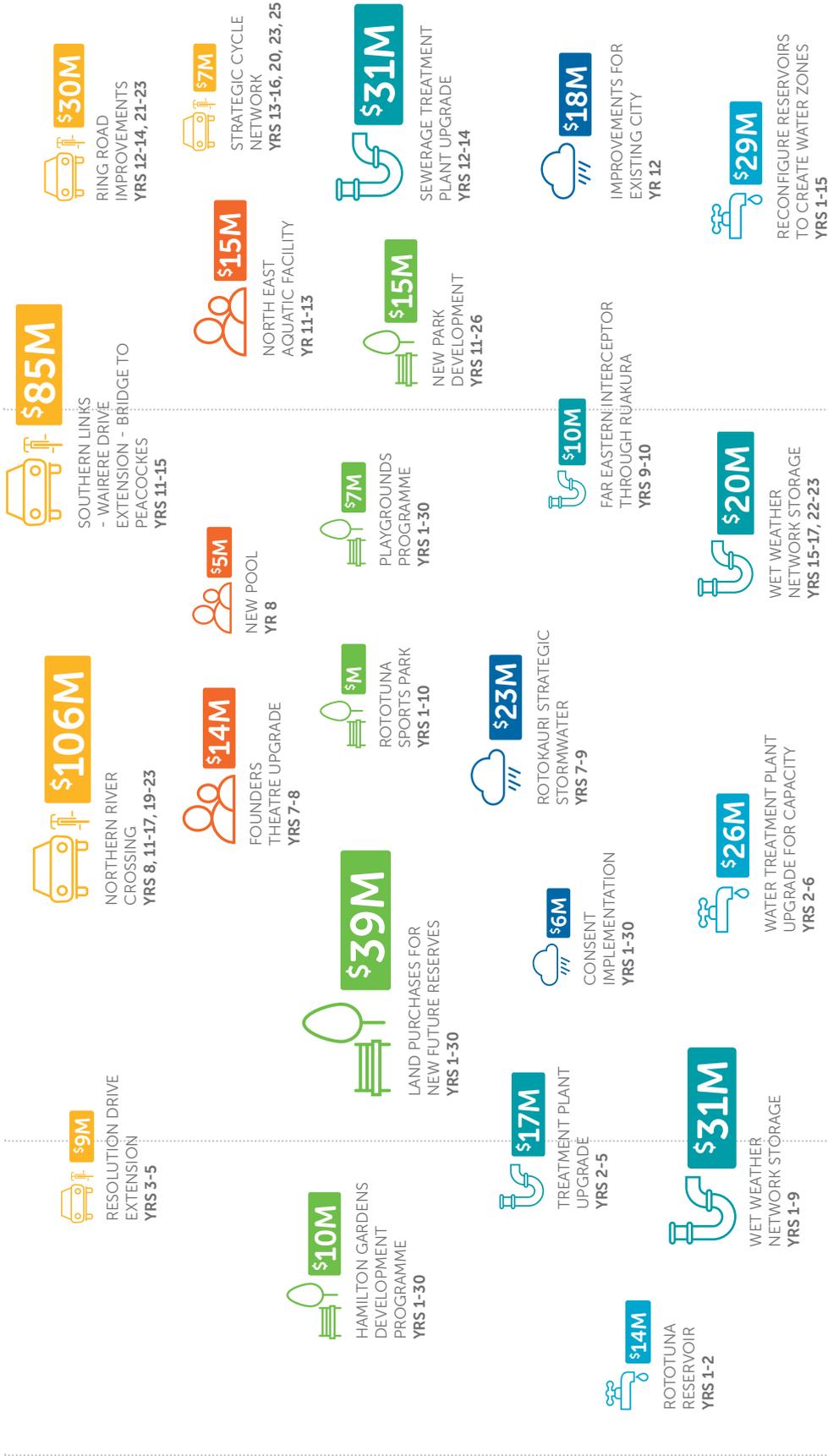


STORMWATER



WATER SUPPLY

NOTE: ALL FIGURES ON THIS TIMELINE DO NOT INCLUDE INFLATION



2015

POPULATION 153,000

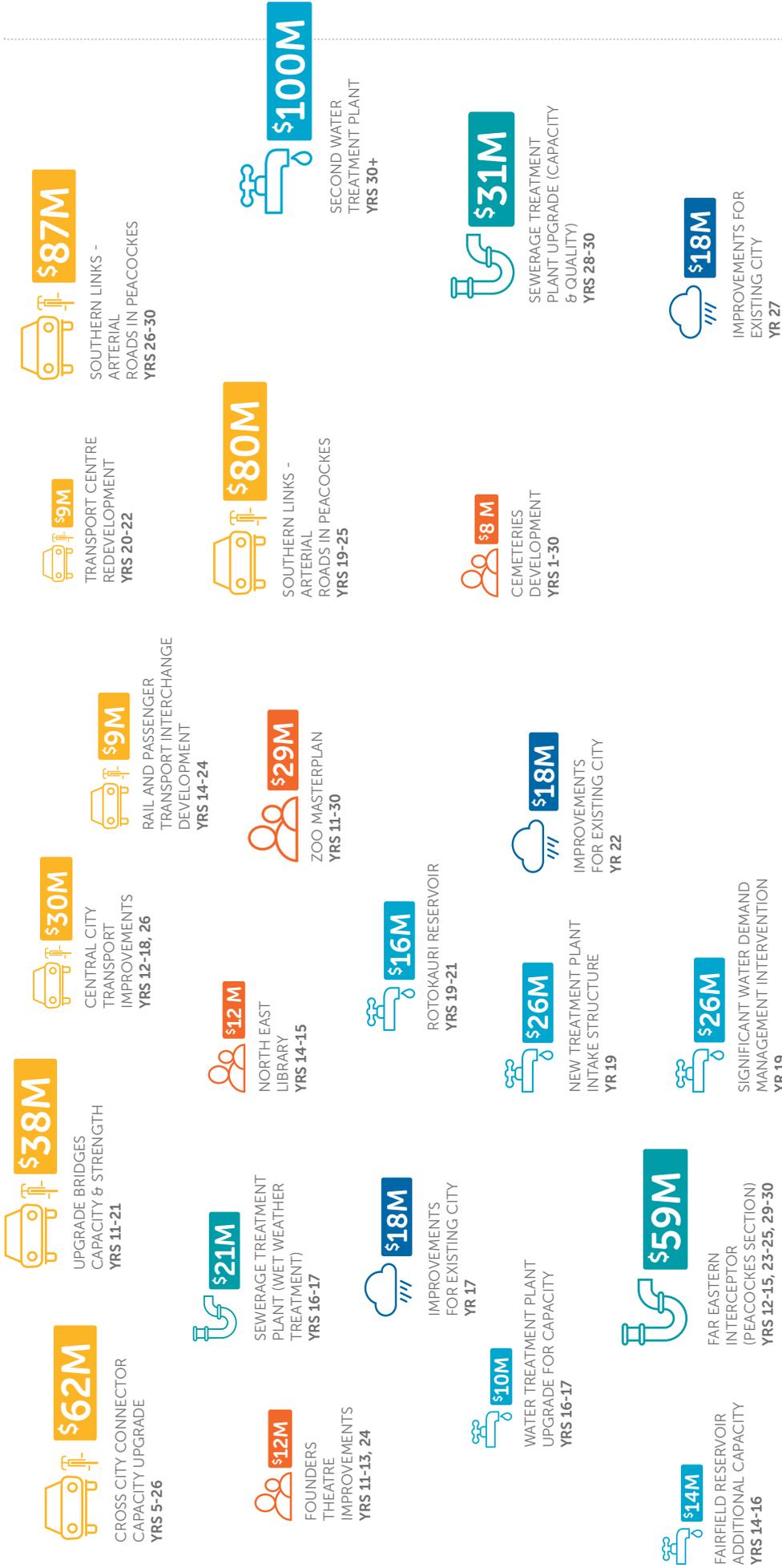
2025

POPULATION 174,000

ANTICIPATED TIMING FOR DEVELOPMENT

- EXISTING CITY
- ROTOTUNA
- PEACOCKE 1
- RUAKURA
- ROTOKAURI 1
- TE RAPAPA NORTH
- PEACOCKE 2

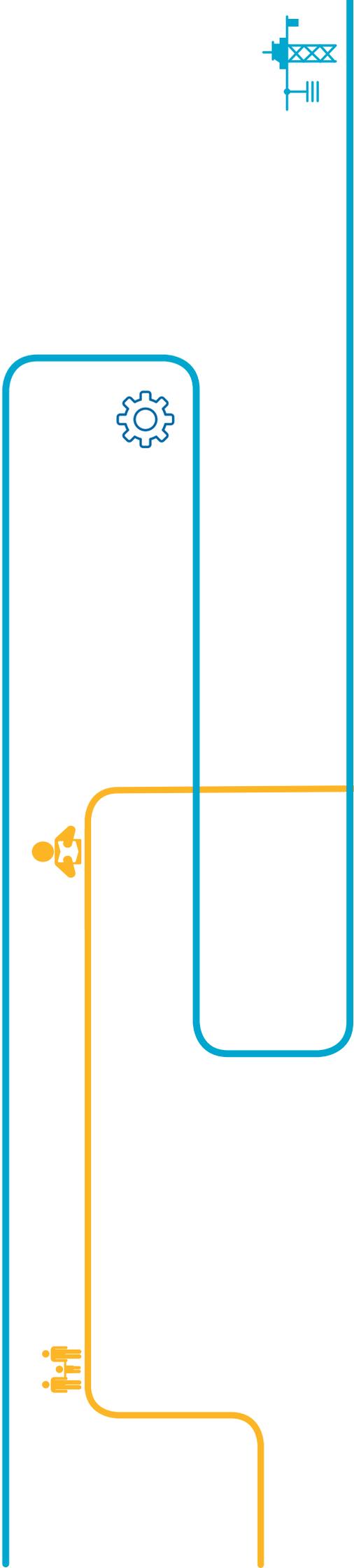
ESTIMATE



30 (YEAR 15) 40 (YEAR) 2045 (YEAR 30)

POPULATION 194,000 POPULATION 210,000

Projects shown as icons are the strategic projects to provide new or upgrade existing infrastructure. These do not include renewal projects or growth related projects that are for non-strategic (local) infrastructure. Only key construction periods and costs for projects are shown.



Fold out this page for an overview of major projects for the next 30 years. A more detailed breakdown is available in our Infrastructure Strategy.



WORKING WITH OUR NEIGHBOURS

We work on a number of initiatives with our council neighbours in the Waikato through the Mayoral Forum and Local Authority Shared Services Limited.

This includes programmes such as one overall insurance policy, property valuation information, an economic development strategy, development of a spatial plan for the Waikato, a standardised approach to looking after our roads and joint IT projects.

In October 2014, Hamilton City Council agreed to join with Waipa and Waikato District councils to jointly fund a study into how best to manage water infrastructure across all three councils in the future. The study will look at three options:

1. Boosting the existing shared service arrangements between all three councils,
2. Retaining the status quo with each council running its own operations,
3. Forming a ratepayer-owned and council-controlled organisation (CCO) to run water services on behalf of all three councils.

The study will not consider establishing a private water company. The privatisation of council-delivered water services is against the law in New Zealand.

Results of the study will not be available until mid-2015. Should any changes be recommended as a result of this study, those changes would need to be widely discussed with the Hamilton community.

For further information about this project go to waterstudy.waikato.org.nz



AUDIT REPORT

HAVE YOUR SAY



It's important that you have a say in the way we shape Hamilton. There are several ways to provide feedback and you have from 13 April to 15 May 2015 to let us know what you think.

Written submissions

Online:

Complete an online submission:
hamilton.govt.nz/10yearplan

Post:

Freepost 172189
10-Year Plan submission
Hamilton City Council
P O Box 3010
Hamilton 3240

Deliver:

Bring your submission to Hamilton City Council offices in Garden Place

Social media feedback

We are also accepting feedback via our Facebook and Twitter pages.

To ensure your feedback is included please post to one of these two pages and use the hashtag **#Ham10YP**



Post to [Facebook.com/HamiltonCityCouncil](https://www.facebook.com/HamiltonCityCouncil) using **#Ham10YP**



Tweet **@CouncilHamilton** using **#Ham10YP**

Closing date: All submissions and feedback must be received by the Council by 4pm on Friday, 15 May 2015.

Come and talk to us

The Council wants to provide more opportunities to meet face-to-face with elected members during the consultation period. We are holding a number of feedback sessions where you can find out more about the 10-Year Plan and make your views heard.

These sessions replace the hearings format that we have used for previous 10-year plans.

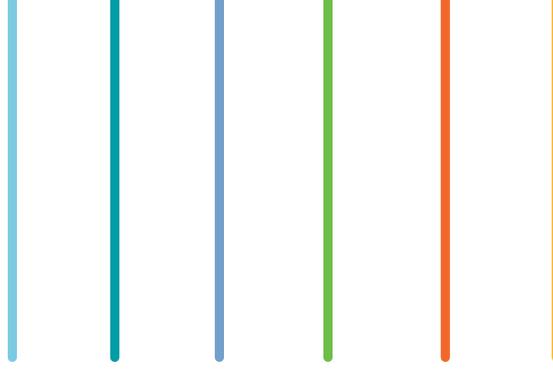
To sign up for one of these sessions or to find out more about them visit hamilton.govt.nz/10yearplan or phone us on **07 838 6699**.

More Information

Need to know more before you give us your thoughts? Our website has more information on the 10-Year Plan.

We are also interested in feedback on our Infrastructure Strategy, Revenue and Financing Policy and our Development Contributions Policy alongside this plan.

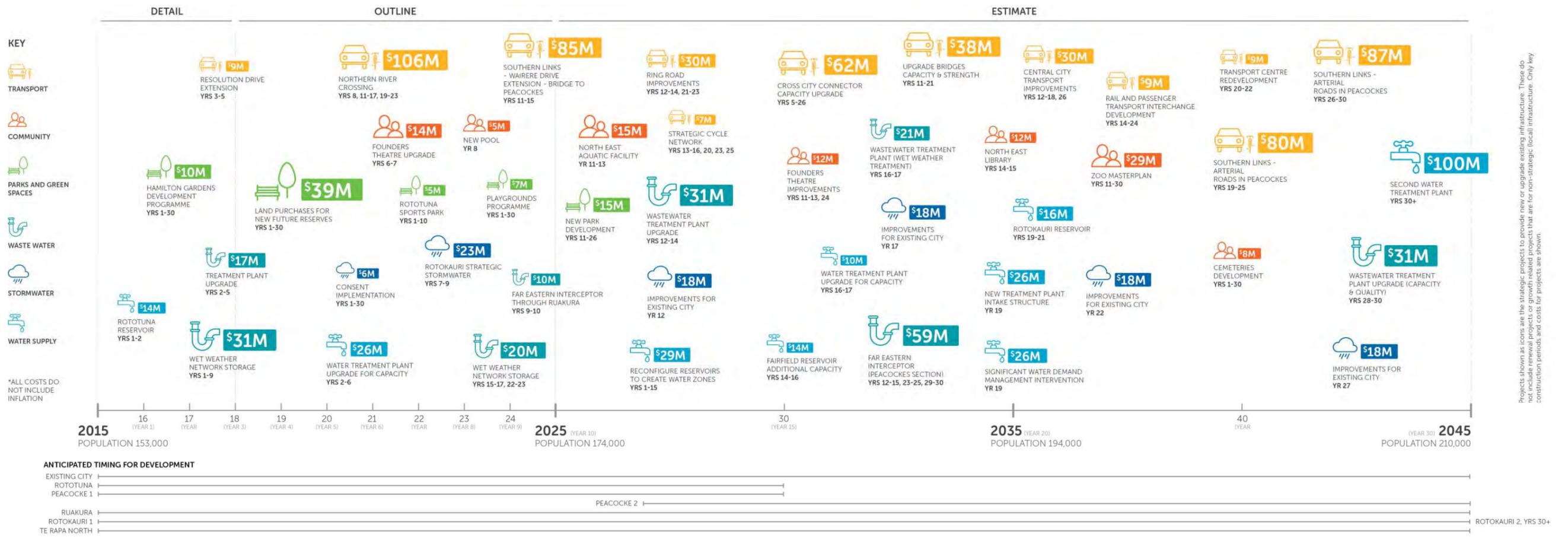
Check out hamilton.govt.nz/10yearplan





LONG-TERM
INFRASTRUCTURE STRATEGY
2015 - 2045

Will be printed custom sized pull out



Projects shown as icons are the strategic projects to provide new or upgrade existing infrastructure. These do not include renewal projects or growth related projects that are for non-strategic local infrastructure. Only key construction periods and costs for projects are shown.

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Glossary

Asset management plan	(AMP) A plan developed for the management of one or more infrastructure assets that combines technical, financial and other techniques over the whole life of the asset in the most cost-effective manner to provide a specific level of service.
Service level	The amount or quality of a service or activity that is provided to the community. Also referred to as 'level of service'.
Renewal	A replacement of an existing asset at the end of its useful economic life.
Core network infrastructure	Infrastructure that relates to the water, wastewater, stormwater or transportation networks.
Financial strategy	Council's agreed long term approach to financial management as contained in the 10-Year Plan.
Strategic infrastructure	Infrastructure that is required to provide services to the edge of a large area (usually the developable growth cell) and is generally provided by Council.
Local infrastructure	Infrastructure that is required to provide services within a development, generally provided by developers. This can be either public infrastructure vested in Council or private infrastructure.
Public infrastructure	Infrastructure that is owned and managed by Council or another public entity. Public infrastructure may have been constructed by developers and vested in Council.
Private infrastructure	Infrastructure that is not owned or managed by Council or another public entity.

Introduction

Hamilton is located in the upper North Island area which is experiencing sustained business and population growth. This requires the city to plan well and to make sure that cost effective and productive infrastructure is available to enable it to function and prosper.

This Strategy is Council's 30-Year Infrastructure Strategy for the city and it aligns infrastructure delivery with the Hamilton Plan and in particular its goals of:

- providing outstanding infrastructure
- becoming the third economy in New Zealand
- having an active, strong commercial city with distinctive urban villages
- being accessible with affordable housing.

The Infrastructure Strategy is based on realistic growth forecasts over 30 years and identifies proposed approaches and estimated infrastructure requirements for the following groups of activities:

- Water.
- Wastewater.
- Stormwater.
- Transport.
- Parks and Green Spaces.
- Community and Event Facilities.

An overview of the significant infrastructure investments that make up these estimates can be found as a fold out inside the front cover of this Strategy.

The Strategy also provides information on Hamilton's key growth areas, including the existing city, Rotoruna, Rotokauri, Peacocke and Ruakura.

The Infrastructure Strategy outlines Council's responsible management of its infrastructure assets. The Strategy:

- shows what infrastructure is needed to deliver Hamilton's longer term economic, social and environmental goals
- identifies significant infrastructure issues Council may face over the next 30 years and the principal options and proposals for managing these issues
- provides a reference for the private sector and other government agencies to consider their complementary role in contributing to Hamilton's infrastructure and growth.

The Infrastructure Strategy is an indicative estimate of the Council's future infrastructure needs. It is not a budget and by itself does not commit Council to any future project, cost or timing. It is a statement of current assumptions and thinking on what infrastructure issues Council is likely to face in the future and how Council is planning to address these issues.

The Strategy provides estimates of what infrastructure may be required beyond the 10-Year Plan – Council's long-term budget. This information helps to make sure that today's decision-makers have

good information to make decisions that keep Council's infrastructure and finances sustainable over the long term.

The Strategy identifies the current assumed approaches for the management of Council's infrastructure assets over the next 30 years. The options highlighted in bold text for each infrastructure issue throughout the Strategy should be regarded as the 'most likely scenario' at this time for addressing these issues.

The Strategy will be useful for:

- interested Hamilton residents
- Hamilton's development community
- other government agencies – both central and local government
- other providers of infrastructure – such as energy and telecommunications companies.

The Strategy provides the developers with information on how Council currently sees the city will grow and the Infrastructure Strategy shows the strategic investments needed to support ongoing growth. It will give indications of Council's latest programme for its investments so developers can plan with more certainty.

Other infrastructure providers and government agencies will use the plan to understand Council's long-term infrastructure plans for Hamilton. They can use this information for their own planning processes to ensure that they can align their investments to help support the future infrastructure needs of Hamilton.

The Infrastructure Strategy has been prepared using the following overall assumptions which are consistent with the significant forecasting assumptions contained in the 2015-25 10-Year Plan.

Table 1: Overall assumptions

Assumption	Level of uncertainty and potential impact
All financial information in this Strategy includes inflation unless stated otherwise.	High degree of uncertainty as based on long-term inflation forecasts that are likely to change. Increased or decreased inflation could have a material impact on the accuracy of financial forecasts. This would result in the need to either decrease or increase funding in order to continue to deliver the same service levels and programme.
Graphs of forecast capital expenditure are based on a gross (total project) costs.	Medium level of uncertainty. Some projects may attract funding from other sources. These sources may include subsidies, grants or be part funded by developers. This could have a significant impact on the final cost of projects to Council.
Graphs of forecast operational expenditure are based on anticipated net cost to Council and include indirect costs of providing the service (including depreciation, interest costs and overheads).	Medium level of uncertainty as revenue from operational activities is difficult to forecast a long term. The potential impact of this uncertainty is relatively low, as adjustments can be made to budgets as trends in revenue are monitored and can be predicted over the shorter term.
Hamilton is anticipated to grow in size by around 60,000 people (from 150,000 to 210,000) over the next 30 years.	Medium level of uncertainty as based on independent demographic projections. These could be materially impacted by unforeseen changes to migration patterns – both international and domestic. This would alter infrastructure required to support growth.

Assumption	Level of uncertainty and potential impact
NZ Transport Agency subsidies continue as currently provided at a rate of 51% subsidy for eligible projects.	Medium level of uncertainty as based on new subsidy rates. Changes to rates or project eligibility criteria would have a large impact on the net cost of transport projects for Council. This would be particularly significant in the period beyond Year 11 as there is a large amount of forecast expenditure on transport beyond the 2015-25 10-Year Plan.
There will be no significant changes to legislation that would impact on the need for and nature of infrastructure.	Medium level of uncertainty as some legislative change is probable over the 30 years of the Strategy. The potential impact of future changes could be high if legislation results in additional required expenditure to comply with new standards or if it requires Council to deliver higher service levels than planned at this point.
There will be no significant changes to technology that would alter how services are delivered or what infrastructure is required.	High degree of uncertainty as technological advancement is highly likely over the next 30 years. This could have a major impact on the scope, timing and costs of anticipated projects as new technologies may deliver services in different ways through different types of infrastructure
New resource consents for three waters activities and the Waikato River are renewed and with similar conditions.	High degree of uncertainty as the impact of the Vision for the Waikato River is new and was not in place when current consents were gained. If there was a requirement for significantly higher discharge standards, this may result in the need for additional unplanned expenditure.
There will not be any natural disasters resulting in widespread damage or remedial work to Councils infrastructure.	Medium level of uncertainty as natural disasters cannot be foreseen and can have a significant impact on infrastructure and financial requirements for remedial works. While Council is insured for natural hazards, this would not fully cover the costs of a highly-damaging event.

Assumptions relating to each infrastructure activity area are provided in appendices 2 to 5 of this Strategy.

Background

Hamilton is New Zealand's largest inland city, and fourth largest urban area, with a population of around 150,000 people in 2015. Located in the heart of the North Island, Hamilton is at the centre of the economic triangle connecting Auckland and Tauranga. This area contains a large proportion of New Zealand's population (around 40 per cent of New Zealand's total population live within a 150 kilometre radius of the Waikato district). This area generates the bulk of the nation's economic activity.

Hamilton's close proximity to Auckland and strategic position at the junction of critical regional and national infrastructure make it well placed to continue to benefit from sustained growth. These strong cross-boundary linkages throughout the region and beyond have led to growing demand on city services and infrastructure - the basis on which the city functions and flourishes.

Figure 1: City Profile – Hamilton in the Waikato region



HISTORY OF INFRASTRUCTURE DEVELOPMENT

Hamilton is a relatively young city as much of its development has taken place in the last 50 years. This means that its infrastructure is ageing but still comparatively young when compared to other large New Zealand cities. While there is a still lot of life remaining in much of the city’s infrastructure, there is always a need to keep maintaining and replacing parts of the city’s infrastructure that wear out. Over the next 30 years there is likely to be a need to replace significant numbers of assets as they reach the end of their useful life.

GROWTH OF THE CITY

In recent decades Hamilton has experienced sustained economic and population growth. Migration to Hamilton has been strong to support the city’s broad-based economy and significant regional health and tertiary education services based here.

Hamilton provides employment and a wide range of services, facilities and amenities for the use and enjoyment of the wider region. With further growth projected Hamilton will ensure that good quality infrastructure is available to support this growth. However this growth will come at considerable financial cost to the city. Council needs to spread the cost of this infrastructure fairly over both those who cause the need for and those who benefit from the infrastructure, now and in the future.

REGIONAL INFRASTRUCTURE AND ASSETS

Hamilton's infrastructure provides services to the broader sub region. The city's core infrastructure supports businesses and household catchments well beyond the city boundary. Similarly, the city's cultural, community and recreational assets (libraries, theatres, sports stadia, parks and gardens) provide a diverse cluster of accessible services, attracting people from across the region.

While Hamilton benefits from these regional assets, they often come at a cost to city ratepayers. Long-term and sustainable infrastructure delivery and funding services (particularly for community facilities and water) should be investigated.

PLANNING AND INVESTING FOR GROWTH

Hamilton has a strong strategic management of growth, which has ensured that there is zoned land supply for the next 40 years as well as land supply adequately serviced by strategic infrastructure for around 10 years' proposed growth.

Council manages future growth through:

- the **Hamilton Urban Growth Strategy** which sets out the future growth of the city
- the **Hamilton City District Plan** is Council's urban planning response that locks in our growth strategy through the Resource Management Act 1991. The district plan is an enabling document that allocates land use zones that allocates land zones consistent with HUGS
- the **Growth Funding Policy** to enable developers to provide infrastructure ahead of the 10-Year Plan timings in order that Hamilton City Council's ability to debt fund infrastructure does not unduly restrict development
- the **10-Year Plan** which provides the budget and clarity on what and when projects will be funded by Council that enable growth of the city

The regional partnership in the **Future Proof Strategy** was adopted in 2009 to achieve coordination of urban growth in the wider sub-region (Waikato District Council and Waipa District Council areas). These strategies and policy work together to make sure the city grows in a logical and planned way to allow infrastructure to be available in the right place and time for growth.

This needs to be done within Council's Financial Strategy to ensure that rates and debt levels are sustainable over the long term. Although there is not a shortage of zoned land in Hamilton, there is always a challenge with funding strategic infrastructure to allow growth in new areas. Council is not in a position to forward-fund growth-related infrastructure in all identified growth areas of the city.

Significant Infrastructure Themes

A number of significant infrastructure themes have been identified through the development of this Infrastructure Strategy and the underlying asset management plans (AMPs). These themes often relate to more than one group of infrastructure.

HAMILTON'S INFRASTRUCTURE PROVIDES SERVICES TO THE SUB-REGION

Hamilton City Council covers a relatively small geographic area within the Waikato Region. While Hamilton is recognised as the urban area within the region, there is a lot of residential activity outside of the city in the form of lifestyle blocks and in villages and towns close to the city. This means there are a lot of people and freight movements between the city and its surrounds. Hamilton is supported by, and provides services to, the residents and business activity located outside the city. While there is a common issue in other parts of New Zealand, the Council boundaries around Hamilton make this particularly challenging for this area.

Council's community infrastructure and events facilities are largely sub-regional in function – providing services and experiences that are used by many from outside the city. While this relationship can provide an economic benefit to the city, this also comes at considerable cost to city ratepayers who predominately fund these facilities.

A sub-regional infrastructure model has been investigated for the delivery of water and wastewater. The Waikato Spatial Plan project will also look at infrastructure issues that might be common across the region and if there are opportunities to deliver infrastructure more efficiently. Other funding models for sub-regional and regional facilities should be a priority for the future.

COUNCIL HAS GIVEN PRIORITY TO LOOKING AFTER WHAT IT HAS BEFORE BUILDING NEW ASSETS

Council has over \$3.6 billion of assets. Unless Council decides that it will no longer provide some services, these assets need to be maintained and replaced as they wear out. This is why Council gives priority funding in its 2015-25 10-Year Plan to operating, maintaining and renewing these assets.

Council is also committed to improving its Asset Management Plans and takes its asset management processes and systems seriously. Further investment on improving asset management will be made in the future in order to make sure Council has the right information to make the best possible decisions on its assets.

MORE PLANNING IS BEING DONE TO BE READY FOR A NATURAL DISASTER AND UNEXPECTED EVENTS

While Hamilton has a relatively low risk of natural hazards - when compared to some New Zealand cities - this should not be taken for granted. Events over recent years in other parts of the country have shown the need to have plans in place to help deal with large unexpected events. Council has been working on developing emergency response plans for its infrastructure and more work still needs to be done. Focus has been placed on making sure that improved response plans are in place

first for the critical services that council provides. A lot of work is also going into understanding the natural hazards that are likely to affect Hamilton and the sub-region and the potential consequences of events on the Council's above and below-ground infrastructure.

MORE INVESTMENT IS PLANNED TO IMPROVE CRITICAL INFRASTRUCTURE RESILIENCE

While Council's strategic critical infrastructure performs well, in some areas there is not a lot of spare capacity or resilience to deal with significant unexpected events or unexpected failure of critical assets. This is consistent with Council's 'just in time' approach to investment in infrastructure.

The water and wastewater treatment plants are the only infrastructure that the city has for treating water for use and its wastewater before discharging back into the Waikato River. This means that they need to be operating all the time. Further investment is now required to improve resilience and capacity in the plants and the associated pipe networks to deal with unexpected events. Council is investing more in critical core network infrastructure in its 2015-25 10-Year Plan to lessen the risk associated with these services.

THE CITY NEEDS INVESTMENT IN ITS COMMUNITY INFRASTRUCTURE

Hamilton is a great place to live and the future vision for the city is contained in the Hamilton Plan. To remain a city that is attractive to residents, investment in community infrastructure needs to continue. Council has recognised this through developing a range of plans that describe how different areas and services will be delivered and developed in the future. All of these things take money, so they can't all be done at once. Council has taken a balanced approach to these investments and only funded non-core infrastructure plans where there has been the ability in the budget to do so.

THERE IS DIFFICULTY IN GETTING NEW GROWTH INFRASTRUCTURE TO THE RIGHT PLACE AT THE RIGHT TIME

As the city grows, new infrastructure is built to connect new developments to the existing core networks. Developers provide the new infrastructure for their development, but Council also has to do work to make sure that the networks can respond to the demand from the wider development area.

The city has more than 30 years' supply of land zoned for future development, but it is uneconomic to have all the necessary strategic infrastructure in all zoned areas ahead of development occurring. In order to plan its infrastructure spending, Council has had to anticipate where and when new development will occur. Council has to prioritise its spending on growth infrastructure and will not deliver all of the infrastructure wanted by developers at the time ideally wanted. In these cases if developments are to progress ahead of Council's programme, then this will need to be at the developers' cost.

MANAGING DEMAND FOR INFRASTRUCTURE WILL BE A KEY WAY TO LIMIT THE NEED TO BUILD NEW OR UPGRADE EXISTING INFRASTRUCTURE

Building new infrastructure is only one way to deal with the demands of a growing city. Building more capacity is usually the most expensive option and often results in an increasing number of costly infrastructure projects over time. A key strategy for all infrastructure is to manage demand for the service that is requiring the construction of new assets. Managing demand for transport has been a focus for many years and more recently, demand management for water infrastructure has gained focus. Over time the need for demand management will become more important as expensive infrastructure decisions to increase capacity is required. Demand management is also an

important tool for recreational infrastructure such as sports fields and aquatic facilities. As a matter of course, Council will look at all options for managing demand before investing in growing capacity through new infrastructure.

INFRASTRUCTURE NEEDS TO BE DELIVERED THROUGH PARTNERSHIPS

Council alone cannot provide all of Hamilton's infrastructure needs. For core network growth projects, Council needs to focus its investment on projects that only it can reasonably provide due to the projects scale or because they service a large area or multiple developments. Other core network infrastructure will be provided by others. Beyond Hamilton there may be opportunities to grow the capacity and resilience of water and wastewater infrastructure through projects that service the sub-region, rather than just the city or a single district. Before any councils in the area invest in new infrastructure capacity, the benefits of shared projects and investment should be explored.

Over recent years, central government and Council have partnered on constructing the Ring Road in anticipation of the Hamilton section of the Waikato Expressway project. The Hamilton section of the Waikato Expressway is scheduled for completion in 2019/20. Council will need to partner with central government on this project and in some cases, co-invest in the final parts of the strategic transport network to connect the city with this piece of key national infrastructure.

Council will also work proactively with other potential joint funders for the delivery of necessary community infrastructure. These partners could include philanthropic groups helping to fund development at Hamilton Gardens or educational groups wanting to building recreational facilities and (with support from Council) increase capacity and provide community access. Council sees these as efficient ways to provide public infrastructure which are now considered common-practice.

Legislative and Policy Framework

This document meets the requirement of the Local Government Act 2002 (LGA) for Council to prepare a 30-year Infrastructure Strategy alongside its 2015-2025 10-Year Plan.

This Infrastructure Strategy describes how Council intends to manage its infrastructure assets taking into account the need to:

- renew or replace existing assets
- respond to growth or decline in the demand for services reliant on those assets
- allow for planned increases or decreases in levels of service provided through those assets
- maintain or improve public health and environmental outcomes or mitigate adverse effects on them
- provide for the resilience of infrastructure assets by identifying and managing risks relating to natural hazards and by making appropriate financial provision for those risks.

Council has an Asset Management Policy that has guided the development of comprehensive asset management plans (AMPs) for each of the Council's activities included in this Infrastructure Strategy.

While management of assets is an ongoing process that requires continued adjustment, AMPs document the planning and assumptions used to prepare financial forecasts for providing services that require assets, at a point in time. The preparation of AMPs is a key early step in Council's long-term budget planning process and they have substantive reviews as part of each 10-Year Plan.

The AMPs contain the strategies and approaches (both financial and technical) used over the whole life of assets to manage them in the most cost-effective manner to provide a specific level of service.

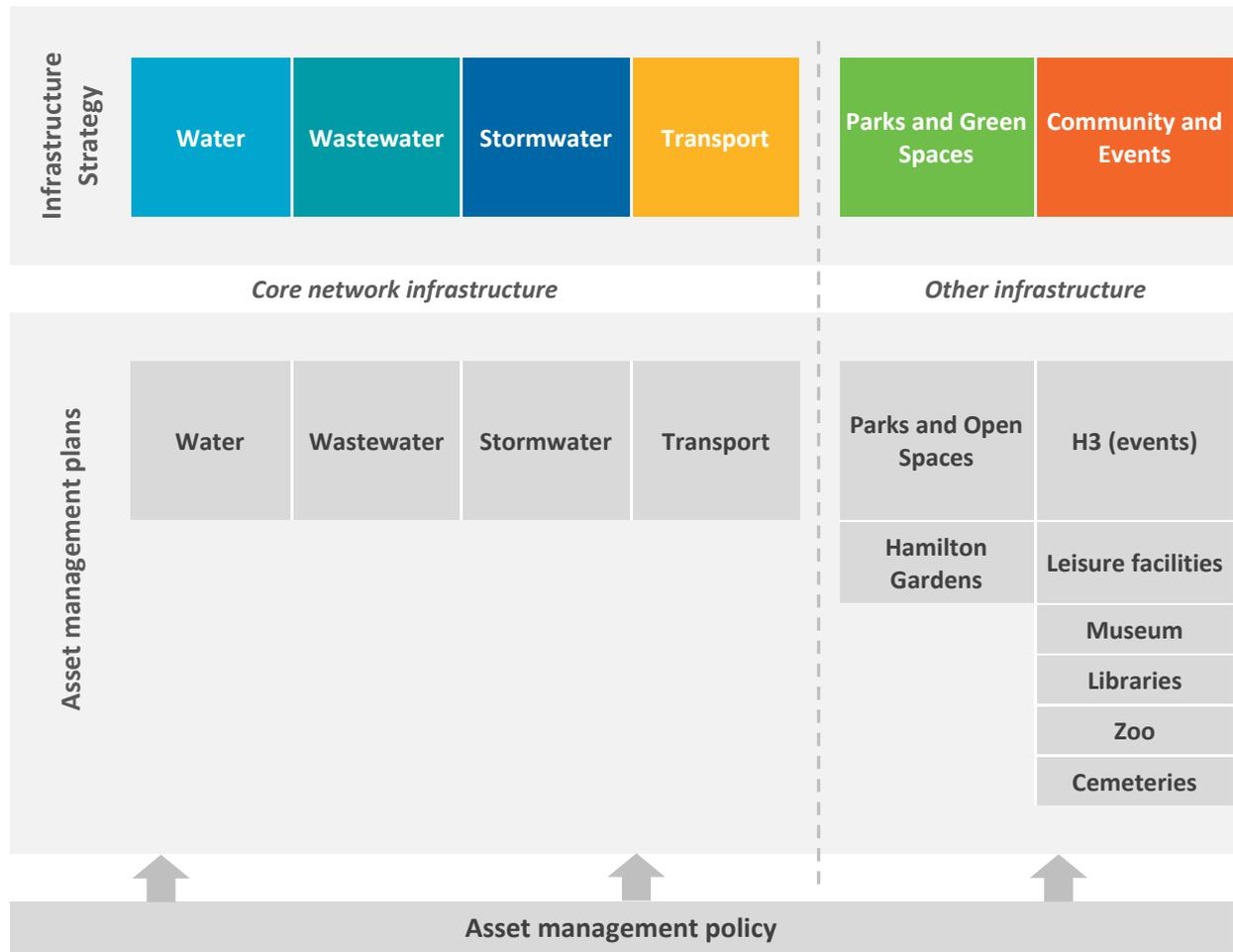
The AMPs help to ensure that asset management decisions meet the intent of the Local Government Act (LGA) and provide for good quality local infrastructure and local public services that are:

- efficient
- effective
- appropriate to present and anticipated future circumstances.

The combination of Council's AMPs and this Infrastructure Strategy provide key documents that have informed the 2015-2025 10-Year Plan.

While initial financial forecasts from AMPs are a key input, the 10-Year Plan needs to balance the forecasted spending needs with the affordability of Council's Financial Strategy. This affordability is determined by rates and debt levels. It's usual that not all of the forecasted expenditure requirements can be afforded within funding availability. In these cases, the budgeting process prioritises expenditure on existing assets rather than creating new ones.

Figure 2: Aligning the Infrastructure Strategy to asset management plans



Future Settlement Pattern

There are currently many opportunities for new development in Hamilton. Council has rezoned land to allow growth in different areas of the city. While there is enough strategic infrastructure in place to allow the private sector to develop and bring to market around 10 years' worth of projected demand, strategic infrastructure is not yet available in all of the future growth areas to support development yet.

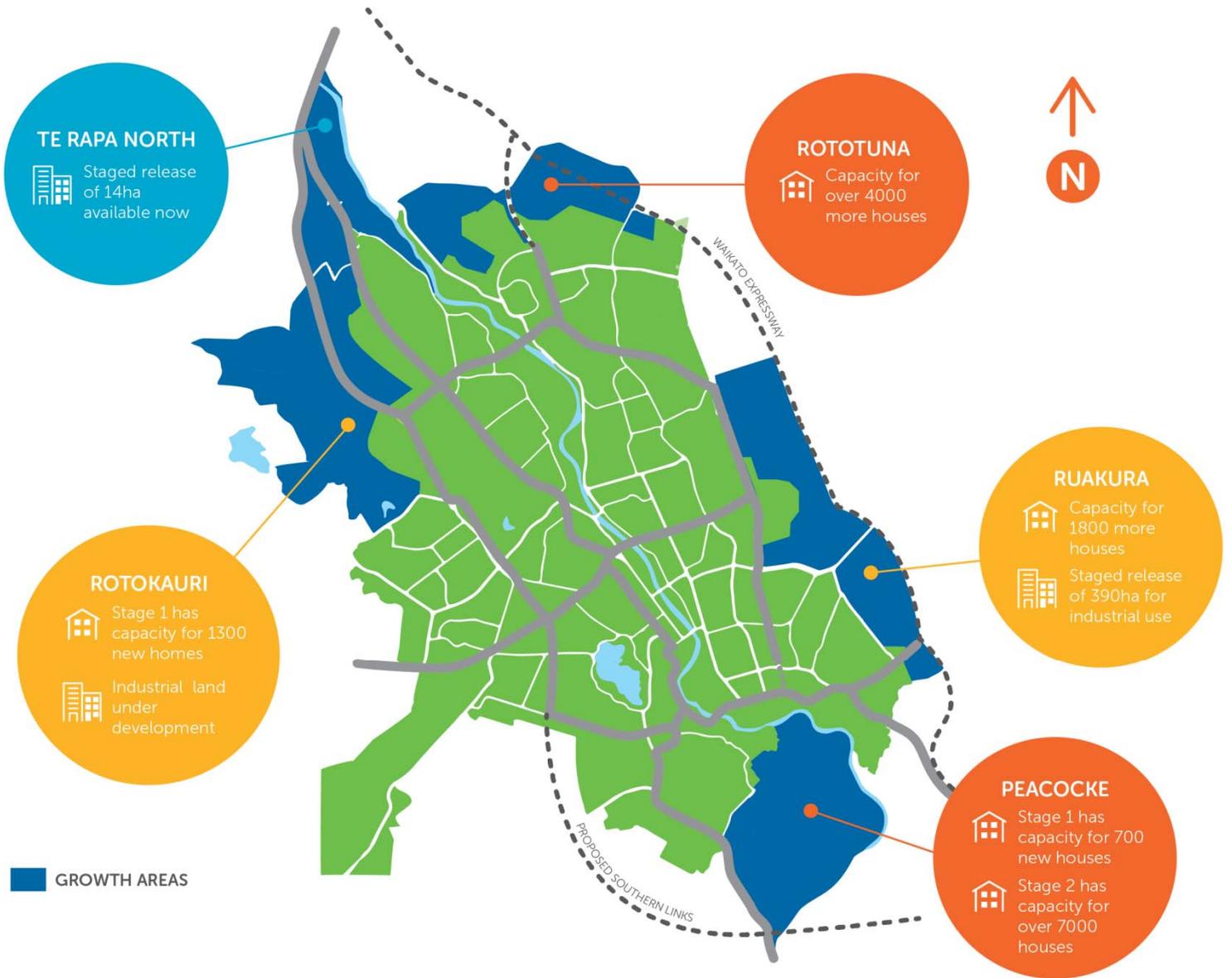
Council's 10-Year Plan shows what infrastructure projects Council will do to help grow the city. To decide this programme, assumptions were made on the sequence and timing of development across the city's growth areas. The assumptions on the sequence and timing of development in Hamilton has resulted the following infrastructure investment provisions for the next 10 years.

Table 2: Sequence and timing of growth areas

Land-use assumptions for sequence and timing	Infrastructure response in our 2015-25 10-Year Plan
EXISTING CITY AREAS:	
Up to 50% of Hamilton's new dwellings will be in the existing city. This will be either:	
<ul style="list-style-type: none"> around key nodes of higher density regeneration identified in the District Plan throughout the city as infill subdivision and developments. 	
GREENFIELD OR NEW GROWTH AREAS:	
Priority 1 - Development will first occur in:	<ul style="list-style-type: none"> These remain the city's primary growth areas with most strategic infrastructure already in place.
<ul style="list-style-type: none"> Rototuna and Peacocke Stage 1 – continuing development already taking place Rotokauri Stage 1 –continuing residential and industrial development Ruakura –beginning residential, industrial, logistics, knowledge and innovation, and inland port development. 	<ul style="list-style-type: none"> Investment in strategic infrastructure particularly waste water to be advanced as soon as possible.
Priority 2 - Development will then occur in:	<ul style="list-style-type: none"> Council role limited to investment in strategic wastewater and transport infrastructure with private investment largely enabling development in this cell.
<ul style="list-style-type: none"> Peacocke Stage 2 – the major focus area of growth following priority 1 areas. 	<ul style="list-style-type: none"> Key strategic wastewater infrastructure being progressed during next 10 years.
Priority 3 - Long-term development focus will be on:	<ul style="list-style-type: none"> Any investment is planned outside the next 10 years.
<ul style="list-style-type: none"> Rotokauri Stage 2 – focus for city following Peacocke Stage 2 Te Rapa North Templeview 	<ul style="list-style-type: none"> Infrastructure investment being developer-led.
	<ul style="list-style-type: none"> Council investment limited to investigating a Structure Plan for this area.

Council works with private developers to have development ahead of the assumed sequence and timing as long as any interim solutions are privately funded and do not undermine Council’s future ability to deliver long-term strategic infrastructure.

Figure 3: Hamilton’s growth areas



Growth Forecasts

POPULATION PROJECTIONS

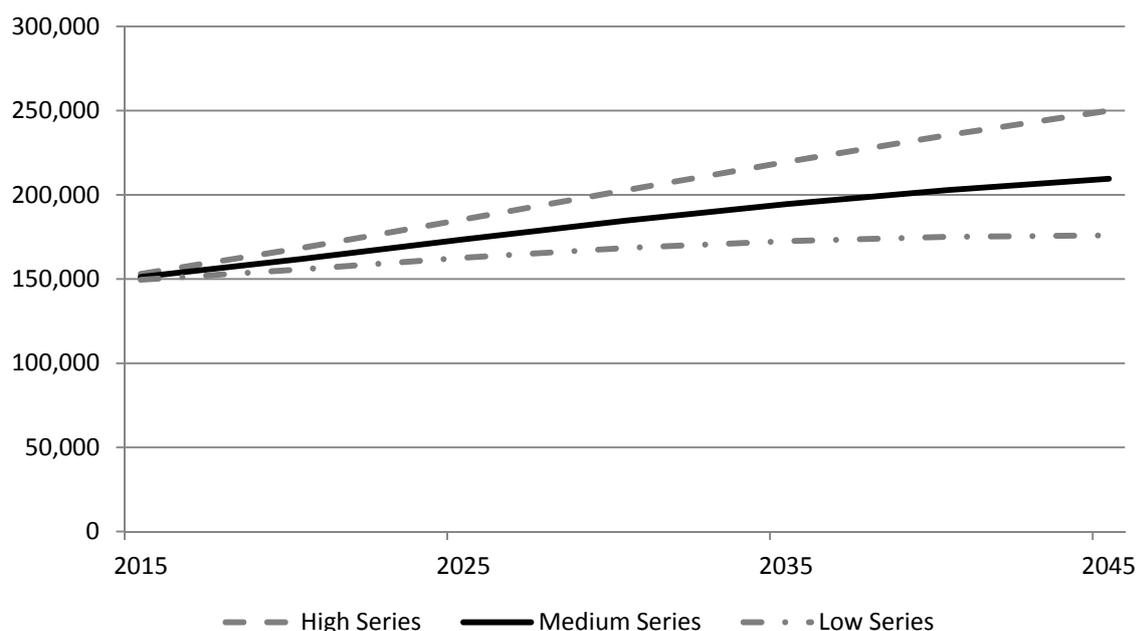
Population predictions are used to determine how fast Hamilton will grow and when new growth areas will be required for development.

The National Institute of Demographic and Economic Analysis (University of Waikato) has projected that the population of Hamilton, under medium series assumptions, will grow from 147,290 in 2013 to around 210,000 by 2045.

The high and low series projections have different assumptions:

- High series : lower mortality, higher fertility and higher net migration.
- Low series : higher mortality, lower fertility and lower net migration.

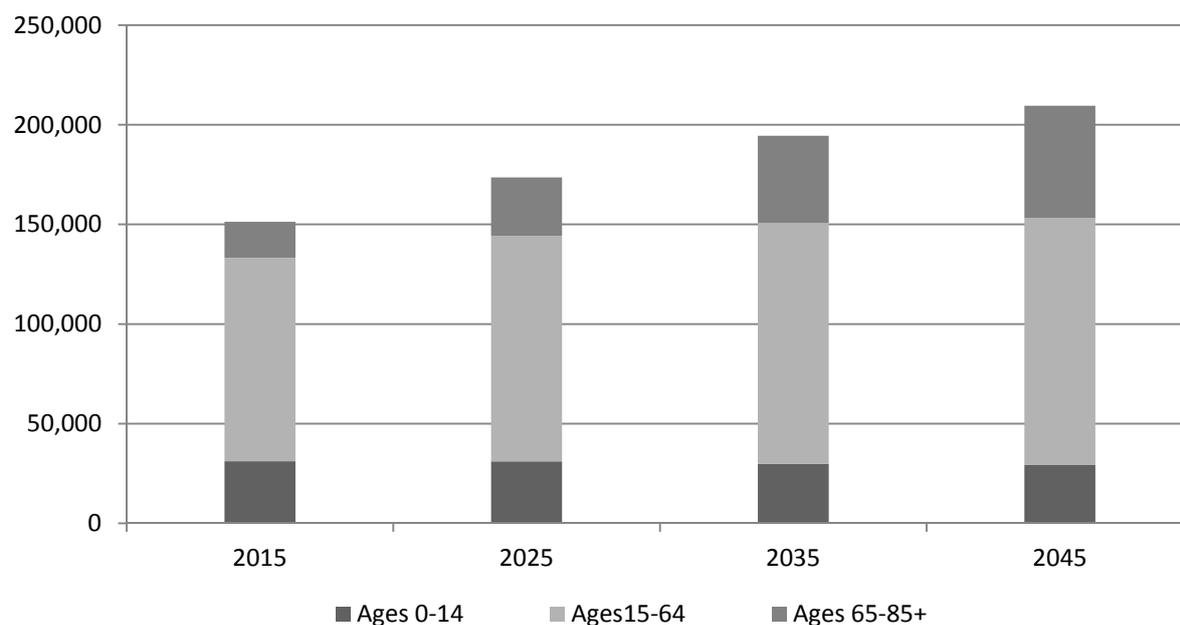
Figure 4: Hamilton population forecasts 2015-2045



While the population of Hamilton is projected to continue growing in the future, this growth will not be the same across all age groups.

Growth will be most significant in the number and proportion of people over 65 years old. The projections suggest that in 2045 there will be the same number of people in Hamilton below the age of 40, despite the total population increasing by around 60,000 between now and then.

Figure 5: Hamilton projected population composition 2015-2045



EMPLOYMENT AND ECONOMIC PROJECTIONS

Population projections are not necessarily accurate forecasts of growth and decline by themselves. Council also uses economic and employment projections alongside population data to develop a growth forecast for its long-term planning.

Hamilton's economy is projected to grow in value by an average of around 1.6 per cent per annum over the next 10 years, slowing to average of 1.3 per cent after 30 years. The major contributors to this growth are expected to be construction, electricity supply, health care and social services, transport and wholesale trade, manufacturing and dairy processing sectors. The biggest gains are expected in industries that are more capital-intensive than labour-intensive. This will likely require investment in new plant and premises and drive the need for more industrial land and related infrastructure.

Because of this type of growth, employment is expected to grow at a slower pace of 1 per cent per annum for the first 10 years, slowing to average just 0.7 per cent by 2045. Business support services, education, accommodation and food services, and government administration sectors will contribute to the growth that is caused by the more capital intensive sectors listed above.

Infrastructure Forecasts

Population projections, employment forecasts and information on future trends have been used to generate demand forecasts for each of Council's activities and related infrastructure.

A summary of these forecasts and the resulting implications for the management of the infrastructure is below.

Table 3: Summary of demand forecasts

Activity	Infrastructure forecasts
Water	<ul style="list-style-type: none"> Peak water consumption is expected to rise from 89 megalitres per day in 2014 to 126 megalitres per day when population reaches 210,000. Reservoir storage will also need to increase from the current 86 megalitres to 130 megalitres to support a population of 210,000 and maintain storage for emergency purposes.
Wastewater	<ul style="list-style-type: none"> The Pukete Treatment Plant currently has a primary treatment capacity of about 2,000 litres per second which was exceeded briefly in 2014, and a secondary treatment capacity of 600 litres per second which is expected to be exceeded by about 2020. Investment in both network and treatment capacity is required to service city growth and to reduce existing overflows.
Stormwater	<ul style="list-style-type: none"> Climate change and the regulatory requirement to manage stormwater for '1 in 100' year rainfall events and improve stormwater quality will require catchment management plans for all new development areas. Infrastructure in existing city areas is not suitable for '1 in 100' year and catchment management plans or flood hazard maps will be required for these areas.
Transport	<ul style="list-style-type: none"> The number of motor vehicles owned by Hamilton residents is projected to grow by 66% by 2045. The network will have to accommodate an estimated 130,000 additional daily journeys to work or to drop children at school by 2045.
Parks and Green Spaces	<ul style="list-style-type: none"> Future projections for organised sport show that by 2021 the city will not be able to meet the projected demand for the winter sports codes. At least four new fields need to be developed by 2020. Investment in future parks is required to service growth.
Community and Event Facilities	<ul style="list-style-type: none"> Many of Council's community and event facilities are sub-regional infrastructure. The sub-regional population is projected to increase from 265,000 to over 365,000 in 2045. The population is ageing and more facilities will need to cater for the needs and preferences of an older population.

How We Manage Our Assets

Asset management plans have been prepared for Council's activities that have a high reliance on assets to deliver services.

These plans have been prepared based on standard industry practice and have been used to forecast the spending needed to operate, maintain and renew worn out assets.

Council uses its asset management plans as an initial basis for its 10-Year Plan.

The financial forecasts in AMPs are a result of analysing the asset requirements based on two key assumptions:

- the future service level being delivered to the community
- the future demand for the service.

The 10-Year Plan balances the forecasted spending needs with Council and ratepayer affordability. This affordability has been determined by projected rates and other income and prudent debt levels. It is usual that not all the identified spending needs in AMPs can be afforded within funding available. In these cases the budgeting process prioritises expenditure on maintaining and renewing existing assets before creating new ones.

LEVELS OF SERVICE

Service levels for each of Council's activities are agreed through the development of 10-Year Plans. Changes to service levels can be significant and range from ceasing to provide a whole or part of a service, through to small changes such as the frequency of maintenance of non-critical assets.

The 10-Year Plan also sets any charges that users are required to pay for a service.

Feedback from the community on service levels is gained through a number of sources including:

- customer feedback and complaints
- Annual Plan and 10-Year Plan submissions
- residents surveys
- consultation on specific strategies, plans and policies.

Assumptions of future service levels are made in asset management plans based on:

- the current service level
- Council plans or strategies that would require a changed service level
- known changes to standards, consents, legislation or other requirements.

In general, this Infrastructure Strategy has been prepared based on the assumption of continuing to provide the current service levels to the community. Specific information on service level assumptions is provided in Appendix 3.

CHANGES IN DEMAND/GROWTH

Demand for services changes over time. For some services such as core network infrastructure, new housing and commercial development creates additional demand. Demand for other services is more influenced by human decisions whether or not to use a service.

The physical growth of the city is placing significant demand for new infrastructure in Hamilton. Infrastructure that is required to provide for new areas of the city can either be:

- private infrastructure - where it is operated, maintained and renewed by property owners
- public infrastructure – where it is operated, maintained and renewed by Council.

The vast majority of core network infrastructure in the city is public infrastructure. This has either been constructed by Council or built by a developer to Council’s standards and then vested in Council for on-going operation. Council sets the required standards for infrastructure in a technical manual – ‘Hamilton City Infrastructure Specifications’.

Developers are required to provide the local infrastructure that is needed to service their development. Local roads, pipes and parks for new developments are provided on this basis.

Council provides infrastructure for growth areas where Council is the only entity that can realistically provide the infrastructure required, as it is strategic infrastructure and it services more than one development. This is particularly the case for capacity upgrades to Council’s treatment plants and infrastructure that provides a city-wide function such as major arterial roads. Council also contributes to infrastructure within developments when infrastructure is being constructed to ensure that it is built to the right size to be able to support future developments that may also need to use it. This is referred to as ‘upsizing’ and is common practice in growth areas across Hamilton.

Table 4: Strategic and local infrastructure

Council-provided infrastructure (strategic infrastructure)	Developer-provided infrastructure (local infrastructure)
<ul style="list-style-type: none"> • Water and wastewater treatment plant upgrades • Water reservoirs and connecting bulk mains • Wastewater interceptor pipes • Major arterial roads • Major pump stations • Sports parks and large destination parks • Community and events infrastructure – libraries, pools, stadiums etc 	<ul style="list-style-type: none"> • Local water and wastewater pipes (sometimes upsized by Council) • Stormwater infrastructure for the development (sometimes upsized by Council) • Local roads and footpaths and street lighting (sometimes upsized by Council) • Local reserves

Where Council is legally able to, the costs associated with providing infrastructure to support growth are recovered through development contributions charges. However, revenue from development contributions never fully fund growth-related projects and some funding from ratepayers is always required.

Council forecasts the future growth of the city by using a range of external information sources to produce a likely development sequence and timing. These demand forecasts are used in asset management plans to identify what the future infrastructure requirements are likely to be.

The growth assumptions and capital investment requirements are revised thoroughly through the development of each 10-Year Plan and amended if required more frequently through Annual Plans.

RENEWALS

Council's assets are renewed or rehabilitated when they reach the end of their useful life. An asset's theoretical useful life is first assumed when constructed. It is then updated periodically based on:

- deterioration in the physical condition of the asset
- the on-going cost to continue to maintain the current asset or replace it
- when technology that the asset is based on becomes obsolete
- when the asset can no longer carry out the function that it was intended to do.

Council uses updated condition assessment data with relevant asset life expectancy rates to forecast an asset's likely end of life.

Appendix 4 contains information specific to the infrastructure groups on how renewal forecasts are prepared.

These forecasts are optimised and used to develop a 30-year renewals forecast. These forecasts are contained in Council's asset management plans and form the underlying information for Council's Infrastructure Strategy and 10-Year Plan development.

In its 2015-25 10-Year Plan, Council prioritises asset renewals above other types of capital expenditure. Priority has been given to renewals of assets for core network infrastructure (water, wastewater, stormwater and transport).

PUBLIC HEALTH AND ENVIRONMENTAL OUTCOMES

A number of Council services provide important public health benefits to the community.

Table 5: Public health benefits provided by services

Activity	Benefit
Water Supply	Safe drinking water provided to residents and businesses.
Wastewater	Sewage and trade wastes are removed from properties and safely treated before being returned to the environment.
Stormwater	Rain water is efficiently removed from property and public spaces. Open water courses are managed.
Cemeteries and Crematoria	Burials and cremations are efficiently and safely managed.

Delivering services can impact the natural environment. Council is often also required to meet specific environmental outcomes in the delivery of the service to the community. Activities such as water, wastewater and storm water have specific resource consent conditions that need to be met while delivering the service to the community. These conditions are monitored and reported to the relevant regulatory body. In relation to infrastructure, this is often the Waikato Regional Council.

Any relevant and required standards such as consent conditions are included as key drivers in asset management planning processes. Often if these requirements are a major aspect of the activity, compliance with standards or consent conditions are separately identified as a key level of service

and performance against these is measured and reported regularly as part of the 10-Year Plan monitoring.

RESILIENCE AND MANAGEMENT OF RISKS RELATING TO NATURAL HAZARDS AND FINANCIAL PROVISIONS

Hamilton has a relatively safe and predictable natural environment when compared to other parts of New Zealand. The risk of a significant seismic event is low as there are not large active faults known in the general the vicinity of Hamilton. Records show little seismic activity in and around Hamilton.

While the Waikato River flows through the city, the risk of widespread flooding from it is low as the river is contained in a large river channel and most of the city is significantly higher than historic high river water levels. The river level and flow is moderated by the Karapiro Dam and this reduces sharp changes in the river level.

Climate change is considered as part of Council's long-term asset management planning processes. Current computer models indicate that the climate in Hamilton is predicting storms of greater frequency and intensity in the future. This will have particular impact on Council's water, wastewater and stormwater assets. Council uses guidance from the Ministry for the Environment to plan for the effect of climate change in its asset management planning processes.

A lot of work is also going into understanding the natural hazards that are likely to affect Hamilton and the sub-region, and the consequences to our above and below-ground infrastructure.

Identifying and managing our critical assets helps ensure Council services are reliable and resilient and able to recover in the event of a natural disaster.

Knowledge on what services and assets are critical is used to prioritise work on condition assessments, preventative maintenance and renewal programmes. If a disaster were to strike, this information will also help us to prioritise our infrastructure programme to return to normal levels of service.

Council insures its above and below ground assets and has insurance cover of over \$1.3 billion for replacement of assets and business interruption for damage from natural disasters including:

- Earthquake.
- Natural landslip.
- Flood.
- Tsunami.
- Tornado / windstorm.
- Volcanic eruption.
- Geothermal activity.
- Subterranean fire.

Insurance cover for underground infrastructure is currently purchased for up to 40 per cent of the asset value as there is an assumption, in the event of a disaster, that central government would provide assistance with 60 per cent of the costs. However, this is not guaranteed and is a risk for funding any recovery.

Long-term Financial Estimates

The Strategy contains financial estimates for infrastructure over the next 30-years. As described earlier these are estimates and they are based on many and broad assumptions.

More detailed estimates for capital and operational expenditure are provided in the individual infrastructure sections of this Strategy.

An overview of the significant infrastructure investments that make up these estimates is found as a fold out inside the front cover of this Strategy.

Figure 6: Total infrastructure forecasted capital expenditure each year - 2015-25 10-Year Plan

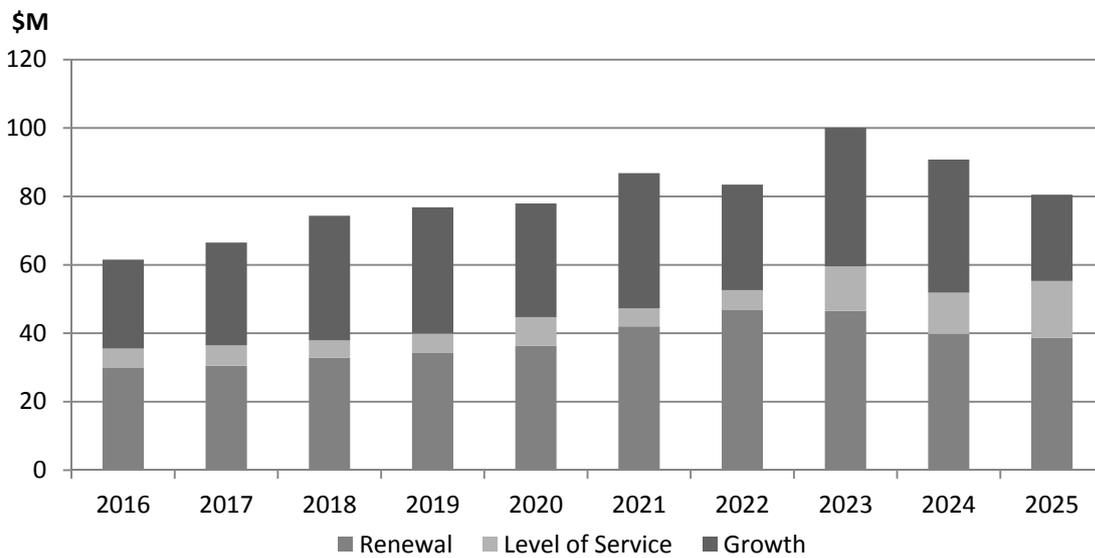
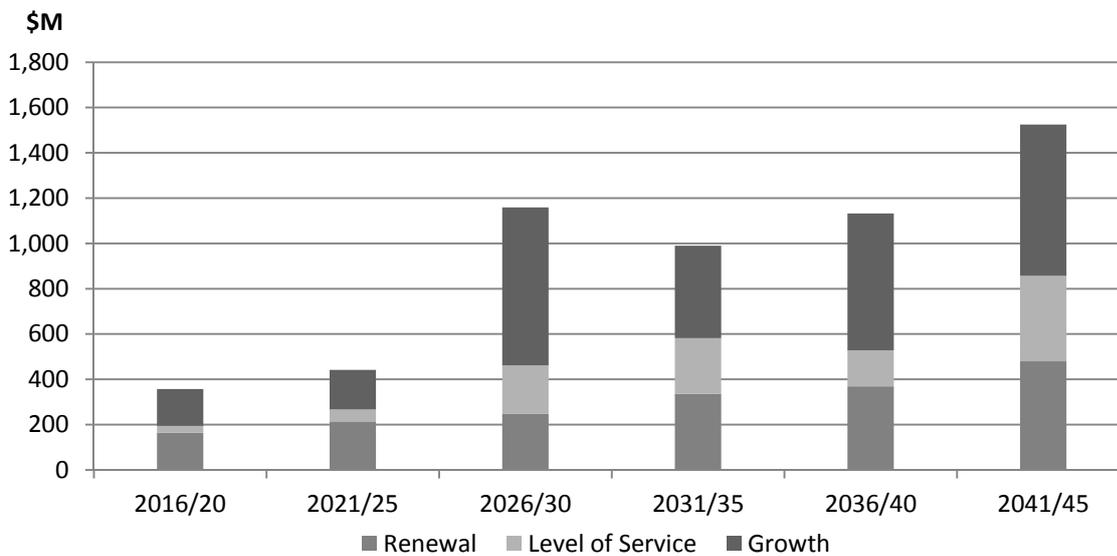


Figure 7: Total infrastructure forecasted capital expenditure - five yearly periods - 2015-45



Forecasted operation expenditure for the 30 years has also been prepared. The forecasts for the first 10 years are from the 2015-25 10-Year Plan and longer term estimates have been based on applying inflation and estimated growth factors.

Figure 8: Total infrastructure forecasted operational expenditure each year - 2015-25 10-Year Plan

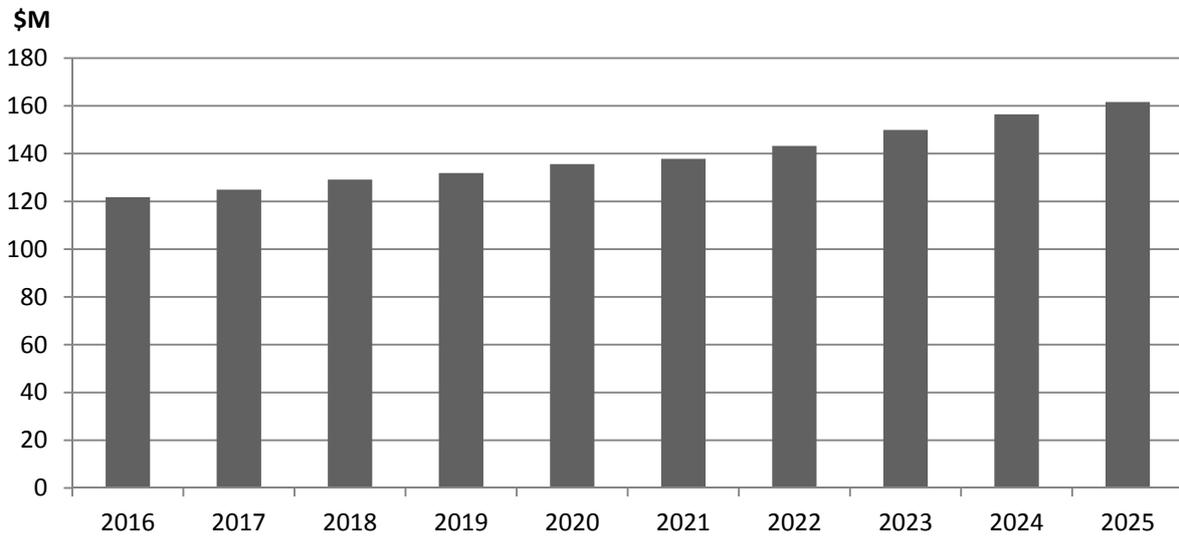
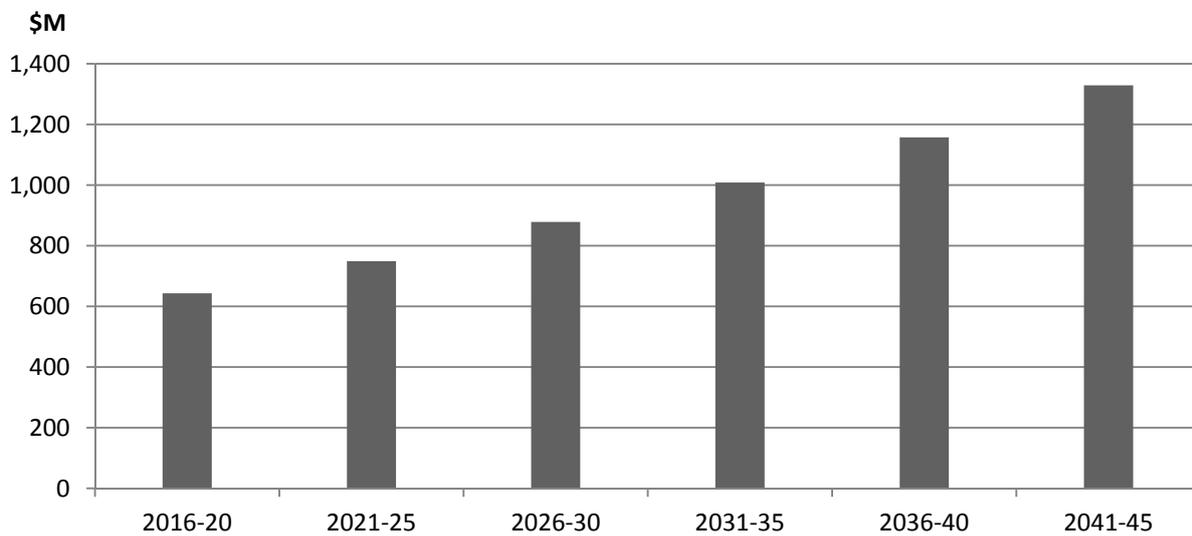


Figure 9: Total infrastructure forecasted operational expenditure - five yearly periods - 2015-45



The development of indicative estimated expenditure on assets for the next 30 years has allowed Council to gain a preliminary view of the long-term sustainability of its finances and infrastructure.

The estimated expenditure profile has been developed based on:

- 30-year asset management plans (AMPs)
- the draft 2015-25 10-Year Plan budget.

The initial expenditure profile was prepared as part of AMP development. Years 1-10 were then moderated based on affordability parameters contained in the 10-Year Plan Financial Strategy (debt to revenue ratio of no more than 200 per cent and rates increases as forecast in the 10-Year Plan).

Projects that are unable to fit within these limits in the 10 year period of the plan (years 2015-25), and that are still required, have been rephased into years 11-20 and beyond.

There is a high likelihood that over time the indicative estimates beyond 10 years in this Infrastructure Strategy will need to change to reflect:

- changes in assumed growth rates
- changes to standards and compliance requirements
- new technologies and infrastructure options
- greater certainty about the nature and timing of the projects that are required
- affordability and ability for Council to deliver the programme.

This moderation is expected to occur and will do so as Council considers future 10-Year Plans. This uncertainty and need for this moderation is acknowledged in the tiered framework for forecast expenditure contained in the Local Government Act.

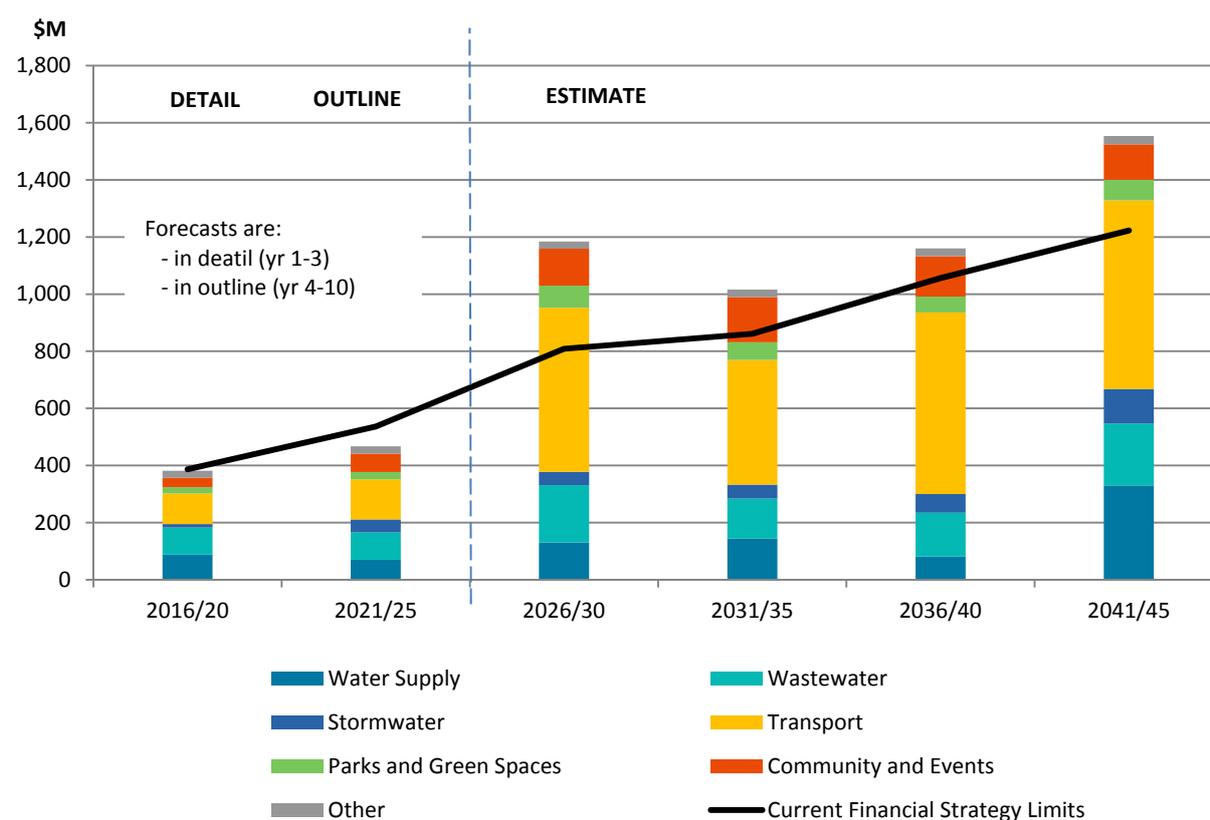
Table 6: Forecast expenditure required in the Local Government Act (LGA) 2002

Period of forecast expenditure	Description of required forecast in LGA
Years 1-3	In <i>detail</i>
Years 4-10	In <i>outline</i>
Years 11-30	An <i>indicative estimate</i>

The indicative estimates at this point show a significant increase in capital expenditure in the periods beyond year 10. The large increases in estimates for these periods (particularly years 11-15) is because it is assumed that a number of significant infrastructure projects will require decisions and investments during this period:

- development of Peacocke growth cell and need for related strategic infrastructure
- treatment plant upgrades (both water and wastewater)
- strategic wastewater capacity projects (interceptors and in-line storage facilities)
- parks and reserves development for growth cells not funded in the 10-Year Plan
- restarting investment in strategic transport network after a lull in the 10-Year Plan period (e.g. northern river crossing corridor, cross-city connector, Peacocke strategic works)
- other deferred level of service and growth works from the 10-Year Plan period.

Figure 10: Forecasted capital expenditure and financial strategy limits – five yearly periods



The estimated expenditure is plotted in relation to a projection of 'Current financial strategy limits'. This has been prepared on the basis of the following assumptions:

- Capital and operating expenditure in years 1-10 as included in the draft 10-Year Plan budget
- Debt to revenue ratio decreasing to 200 per cent by 2019 (as in the draft 10-Year Plan budget) and remaining at 200 per cent into the future
- Rates increases as in the draft 10-Year Plan budget (3.8 per cent each year to existing ratepayers) and from 2025 (year 11) decreasing to match the estimated inflation rate of 2.8 per cent (this is the average projected LGCI inflation over the 2015-25 period).

The 'Current financial strategy limit' line indicates a gap between potential future spending and funding constraints for Council. The Council's strategies to manage this gap include:

- Receiving capital subsidies for eligible projects (the capital expenditure forecasts do not assume subsidies).
- Reviewing timing and scope as more information becomes available. This reduces uncertainty.
- Investigating options and new technology as this develops and becomes available.
- Continuing to improve asset management planning to ensure the best possible programme for managing timing of large projects.
- Working with other agencies to ensure efficient delivery.
- Moderation through future 10-Year Plan and then Annual Plan processes.
- Quality business cases prior to final approval for projects to proceed.



Council is responsible for the treatment, storage, distribution and management of the city's water supply.

The water treatment plant sources raw water from the Waikato River and treats it to provide a high standard of drinking water.

The treated water is pumped to reservoirs from where it is distributed through a network to meet the needs of residential and commercial/industrial properties.

CONTEXT

The city's water supply system is made up of a single treatment plant, eight reservoirs (seven of which are currently operational) and over 1000 kilometres (km) of associated pipe network.

WATER TREATMENT

The treatment plant relies on the Waikato River as a single water source. The plant is capable of drawing up to 105 million litres of water per day from the river. Between 2.5 and 5.0 per cent of all water is returned to the river as part of the treatment process. The sustainable peak treatment capability of the plant is about 78 million litres per day. During summer, peak demand has reached up to 90 million litres per day and in the evenings a large portion of the demand for water is met from reservoir storage.

WATER STORAGE

The city has eight reservoirs, seven of which are in operational service providing a total of 89 million litres storage. Water storage equivalent to peak demand per day is required for emergency purposes. However, as the city grows, additional reservoir storage will be required for emergency purposes and water supply during peak periods.

WATER DISTRIBUTION

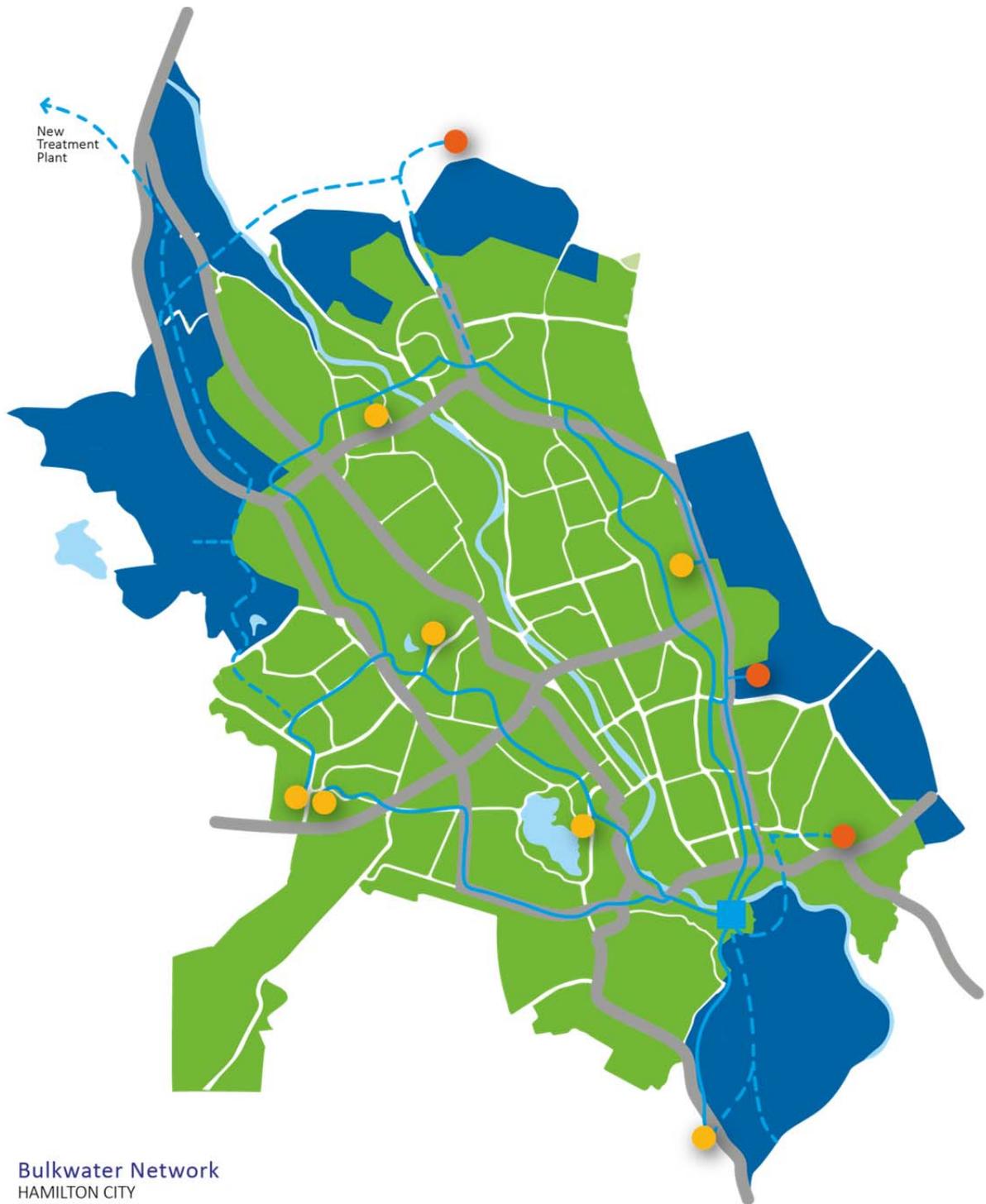
Treated water is pumped from the treatment plant to the reservoirs and users through approximately 1100km of pipe network. As is expected in any urban centre, the network is made up of various pipe materials of different ages, which results in some water loss through leakages. The leakage in Hamilton is currently about 16 per cent.

OVERVIEW OF ASSETS

Table 7: Overview of Water assets

Asset group	Asset type	Purpose and description	Number /length	Value \$000s
Water treatment	Civil, structural, mechanical, electrical and automation	Treatment plant that treats river water for human use.	1	60,688
Storage	Reservoirs	Used to store treated water. To meet drinking water standards we must be able to store enough water to met 24 hours of average water demand.	7 operational 1 out of service	32,633
Network	Service connections	Pipe that connects the private water pipe within a property to the water network.	49,195	24,512
	Bulk watermains	Bulk watermains carry treated water from the treatment plant to the reservoirs.		
	Reticulation pipes	Pipes of decreasing sizes that carry treated water from treatment plant or reservoirs to properties.	1,136 km	352,122
	Valves	Devices to control the flow of water from one pipe to the next.	9,737	17,039
	Hydrants	Above-ground connection that provides access to a water supply for the purpose of fighting fires or for flushing.	6,425	13,226
	Meters	Measure water use for our commercials and industrial customers and bulk water flows within the network.	3,867	2,185
Total value				502,405

Figure 11: Bulkwater Network



- | | | |
|--|---|---|
| ■ Already Developed | ■ Water Treatment Plant | ● Reservoir |
| ■ Growth Area | — Bulkmain | ● New Reservoir |
| — Main Roads | - - - New Bulkmain | |

SIGNIFICANT INFRASTRUCTURE ISSUES AND OPTIONS

The highlighted option is the preferred approach for addressing this issue and these options have been factored into the capital and operational planning and indicative estimates in this Strategy.

Issue: Meeting the city growth needs for water demand

Table 8

Principal options	Implications of options
Managing demand through: <ul style="list-style-type: none"> • further education campaigns • extending existing consumption based charging 	<ul style="list-style-type: none"> • A reduction in water demand. • Universal Water Metering: estimated cost \$26M capital and 20% reduction in water demand. • Education campaigns: relatively low cost but limited reduction in water demand. • A fully metered network will assist leak detection on the public and private pipes.
Provide a second water treatment plant ideally using a different water source	<ul style="list-style-type: none"> • Significant cost of capital project - estimated \$100M to provide additional treatment capacity and to reduce the risks of only having one source of water for the city. It is estimated that on current demand projections this would be required late in the next 30 years with or without universal water meters.
Reducing water loss	<ul style="list-style-type: none"> • Reduced water loss means more water is available to service the city's growth needs.
Reconfiguring the bulk mains connecting reservoirs to reduce load on the treatment plant, and better manage the network	<ul style="list-style-type: none"> • Some reservoirs currently only have one bulk main connection, which means that they can not be filled at the same time as being emptied. Also, many bulkmains provide water directly to the customer which places additional demand on the treatment plant.

Issue: Improving resilience in the water treatment, storage and distribution networks

Table 9

Principal options	Implications of options
Continue current approach to management of distribution network	<ul style="list-style-type: none"> • Places strain on water treatment plant and pipe network. Difficult to provide consistent pressures to users, maintain fire fighting flow/pressures and meet requirements of growth.
Reconfigure bulk mains connecting reservoirs to create a dedicated treatment plant/reservoir network	<ul style="list-style-type: none"> • The water treatment plant will be able to be operated at a consistent level of production and place less stress on assets, and better manage water loss and water pressure.

Issue: Meeting water flow and pressure requirements for domestic, industrial and fire fighting uses

Table 10

Principal options	Implications of options
Reconfigure bulk mains connecting reservoirs to create dedicated water zones	<ul style="list-style-type: none"> Reduce water loss and more consistent level of service for customers.
Responding to development and making sure infrastructure is built at the right time and place	<ul style="list-style-type: none"> Consent and regulatory conditions continue to be met. Service levels in the existing city continue to be met.

Issue: Reliance on a single raw water source

Table 11

Principal options	Implications of options
Maintain single water treatment plant	<ul style="list-style-type: none"> No alternative supply source if water from Waikato River cannot be treated by plant.
Increase water storage	<ul style="list-style-type: none"> Ability to maintain supply from reservoirs for short periods while treatment plant is shut down.
Provide a second treatment plant using a second water source	<ul style="list-style-type: none"> Provides a second water source, security of supply and additional capacity.

Issue: Ensure that water can be obtained from the Waikato River in periods of low river flows

Table 12

Principal options	Implications of options
Rebuild the existing intake structure so the water intake is lower in the river	<ul style="list-style-type: none"> Capital project of estimated \$26M. Difficult construction and consenting process to rebuild within river.
Maintain a temporary pumping arrangement on a barge or pontoon for use as a contingency during periods of low river flows	<ul style="list-style-type: none"> Cost effective interim solution (that would ultimately be required to rebuild the intake structure).

INDICATIVE ESTIMATES

Capital expenditure

The estimated capital needs for the water supply activity have been prepared for the next 30 years. The forecasted capital expenditure from year ending 30 June 2016 to 2025 has been included in the draft 2015-25 10-Year Plan.

Figure 12: Forecasted yearly capital expenditure for Water - 2015-25 10-Year Plan

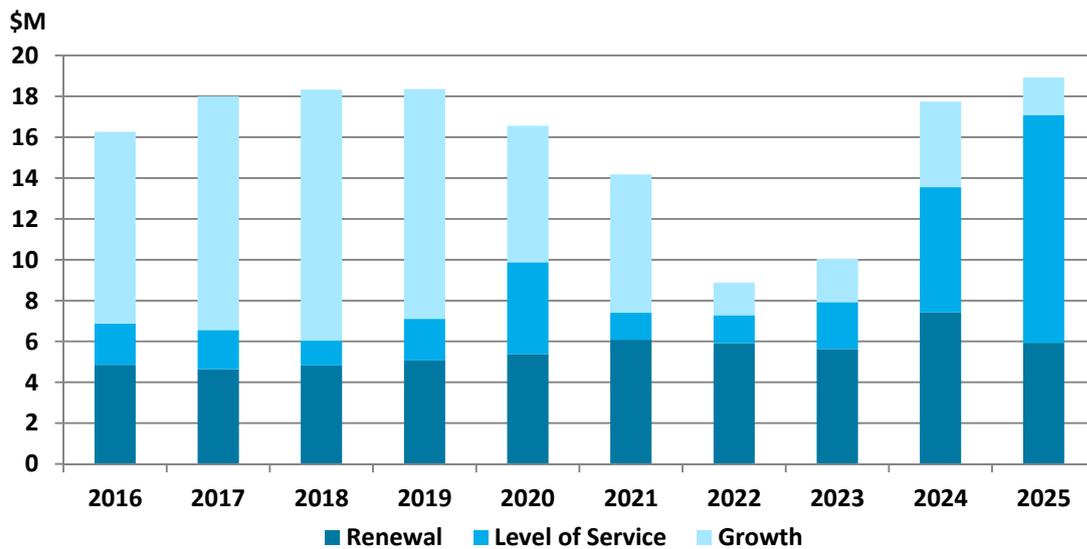
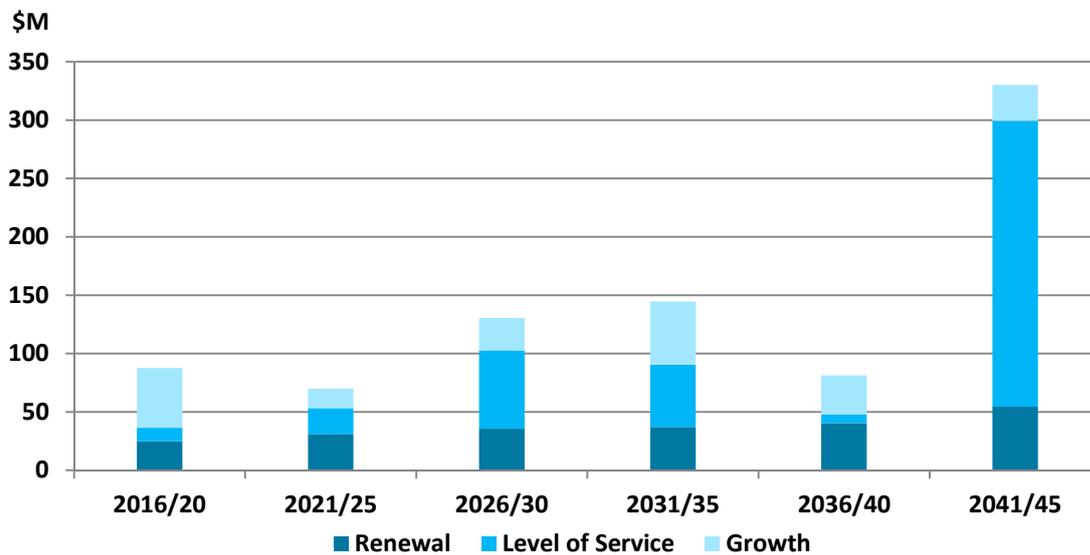
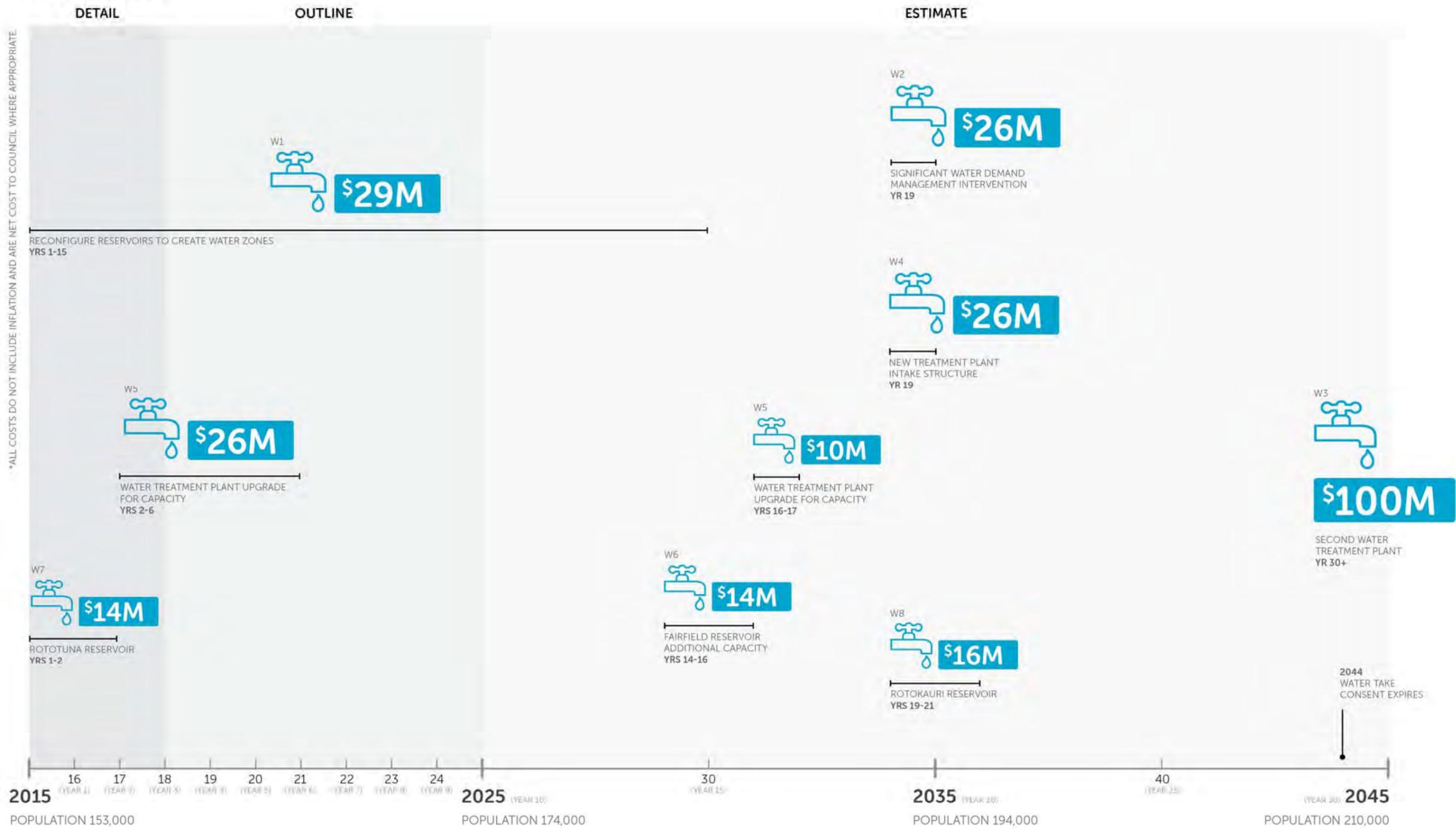


Figure 13: Forecasted capital expenditure for Water - five yearly periods - 2015-45

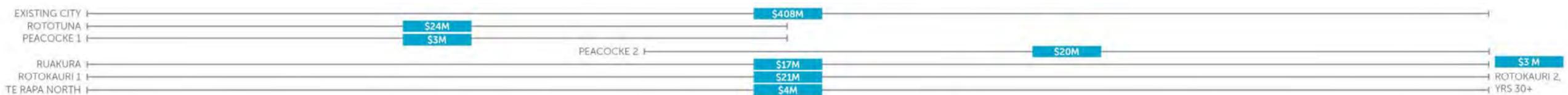


The following significant infrastructure decisions are required and the following projects have been included in the forecasted capital expenditure.

WATER SUPPLY



TOTAL CAPITAL COSTS BY AREA



Projects shown as icons are the strategic projects to provide new or upgrade existing infrastructure. These do not include renewal projects or growth related projects that are for non-strategic (local) infrastructure. Only key construction periods and costs for projects are shown. All costs are shown on timelines. Total capital costs by area.



Fold out this page
for an overview of
major water supply
projects for the
next 30 years

Operational expenditure

The forecasted operational expenditure from year ending 30 June 2016 to 2025 has been included in the draft 2015-25 10-Year Plan. Estimated expenditure beyond 2025 is based on the year 10 forecast and then adjusted for anticipated future growth of the city.

Operational expenditure includes indirect costs to provide the service to the community such as depreciation, interest costs and overheads. Forecasted operational expenditure is shown as net costs.

Figure 14: Forecasted yearly operational expenditure for Water – 2015-25 10-Year Plan

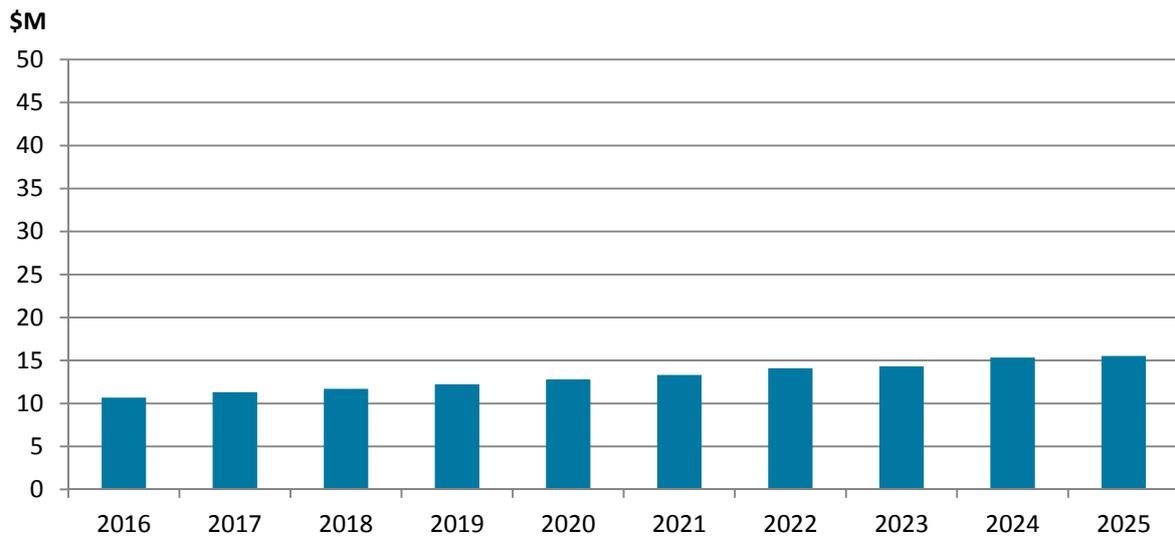
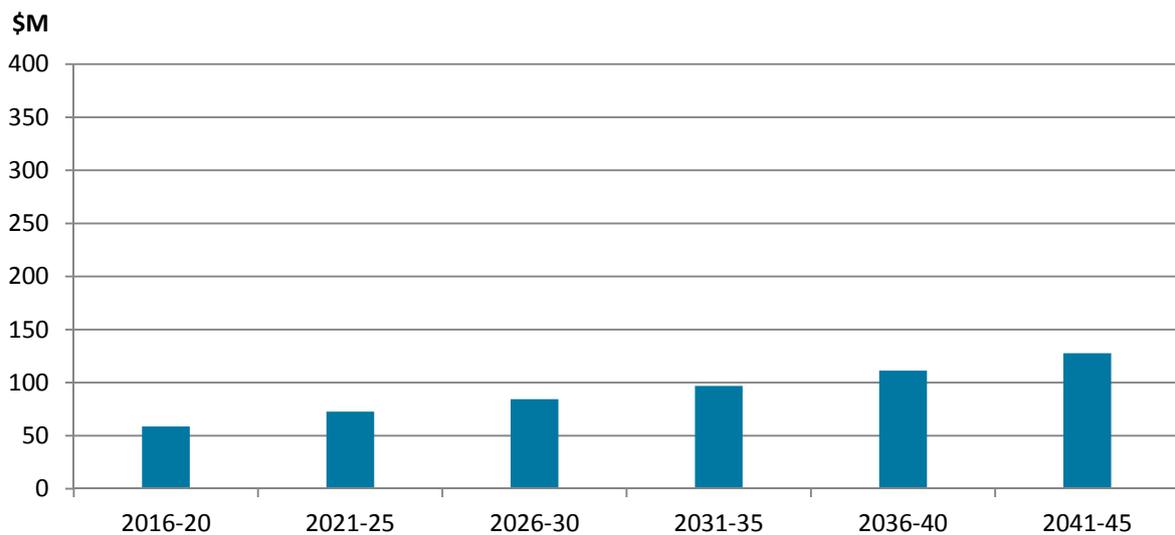


Figure 15: Forecasted operational expenditure for Water - five yearly periods - 2015-45

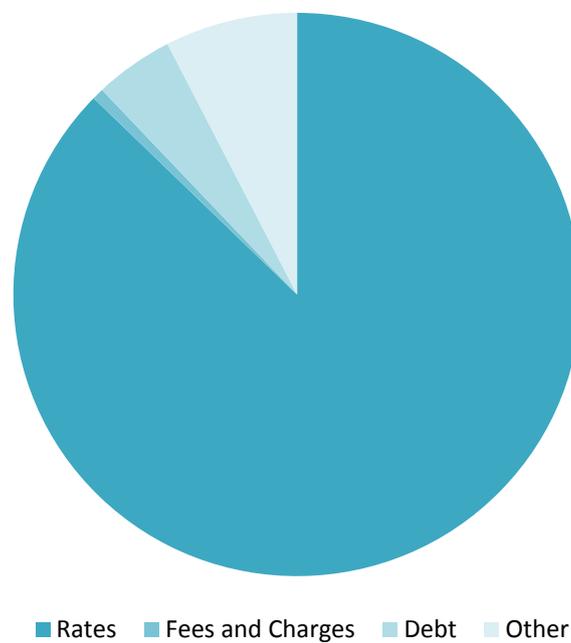


Funding of activity

The Water Supply activity is currently funded through a mixture of:

- rates collected in the year of expenditure
- rates to repay loans raised for capital works
- user charges for commercial / industrial and out of city water users, including:
 - metered water for non-domestic customers
 - metered water for tanker use
 - new connections

Figure 16: Water Supply activity funding



Capital projects that are caused by (and provide benefits to) growth areas of the city are part funded by development contributions.



Council is responsible for the collection, transfer, treatment and disposal of Hamilton's wastewater and trade waste. Wastewater and trade waste are discharged from properties into a network of gravity and pressure pipelines, which take the wastewater to the treatment plant.

At the treatment plant, wastewater is treated before being discharged into the Waikato River.

Solids, removed as part of the treatment process, are currently composted off site and reused.

CONTEXT

The city's wastewater system is comprised of a single centralised wastewater treatment plant, 132 pump stations and 800km of connecting pipework. The system services over 50,000 households, and provides trade waste services to 4,000 commercial and industrial premises.

WASTEWATER RETICULATION

Wastewater is removed from commercial, industrial and residential properties via various pumping station and pipe networks to the wastewater treatment plant. As is expected in any urban centre, the network is made up of various pipe materials and ages, which results in some water infiltration.

WASTEWATER PUMP STATIONS

The city has 132 pump stations which are controlled through a centralised computer system. The city has commenced an upgrade programme to achieve a six hour storage standard for all wastewater pump stations to provide improved environmental performance in the event of power or pump failure.

WASTEWATER TREATMENT

The treatment plant is a biological plant that is capable of receiving and providing primary treatment for up to 2,000 litres per second of wastewater and up to 600 litres per second for secondary treatment (nitrogen removal etc.).

Our wastewater treatment plant relies on the Waikato River as the receiving environment for final treated effluent. The quality of final discharge has improved over time as capital improvements have occurred on site. There are two principle challenges. Firstly, peak flow into the plant, which is typically experienced during high rainfall events. Secondly, the health of the biology at the plant, which can be impacted by external events.

Emerging updates to the National Freshwater Policy Statement will target improvements in the quality of discharges to water bodies. The Waikato River vision and strategy sets a range of expectations one of which is to develop and implement a programme of action to improve the health and wellbeing of the Waikato River.

The existing resource consent for the wastewater treatment plant expires in 2027 and a high focus on discharge quality can be expected.

OVERVIEW OF ASSETS

Table 13: Overview of Wastewater assets

Asset group	Purpose and description	Number /length	Value \$000s
Service connections	A pipe that connects the private sewer within a property to the wastewater network.	53,200	56,881
Interceptor pipes	Large diameter pipes (typically larger than 525mm diameter) that provides conveyance from each area of the city to the treatment plant.	797 km	303,932
Pipes	<p>Once the wastewater leaves a property it travels in pipes to the interceptors. There are a number of different types of pipes within our network including:</p> <ul style="list-style-type: none"> • Gravity pipes, with an internal diameter of 150mm to 450mm depending on the flows that they are expected to manage. • A rising main is a pressure main through which wastewater is pumped. It is required where ground levels do not allow for gravity flow. • Interceptors are large gravity wastewater pipes with an external diameter of 525mm up to 1800mm. • Bridges are used to cross gullies, streams and the Waikato River. 		
Manholes	Service opening which allows access for inspection, cleaning or maintenance of the public wastewater network.	15,074	63,692
Pump stations	Pump stations are installed at low points in the network so that wastewater flowing from these areas can be lifted to a higher point and continue its journey to the treatment plant under gravity.	132	40,776
Treatment plant	The treatment plant converts wastewater and trade waste into a disposable effluent and solids.	1	77,359
Total value			542,640

Figure 17: Wastewater Network



Bulk Wastewater Network
HAMILTON CITY

- | | | |
|--|--|---|
| ■ Already Developed | — Wastewater Interceptor | ● Interceptor Pipes |
| ■ Growth Area | - - - Proposed Wastewater Interceptor | 1- Northern Interceptor |
| — Main Roads | ■ Wastewater Treatment Plant | 2- Far Western Interceptor |
| | | 3- Western Interceptor |
| | | 4- Central Interceptor |
| | | 5- Eastern Interceptor |
| | | 6- Far Eastern Interceptor |
| | | 7- Southern Interceptor |

SIGNIFICANT INFRASTRUCTURE ISSUES AND OPTIONS

The highlighted options is the preferred approach for addressing this issue and these options have been factored into the capital and operational planning and indicative estimates in this Strategy.

Issue: Meeting the city's growth needs for wastewater collection, treatment and disposal

Table 14

Principal options	Implications of options
Increase treatment capacity at the current wastewater treatment plant.	<ul style="list-style-type: none"> • Compliance with the existing consent.
Additional / decentralise wastewater treatment plants including associated network extensions.	<ul style="list-style-type: none"> • Unlikely to gain resource consent for a new plant with discharges to a water body. • The whole of life cost of a second treatment plant will be high. The opportunity cost is high in relation to the existing investment in the interceptor network.
Continue to reduce ground/stormwater inflow and infiltration.	<ul style="list-style-type: none"> • Increases available capacity in existing pipes and reduces wastewater spills in existing city. However, this option will not provide sufficient capacity for growth.

Issue: Continuing to meet the current and future environmental compliance standards for the wastewater network and treated discharges into the Waikato River

Table 15

Principal options	Implications of options
Ongoing upgrades to the wastewater treatment plant to cater for domestic and industrial discharges.	<ul style="list-style-type: none"> • Provides increased capacity and maintains treatment quality.
Installation of large storage tanks or technology throughout network to manage network flows in wet weather events.	<ul style="list-style-type: none"> • Reduces sewage spills in existing city.
Upgrade pipe network to be able to cope with larger volumes of wastewater.	<ul style="list-style-type: none"> • Reduces sewage spills in existing city.
Continue to reduce ground/stormwater inflow and infiltration to the pipe network.	<ul style="list-style-type: none"> • Increases available capacity in existing pipes and reduces sewage spills in existing city.

INDICATIVE ESTIMATES

Capital expenditure

The estimated capital needs for the wastewater activity have been prepared for the next 30 years. The forecasted capital expenditure from year ending 30 June 2016 to 2025 has been included in the draft 2015-25 10-Year Plan.

Figure 18: Forecasted capital expenditure for Wastewater each year – 2015-25 10-Year Plan

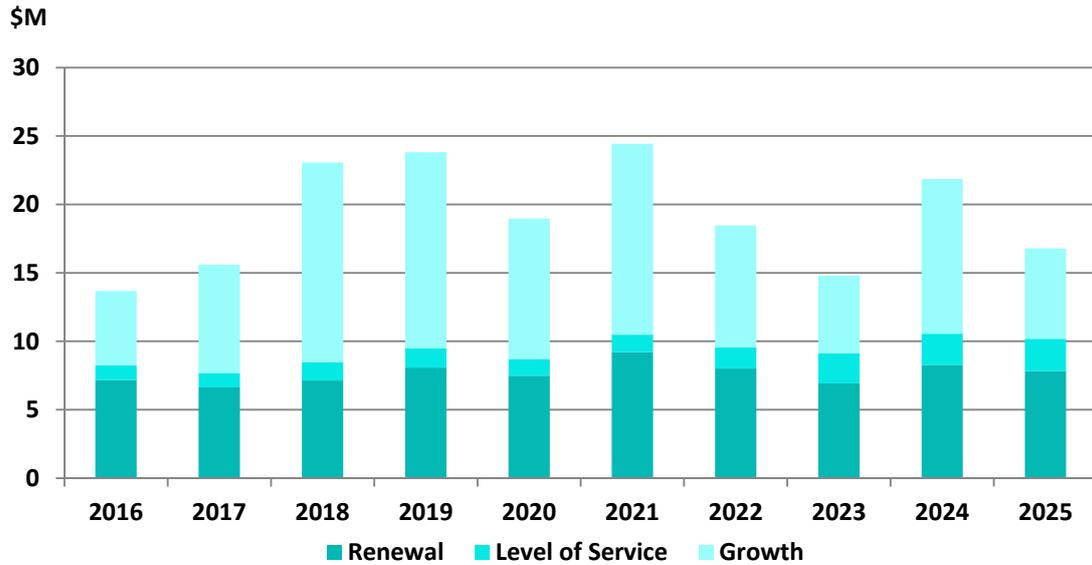
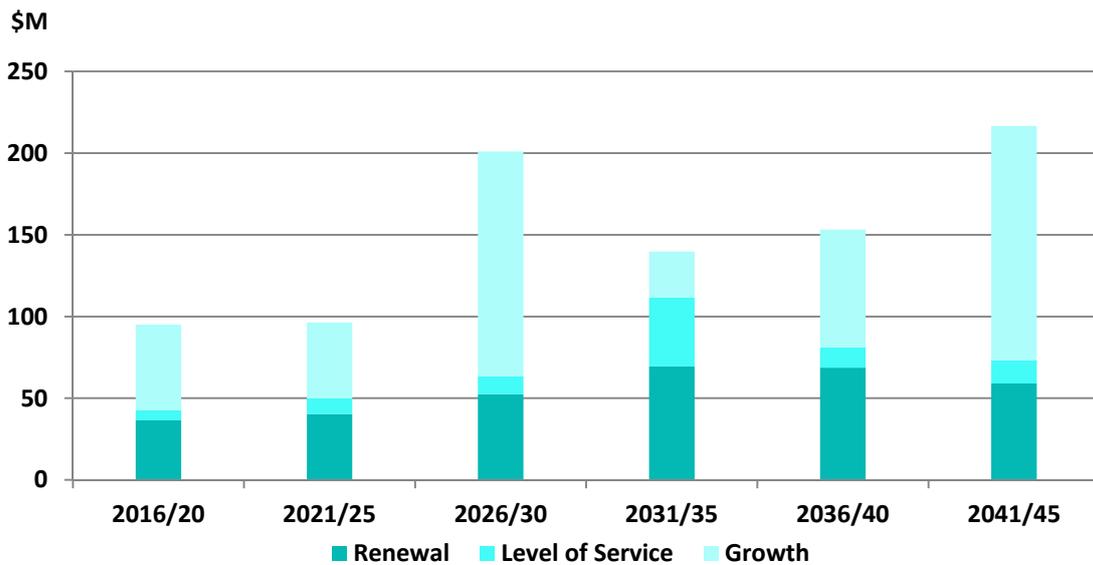


Figure 19: Forecasted capital expenditure for Wastewater - five yearly periods - 2015-45



The following significant infrastructure decisions are required and projects have been included in the estimated capital expenditure.

WASTEWATER

DETAIL

OUTLINE

ESTIMATE

*ALL COSTS DO NOT INCLUDE INFLATION AND ARE NET COST TO COUNCIL WHERE APPROPRIATE



TOTAL CAPITAL COSTS BY AREA



Projects shown as icons are the strategic projects to provide new or upgrade existing infrastructure. These do not include renewal projects or growth related projects that are for non-strategic (local) infrastructure. Only key construction periods and costs for projects are shown. All costs are shown on timelines. Total capital costs by area.



Fold out this page
for an overview of
major wastewater
projects for the
next 30 years

Operational expenditure

The forecasted operational expenditure from year ending 30 June 2016 to 2025 has been included in the draft 2015-25 10-Year Plan. Estimated expenditure beyond 2025 is based on the year 10 forecast and then adjusted for anticipated future growth of the city.

Operational expenditure includes indirect costs to provide the service to the community such as depreciation, interest costs and overheads. Forecasted operational expenditure is shown as net costs.

Figure 20: Forecasted operational expenditure for Wastewater each year – 2015-25 10-Year Plan

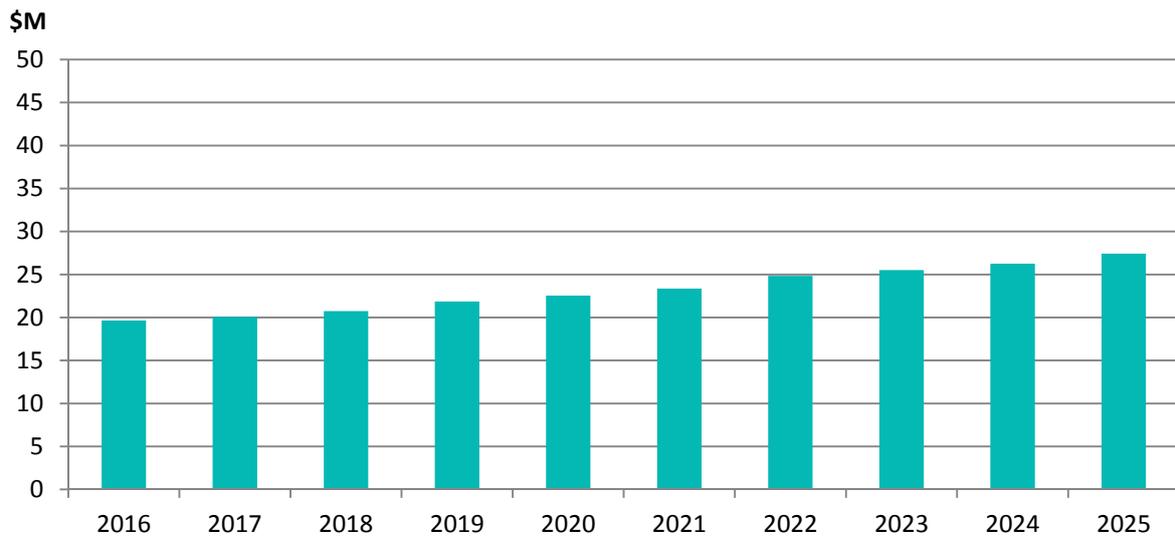
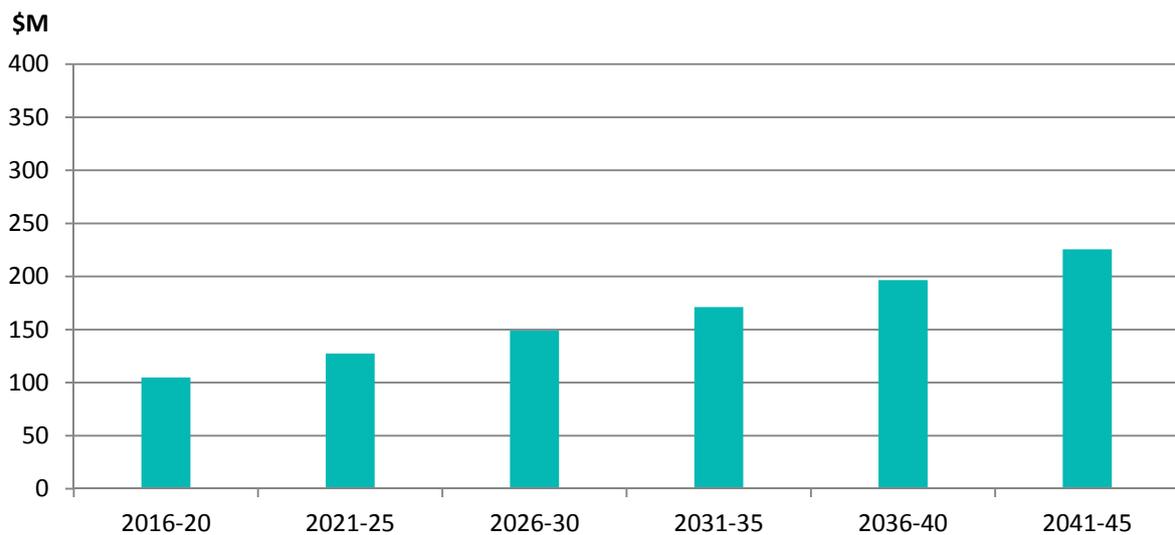


Figure 21: Forecasted operational expenditure for Wastewater - five yearly periods - 2015-45

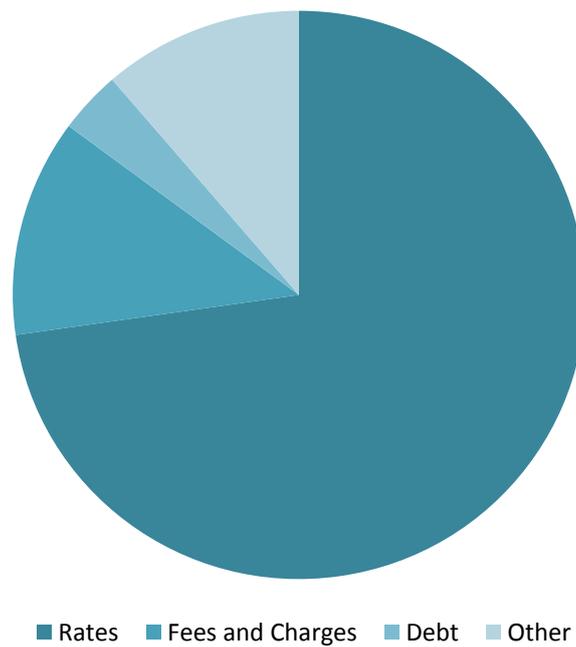


Current funding of activity

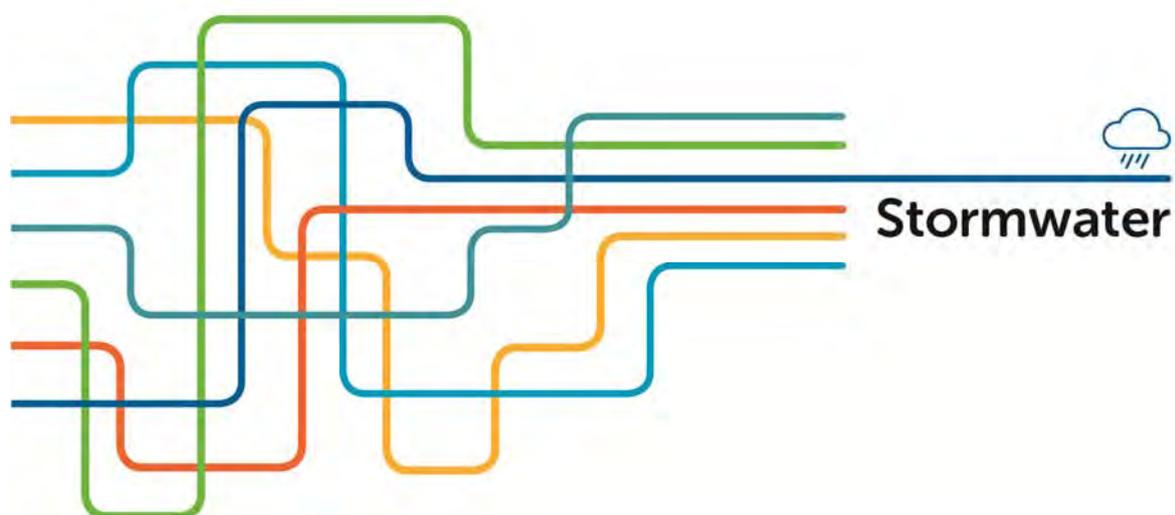
The Wastewater activity is currently funded through a mixture of:

- rates collected in the year of expenditure
- rates to repay loans raised for capital works
- user charges for disposal of trade waste through the wastewater network.

Figure 22: Wastewater activity funding



Capital projects that are caused by (and provide benefits to) growth areas of the city are part funded by development contributions.



Council is responsible for the collection, transfer and treatment of Hamilton's stormwater.

Rainwater that flows from houses and buildings roofs, footpaths, roads, etc. is called stormwater and is directed to either the ground or the stormwater system.

The stormwater system consists of pipes, channels, treatment devices and open watercourses, which release water into the city's streams, lakes and the Waikato River.

CONTEXT

Stormwater is drained from Hamilton's urban area and is discharged to open drains, streams, lakes and to the Waikato River.

The system drains an urban catchment of approximately 9,000 hectares (ha) however the total catchment area draining to the city reach of the Waikato River is much larger at approximately 30,000ha. The impervious area of the city is estimated to be 34 per cent.

Hamilton's stormwater network services a variety of land uses including:

- residential land uses (e.g. private homes and driveways).
- industrial and commercial land uses (e.g. wholesale and retail outlets, depots, manufacturing sites, warehouses, workshops).
- roads and car parks.
- community facilities (e.g. Hamilton Lake, Claudelands Event Centre, parks and sports areas, Waikato Hospital, schools, and tertiary educational institutions).
- runoff from undeveloped catchments.

The stormwater network is also used to dispose of potable water during the maintenance of reservoirs, and from flushing and testing of fire hydrants.

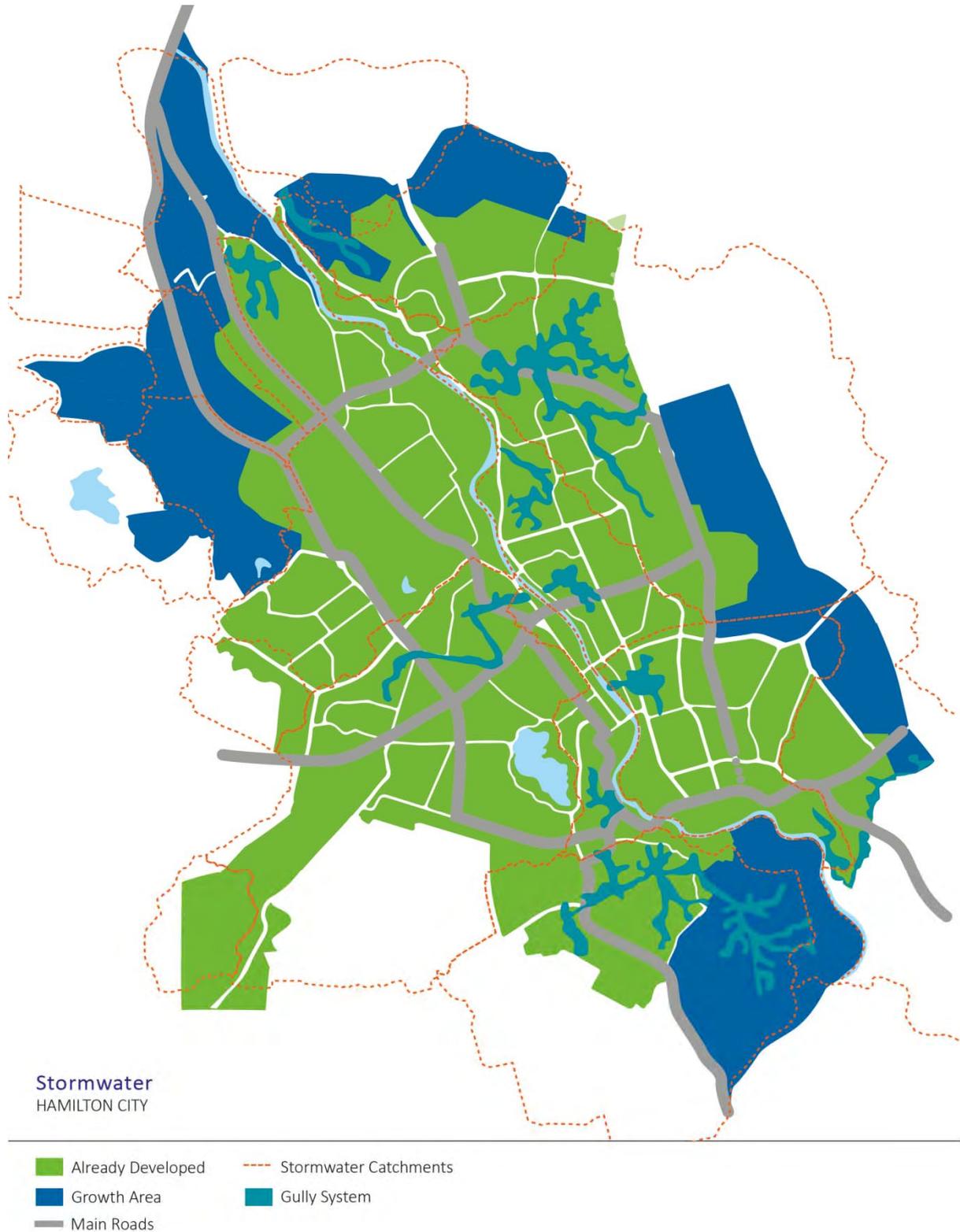
Stormwater discharge activities require assessment under the Waikato Regional Plan. Council has a 'city-wide' comprehensive stormwater discharge consent from Waikato Regional Council (granted in 2011) to divert and discharge stormwater to receiving environments from its existing urban network for a period of 25 years. The consent also provides a mechanism for allowing discharges from 'developing' catchments through catchment management plans.

OVERVIEW OF ASSETS

Table 16: Overview of Stormwater assets

Asset group	Asset type	Purpose and description	Number /length	Value \$000s
Network	Service connections	A pipe that connects the private stormwater pipe within a premise to the stormwater network.	39,000	44,303
	Reticulation pipes	Once stormwater leaves a property it can travel in pipes to an open watercourse	653km	423,653
	Manholes	Service opening which allows access for inspection, cleaning or maintenance of the public stormwater piped network	12,453	53,951
Treatment	Treatment / detention / flood management	Ponds, wetlands and bunded areas that treat stormwater and or detain stormwater during high rainfall events to protect down stream properties from flooding	37	2,018
Assets within streams and rivers	Lined open watercourses	Drains and streams that transport water to other streams or the Waikato River. Some of these are described as channels as they have been lined with concrete or other materials. We have approximately 88km of open watercourses within the city, of which 60 km run through private land. 8.3 km of these watercourses are lined	8.3km	655
	Outlets and Inlets	Located at the end of the pipe, outlets and inlets prevent erosion and scouring of the open watercourse to which stormwater is discharged	870	854
	Other	We have a number of other devices within the network including soakage trenches, soakage pits, fish passage devices, and erosion control devices		902
Total value				526,336

Figure 23: Stormwater Network



SIGNIFICANT INFRASTRUCTURE ISSUES AND OPTIONS

The highlighted options is the preferred approach for addressing this issue and these options have been factored into the capital and operational planning and indicative estimates in this Strategy.

Issue: Dealing with predicted climate change of warmer temperatures and greater rainfall

Table 17

Principal options	Implications of options
Upgrade/retrofit assets in existing areas to accommodate a 1 in 100 year storm event.	<ul style="list-style-type: none"> Very difficult and costly in existing city due to built environment.
Integrated catchment management plans to be developed for the existing city.	<ul style="list-style-type: none"> Will improve stormwater management in existing areas but will not mitigate a 1 in 100 year storm event.

Issue: Complying with resource consent conditions for discharging stormwater into the Waikato River

Table 18

Principal options	Implications of options
Maintain current approach of stormwater management relying on education and community awareness.	<ul style="list-style-type: none"> Interventions to large events are reactive.
Retrospective installation of stormwater treatment in the older areas of the city.	<ul style="list-style-type: none"> Very difficult and costly due to existing property and land use.
Introduction of a bylaw to manage discharge from private properties.	<ul style="list-style-type: none"> Gives clarity to residents and industry on the acceptable use of the stormwater system.

INDICATIVE ESTIMATES

Capital expenditure

The estimated capital needs for the Stormwater activity have been prepared for the next 30 years. The forecasted capital expenditure from year ending 30 June 2016 to 2025 has been included in the draft 2015-25 10-Year Plan.

Figure 24: Forecasted capital expenditure for Stormwater each year – 2015-25 10-Year Plan

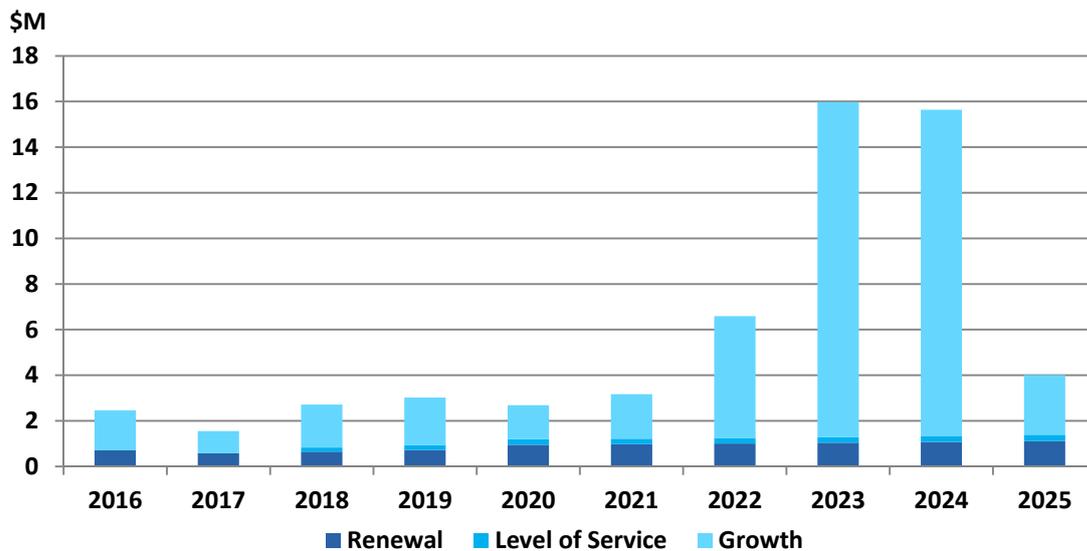
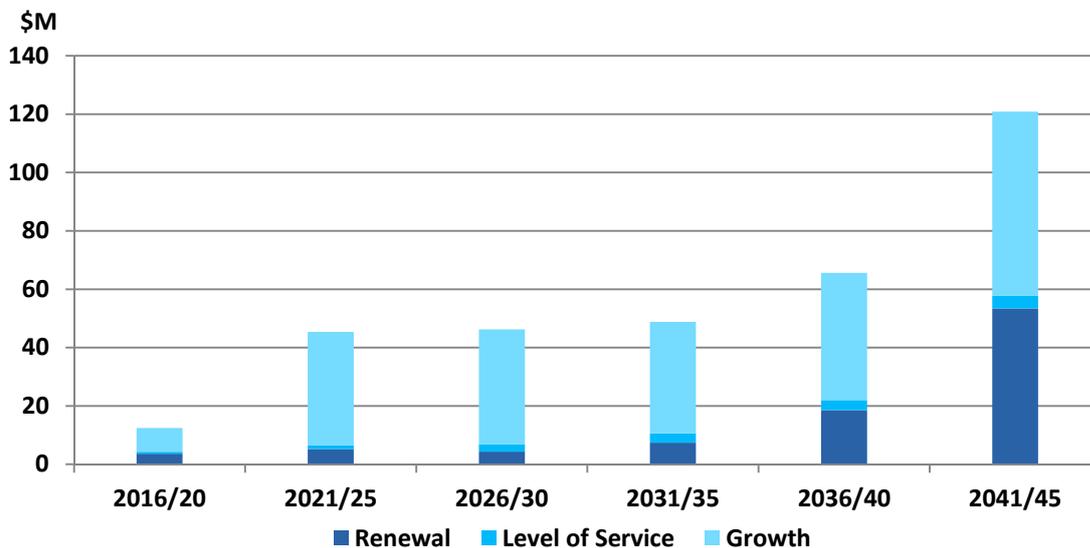


Figure 25: Forecasted capital expenditure for Stormwater - five yearly periods - 2015-45



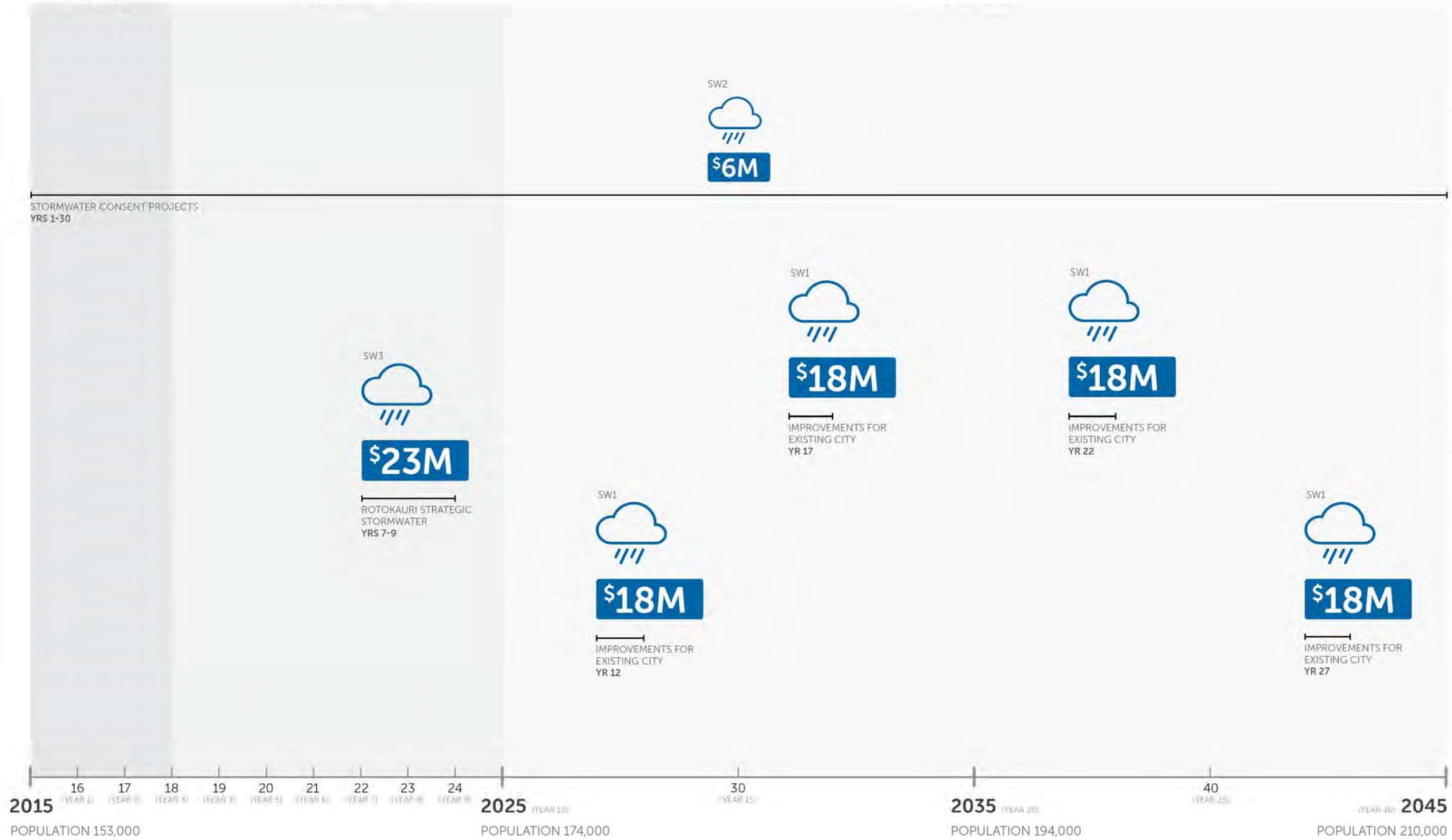
The following significant infrastructure decisions are required and projects have been included in the estimated capital expenditure.

STORMWATER

DETAIL

OUTLINE

ESTIMATE



*ALL COSTS DO NOT INCLUDE INFLATION AND ARE NET COST TO COUNCIL WHERE APPROPRIATE

TOTAL CAPITAL COSTS BY AREA



Projects shown as icons are the strategic projects to provide new or upgrade existing infrastructure. These do not include renewal projects or growth related projects that are for non-strategic (local) infrastructure. Only key construction periods and costs for projects are shown. All costs are shown on timelines. Total capital costs by area.



Fold out this page
for an overview of
major stormwater
projects for the
next 30 years

Operational expenditure

The forecasted operational expenditure from year ending 30 June 2016 to 2025 has been included in the draft 2015-25 10-Year Plan. Estimated expenditure beyond 2025 is based on the year 10 forecast and then adjusted for anticipated future growth of the city.

Operational expenditure includes indirect costs to provide the service to the community such as depreciation, interest costs and overheads. Forecasted operational expenditure is shown as net costs.

Figure 26: Forecasted operational expenditure for Stormwater each year – 2015-25 10-Year Plan

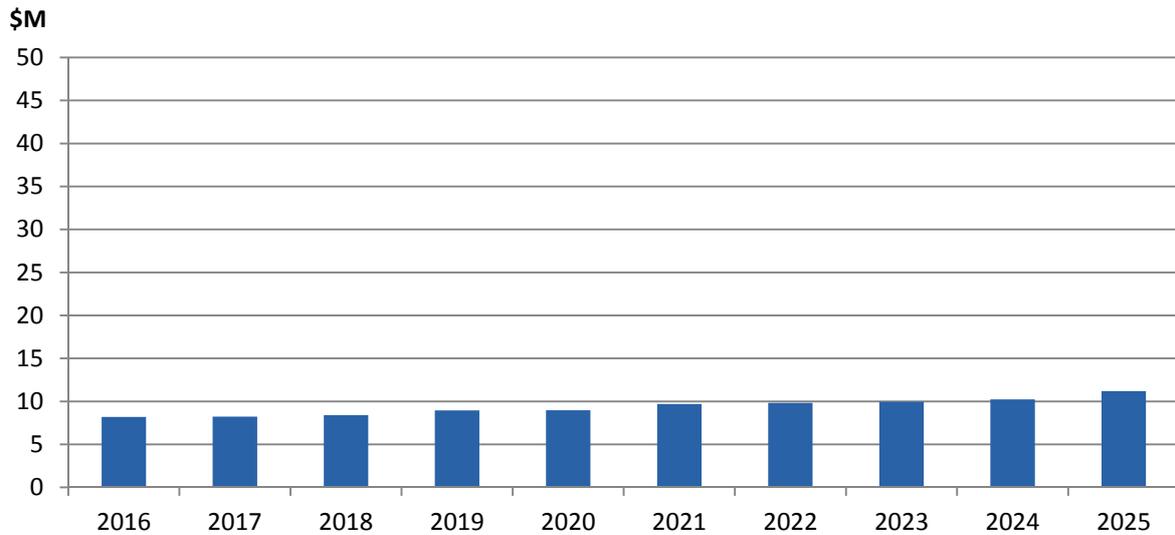
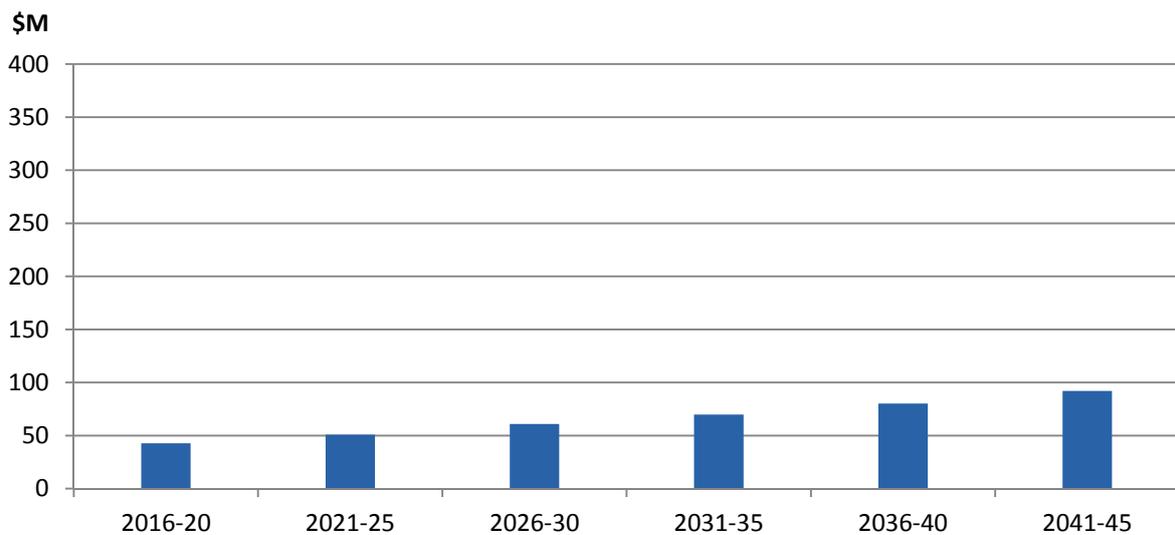


Figure 27: Forecasted operational expenditure for Stormwater - five yearly periods - 2015-45

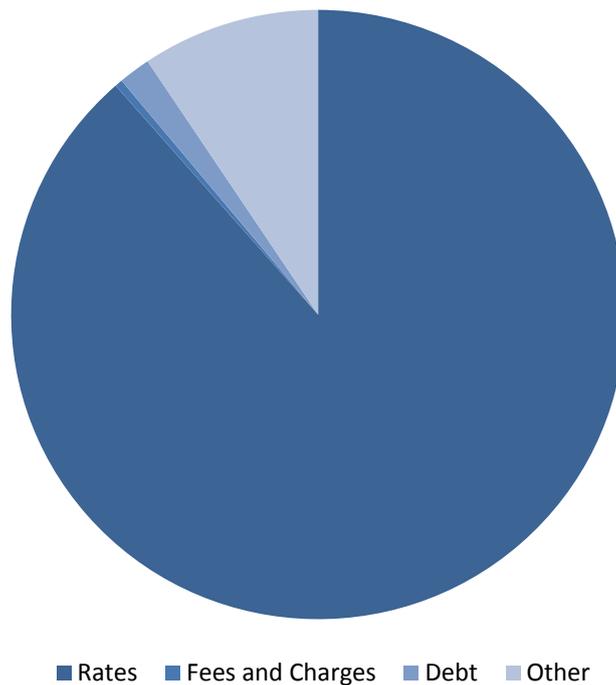


Current funding of activity

The Stormwater activity is currently funded through a mixture of:

- rates collected in the year of expenditure
- rates to repay loans raised for capital works
- subsidies for capital works from Waikato Regional Council through Project Watershed.

Figure 28: Stormwater activity funding



Capital projects that are caused by (and provide benefits to) growth areas of the city are part funded by development contributions.



Council provides and manages a safe and efficient transport network for Hamilton which integrates walking, cycling, buses, private vehicles and freight.

We also manage on-street parking, clearways and Council-owned parking buildings and car-parks.

Our services include operation and maintenance of the existing network and planning for future development. We work with the community to raise awareness of travel options and influence safe travel behaviour.

CONTEXT

Council provides, maintains and operates a transportation network comprising:

- 650km of sealed roads.
- 1000km of footpaths and walkways.
- 49 bridges and large culverts.
- 8 off-street carparks.
- Carparking facilities.

Hamilton currently experiences congestion for short periods of the day which is expected to increase as it continues to grow. The road network also struggles with competing demands of different users such as pedestrians, cyclists, cars, buses and trucks. Before resorting to new infrastructure, one of the key approaches is to manage the demand and to 'make best use of existing capacity'.

Over recent years there has been significant investment in Hamilton's strategic transport infrastructure. The focus has been on the completion of the city's Ring Road and the Te Rapa Bypass. Over the next few years, connections to the central government funded Waikato Expressway will be a focus.

Over the longer term, investment is required for extending the transport network in new growth areas and providing additional river crossings in the north and south of the city.

The New Zealand Government through the New Zealand Transport Agency (NZTA) partners with Council by operating the state highways that run through Hamilton and co-investing with Council in transport infrastructure and services. The bus service is provided and managed by the Waikato Regional Council through a partnership with the city.

Figure 29: Transport infrastructure



Transport Infrastructure
HAMILTON CITY

- | | | |
|---|----------------------------|---------------------------|
| ■ Already Developed | 1- Te Rapa Bypass | 6- Southern Links |
| ■ Growth Area | 2- Hamilton Ring Road | 7- Cross City Connector |
| — Main Roads | 3- Resolution Drive | 8- Ruakura Road Extension |
| - - - Future Main Roads | 4- Northern River Crossing | 9- Waikato Expressway |
| | 5- Greenhill Interchange | |

OVERVIEW OF ASSETS

Table 19: Overview of Transport assets

Asset group	Asset type	Purpose and description	Number /length	Value \$000s
Pavements	Roads	Roads owned and maintained by Council, for use by motor vehicles and cycles.	650 km	579,204
	Footpaths	Footpaths for use by pedestrians and selected low speed vehicles such as mobility scooters. Some are 'shared use' with cyclists.	1,000km	153,358
	Carparks	Off street carparks owned and managed by Council to provide parking facility for vehicles.	8	2,655
Structures	Bridges and culverts	Bridges and large culverts allow for roads to continue across waterways, railways and other roads.	49	86,318
	Minor structures	Guard railing, barriers, retaining walls, bus shelters, fences, underpasses and other minor structures.	776	18,147
Road drainage	Stormwater channel and drainage features	Kerb and channel and features used to drain water from the roads into the city's stormwater system.	1,100 km	101,757
Traffic control devices	Traffic signals and information technology systems (ITS)	Traffic signals and Intelligent transport systems are used at road intersections and pedestrian crossing locations to provide safe movement opportunity for conflicting traffic.	65 signalised intersection	6,090
	Signs	Regulatory and informational signs to warn, inform and guide all road users.	13,929	3,133
	Street lights	Council owned and maintained street lights to improve road safety and personal security.	10,980	24,723
Streetscapes	Features	Assets that add to the amenity value of the road network, e.g. bollards, bins, and parking meters.	2,048	998
	Landscaping	Planted areas and grassed areas in traffic islands, carriageway medians and kerb extensions.	793,000m ²	N/A
Buildings	Buildings	Various properties owned by Council for transportation purposes.	8 each	7,587
Total value				983,971

SIGNIFICANT INFRASTRUCTURE ISSUES AND OPTIONS

The highlighted options is the preferred approach for addressing this issue and these options have been factored into the capital and operational planning and indicative estimates in this Strategy.

Issue: Providing a resilient transport network that meets needs of a growing city

Table 20

Principal options	Implications of options
Providing new strategic transport infrastructure.	<ul style="list-style-type: none"> Projects including provision of new bridges and arterial routes to service growth areas and enable economic development.
More investment in projects to increase capacity and efficiency of existing road network.	<ul style="list-style-type: none"> To address decreasing levels of service including travel times and congestion at peak times. Provides options to protect for Public Transport network and facilities, e.g. T2 lanes, to provide fast and efficient public transport.
Promotion of alternative travel choices.	<ul style="list-style-type: none"> Greater use of public transport, walking and cycling and less single occupancy vehicles resulting in less demand on network at peak times. Enables the deferral of major infrastructure investment. Improved health and environmental benefits from less vehicle emissions.
Minor improvements to optimise operation of existing network.	<ul style="list-style-type: none"> Traffic flows proactively managed to ensure congestion is minimised. Enables the deferral of major infrastructure investment.
Influence future land use patterns.	<ul style="list-style-type: none"> Good land use keeps common activities close to people's homes and places higher-density development closer to transport services and hubs, to minimise the need for transport.
Securing corridors and sites for future arterial roads and transport facilities.	<ul style="list-style-type: none"> Investment in planning designation processes and future land purchases will be required to ensure that future transport networks are protected and secured.
Improvements to, and completion of, the biking network.	<ul style="list-style-type: none"> Greater use of bikes as a means of transport around the city resulting in less demand on the transport network.

Issue: Improving Hamilton’s safety record

Table 21

Principal options	Implications of options
Undertake minor improvements to the existing network infrastructure.	<ul style="list-style-type: none"> • Reduction in crashes and therefore deaths and serious injuries. • Able to respond to community requests for safety management and improvements of a minor nature, e.g. pedestrian islands, low cost intersection upgrades.
Introduce safer speeds to the existing network.	<ul style="list-style-type: none"> • Reduction in the number and severity of crashes. • Achieves consistency with national guidance/best practice. • Improved amenity for walking and cycling where speeds are lowered. • Improved efficiency for freight and general traffic where speeds are raised.
Undertake major to the existing network infrastructure.	<ul style="list-style-type: none"> • Reduction in crashes there severity and therefore deaths and serious injuries. • Able to undertake safety transformation project improvements, e.g. high cost intersection upgrades (generally on key arterials) via traffic signal or large roundabout installations. • Improves resilience and reliability of key transport routes.
Promote safe use of the network.	<ul style="list-style-type: none"> • Safer use of the transport network resulting in fewer crashes. • Supports the physical works undertaken and supports use of alternative modes by reducing the perception that they are unsafe.

Issue: Hamilton bridges are unable to meet the growing freight demands

Table 22

Principal options	Implications of options
Strengthen key structures to enable them to accommodate both HPMV and 50MAX vehicles.	<ul style="list-style-type: none"> • Accommodates increasing demand for freight to move around city’s strategic transport network between industrial areas and inland ports (Crawford Street and Ruakura Inland Port).
Maintain current service levels for bridges.	<ul style="list-style-type: none"> • Freight movement and economic development is limited on key routes.

INDICATIVE ESTIMATES

Capital expenditure

The estimated capital needs for the Transport activity have been prepared for the next 30 years. The forecasted capital expenditure from year ending 30 June 2016 to 2025 has been included in the draft 2015-25 10-Year Plan.

Figure 30: Forecasted capital expenditure for Transport each year – 2015-25 10-Year Plan

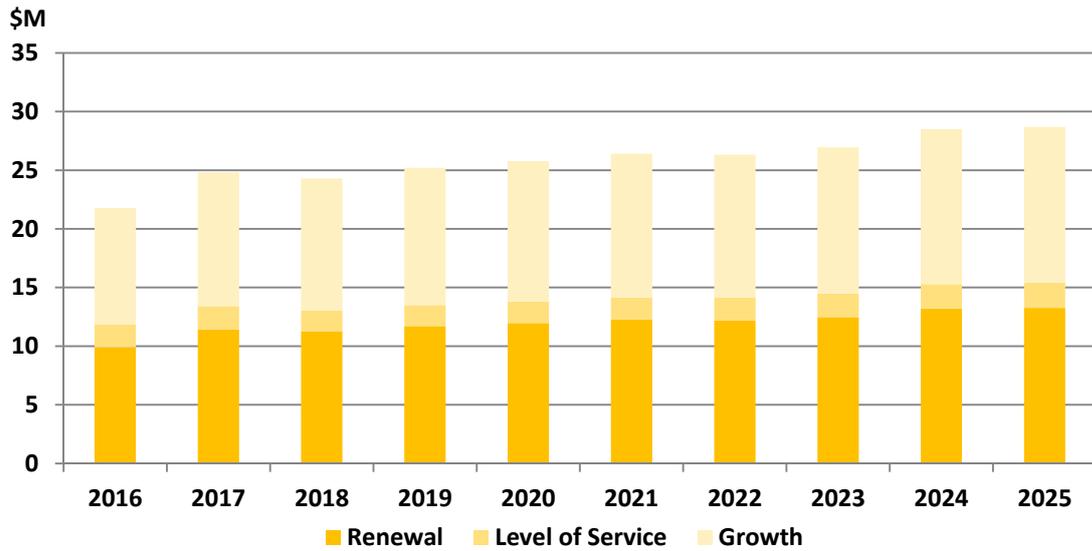
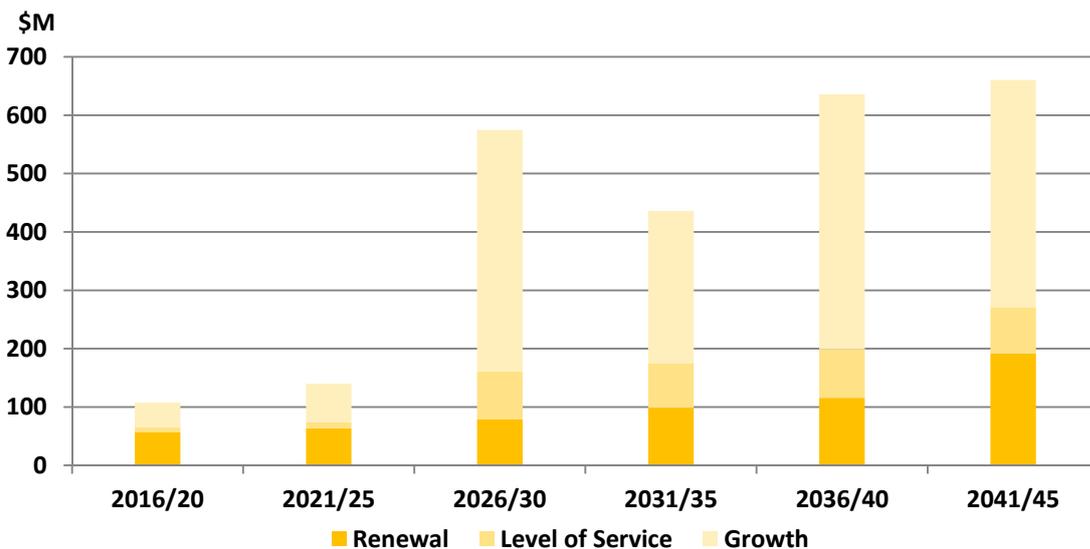


Figure 31: Forecasted capital expenditure for Transport - five yearly periods - 2015-45



The following significant infrastructure projects have been included in the estimated capital expenditure.

The costs shown on the following timeline do not include any capital subsidies that the projects may attract.

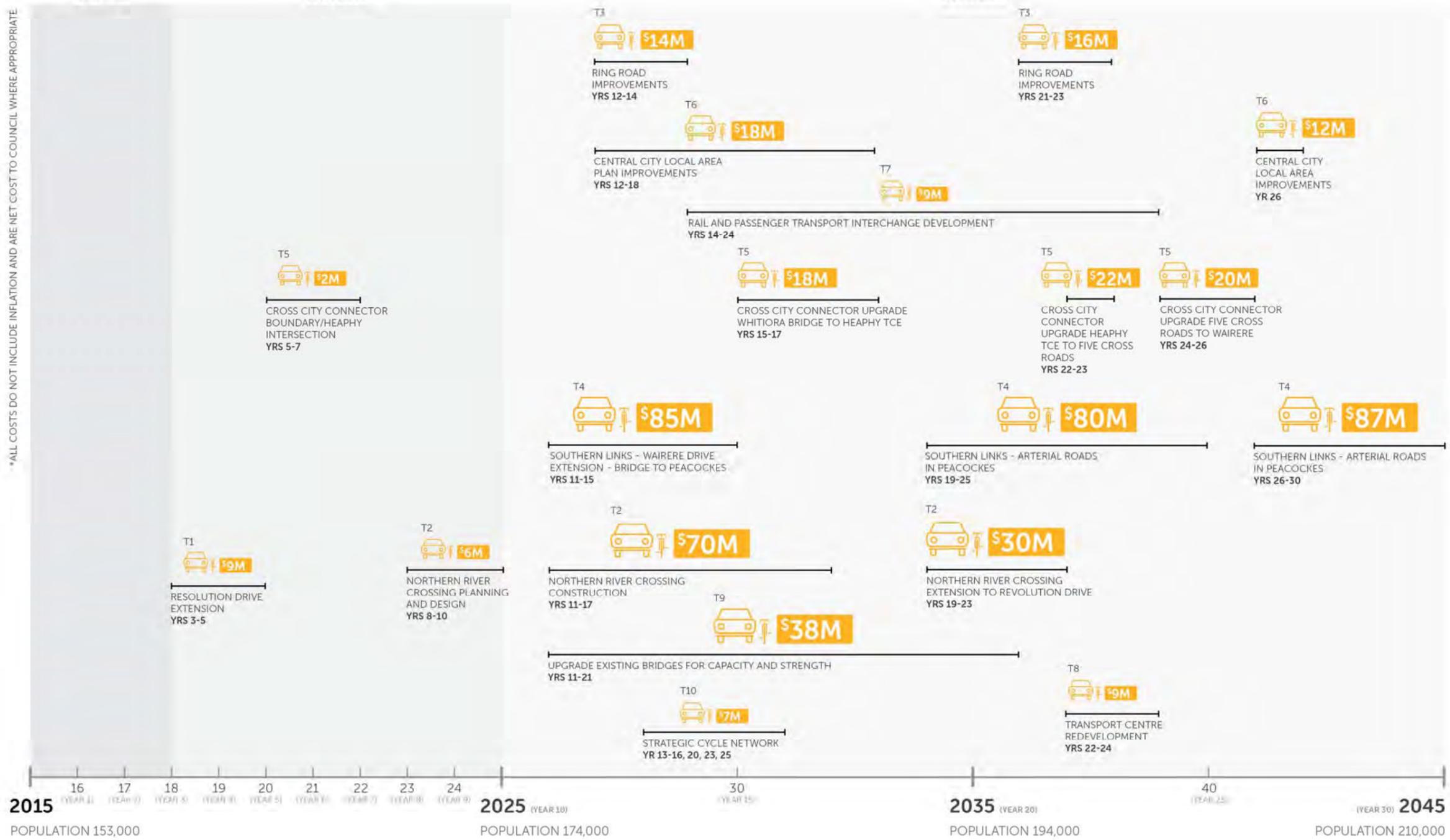
TRANSPORT

DETAIL

OUTLINE

ESTIMATE

*ALL COSTS DO NOT INCLUDE INFLATION AND ARE NET COST TO COUNCIL WHERE APPROPRIATE



TOTAL CAPITAL COSTS BY AREA



Projects shown as icons are the strategic projects to provide new or upgrade existing infrastructure. These do not include renewal projects or growth related projects that are for non-strategic (local) infrastructure. Only key construction periods and costs for projects are shown. All costs are shown on timelines 'Total capital costs by area'.

Operational expenditure

The forecasted operational expenditure from year ending 30 June 2016 to 2025 has been included in the draft 2015-25 10-Year Plan. Estimated expenditure beyond 2025 is based on the year 10 forecast and then adjusted for anticipated future growth of the city.

Operational expenditure includes indirect costs to provide the service to the community such as depreciation, interest costs and overheads. Forecasted operational expenditure is shown as net costs.

Figure 32: Forecasted operational expenditure for Transport each year – 2015-25 10-Year Plan

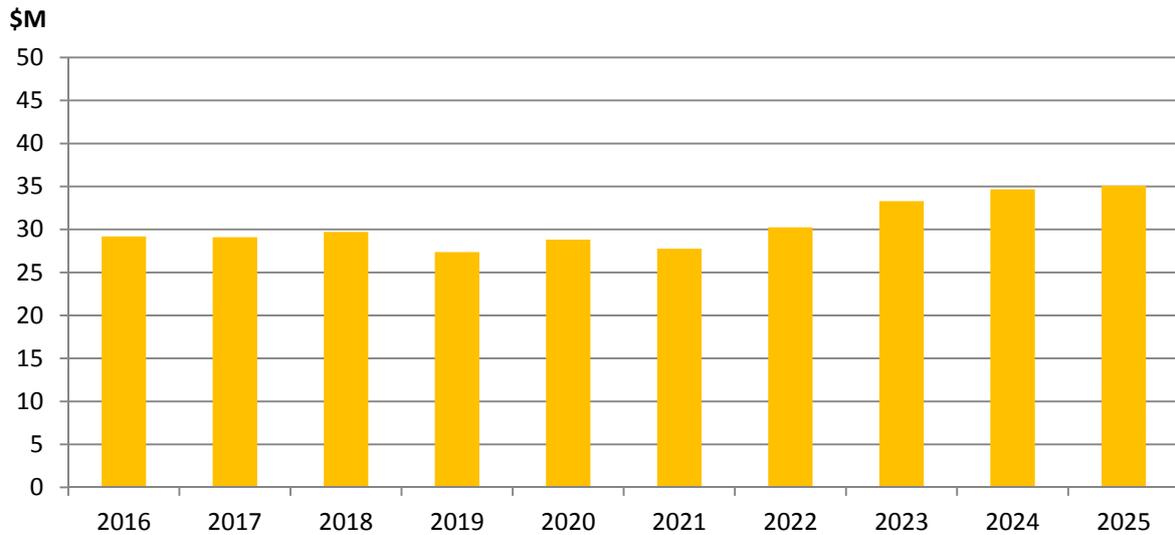
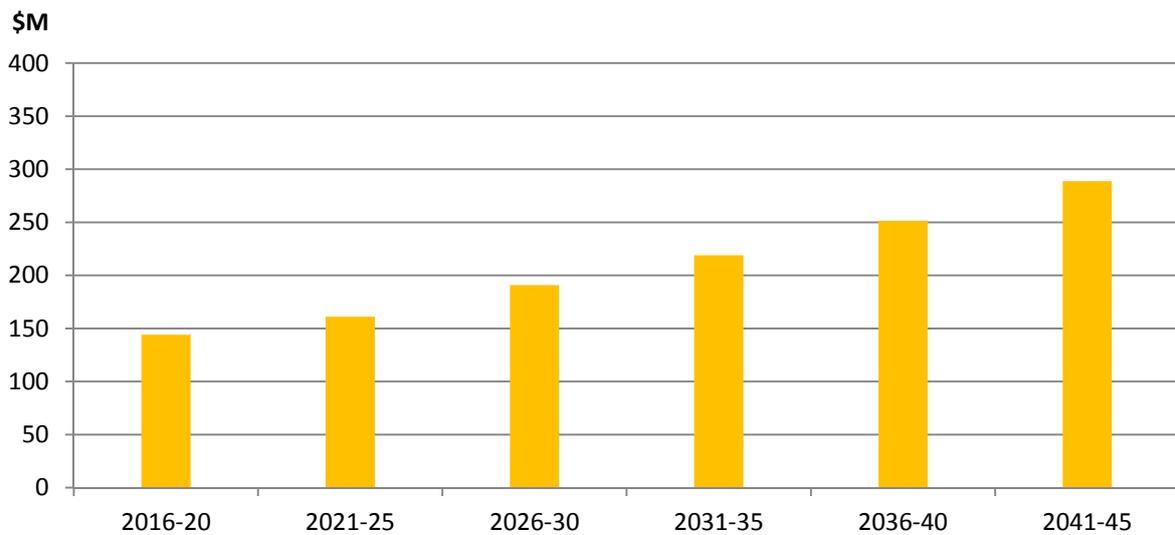


Figure 33: Forecasted operational expenditure for Transport - five yearly periods - 2015-45



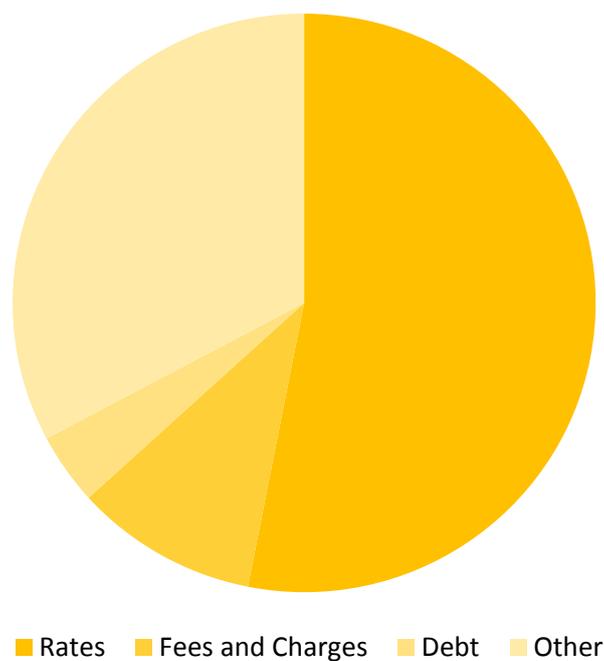
Current funding of activity

The Transport activity is currently funded through a mixture of:

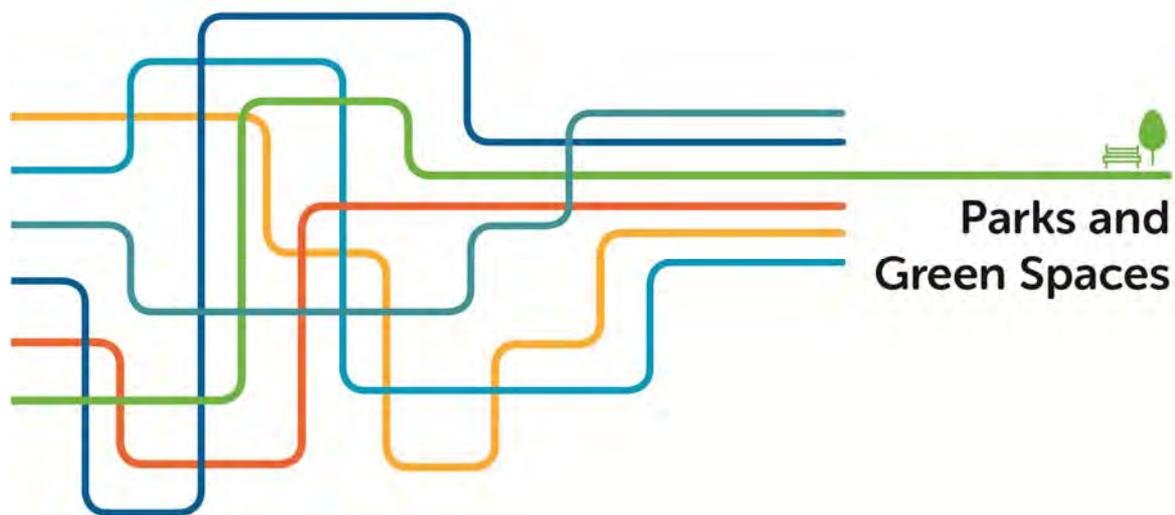
- rates collected in the year of expenditure
- rates to repay loans raised for capital works
- subsidies from central government through the New Zealand Transport Agency for:
 - operating and maintenance
 - renewals
 - other capital

The current subsidy from NZ Transport Agency for eligible projects and programmes is at a rate of 51 per cent.

Figure 34: Transport activity funding



Capital projects that are caused by (and provide benefits to) growth areas of the city are part funded by development contributions.



The Parks and Green Spaces activity provides the community with an opportunity to access open space, be involved in active or passive recreation, enjoy the visual appeal of the city, utilise public toilets when out and about and use off-road connections provided by walkways and cycleways.

Hamilton Gardens provides an important visitor attraction for the city and amenity value to the community.

CONTEXT

Within the Parks and Green Spaces activity, Council owns and manages over 900 hectares of open space. This includes 88 amenity parks, 45 natural environments and 48 sports parks. Fifty-four hectares at Hamilton Gardens provides a key tourist and local visitor attraction.

Council has an Open Space Plan which sets the long-term direction for open space in Hamilton.

Hamilton Gardens aspires to provide a world class garden that enhances the city's identity, prosperity and quality of life. Council has based its future planning for Hamilton Gardens on the following objectives:

- A key tourist and local visitor attraction, attracting over a million visitors each year.
- An amenity park.
- An events and community activities venue.
- An educational resource.
- A production nursery, supplying plants for Council parks and facilities.

To achieve these objectives, Council will focus on the development of Hamilton Gardens' themed gardens and enhancement of visitor facilities.

For Parks and Green Spaces, the objective is to provide passive and active recreation areas which meet the needs and expectations of the growing city. This will be achieved through the provision of popular, diverse playgrounds and increasing the quality and capacity of sports fields.

OVERVIEW OF ASSETS

Table 23

Asset group	Asset type	Purpose and description	Quantity
Land	Amenity parks, sports parks, natural areas, the streetscape and Hamilton Gardens	Land provided for active or passive recreation, visual appeal and off road connections. Includes 54 hectares at Hamilton Gardens.	986ha
Buildings	Toilets, changing rooms and other buildings on parks	To provide publicly accessible toilets, changing facilities for sporting groups and other buildings on parks including houses and work sheds.	115
Park infrastructure	Playgrounds	To provide playgrounds accessible to the public. Council currently provides destination playgrounds and neighbourhood playgrounds.	85
	Park furniture	Includes seats, picnic tables, rubbish bins, signs, plaques, lights.	2,712
	Car parks, roads, entry points, paths and paved areas, fences	Provides walking, cycling and vehicle access to parks.	1,086 76km paths 60km fences
	Sports fields, drainage and courts	Sports field assets that provide useable space for informal and organised sport.	186
	Structures	Structures (rotunda, pergolas, viewing platforms, etc.) Retaining walls/memorial walls, river structures (bridges, boat ramps, jetties) stormwater, water features.	1,517
	Trees	Park and street trees.	71,033

Figure 35: Parks and Green Spaces



Parks and Green Spaces
HAMILTON CITY

- | | | | |
|--|---|---|--|
| ■ Already Developed | ● Growth Area Playgrounds | ● Existing Destination Playgrounds | ● Future Destination Playgrounds |
| ■ Growth Area | 1- Peacocke | 1- Hamilton Lake Domain | 1- Glenview Park |
| — Main Roads | 2- Rotokauri | 2- Parana Park | 2- Bremworth Park |
| ■ Major Parks/Green Spaces | 3- Rototuna | 3- Claudelands | 3- Minogue Park |
| | 4- Ruakura | 4- ?? | 4- Dominion Park |
| | | | 5- Ashurst Park |
| | | | 6- Moonlight Reserve |
| | | | 7- Te Manatu Park |
| | | | 8- Porrit Stadium |
| | | | 9- Hillcrest Park |
| | | | 10- Hamilton Gardens |

SIGNIFICANT INFRASTRUCTURE ISSUES AND OPTIONS

The highlighted options is the preferred approach for addressing this issue and these options have been factored into the capital and operational planning and indicative estimates in this Strategy.

Issue: Making sure the cities playgrounds are high quality and easy to access

Table 24

Principal options	Implications of options
Don't maintain and upgrade the current number and type of playgrounds to the standard the community expect.	Community expectations will not be met and the current playground network will continue to deteriorate.
Implement playground plan: <ul style="list-style-type: none"> • Development of twelve destination playgrounds that provide high quality and creative play experience over 30 years. • Upgrade of neighbourhood playgrounds over 30 years. 	Deliver playground programme set out in 'Playgrounds of the Future' playground policy. Better match of infrastructure to community expectations.
Part-fund playground plan by seeking external funding (one third contribution) for new destination playgrounds.	Increased community ownership of playgrounds. Pace of development reliant on securing third party funding.

Issue: Having enough sports fields of suitable quality for organised sport

Table 25

Principal options	Implications of options
Maintain the current sports fields but provide no further development.	<ul style="list-style-type: none"> • Quality and capacity of sports fields will continue to decrease and expectations not met.
Manage demand by limiting bookings.	<ul style="list-style-type: none"> • Quality would increase but demand would not be met, not meeting need for organised sport.
Further develop high priority sports fields and facilities through improved drainage and installation of irrigation.	<ul style="list-style-type: none"> • Quality and capacity of current sports fields will increase but at a high capital cost. Community expectations and demand will be met.
Develop Rototuna Sports Park.	<ul style="list-style-type: none"> • Increase capacity in northern area of the city. Community expectations and demand will be met.

Issue: Make sure large open space areas are provided in new areas of the city

Table 26

Principal options	Implications of options
Ensure future reserve land is identified and protected	<ul style="list-style-type: none"> Land is protected for future purchase and development by Council for reserves. Community expectations and demand will be met.
Purchase and develop reserve land for public use.	<ul style="list-style-type: none"> Community expectations and demand will be met, a range of well-connected functional public open space provided.
Development of new reserve land into useable parks including Mangaiti, Te Manatu, Rotokauri and Rototuna West reserve land.	<ul style="list-style-type: none"> Current community expectations for development and demand will be met.

INDICATIVE ESTIMATES

Capital expenditure

The estimated capital needs for the Parks and Green Spaces activity have been prepared for the next 30 years. The forecasted capital expenditure from year ending 30 June 2016 to 2025 has been included in the draft 2015-25 10-Year Plan.

Figure 36: Forecasted capital expenditure for Parks and Green Spaces each year – 2015-25 10-Year Plan

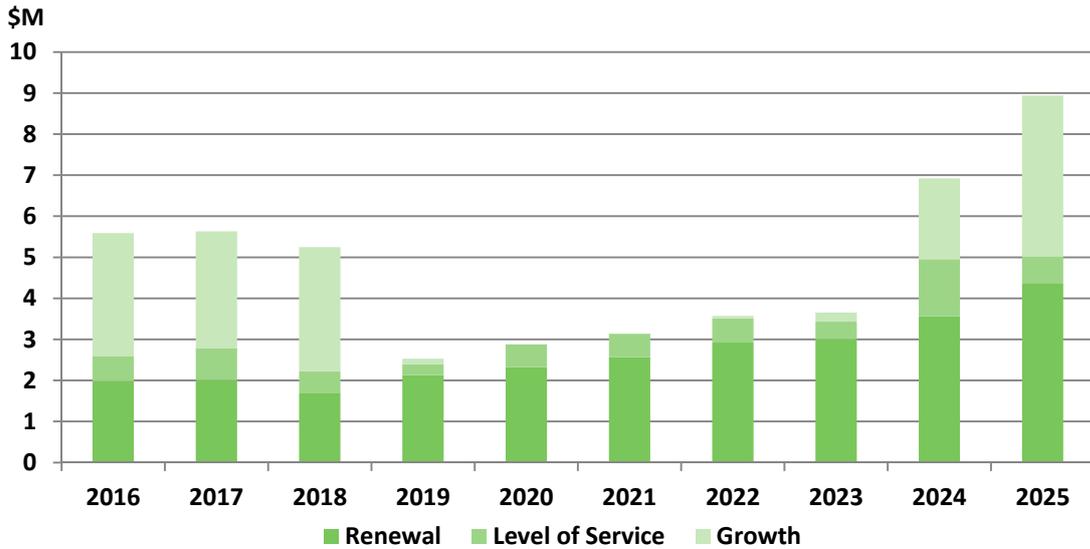
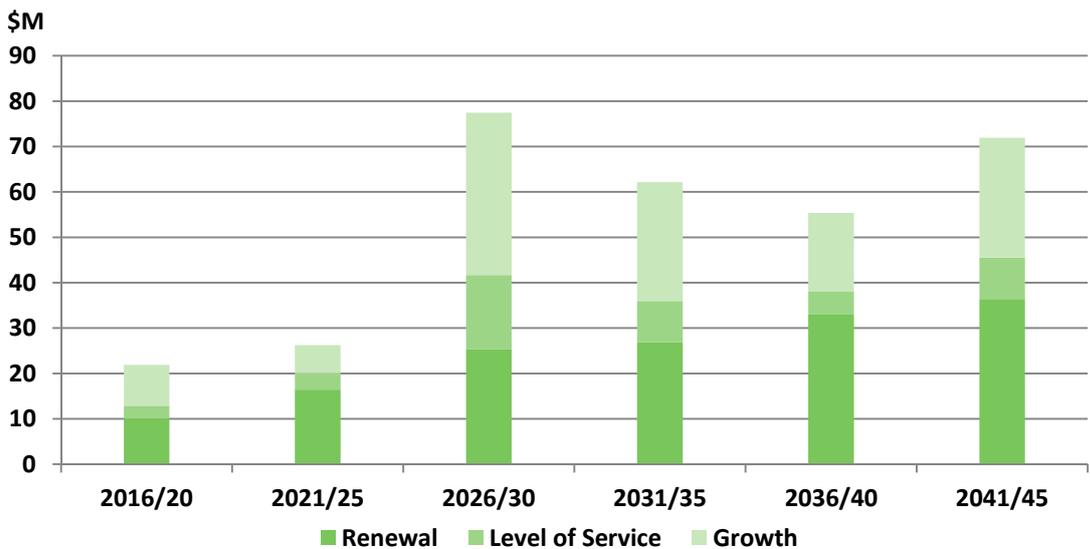


Figure 37: Forecasted capital expenditure for Parks and Green Spaces - five yearly periods - 2015-45



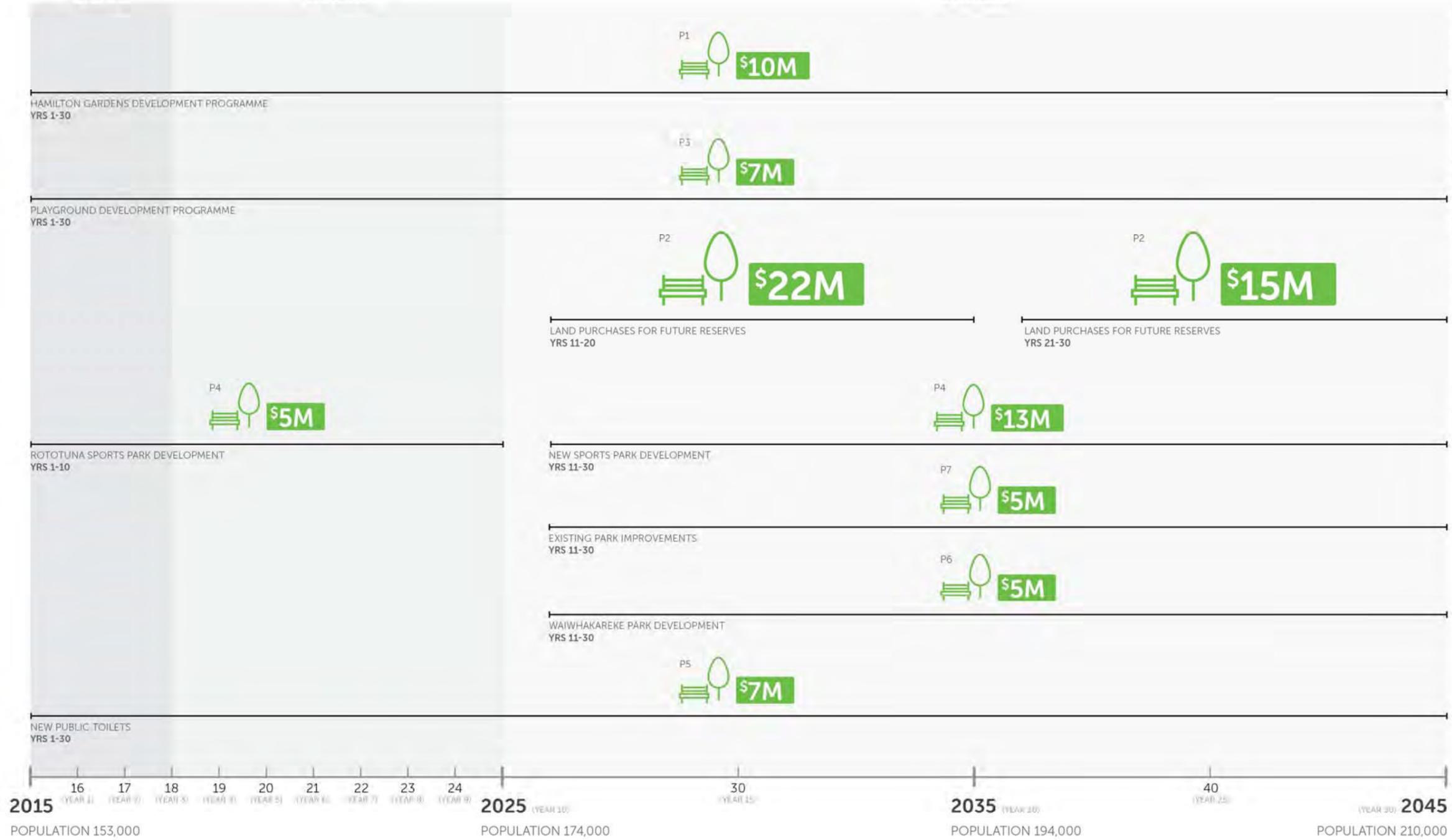
The following significant infrastructure projects have been included in the estimated capital expenditure.

PARKS AND GREEN SPACES

DETAIL

OUTLINE

ESTIMATE



*ALL COSTS DO NOT INCLUDE INFLATION AND ARE NET COST TO COUNCIL WHERE APPROPRIATE.

TOTAL CAPITAL COSTS BY AREA



Projects shown as icons are the strategic projects to provide new or upgrade existing infrastructure. These do not include renewal projects or growth related projects that are for non-strategic (local) infrastructure. Only key construction periods and costs for projects are shown. All costs are shown on timelines. Total capital costs by area.

Operational expenditure

The forecasted operational expenditure from year ending 30 June 2016 to 2025 has been included in the draft 2015-25 10-Year Plan. Estimated expenditure beyond 2025 is based on the year 10 forecast and then adjusted for anticipated future growth of the city.

Operational expenditure includes indirect costs to provide the service to the community such as depreciation, interest costs and overheads. Forecasted operational expenditure is shown as net costs.

Figure 38: Forecasted operational expenditure for Parks and Green Spaces each year – 2015-25 10-Year Plan

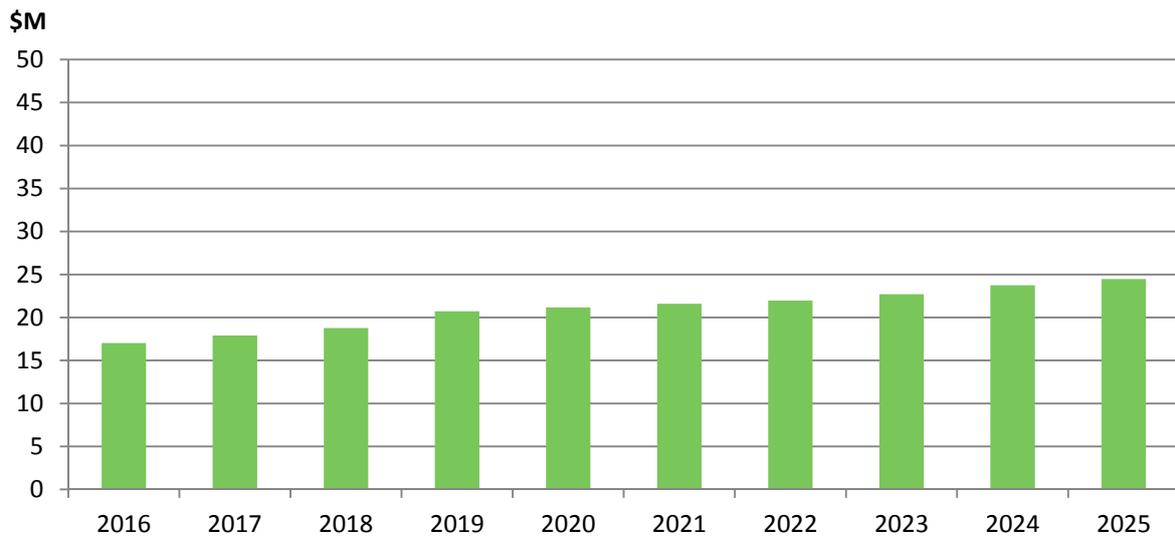
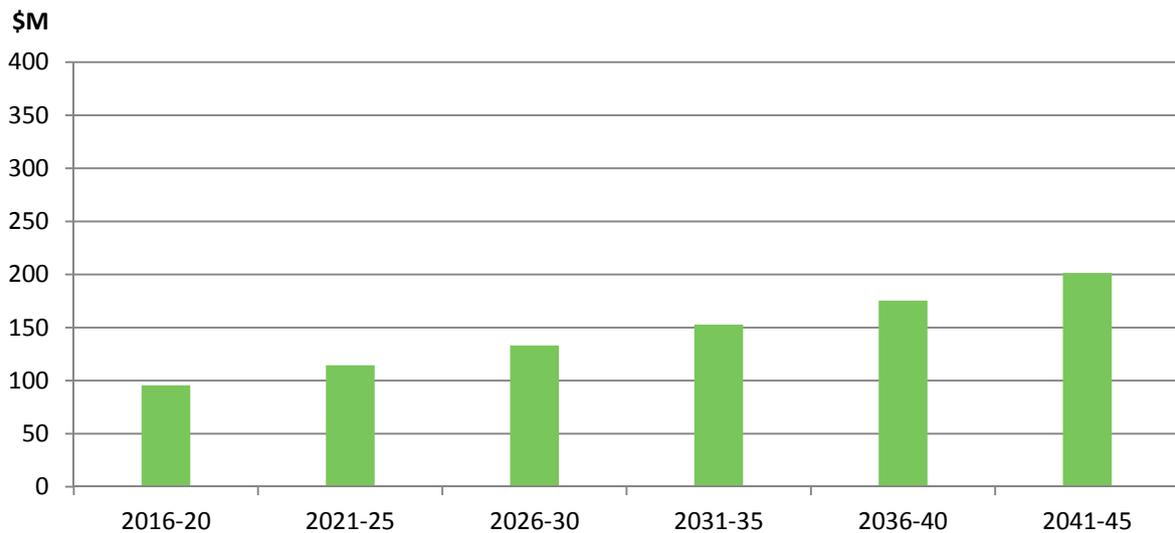


Figure 39: Forecasted operational expenditure for Parks and Green Spaces – five yearly periods – 2015-45

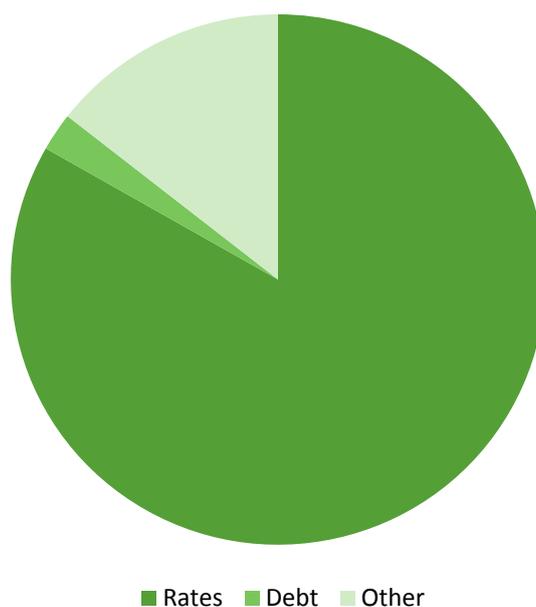


Current funding of activity

The Parks and Green Spaces activity is currently funded through a mixture of:

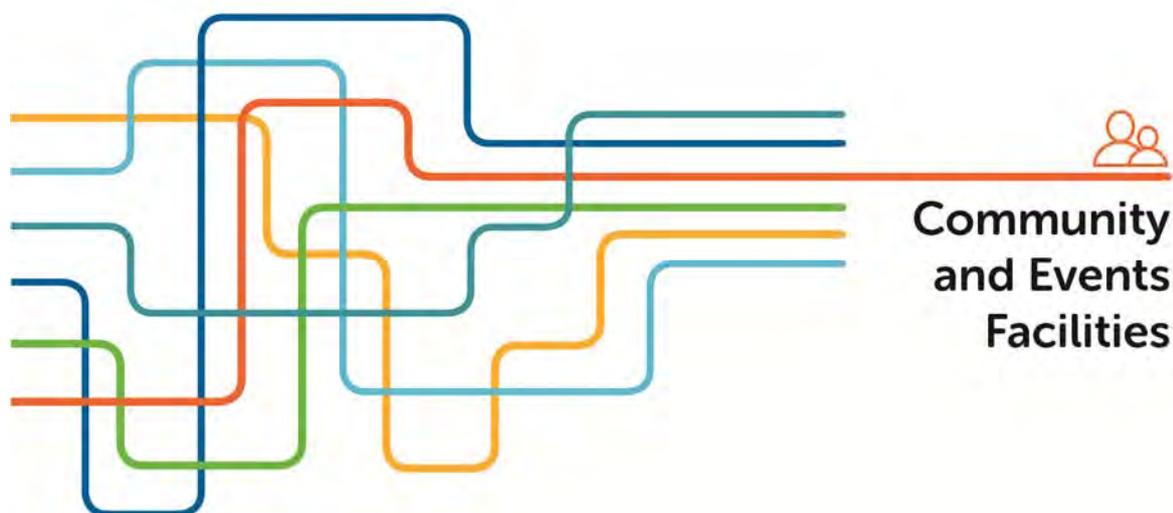
- rates collected in the year of expenditure
- rates to repay loans raised for capital works
- user charges for organised sports.

Figure 40: Parks and Green Spaces activity funding



The funding model for Hamilton Gardens to complete an additional five themed gardens and infrastructure capital investment is:

- One-third from rates funded through a targeted rate of \$10 per rateable property for four years from 2014/15 to 2018/19
- Two-thirds from external funding – community and central government grants, philanthropists and corporate sponsorship.



Council owns and operates community and events facilities. These facilities support and strengthen the community, encourage an active lifestyle, and promote economic growth through attracting events and visitors to the city.

These facilities help to make Hamilton be a modern liveable city where its residents are able to access library and leisure opportunities and experience local and international sporting events and performances.

CONTEXT

Indoor recreation and pools

Hamilton is the regional hub for many of the aquatic and indoor sporting codes. As such the city requires facilities to provide for regional and sub-regional competitions and training facilities. Pools and indoor recreation facilities are included in the Waikato Regional Sports Facility Plan 2014, which Council adopted in September 2014. The sports facility plan recommends increasing capacity for both pools and indoor recreation facilities within Hamilton.

Council owns and operates one indoor recreation facility at Te Rapa Sportsdrome. The Sportsdrome is the regional base for volleyball, and it also supports local sports and community users.

Waterworld, Te Rapa, is the Waikato regional centre for swimming and hosts local and national competitions. Waterworld is also a major facility for local residents and visitors to Hamilton. Gallagher Aquatic Centre, Melville, is a smaller community pool.

Libraries

In 2014 Council adopted a strategic plan for the future of libraries in Hamilton. A libraries facilities plan is being prepared to determine the necessary library infrastructure required to deliver on the libraries strategic plan.

Council currently operates six libraries, visited by a total of over one million users each year. Membership across the libraries is over 75,000. Close to 1.5 million items are issued, 272,000 internet and wifi sessions conducted and 1300 events are hosted or facilitated by Hamilton's libraries each year.

Cemeteries and Crematorium

Council operates and maintains one operational cemetery and two heritage cemeteries:

- Hamilton Park Cemetery, including the crematorium and chapel facilities. It operates on 18 hectares, with a further 14 hectares available for future development. A development plan for Hamilton Park Cemetery was developed in 2014.
- Hamilton West Cemetery opened in 1869 and was closed in 1975.
- Hamilton East Cemetery, opened in 1866, remains open for reserved plot burials and ash interments.

Waikato Museum

The Waikato Museum cares for, preserves and shares the stories about the objects and *taonga* of the Waikato region and beyond. The museum provides exhibitions, public programmes and education programmes about social history, visual arts, *tangata whenua* and science. It delivers its services from three sites:

- The museum building in Grantham Street which houses collections, and offers public exhibitions, education and public programmes.
- ArtsPost, a retail and community gallery space.
- Beale Cottage, a 'Category 1' Historic Place, open for public tours.

Hamilton Zoo

The Hamilton Zoo Master Plan was developed in 2014 and provides a 'green-print for the future of the zoo' for the next 25 years. It contains a high level development programme based around five phases. The zoo covers 21 hectares of landscaped grounds with another 7 hectares available for future use. It is home to more than 600 exotic and native New Zealand animals. The unique experience at Hamilton Zoo allows residents and visitors to enjoy wildlife in a natural setting and encourage support for wildlife conservation and sustainability of natural resources.

H3

H3 delivers a diverse range of quality events within Council owned event facilities across the following event categories:

- Meet – Meetings, conferences, functions and exhibitions.
- Compete – Sporting events.
- Perform – Performance events such as music, dance, comedy.

Events are delivered from the following facilities:

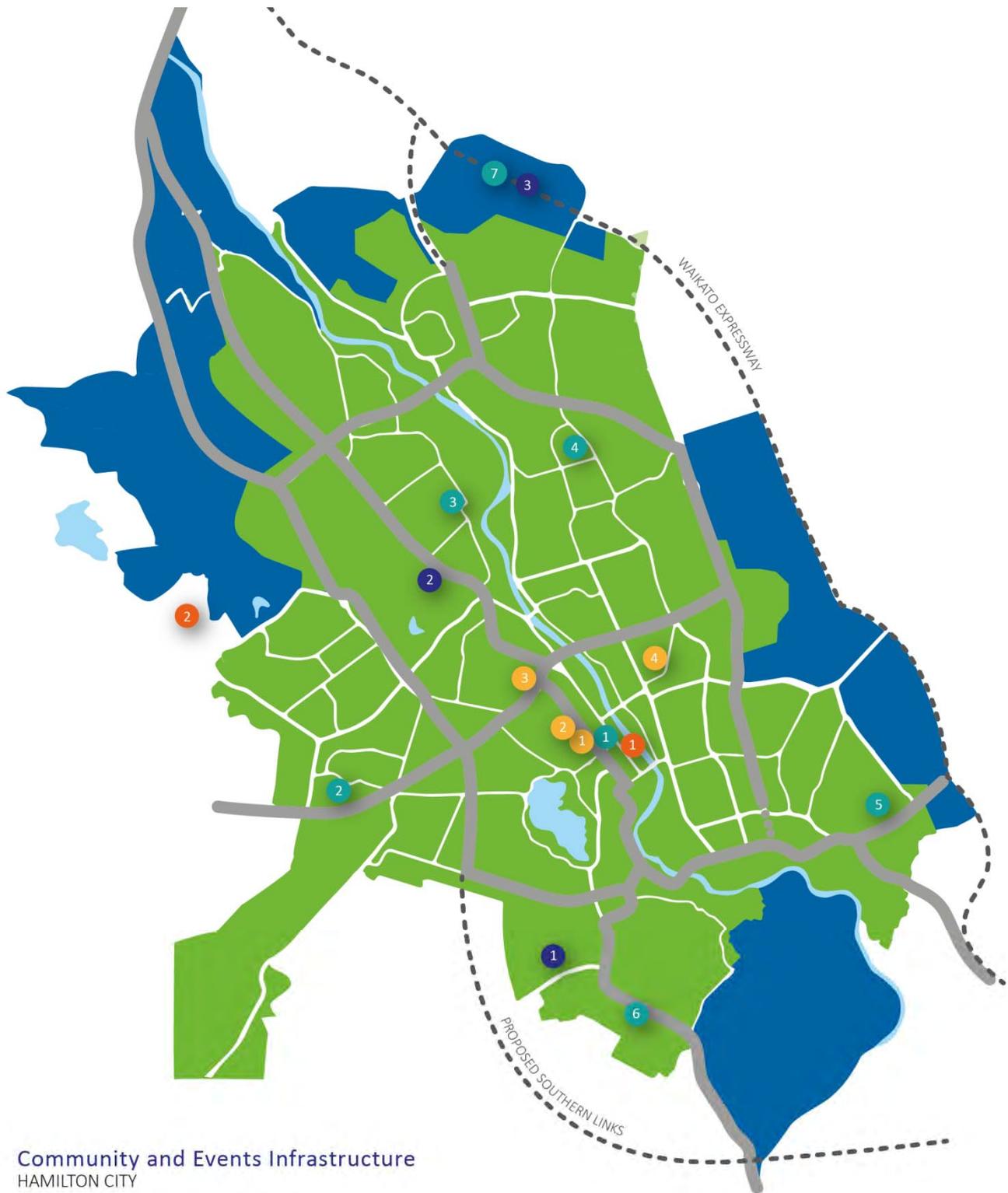
- Theatres (Founders Theatre and Clarence Street Theatre).
- Stadiums (Waikato Stadium and Seddon Park).
- Claudelands (Arena, Conference and Exhibition Centre, The Grandstand, Holman Stand).

OVERVIEW OF ASSETS

Table 27: Overview of Community and Events assets

Asset group	Asset type	Purpose and description	Quantity
Property and buildings	Pools	Waterworld and Gallagher Aquatic Centre with ancillary buildings. The Municipal Pool is currently inoperative.	3
	Indoor recreation	Te Rapa Sportsdrome.	1
	Cemeteries	Crematorium, chapel, and ancillary buildings.	1
	Libraries	Six libraries.	6
	Museum	Waikato Museum building, ArtsPost, Beale Cottage.	3
	Zoo	Main Zoo reception/shop, ancillary buildings, significant animal houses.	1
	H3 - Claudelands	Conference Centre, Exhibition Centre and Arena under one roof, the Grandstand and ancillary buildings.	1
	H3 - Waikato Stadium	Grandstands and ticket booths.	1
	H3 - Seddon Park	Pavilion and ancillary buildings.	1
H3 - Founders Theatre	Theatrical venue for performing arts and entertainment.	1	
Operational assets	Pools equipment	Furniture, water treatment equipment, and pool, gym, play and aqua education equipment.	3,000
	Library collection	Lending collections of books, serial items, DVDs, CDs, recordings and heritage collections.	Over 900,000 items
	Library equipment	Furniture, technology and library equipment.	15,000
	Cemetery equipment	Burial and crematorium equipment, park furniture, signs, carparks and roads.	2,150
	Museum collection	Collections of artwork, <i>taonga</i> and objects.	24,900
	H3 Claudelands equipment	Specialist equipment for conferences, exhibitions and arena events.	14,500
	H3 Waikato Stadium equipment	Specialist equipment for sporting events and conferences at Waikato Stadium and Seddon Park.	18,800
	H3 Founders equipment	Specialist Theatre Production equipment.	1,500

Figure 41: Community and Events infrastructure



Community and Events Infrastructure
HAMILTON CITY

- | | | | | |
|--|--|---|---|--|
| ■ Already Developed | ● Libraries
1- Central Library
2- Dinsdale Library
3- St. Andrews Library
4- Chartwell Library
5- Hillcrest Library
6- Glenview Library
7- Future Library | ● Aquatic Centres
1- Gallagher Aquatic Centre
2- Waterworld
3- Future Aquatic Centre | ● Event Venues
1- Seddon Park
2- Founders Theatre
3- Waikato Stadium
4- Claudelands | ● Attractions
1- Waikato Museum
2- Hamilton Zoo |
| ■ Growth Area | | | | |
| — Main Roads | | | | |

SIGNIFICANT INFRASTRUCTURE ISSUES AND OPTIONS

The highlighted options is the preferred approach for addressing this issue and these options have been factored into the capital and operational planning and indicative estimates in this Strategy.

Issue: Funding important regional, community and event infrastructure over the longer term

Many of the services contained in this infrastructure group have funding gaps between requirements to deliver on future plans for the service and available funding in the 10-Year Plan. Particular challenges exist for implementation of the following plans:

- Waikato Regional Sports Facility Plan 2014.
- Hamilton Libraries Strategic Plan 2014.
- Hamilton Cemeteries Draft Management Plan 2014.
- Hamilton Gardens Management Plan 2013.
- Hamilton Zoo Master Plan 2014.
- Hamilton City Council Theatre Review 2013.
- Waikato Creative Infrastructure Plan 2014.

Table 28

Principal options	Implications of options
Hamilton City Council continues existing funding model with little or no wider regional contributions.	<ul style="list-style-type: none"> • Hamilton ratepayers continue to subsidise users from outside the city.
Introduce tiered pricing for Hamilton residents and non-residents.	<ul style="list-style-type: none"> • Administrative complexity in identifying residents and likely to encounter work-arounds.
Implement sub-regional funding models for services that are sub-regional in nature.	<ul style="list-style-type: none"> • Difficult to implement as will require agreement from other decision-making and funding organisations.

INDICATIVE ESTIMATES

Capital expenditure

The estimated capital needs for the Community and Events activity have been prepared for the next 30 years. The forecasted capital expenditure from year ending 30 June 2016 to 2025 has been included in the draft 2015-25 10-Year Plan.

Figure 42: Forecasted capital expenditure for Community and Events each year – 2015-25 10-Year Plan

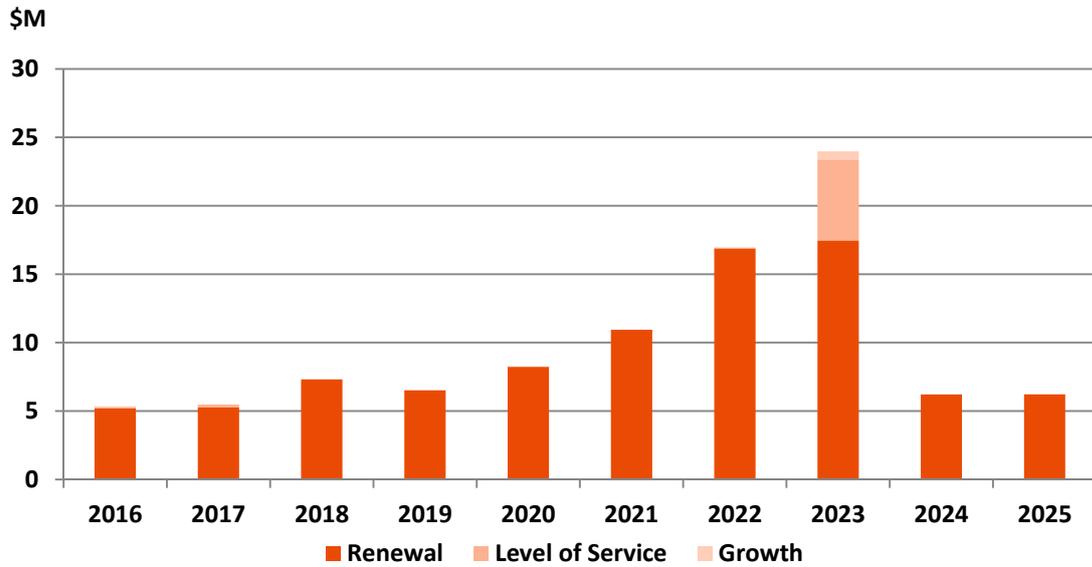
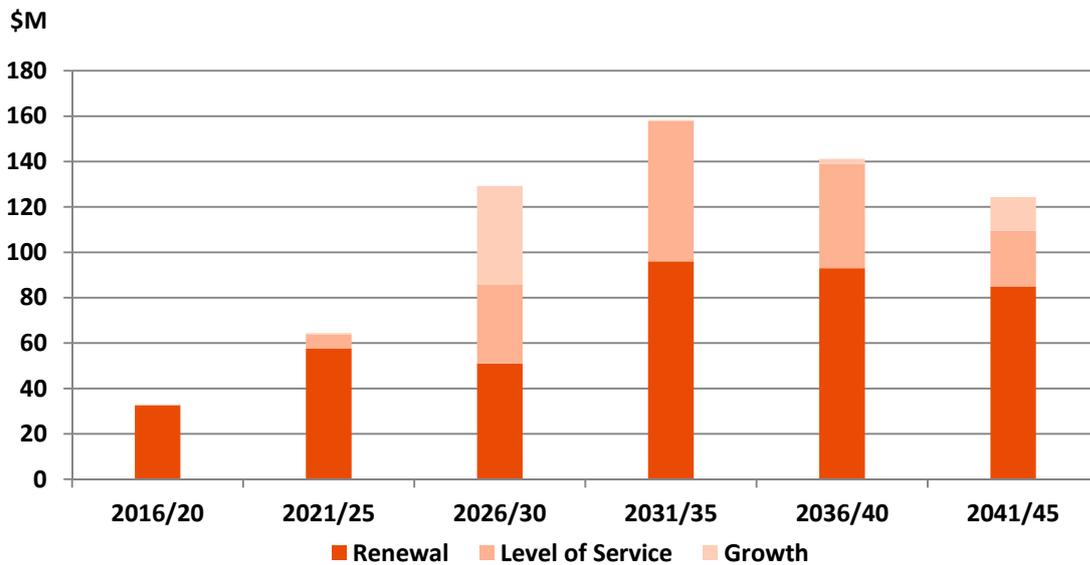
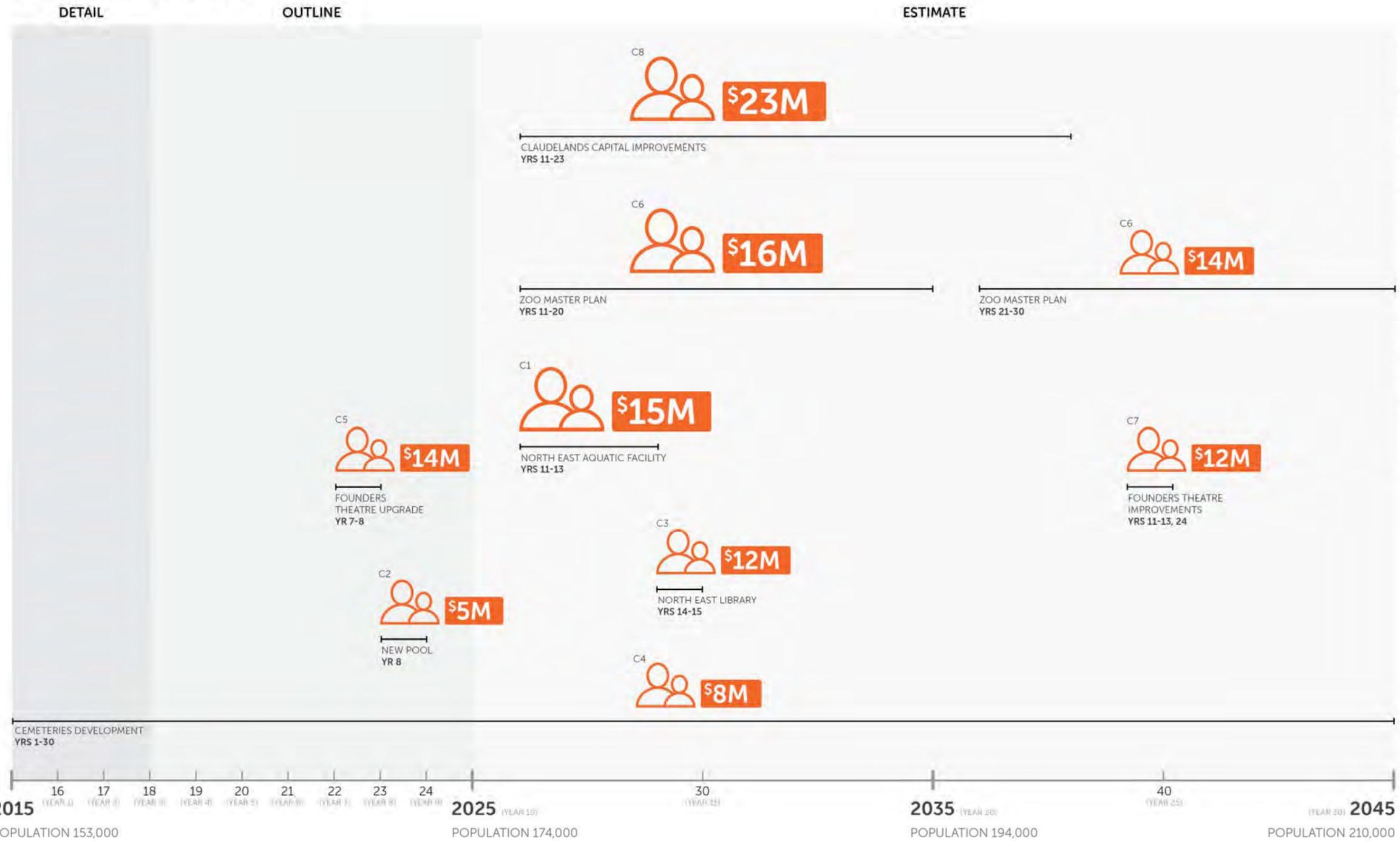


Figure 43: Forecasted capital expenditure for Community and Events – five yearly periods – 2015-45



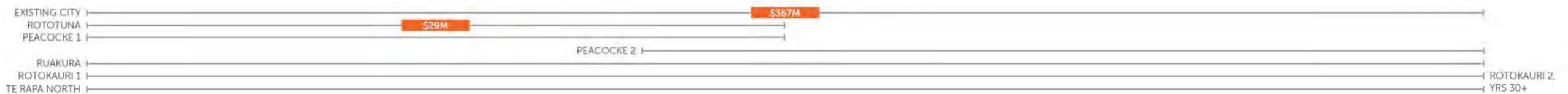
The following significant infrastructure projects have been included in the estimated capital expenditure.

COMMUNITY AND EVENTS



*ALL COSTS DO NOT INCLUDE INFLATION AND ARE NET COST TO COUNCIL WHERE APPROPRIATE.

TOTAL CAPITAL COSTS BY AREA



Projects shown as icons are the strategic projects to provide new or upgrade existing infrastructure. These do not include renewal projects or growth related projects that are for non-strategic (local) infrastructure. Only key construction periods and costs for projects are shown. All costs are shown on timelines 'Total capital costs by area'.



Fold out this page
for an overview of
major community
and events facilities
projects for the
next 30 years

Operational expenditure

The forecasted operational expenditure from year ending 30 June 2016 to 2025 has been included in the draft 2015-25 10-Year Plan. Estimated expenditure beyond 2025 is based on the year 10 forecast and then adjusted for anticipated future growth of the city.

Operational expenditure includes indirect costs to provide the service to the community such as depreciation, interest costs and overheads. Forecasted operational expenditure is shown as net costs.

Figure 44: Forecasted operational expenditure for Community and Events each year – 2015-25 10-Year Plan

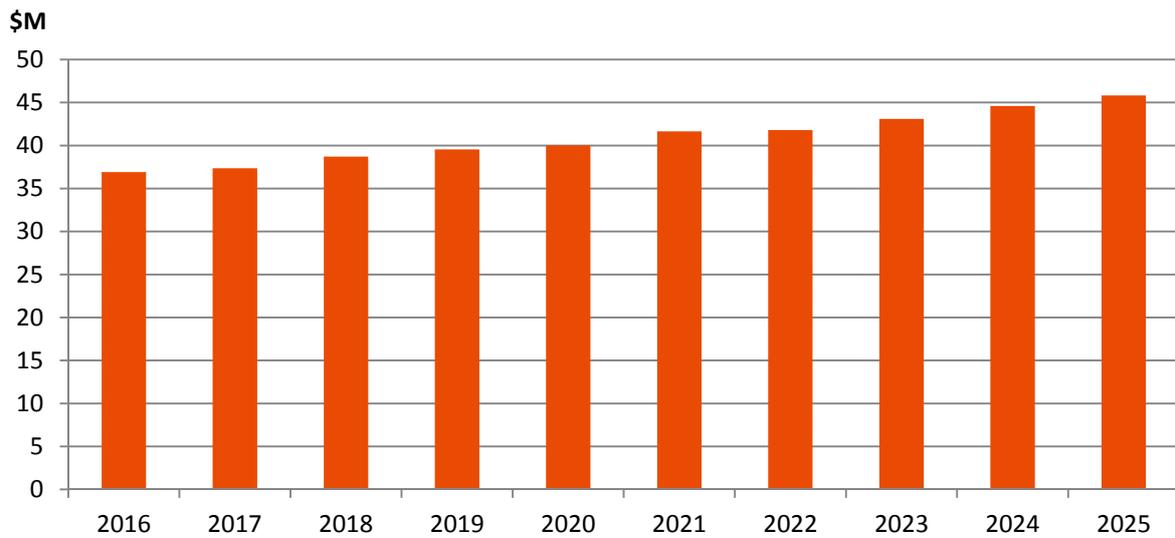
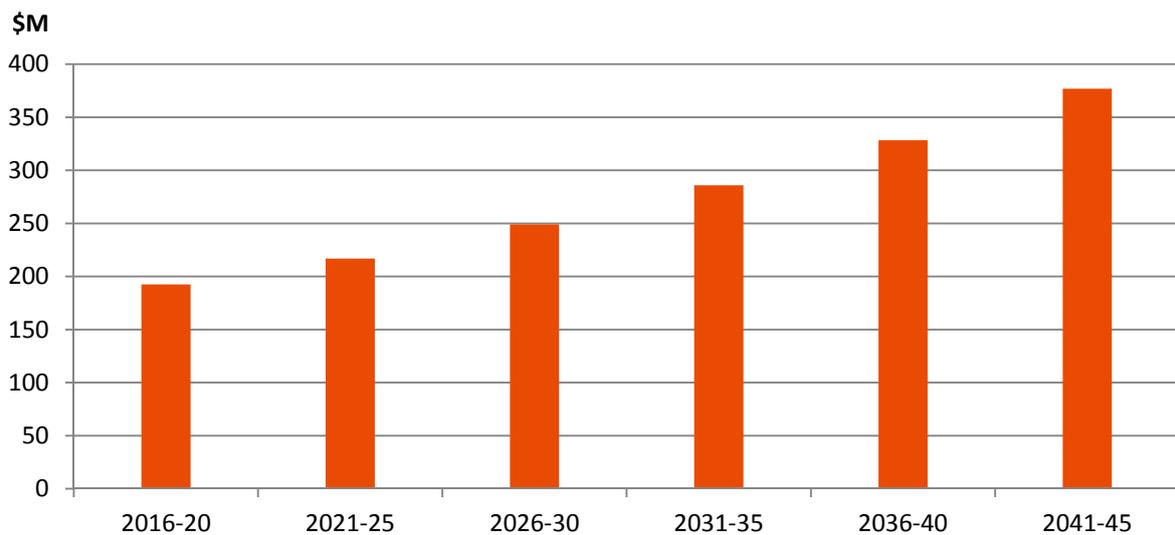


Figure 45: Forecasted operational expenditure for Community and Events – five yearly periods – 2015-45



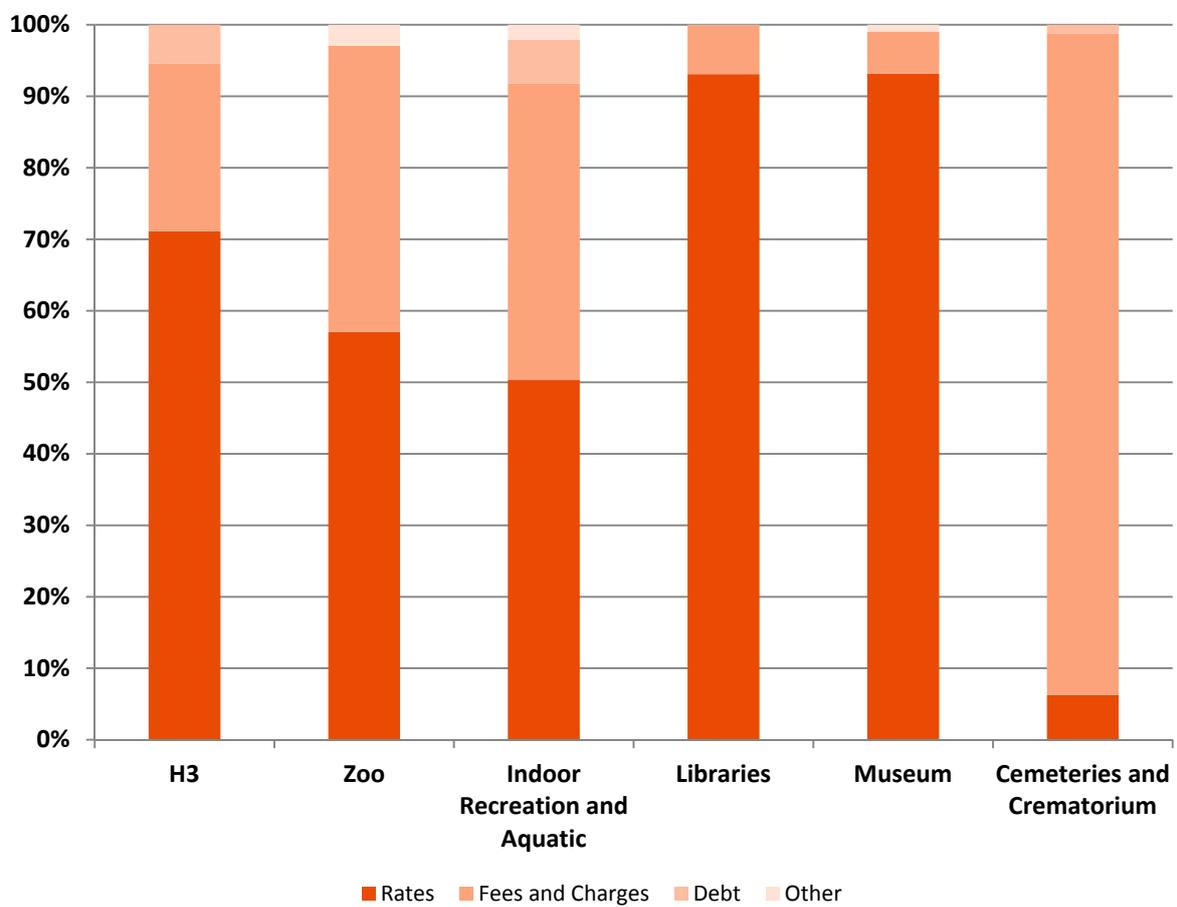
Current funding of activities

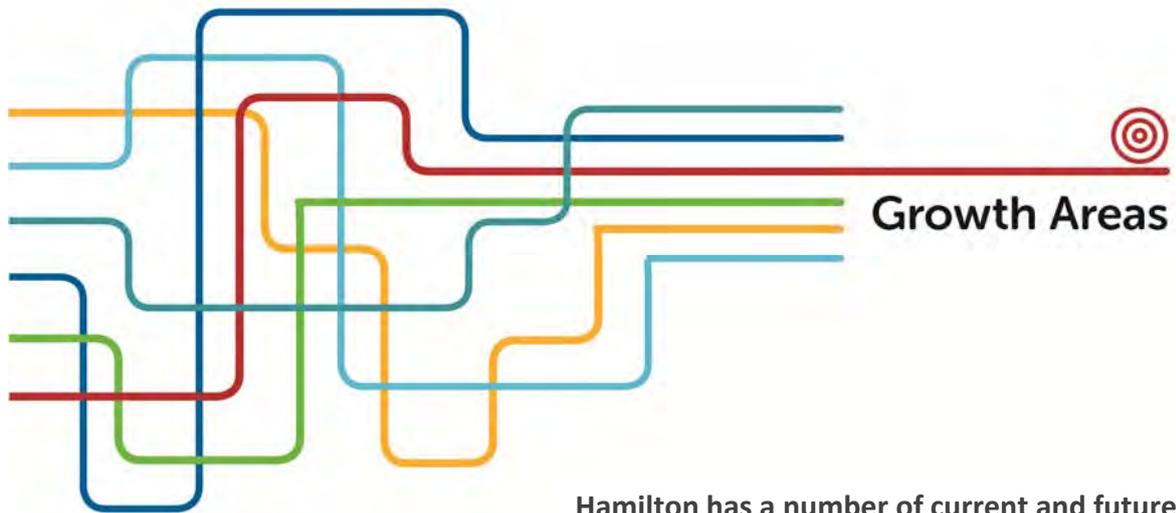
The Community and Events activities are currently funded through a mixture of:

- rates collected in the year of expenditure
- rates to repay loans raised for capital works
- donations
- user charges for services provided and venue hireage.

The graph below shows the proportion of funding for the various activities.

Figure 46: Community and Events activities funding





Hamilton has a number of current and future growth areas to provide for its long-term needs. Each area is unique and is a different point of development.

Council is responsible to manage growth efficiently and make sure that good quality infrastructure is in place for new areas - connecting them to the existing city in a way that will be sustainable over the long-term.

HAMILTON'S GROWTH AREAS

The fold out guide inside the front cover of this Strategy, indicates the assumed timing for when development will occur for each of the major growth cells within Hamilton.

This section of the Strategy provides information on the current growth areas in Hamilton. It has been included in the Strategy as a significant amount of the forecast expenditure over the next 30 years is to provide the necessary infrastructure for a growing city.

Even though there is more than enough land within these growth areas for many decades of projected growth, there is periodic assessment of other areas around the city that may provide good quality and cost effective growth opportunities. The Waikato Spatial Plan is currently being prepared and may identify areas where it makes sense to start planning for land use changes outside Hamilton current growth areas.

The completion of the Waikato Expressway by 2020 will provide a feature to the north and east of Hamilton. This will reorient some parts of Waikato District towards Hamilton as the Expressway will sever some roads and have limited opportunity for crossing. These areas have been anticipated to become part of Hamilton over the longer term.

The maps in this section of the Strategy show yet to be developed land in growth areas that is:

Serviced residential land	Land that has the strategic infrastructure in place and therefore be available for developer to construct the local infrastructure required for development to occur
10- year service residential land	Residential land that by the end of the 10-years of the 2015-25 10-Year Plan will have the strategic infrastructure in place and therefore be ready for developer to construct the local infrastructure required for development to occur

CITYWIDE (EXISTING CITY)

Background

The Hamilton Urban Growth Strategy states that future growth will be split 50/50 between development in existing parts of the city and greenfield areas.

Development in the existing city is a mixture of the following:

- Infill – subdivision of larger sections in general residential zones.
- Intensification – development to a higher density in identified intensification areas.

The Proposed District Plan identifies six areas targeted for residential intensification:

- In and around the Central City
- Dinsdale
- Hamilton East
- South of the Hospital
- University
- Five Cross Roads.

Current situation

The water treatment and wastewater treatment plants have been upgraded on a ‘just in time’ basis as the city grows.

In a general sense, low level infill development can be accommodated within existing strategic infrastructure.

The planned city-wide investments in the strategic water, wastewater and treatment plants are required to service the intensification areas, as well as support growth in the greenfield areas.

The future state highway network (Waikato Expressway, the Te Rapa section of the Waikato Expressway and Southern Links) is secured by designations.

The Ring Road is largely in place and secured for four lanes (except the Maungakaraheke Drive, the railway overbridge by The Base, Ruakura Road and along Kahikatea Drive and Greenwood Street due to land constraints).

At present, the majority of the strategic transport network is in place as either two or four lanes, with the exception of future connections to the unconstructed sections of the Waikato Expressway and Southern Links.

Figure 47: Long-term growth areas city-wide



ROTOTUNA

Background

Rototuna has been Hamilton's main greenfield growth area for residential development.

The first residential subdivisions occurred in the late 1980's and the first structure plan was approved in 1992.

In the early years, this growth cell was in highly fragmented ownership. Over time, the land ownership has consolidated into what is now a small group of six - eight large developers.

The Waikato Expressway designation was confirmed in early 2000 and severed part of the growth cell, creating a residential pocket to the northeast. The urban residential zoning for this land has recently been confirmed.

Current situation

This growth cell has all the city-wide strategic services in place or committed to the southern edge of the development area and internally within the cell.

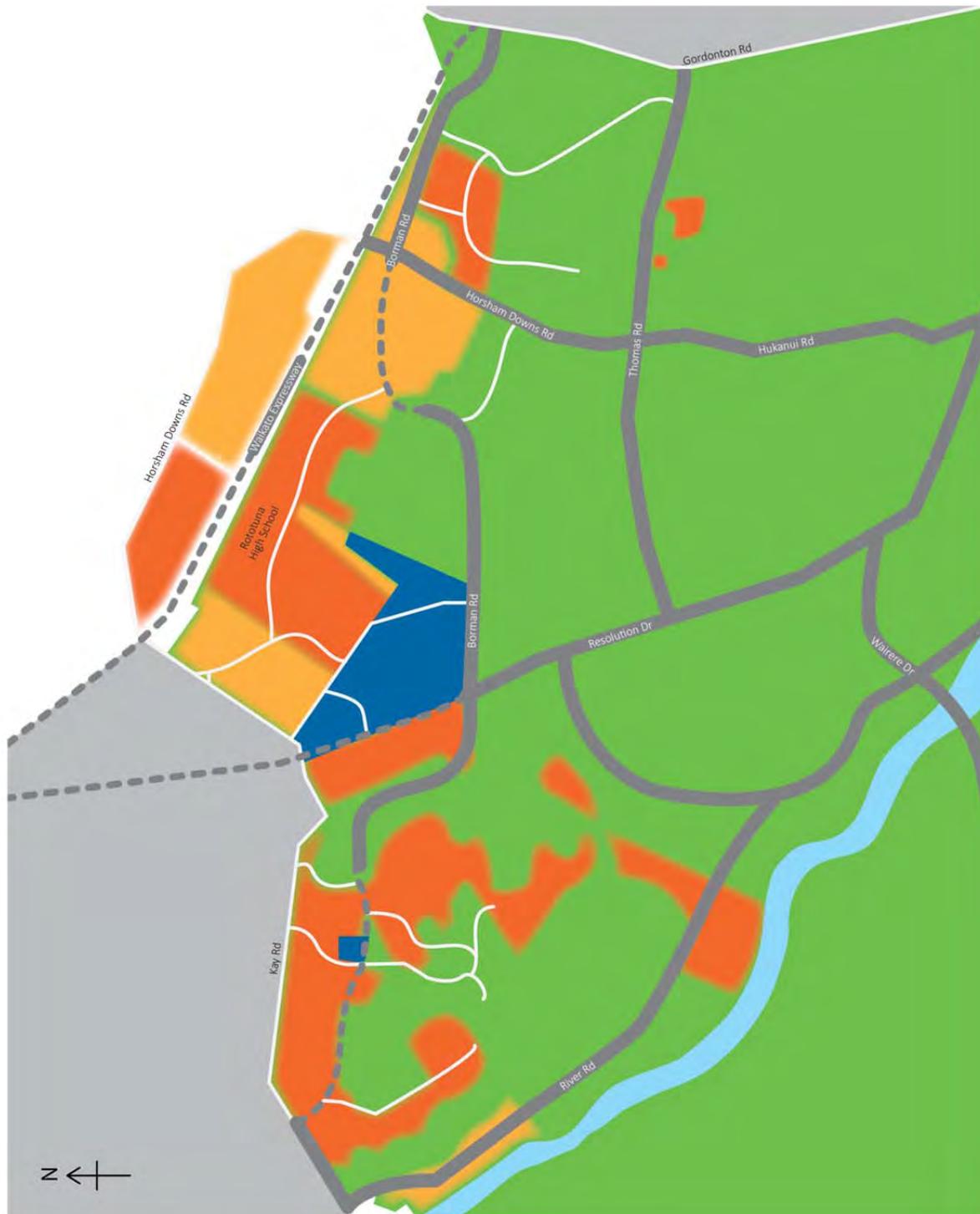
Council has made a significant investment in infrastructure in this growth area over a long period of time, including a new major arterial road from Pukete (Wairere Drive), a new traffic bridge over the Waikato River and a new major wastewater bridge over the Waikato River. This work was generally completed within three years of the structure plan being approved in 1992.

The area west of Resolution Drive is largely consented for development.

The area immediately east of Resolution Drive is generally in single ownership and includes provision for schools, community facilities, and residential development.

The area north of the Waikato Expressway is undeveloped and an extension of services is required for urbanisation to proceed.

Figure 48: Rototuna Growth Area



- | | | | |
|---|-----------------------------------|---|----------------------------|
|  | Already Developed |  | Commercial/Employment Area |
|  | Long-term Growth Area |  | Main Roads |
|  | Serviced Residential Land |  | Future Main Roads |
|  | 10-Year Serviced Residential Land | | |

ROKOKAURI

Background

Rotokauri was brought into the city from Waikato District in 1989.

It was zoned from 'rural' to 'future urban' by the Operative District Plan in 1999.

The Structure Plan, prepared between 2006-2009, enabled Stage 1 for residential and industrial development and kept Stage 2 as future urban.

The decisions on the Proposed District Plan have extended Stage 1, although this decision is currently subject to appeals to the Environment Court.

Current situation

This growth has all the city-wide strategic services in place to the edge of the industrial zone.

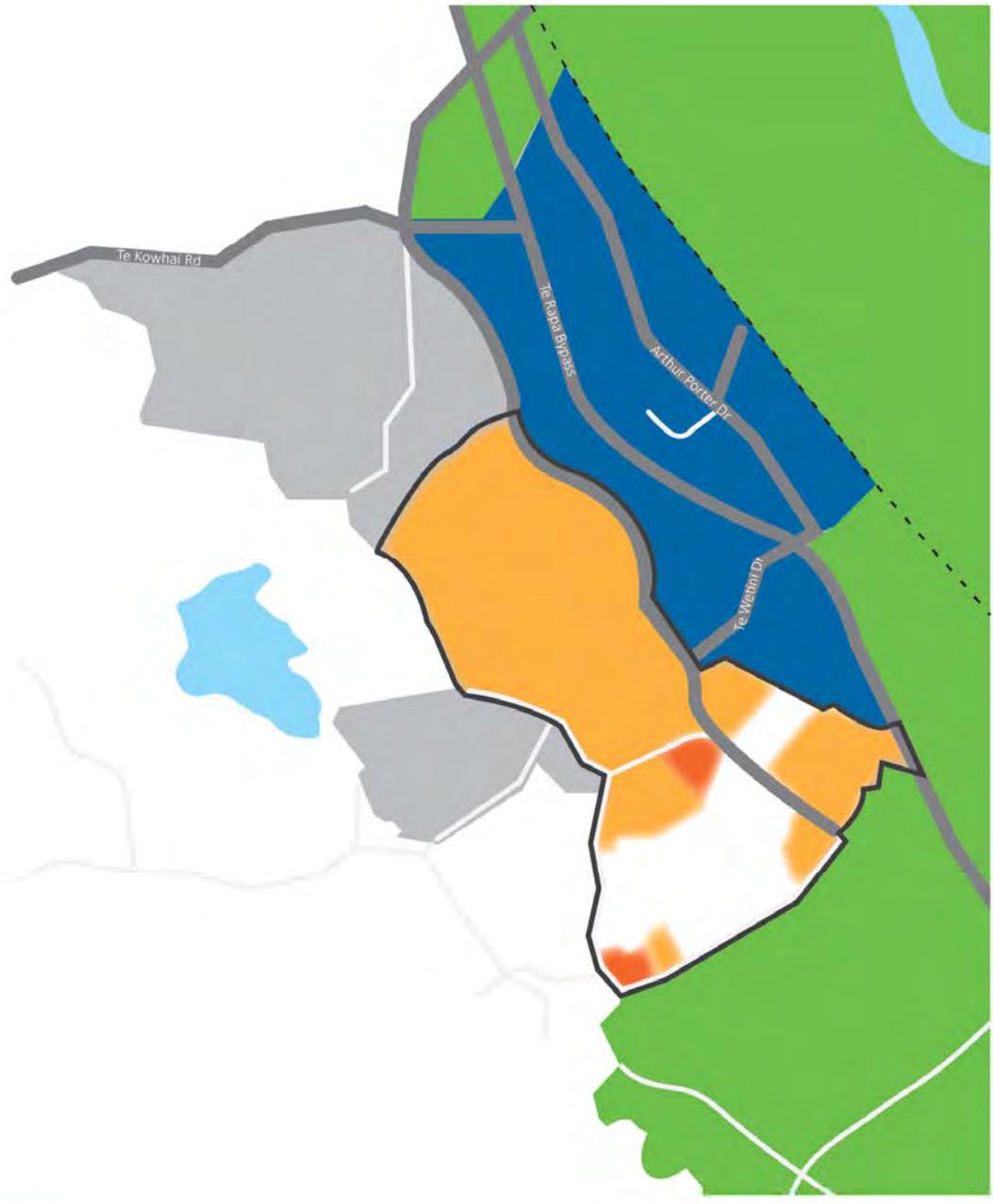
Council, in partnership with the NZ Transport Agency (NZTA), has invested over \$180.0M in designating and constructing the Te Rapa section of the Waikato Expressway and associated local road connections. This work has facilitated the Stage 1 industrial development which is now largely complete or consented.

The local road connections completed are: two structures below the Te Rapa section of the Waikato Expressway, the Te Wetini Drive arterial to Wintec's entrance and part of Arthur Porter Drive.

For wastewater, the Council has completed a significant interceptor extension south to support all industrial development. A further extension of the far western interceptor will provide the strategic wastewater infrastructure for the wider growth area.

There are some areas where developers are currently able to connect into strategic infrastructure. However with the investments scheduled in the 2015-25 10-Year Plan, a significant amount of the Stage 1 area will have the necessary strategic infrastructure available by 2025 to allow the development community to progress local networks to enable development.

Figure 49: Rotokauri Growth Area



- Already Developed
- Served Residential Land
- 10-Year Served Residential Land
- Commercial/ Employment Area
- Main Roads
- Residential Stage 1
- Residential Stage 2

Rotokauri Growth Area
HAMILTON CITY

PEACOCKE

Background

Peacocke was brought into the city from Waipa District in 1989.

It was changed from 'rural' zoning to 'future urban' in 1999, and through appeals, the development of a structure plan was required in 2001.

Stages 1 and 2 of the Structure Plan were finalised through Variation 14 to the District Plan between 2009-2012.

For transport, a Stage 1A capacity of 500 lots was agreed as a maximum land release without requiring investment on the existing transport network. A Stage 1B release of a further 350 lots was provided for with a requirement for transport and wastewater network improvements (e.g. a new intersection on State Highway 3).

Current situation

Council, in partnership with the NZ Transport Agency, has invested over \$7M in designating the Southern Links arterial road network through the growth cell.

For wastewater, Council has completed some of the network improvements that enable the existing network to accommodate the combined Stage 1A and 1B 850 residential lot development.

This growth has the citywide strategic water services in place at the edge of the growth cell but significant investment is required to extend transport and wastewater strategic services to the edge of the cell. There is no suitable internal infrastructure in place within the cell for urban development.

Parts of Stage 1 are currently able to connect into Council's strategic infrastructure. With the investments scheduled in the 2015-25 10-Year Plan, the remainder of the Stage 1 area will have the necessary strategic infrastructure in place by 2025 to allow the development community to progress local networks to enable development.

Figure 50: Peacocke Growth Area



RUAKURA

Background

Ruakura was brought into the city in 2011 from Waikato District.

Through a private plan change, approximately half of the area was zoned for both residential and industrial uses, including an inland port.

Current situation

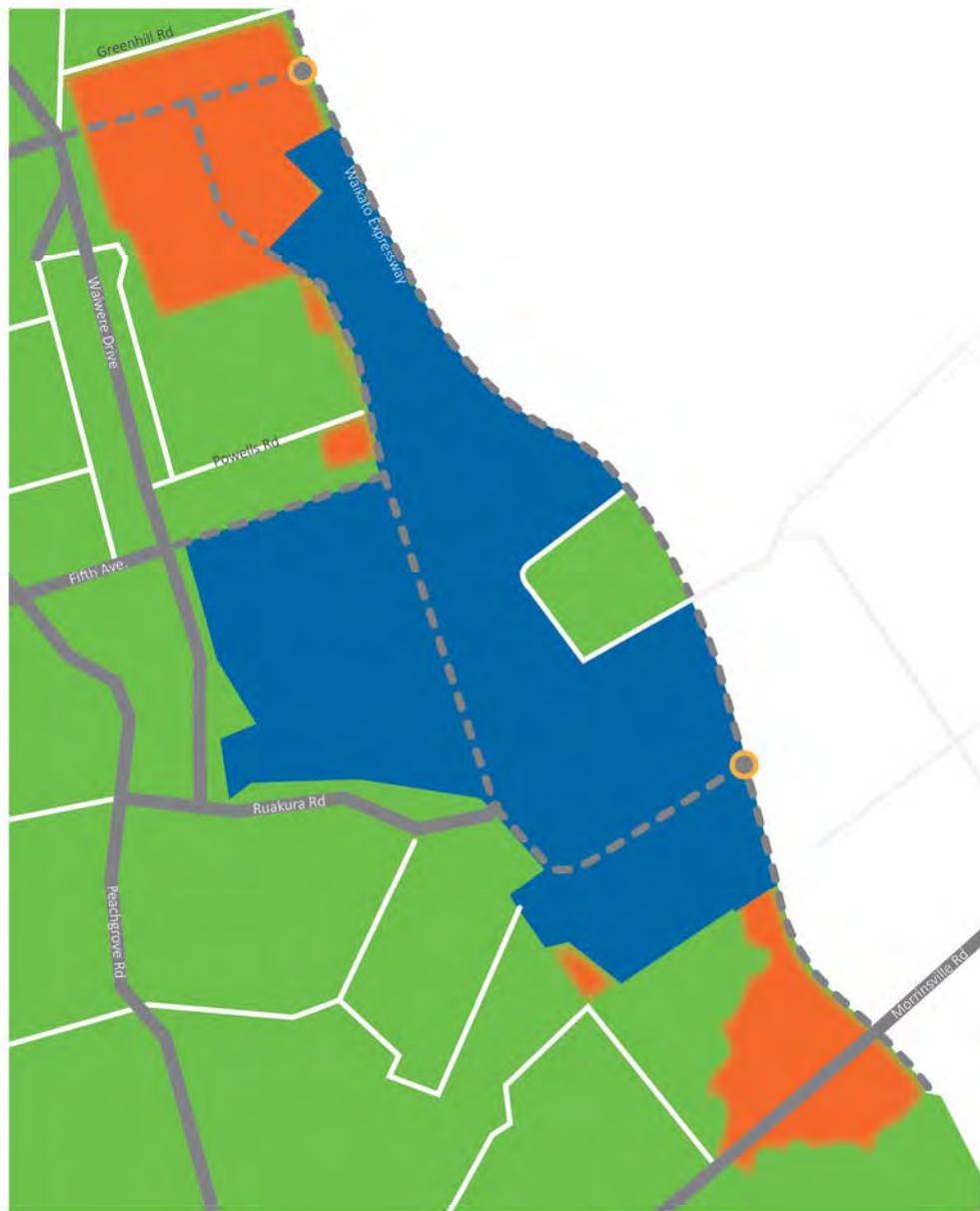
This growth cell has all the city-wide strategic services in place at the edge of the cell. The strategic services include bulkwater, wastewater interceptor and the major arterial Ring Road.

Significant investment is required to extend wastewater strategic services through the growth the cell for citywide needs particularly to service Peacocke to the south.

The NZ Transport Agency has designated the Waikato Expressway that forms the eastern boundary of the cell. At present, the Transport Agency is finalising the alterations to designation for the interchange locations and is in discussions with Tainui Group Holdings for the provision of the Ruakura interchange.

There is no suitable local internal infrastructure in place within the cell for urban development.

Figure 51: Ruakura Growth Area



- Already Developed
- Serviced Residential Land
- Commercial/ Employment Area
- Main Roads
- Future Main Roads
- Proposed Interchange

Ruakura Growth Area
HAMILTON CITY

OTHER AREAS

This Infrastructure Strategy has been developed to meet the forecast growth needs for the period up to 2045. Growth beyond this period is anticipated in the following areas. The infrastructure needs for these areas are outside the next 30 years.

Te Rapa North

Te Rapa North was brought into the city through a boundary change with Waikato District in 2011.

The area included a structure plan originally commenced by Waikato District Council.

The final version of the structure plan includes a staged land release of employment areas in two locations within the structure plan.

Fourteen hectares is available for development now. This will increase to 56 hectares after 2021.

The initial 56 hectares is available for development on the basis that the developer is responsible for all infrastructure services.

Temple View

Council has committed to prepare a structure plan for the area.

Future growth areas

Council has a strategic agreement with Waikato District which provides for future boundary changes:

- North of Ruakura (200 hectares).
- North of Rototuna up to the Waikato Expressway boundary (780 hectares).
- Wallace Road area (25 hectares).

Appendix 1

INFRASTRUCTURE PROJECTS

Project estimates are not inflated and expressed as thousands of dollars.

An * in the 'total' column indicates that there is an assumed third party funding contribution or subsidy for this project. Project costs are also shown as net cost to Council.

If a project code is shown at the beginning of the project name in bold, these relate to the significant infrastructure timelines that are shown in the six infrastructure activity group section of this Strategy. The dates under the 'project name', indicate when it is estimated that Council will need to make a final decision on whether or not to undertake this project. These decisions may be part of a future 10-Year Plan or part of a formal business case process.

Expenditure types are listed for the primary purpose of each project:

Growth (G)	Project provides infrastructure to enable growth of the city.
Level of Service (LOS)	Project increases or maintains service levels.
Renewal (R)	Project replaces existing asset at end of its useful life.

Core network infrastructure

Table 29

Project name	Description	Class type	Yr 1-3	Yr 4-10	Yr 11-20	Yr 21-30	Total
			2015-18 \$ (000s)	2019-25 \$ (000s)	2026-35 \$ (000s)	2036-45 \$ (000s)	
			Detail	Outline	Estimate		
STORMWATER							
Replacement of stormwater assets	Replacement of assets which have reached their useful life and/or are no longer providing the service for which they were intended. Assets include stormwater pipes, channels, manholes, outfalls	R	1,881	5,767	7,482	33,221	48,353
Stormwater network improvements for intensification	Capital programme for improvements to the existing storm water network to cater for intensification areas	G	-	-	2,000	1,250	3,250
Stormwater Project Watershed Capital Works	Planned and reactive works to protect/repair stream banks from erosion.	LOS	-	-	1,000	1,000	2,000*
Rototuna stormwater infrastructure	Stormwater infrastructure program for core elements to facilitate growth in Rototuna	G	1,753	5,552	253	-	7,559*
SW3 - Rotokauri stormwater infrastructure stage 1 (<i>decision required est. yr 7</i>)	Stormwater infrastructure program for core elements to facilitate growth in Rotokauri stage 1	G	-	23,294	1,967	-	25,261*

Project name	Description	Class type	Yr 1-3	Yr 4-10	Yr 11-20	Yr 21-30	Total
			2015-18 \$ (000s)	2019-25 \$ (000s)	2026-35 \$ (000s)	2036-45 \$ (000s)	
			Detail	Outline	Estimate		
Rotokauri stormwater infrastructure Stage 2	Stormwater infrastructure program for core elements to facilitate growth in Rotokauri Stage 2	G	-	-	-	4,580	4,580*
Peacocke stormwater infrastructure Stage 1	Stormwater infrastructure program for core elements to facilitate growth in Peacocke Stage 1	G	858	1,640	-	-	2,498*
Peacocke stormwater infrastructure Stage 2	Stormwater infrastructure program for core elements to facilitate growth in Peacocke Stage 2	G	-	362	3,572	4,110	8,045*
Te Rapa North stormwater infrastructure	Stormwater infrastructure program for core elements to facilitate growth in Te Rapa north growth cell	G	-	-	2,504	1,297	3,802*
Stormwater pipe upgrade - growth	Capital budget for improvements to the existing storm water network to cater for growth outside of growth cells	G	375	875.0	1,250	1,250	3,750
Integrate stormwater network in new areas with existing network	Capital budget which allows for small network improvements to link existing infrastructure with new developments, e.g. stormwater pipe extension	G	300	700	1,000	1,000	3,000
SW1 – Strategic improvements for existing city (decisions required est. yrs 9, 11, 16, 21, 26)	capital stormwater improvements programme to facilitate urban growth city-wide	G	-	-	36,660	36,660	73,320
SW2 - Comprehensive stormwater consent implementation (compliance) (decisions required each 10-Year Plan)	Retrospectively constructing stormwater treatment devices in the older areas of the city to protect streams, lakes and the Waikato River against contamination	LOS	175	1,490	2,100	2,100	5,865
Integrated catchment management plans	Development of catchment management plans for the city	G	1,060	2,100	1,800	1,050	6,010*
Stormwater master plan	Updating stormwater master plan for city	R	-	-	150	150	300
TRANSPORT							
Resurfacing off-street carparks	Renewal programme for resurfacing of off-street carparking	R	22	249	250	250	771
Replacement of parking enforcement equipment	Renewal programme for parking enforcement equipment	R	725	185	1,100	1,100	3,110
Parking building renewal	Renewal programme for parking buildings (Garden Place)	R	286	73	500	500	1,359
Parking - technology new	Capital programme for purchase of new parking technology	LOS	-	-	2,500	6,000	8,500
Replacement of footpath	Renewal programme for the resurfacing or reconstruction of existing footpaths	R	6,771	12,250	17,500	17,500	54,021

Project name	Description	Class type	Yr 1-3	Yr 4-10	Yr 11-20	Yr 21-30	Total
			2015-18 \$ (000s)	2019-25 \$ (000s)	2026-35 \$ (000s)	2036-45 \$ (000s)	
			Detail	Outline	Estimate		
Replacement of street furniture	Renewal programme for the replacement of street furniture	R	180	420	600	600	1,800
Replacement of drainage (kerb and channel)	Renewal programme for replacement of existing drainage facilities	R	1,814	4,233	6,047	6,047	18,142*
Replacement of road base	Renewal programme for renewal/reconstruction of a road pavement	R	2,324	6,895	9,851	9,851	28,922*
Road resurfacing	Renewal programme for road surfacing (chip seal or asphaltic concrete)	R	6,116	14,564	20,386	20,386	61,452*
Replacement of bridges and culverts	Renewal programme for replacement of bridges and culverts	R	179	875	5,889	18,617	25,561*
Replacement of retaining walls & structures	Renewal programme for the replacement of structures and/or their components	R	66	154	313	2,819	3,353*
Replacement of environmental controls	Renewal programme for replacement of environmental controls related to stormwater quality	R	14	61	98	98	272*
Replacement of lighting	Renewal programme for the replacement of individual existing street and amenity lights	R	457	1,067	1,525	1,525	4,575*
Replacement of lighting - LED	programme to upgrade entire streets to LED lighting	LOS	-	-	5,100	-	5,100*
Replacement of traffic equipment (signals, electronic signs, Belisha beacons, etc)	Renewal programme for traffic equipment	R	588	1,372	1,960	1,960	5,880*
Replacement of street signs	Renewal programme for replacement of signs and the installation of new signs	R	102	240	343	343	1,029*
New street lights	Capital programme for installation of new street lighting	LOS	-	-	294	147	441*
New footpath construction	Capital programme for installation of new footpaths	LOS	-	-	600	300	900
T3 – Hamilton Ring Road improvements (decision required est. yr 12)	Programme of capacity and safety improvements projects on Ring Road network to support city-wide growth	G	-	-	6,612	7,787	14,399*
Minor improvements to transport network	Programme of minor capital improvements	LOS	937	2,188	3,125	3,125	9,377*
Speed management	Programme of traffic calming and speed limit changes	LOS	-	-	1,196	-	1,196*
Bus stop infrastructure	Programme of capital works to provide bus shelters and accessible kerbs at bus stops	LOS	165	385	551	551	1,653*
Gateways facilities	Gateway improvements project at rural/urban city thresholds	LOS	-	-	1,470	1,470	2,940
T8 – Transport Centre redevelopment (decision required est. yr 20)	Capital improvements programme for transport centre	LOS	-	-	800	8,000	8,800

Project name	Description	Class type	Yr 1-3	Yr 4-10	Yr 11-20	Yr 21-30	Total \$ (000s)	
			2015-18 \$ (000s)	2019-25 \$ (000s)	2026-35 \$ (000s)	2036-45 \$ (000s)		
			Detail	Outline	Estimate			
Building and property renewals	Renewals programme for transportation building assets,	R	135	619	300	300		1,354
T6 – CCLAP – Transport (decision required est. yr 11)	Transport modal model followed by capital programme for central city local area plan	LOS	-	-	10,634	7,085		17,720*
Public Transport (PT) priority	Capital programme for the introduction of public transport priority measures	LOS	-	-	1,886	3,485		5,371*
T10 – Strategic cycle network (decision required each 10-Year Plan from 2024)	Capital programme for completion of strategic cycleway projects to complete network	LOS	-	-	3,091	4,074		7,166*
Suburban precinct upgrade	Capital programme for upgrading of shopping precincts	LOS	-	-	2,687	1,612		4,300
T9 – Upgrade bridge infrastructure – growth (decision required est. yr 11)	Capital programme for increasing capacity on bridges for growth	G	-	-	18,546	-		18,546*
T9 – New bridge infrastructure – HPMV (decision required est. yr 11)	Capital programme for strengthening of existing bridges	LOS	-	-	14,186	4,394		18,580*
Integration of existing areas with new developments in the city	Capital budget which allows for small network improvements to link existing infrastructure with new developments	G	525	1,225	1,750	1,750		5,250*
Roading upgrades and development in Peacocke Stage 1	Transport programme to create new/upgrade existing road network in Peacocke for Stage 1	G	1,047	3,249	2,183	40		6,520*
T4 – Roading upgrades and development in Peacocke Stage 2 (decision required est. yr 10)	Transport programme to create new/upgrade existing road network in Peacocke Stage 2	G	3,300	6,679	100,473	174,004		284,457*
Roading upgrades and development in Rotokauri Stage 1	Transport programme to create new/upgrade existing road network in Rotokauri for Stage 1	G	2,700	17,502	65,783	23,335		109,321*
Roading upgrades and development in Rotokauri Stage 2	Transport programme to create new/upgrade existing road network in Rotokauri for Stage 2	G	-	-	-	592		592*
T1 – Roading upgrades and development in Rototuna (decision required est. yr 1)	Transport programme to create new/upgrade existing road network in Rototuna. Includes Resolution Drive extension	G	9,763	25,220	68,385	-		103,369*
Roading upgrades and development in Te Rapa North	Transport programme to create new/upgrade existing road network in Te Rapa North	G	-	-	3,444	19,441		22,885*

Project name	Description	Class type	Yr 1-3	Yr 4-10	Yr 11-20	Yr 21-30	Total \$ (000s)
			2015-18 \$ (000s)	2019-25 \$ (000s)	2026-35 \$ (000s)	2036-45 \$ (000s)	
			Detail	Outline	Estimate		
Roading upgrades and development in Ruakura	Transport programme to create new/upgrade existing road network in Ruakura	G	-	1,981	13,173	23,022	38,176*
Upgrade to or development of roading network (not growth cells)	Capital programme to upgrade existing intersections and corridors to cater for growth (outside growth cells)	G	-	-	11,274	19,095	30,369
Upgrade to city directional signage	Capital programme providing an upgraded network of advance directional signage throughout the city	LOS	-	-	326	-	326*
Traffic signal improvements	Capital improvements programme for upgrading of traffic signal technology and communications systems	LOS	294	-	352	352	999*
Integrated transport initiatives	Capital programme for minor improvements to the existing network to assist walking, cycling and public transport infrastructure	LOS	2,700	6,300	9,000	9,302	27,302
Miscellaneous land purchases	Capital budget which allows for purchase of small land holdings in conjunction with developers	G	-	-	500	500	1,000
T7 – Rotokauri rail/passenger transport interchange (decision required est. yr 11)	Capital programme for the development of a rail/public transport interchange supported by park and ride facilities in Rotokauri (adjacent to The Base)	G	-	-	5,179	11,587	16,766*
Upgrade or development of road network (Safety)	Capital improvement programme for the upgrading of existing infrastructure to address safety issues	LOS	-	-	1,715	3,106	4,821*
T5 – Cross City Connector (decisions required est. yrs 5, 12, 19, 26)	Capacity upgrade for city connector corridor including traffic signals at Boundary/Heaphy and Five Cross Roads, and four-laning of Whitiara Bridge	G	-	2,432	20,681	43,021	66,134*
T2 – Northern river crossing (decisions required est. yrs 8, 11, 19)	Capital works programme to develop the northern river crossing corridor including designation, land purchase and construction of core transport elements including a bridge	G	-	2,896	36,689	12,302	51,888*
WASTEWATER							
Replacement of wastewater pump station assets	Replacement of assets including pumps, impellers, cabinetry and electrical, wet wells, manholes, pipework, telemetry, lifting devices, covers	R	2,792	5,029	7,109	5,955	20,885
Replacement of wastewater assets	Replacement of assets including pipes, manholes, connections	R	11,730	31,076	56,136	42,180	141,124
Increase capacity of wastewater pump stations	Capital works programme to retrofit storage devices at older pump stations	LOS	1,216	4,650	4,233	4,233	14,333

Project name	Description	Class type	Yr 1-3	Yr 4-10	Yr 11-20	Yr 21-30	Total \$ (000s)
			2015-18 \$ (000s)	2019-25 \$ (000s)	2026-35 \$ (000s)	2036-45 \$ (000s)	
			Detail	Outline	Estimate		
Wastewater network improvements for intensification	Capital programmes for improvements to the existing waste water network	G	-	-	1,500	1,000	2,500
Wastewater pipe upgrade - growth	Capital works programme increase the capacity for infill/intensification growth	G	900	2,100	16,800	17,100	36,900
Increase capacity of wastewater network in Rototuna	Program for upgrading/new wastewater network in Rototuna growth cell	G	2,304	5,084	-	-	7,389*
Integrate wastewater network in new areas with existing network	Small network improvements to link existing infrastructure with new developments	G	240	560	900	1,000	2,700*
Increase capacity of wastewater network in Rotokauri Stage 1	Programme for upgrading/new wastewater network in Rotokauri Stage 1	G	629	4,086	1,528	-	6,243*
Increase capacity of wastewater network in Rotokauri Stage 2	Programme for upgrading/new wastewater network that facilitates growth in Rotokauri Stage 2 growth cell	G	-	-	935	1,264	2,200*
Increase capacity of wastewater network in Peacocke Stage 1	Programme for upgrading/new wastewater network in Peacocke Stage 1	G	1,788	52	-	-	1,841*
Increase capacity of wastewater network in Peacocke Stage 2	Programme for upgrading/new wastewater network in Peacocke Stage 2	G	-	-	7,328	8,812	16,140*
Increase capacity of wastewater network in Te Rapa North	Programme for upgrading/new wastewater network in Te Rapa North	G	-	-	3,813	1,730	5,544*
Increase capacity of wastewater network throughout the city	Capital programme for increased capacity to bulk waste water / interceptor network	G	7,390	7,875	2,500	-	17,765
WW2 – Increase capacity of wastewater network (Far Eastern interceptor in Ruakura) <i>(decision required est. yr 9)</i>	Capital project for increased capacity to bulk waste water network - far eastern interceptor, Ruakura	G	-	5,000	5,000	-	10,000*
WW3 – Increase capacity of wastewater network (Southern interceptor Peacocke) <i>(decision required est. yr 10)</i>	Capital project for increased capacity to bulk waste water network - southern interceptor	G	-	300	33,756	25,112	59,168
WW1 – Increase capacity of wastewater network (bulk storage wet weather) <i>(decisions required est. yrs 11, 13, 19)</i>	Capital programme for increased capacity to bulk waste water network to provide bulk storage during wet weather events and manage flows to the treatment plant	G	4,543	26,351	7,870	12,560	51,324

Project name	Description	Class type	Yr 1-3	Yr 4-10	Yr 11-20	Yr 21-30	Total
			2015-18 \$ (000s)	2019-25 \$ (000s)	2026-35 \$ (000s)	2036-45 \$ (000s)	
			Detail	Outline	Estimate		
Update wastewater model	Capital project to update wastewater model	R	-	944	959	959	2,863
Wastewater master plan	Capital project to update wastewater master plan	R	375	150	150	150	825
Replacement of wastewater treatment plant assets	Replacement of assets which have reached their useful life and / or are no longer providing the service for which they were intended. Assets include civil, structural, mechanical, electrical, automation	R	5,868	10,221	13,930	13,812	43,833
Upgrade wastewater treatment plant systems (SCADA and telemetry)	Capital programme to upgrade and extend the SCADA and telemetry systems at the wastewater treatment plant and pump stations	LOS	650	2,050	3,500	3,500	9,700
WW5 – Upgrade wastewater treatment plant (Pukete 3) (decision required est. yr 1)	Capital programme for upgrading and increasing capacity of the waste water treatment plant to meet growth and level of service requirements (Stage 3)	G	8,700	8,500	-	-	17,200
WW4 – Upgrade wastewater treatment plant (wet weather treatment) (decision required est. yr 13)	Capital works to provide a new treatment facility to treat wet weather overflows before discharging to the Waikato River	LOS	-	-	21,200	-	21,200
WW6 – Upgrade wastewater treatment plant (Pukete 4) (decision required est. yr 10)	Capital programme for upgrading and increasing capacity of the waste water treatment plant to meet growth, level of service requirements and provide for upgrades associated with the new resource consent conditions (Stage 4)	G	-	500.0	30,500	-	31,000
WW7 – Upgrade wastewater treatment plant (Pukete 5) (decision required est. yr 26)	Capital programme for upgrading and increasing capacity of the waste water treatment plant to meet growth and level of service requirements (Stage 3).	G	-	-	-	31,000	31,000
Wastewater Treatment Plant compliance - minor upgrades	Capital works programme to continuously improve the treatment plants to ensure: reliability, resilience and risk mitigation, effective operations/processes, resource consent compliance.	LOS	1,500	3,500	5,000	5,000	15,000
WATER SUPPLY							
Replacement of watermains	Replacement of assets which have reached their useful life and/or are no longer providing the service for which they were intended. Assets include pipes and connections	R	9,671.4	23,603	30,895	28,356	92,527

Project name	Description	Class type	Yr 1-3	Yr 4-10	Yr 11-20	Yr 21-30	Total \$ (000s)
			2015-18 \$ (000s)	2019-25 \$ (000s)	2026-35 \$ (000s)	2036-45 \$ (000s)	
			Detail	Outline	Estimate		
Replacement of water meters valves and hydrants	Replacement of assets which have reached their useful life and/or are no longer providing the service for which they were intended. Assets include water meters, valves, hydrants	R	1,013	1,693	2,706	2,706	8,120
Water network improvements for intensification	Capital programmes for improvements to the existing water network to cater for intensification areas	G	-	-	1,000	1,250	2,250
Upgrade or build new watermains in Rototuna	Programme of upgrading/new trunk watermain network that facilitates the highest level of growth in Rototuna growth cell	G	3,652	6,167	175	-	9,995*
Water pipe upgrade - growth	Capital works programme increase the capacity of the water network to cater for infill and greenfield growth outside growth cells	G	900	2,100	3,000	3,000	9,000
Upgrade or build new watermains in Rotokauri Stage 1	Programme of upgrading/new trunk watermain network that facilitates the highest level of growth in Rotokauri Stage 1 growth cell	G	717	2,311	2,134	-	5,162*
Upgrade or build new watermains in Rotokauri Stage 2	Programme of upgrading/new trunk watermain network that facilitates the highest level of growth in Rotokauri Stage 2 growth cell	G	-	-	1,082	1,688	2,770*
Upgrade or build new watermains in Peacocke Stage 1	Programme for upgrading/new water network that facilitates growth in Peacocke Stage 1 growth cell	G	886	1,828	-	-	2,714*
Upgrade or build new watermains in Peacocke Stage 2	Programme for upgrading/new water network that facilitates growth in Peacocke Stage 1 growth cell	G	-	-	3,924	7,534	11,459*
Upgrade or build new watermains in Te Rapa North	Programme for upgrading/new water network that facilitates growth in Te Rapa North growth cell	G	-	-	1,979	2,378	4,358*
Integrate water mains in new areas with existing network	Capital budget which allows for small network improvements to link existing infrastructure with new developments e.g. water pipe extension	G	240	560	900	1,000	2,700*
Water Demand Management - network water loss	Capital programme for the segmentation of the water network into water demand areas	LOS	1,197	137	-	-	1,335
Upgrade or build new watermains in Ruakura	Program for upgrading/new water network that facilitates growth in Ruakura growth cell	G	513	616	1,134	969	3,232*

Project name	Description	Class type	Yr 1-3	Yr 4-10	Yr 11-20	Yr 21-30	Total
			2015-18 \$ (000s)	2019-25 \$ (000s)	2026-35 \$ (000s)	2036-45 \$ (000s)	
			Detail	Outline	Estimate		
W1 – Water demand management - Pukete reservoir zone <i>(decision required est. yr 3)</i>	Capital project to reconfigure the supply zone from the Pukete Reservoir	LOS	100	2,812	-	-	2,912
Upgrade or build new distribution water mains in Peacocke	Program for upgrading/new distribution water mains that facilitates growth in Peacocke growth cell	G	-	74.2	2,148.	6,732	8,954*
W1 – Water demand management - Dinsdale reservoir zone <i>(decision required est. yr 1)</i>	Capital project to reconfigure the supply zone from the Dinsdale reservoir and Newcastle reservoir	LOS	500	-	-	-	500
W1 – Water demand management - Newcastle reservoir zone <i>(decision required est. yr 8)</i>	Capital project to reconfigure the supply zone from the Dinsdale reservoir	LOS	-	5,593	3,887	-	9,481
Update water model	Capital project to update city water model	R	-	872	886	886	2,645
Update water master plan	Capital project to develop master plan for water	R	225	150	150	150	675
Replacement of water treatment plant and reservoir assets	Replacement of assets at treatment plant and reservoirs	R	3,123	8,383	12,279	12,928	36,714
Water treatment plant compliance - minor upgrades	Capital programme to continuously improve the water treatment plant	LOS	3,246	7,108	8,000	8,000	26,354
W7 – Rototuna Reservoir and associated bulk mains <i>(decision required est. yr 0)</i>	Capital project for the development of a new reservoir and associated bulk mains in Rototuna	G	14,422	-	-	-	14,422
W1 – Water demand management - Hillcrest reservoir zone <i>(decision required est. yr 6)</i>	Capital project replace the Hillcrest Reservoir with a new reservoir	LOS	-	7,858	8,050	-	15,908
W6 – Fairfield reservoir and associated bulk mains (Ruakura) <i>(decision required est. yr 11)</i>	Capital project to either replace the current Fairfield reservoir with a 24 ML reservoir or construct a new reservoir in Ruakura	G	-	-	14,150	-	14,150
W8 – Rotokauri Reservoir and associated bulk mains <i>(decision required est. yr 16)</i>	Capital project for the development of a new reservoir and associated bulk mains in Rotokauri	G	-	-	9,800	6,050	15,850
W4 – New intake structure for treatment plant <i>(decision required est. yr 18)</i>	Capital project to construct a new structure to pump water from the Waikato River into the existing water treatment plant	LOS	-	-	26,250	-	26,250

Project name	Description	Class type	Yr 1-3	Yr 4-10	Yr 11-20	Yr 21-30	Total
			2015-18 \$ (000s)	2019-25 \$ (000s)	2026-35 \$ (000s)	2036-45 \$ (000s)	
			Detail	Outline	Estimate		
W2 – Water demand management - universal water meters (<i>decision required est. yr 11</i>)	Capital programme to install water meters for all properties within the city to reduce water demand	LOS	-	-	26,500	-	26,500
W3 – New water treatment plant (<i>decision required est. yr 30</i>)	Capital project for the provision of a new water 50ML water treatment plant on the Waipa River.	LOS	-	-	-	100,000	100,000
W5 – Water treatment plant capacity upgrade (<i>decision required est. yr 1</i>)	Capital project to upgrade the water treatment plant from 105 ML to 140ML (peak capacity)	G	10,500	16,000	10,000	-	36,500
Water reservoirs seismic upgrades	Capital programme to improve the resilience of the reservoirs in an earthquake	LOS	-	-	6,480	-	6,480

Other Infrastructure

Table 30

Project Name	Description	Class type	Yr 1-3	Yr 4-10	Yr 11-20	Yr 21-30	Total
			2015-18 \$ (000s)	2019-25 \$ (000s)	2026-35 \$ (000s)	2036-45 \$ (000s)	
			Detail	Outline	Estimate		
PARKS AND GREEN SPACES							
P1 – Hamilton Gardens Development Programme (<i>decisions required each 10-Year Plan</i>)	Development of new themed gardens and supporting facilities and infrastructure	LOS	2,344	-	7,550	600	10,494*
Gardens building and operational renewals	Renewal of building assets and operational assets that support service delivery at Hamilton Gardens	R	585	1,189	4,712	4,199	10,686
P2 – Land purchase future reserves (<i>decisions required each 10-Year Plan</i>)	Purchase of land for the provision of future reserves	G	1,270	120	22,347	15,311	39,048
Renewal of park assets	Asset renewals for parks, including toilets and changing rooms. Renewal of natural environments, city landscape, playground and sports park assets	R	4,970	15,937	29,277	29,383	79,567
P3 – Playground Development Programme (<i>decisions required each 10-Year Plan</i>)	Development of playgrounds throughout the city	LOS	1,100	2,600	2,610	1,000	7,310*
P4 – New sports park development (<i>decisions required each 10-Year Plan</i>)	Development of new sports parks to meet the formal and informal recreation needs of residents	G	350	5,100	9,850	3,550	18,850

Project Name	Description	Class type	Yr 1-3	Yr 4-10	Yr 11-20	Yr 21-30	Total
			2015-18 \$ (000s)	2019-25 \$ (000s)	2026-35 \$ (000s)	2036-45 \$ (000s)	
			Detail	Outline	Estimate		
Sports field improvements	Improvement of current sports fields to meet capacity and demand.	LOS	-	880	940	80	1,900
New park development	Development of Te Manatu Park and natural environments across the city	G	-	-	1,533	931	2,464
P5 – New public toilets <i>(decisions required each 10-Year Plan)</i>	Development of new public toilets across the city	LOS	750	500	4,250	1,000	6,500
P6 – Waiwhakareke Park development <i>(decisions required each 10-Year Plan from 2024)</i>	Further development of Waiwhakareke Park Natural Heritage Park	LOS	-	-	2,308	2,534	4,842
P7 – Existing park improvements <i>(decisions required each 10-Year Plan from 2024)</i>	Improvement of existing parks including Hamilton Lake, Memorial Park, and Taitua Arboretum. Including the extension of Te Awa cycleway	LOS	-	-	2,590	2,080	4,670
Dog exercise areas	Development of existing and new dog exercise areas	LOS	-	-	275	-	275
Skate park development	Development of new skate parks	LOS	-	-	4,000.0	-	4,000
COMMUNITY AND EVENT FACILITIES							
C1 – North East Aquatic Facility <i>(decision required est. yr 9)</i>	New aquatic facility at Rototuna	G	-	-	15,150	-	15,150
C2 – New 25m pool <i>(decision required est. yr 6)</i>	New 25 metre pool to meet community demand for swimming pool space	G	-	4,850	-	-	4,850
Aquatic facilities building and operational renewals	Renewal of building assets and operational assets	R	2,844	6,385	5,373	9,403	24,005
C3 – North East Library <i>(decision required est. yr 12)</i>	New library facility at Rototuna	G	-	-	12,450	-	12,450
North East Library collection purchases	Purchase of base collection for the new library facility in Rototuna	G	-	-	1,000	-	1,000
Libraries building, operational and collection renewals	Renewal of building, operational and collection assets	R	3,598	9,355	13,483	13,835	40,271
Garden Place Library modernisation	Reconfiguration of the building facade and Garden Place Library for community interaction	LOS	-	-	2,500	-	2,500
Libraries heritage programme (digitisation and storage)	Digitisation of unique materials within the heritage collection	LOS	-	-	662	500	1,162
Libraries RFID (barcode technology) installation	RFID (Radio Frequency Identification) replaces the superseded barcode technology for collections	LOS	-	-	976	-	976
Museum building and operational	Renewal of building assets and operational assets	R	1,029	3,271	2,126	4,559	10,985

Project Name	Description	Class type	Yr 1-3	Yr 4-10	Yr 11-20	Yr 21-30	Total
			2015-18 \$ (000s)	2019-25 \$ (000s)	2026-35 \$ (000s)	2036-45 \$ (000s)	
			Detail	Outline	Estimate		
renewals							
ArtsPost building earthquake proofing	Legal requirement to meet compliance with new building standards	R	1,250	1,250	-	-	2,500
Museum access upgrades	Opening up access on the riverside of the building and improving Victoria Street access	LOS	-	-	1,538	-	1,538
Museum collection purchases	Acquisition of new collection items	LOS	-	-	500	500	1,000
Cemeteries building and operational renewals	Renewal of building assets and cemetery and crematorium operational assets	R	298	1,033	2,360	1,126	4,817
C4 – Cemeteries development (decisions required each 10-Year Plan)	Extension of burial and ash interment areas and future land purchase at Hamilton Park Cemetery to meet growth needs	G	87	659	1,505	6,006	8,257
Cemeteries Improvements	Development of new facilities to support future site expansion at Hamilton Park Cemetery	LOS	-	-	3,731	150	3,881
Claudelds CCTV and Exhibition hall power upgrade	CCTV and power upgrade for Claudelds exhibition halls	LOS	90	15	30	15	150
Stadia capital improvement programme	Upgrade paths at Seddon Park and turf protection equipment for both stadia	LOS	175				175
C7 – Founders Theatre capital improvements (decision required est. yr 10)	Capital upgrades to enhance and increase capacity of the existing facility	LOS			2,935	9,500	12,435
Seddon Park temporary grandstand upgrade	Permanent structure to replace hired current temporary structure	LOS			1,450		1,450
C8 – Claudelds capital improvement programme (decisions required est. yrs 10, 22)	Capital upgrades to enhance existing Claudelds facilities	LOS			18,569	5,000	23,569
C6 – Zoo Master Plan (decisions required each 10-Year Plan from 2024)	Implementation of the draft Hamilton Zoo Master Plan	LOS			15,672	13,506	29,178
Zoo animal enclosure renewals	Renewals programme for zoo animal enclosures	R	383	908	988	3,053	5,332
Zoo building renewals	Renewal programme for zoo buildings, structures, pathways, landscape features, signs, plant and equipment	R	249	603	1,389	1,606	3,847
Zoo property renewals	Renewal of zoo buildings	R	25	512			537
Zoo browse plantation	Development of onsite browse plantation at the zoo to provide fodder for zoo animals	LOS	20				20
Zoo quarantine replacement	Replace zoo quarantine facilities for international animal transfers	R	80				80

Project Name	Description	Class type	Yr 1-3	Yr 4-10	Yr 11-20	Yr 21-30	Total
			2015-18 \$ (000s)	2019-25 \$ (000s)	2026-35 \$ (000s)	2036-45 \$ (000s)	
			Detail	Outline	Estimate		
Zoo animal replacement	Replacement of zoo animals for public display and enable breeding as part of regionally managed programmes	R	120	280	400	400	1,200
C5 – Founders Theatre upgrade (decision required est. yr 4)	Major upgrade of Founders Theatre	R	100	13,956			14,056
Founders Theatre building renewals	Ongoing renewal programme for Founders Theatre building structure, and building services	R	252	565	6,112	2,346	9,275
Founders Theatre - plant & equipment renewals	Renewal Programme for specialist theatre production/performance equipment	R	625	956	5,674	3,013	10,268
Technical Services - equipment renewals	Renewal programme for shared audio visual equipment, portable staging, specialist theatre lighting, and general operational tools and equipment.	R	945	1,941	2,968	3,028	8,882
Claudeldands - property renewals	This is the renewal of building components for Claudeldands	R	220	4,143	20,550	19,720	44,632
Claudeldands - plant & equipment	Renewal programme for equipment and furnishings and plant	R	1,114	4,104	5,628	4,064	14,910
Stadia - property renewals	This is the renewal of building components for stadia	R	2,671	9,787	23,111	16,030	51,599
Stadia - plant and equipment renewals	Renewal programme for playing surfaces, equipment, furnishings and plant	R	1,184	1,442	3,011	2,389	8,026
Turf services capital improvement programme	This is a programme of capital upgrades to improve the existing facilities including, training field extension, and storage	LOS			620		620
Turf services plant & equipment	Renewal programme for specialist sports field maintenance and protection equipment	R	149	355	501	471	1,476
Business administration plant & equipment	Renewal programme for business systems and booking software	R	50	250	345	340	985
Waikato Stadium & Seddon Park capital improvement programme	Programme of capital upgrades to enhance the existing facilities	LOS			12,522	5,280	17,802

Appendix 2

ASSUMPTIONS FOR USEFUL LIVES OF ASSETS

Table 31: Water

Asset group	Useful life (years)
Aerial pipes	
• Exposed	50
• Ducted	100
Pipes and connections	60-100
Hydrants	50-75
Valves	40-75
Backflow devices	40
Meters	15
Bulkmain chambers	100
Treatment plant and reservoirs	
• Electrical	15
• Mechanical	25
• Civil	100

Table 32: Wastewater

Asset group	Useful life (years)
Aerial pipes	
• Exposed	50
• Ducted	100
Pipes, manholes and connections	30-100
Valves	40-75
Pump stations	
• Pumps	20-25
• Electrical	15
• Wet wells and storage units	75-100
Treatment plant	
• Electrical	15
• Mechanical	25
• Civil	100

Table 33: Stormwater

Asset group	Useful life (years)
Pipes, manholes and connections	30-100
Soakage trenches	50
Inlets and outlets	100
Channels and streams linings	90
Ponds and wetland pipes, structures and spillway	100

Table 34: Transport

Asset group	Useful life (years)
Roads	
• Basecourse pavement	50-140
• Chipseal surface	6-16
• Asphalt surface	10-18
• Concrete roads	60
• Cobblestone roads	30
Footpaths/cycleways	
• Tactiles	5
• Timber Boardwalks	25
• Asphalt paths	25
• Concrete, cobblestone, metal paths	50-60
Bridges	
• Steel and concrete bridges	150
• Concrete culvert	80
• Armco culvert	40
• Underpasses	80
Structures	
• Bus shelter, fences, guardrails	20-25
• Timber retaining walls	20-30
• Other retaining walls	100
Drainage – kerb and channel, swales and drains	60-70
Signs and traffic signals	15-20
Street lights	15-25
Street furniture	10-30
Building structures	50-75

Table 35: Parks and Green Spaces

Asset group	Useful life (years)
Furniture	15-50
Irrigation systems	15-30
River structures	15-50
Lights	25
Fences	10-20
Carparks	10-50
Roads	20-50
Plaques	50-80
Sports fields	7-100
Structures	30-100
Playground equipment	15-50
Youth facility	30-75
Entry points	30-75
Water features	10-50
Turf drainage	7-25
Signs	15-25
Stormwater	15-80
Walls	15-75
Footpaths	20-100
Hardscapes	20-50
Artwork	50

Table 36: Community and Events

Asset group	Useful life (years)
Building structures	50-75
Electrical services	10-30
Plumbing elements	20-30
Furniture and fittings	10-15
HVAC	10-20
Decorative finishes	10-15
Joinery	20-35
Kitchen equipment	15-20
Operational assets	5-10
Pumps and heat exchanger	10-15
Play equipment	12-15
Fitness equipment	7-10
Operational assets	5-10

Appendix 3

ASSUMPTIONS FOR LEVELS OF SERVICE

Water

Council has water infrastructure to provide households and businesses with a safe, high quality and sustainable water supply.

In general we are planning to keep our service levels the same. In order to maintain our current service levels we are planning to spend more than what we have spent in recent years on our water infrastructure. With this additional investment our assets will be more resilient and residents and businesses can continue to expect:

- water that is safe to drink
- the water network to be well maintained
- a timely response if there is a problem with the water supply
- a quality service
- the water supply to be managed so demand does not outstrip the available capacity.

Wastewater

Council's wastewater activity provides our city with reliable services that protects both people's health and the health of our waterways.

Like the water activity, Council is planning to keep services at the same level as our goals in the past. We have had some difficulties in recent years meeting consent conditions and being able to manage and treat the amount of sewage that travels through the piped network and arrives at the plant in heavy rain events. For these reasons it is one of the areas that Council is planning to spend more on.

With this additional investment, our assets will be more resilient and residents and businesses can continue to expect:

- the wastewater system to be well maintained
- the wastewater system to be managed in a way that does not unduly impact on the environment
- a timely response if there is a problem with wastewater system
- the water supply to be managed so demand does not outstrip the available capacity.

Stormwater

The stormwater network protects people and properties from flooding and helps to minimise the pollution of waterways.

Council is planning to maintain the same levels of service for stormwater within the existing city over the period of the Infrastructure Strategy while at the same time growing the stormwater network to cope with city growth. The current level of service in the existing city for design of the stormwater system is:

- residential '1 in 2' year event
- commercial '1 in 5' year event
- industrial '1 in 10' year event.

Over the coming years catchment management plans will be prepared for the city's stormwater catchments. These will be guiding documents for further development of the stormwater network and help ensure that the community can continue to expect:

- the stormwater system to be maintained sufficiently to ensure it remains adequate
- the stormwater system to be managed in a way that does not unduly impact on the environment
- a timely response if there is a problem with the stormwater system.

Transport

Council has a good transportation network. Over recent years significant investment has been made on extending the strategic road network. With the completion of the last section of the Ring Road, the network now has ability to support the city's transport needs into the future.

Council is planning to keep the same service levels for transport as it currently has. Although as the city grows and more traffic needs to use the networks, there will be an increase in travel times and peak periods of congestion will increase. It is anticipated that any changes will be gradual and limited in severity.

Primarily, growth in demand will be managed through provision and facilitation of modal choice, i.e. ongoing development of public transport, cycling and walking options.

However, it is assumed that new roads will be required to maintain key service levels. It has been assumed that arterial road connections will be made to the Waikato Expressway, under construction by central government around the east of the city with completion due by 2019/20. In addition, other strategic arterial roads in the long-term future will be designated and protected.

In general, residents will continue to be able to expect:

- access to public transport, cycling and walking alternatives
- the transport network is managed to run efficiently and safely
- parking is available in the central business district (CBD) for shoppers and people doing business
- the network is kept in good condition
- a timely response to customer service requests.

Parks and Green Spaces

The Infrastructure Strategy has been prepared on the assumption that the following current key service levels will continue to be provided:

- Hamilton Gardens is of international significance, attracting visitors to the city.
- Hamilton Gardens provides a range of services including themed gardens, venues for hire and visitor amenities that are well-presented.
- The current network of parks and reserves are maintained.
- Sport and recreation areas are available and meet user needs.

- Parks are of good quality and people want to use them.
- Playgrounds meet user needs, the network of destination playgrounds is enhanced and added to.
- The city's natural biodiversity is maintained and enhanced.
- The city's destination parks are maintained and developed, including Hamilton Lake Domain, Taitua Arboretum and Waiwhakareke Natural Heritage Park.

Some minor changes have been planned for and expenditure estimates include changes to the following service levels:

- Improving the quality of the city's playgrounds by adding 12 destination playgrounds over the next 30 years for an improved play experience.
- Increasing the number of public toilets across the city to provide toilets at destination playgrounds and sports fields.
- Improving the quality of sports fields through improvements to drainage and increased irrigation, in turn increasing the amount of time fields can be used for organised sports.

Future service levels for parks and green spaces could be impacted by changes to:

- Securing external funding for playground development, Hamilton Gardens development and the maintenance and planting of natural environments.

Community and event facilities

The community and event infrastructure covered in this plan helps to make Hamilton a highly liveable city. The Infrastructure Strategy has been prepared on the assumption the service levels for the following activities are maintained to current standards.

Table 37

Aquatic Facilities	Aquatic facilities provided meet community needs and preferences for recreation.
Indoor Recreation	The current Council indoor recreation facility is enhanced by additional indoor recreation space being made available with an additional facility.
Libraries	The current library network with an additional facility to maintain accessibility to services in the North-East to match recent and projected population growth. The Infrastructure Strategy does not include anticipated facility impacts of the recently completed Hamilton Libraries Strategic Plan.
Cemetery and crematorium	Hamilton Park Cemetery provides a modern cremation and burial service for Hamilton and other parts of the region. A small function facility is included in the future to support this service level.
Waikato Museum	The Museum collection is maintained and exhibited and the current facilities are used to deliver the service.
Hamilton Zoo	The range of services and species at the zoo remains similar to the current service. Implementation of the Zoo Master Plan that Council is currently developing is included from year 11.
H3	Stadia, theatres and Claudelands continue to provide event experiences that are in well maintained, market relevant facilities that attract a range of international, national and local events.

Appendix 4

ASSUMPTIONS FOR RENEWAL OF ASSETS

Water

When a new water asset is constructed, a number of assumptions are made about what maintenance will be required, the expected life of the asset and when it will need to be replaced or renewed.

As the water asset is used over the years, its condition and performance is monitored to ensure that the asset is replaced at the most cost effective time. To help in this assessment Council:

- uses asset age information to identify assets for more detailed assessment
- monitors the performance of assets to help identify where there might be issues
- is installing more bulk meters throughout the water network to help identify where there may be leaks or broken pipes
- physically inspects a sample of assets or use in-pipe CCTV to check condition
- uses a complex water model to predict current and future water flows and asset requirements.

Asset condition and performance information is used to develop maintenance and renewal programmes to ensure expenditure on assets is done at the most cost effective time.

Confidence level assessments for maintenance and renewal forecast expenditure for water assets have been graded using the criteria of the International Infrastructure Management Manual 2011.

Table 38

Type of forecast	Reason	Confidence level		
		Years 1-3	Years 4-10	Years 10+
Maintenance	Expenditure has been derived from a combination of actual and extrapolated data which is based on assumptions	Reliable	Uncertain	Uncertain
Renewal	Expenditure has been derived from a combination of actual and extrapolated data which is based on assumptions	Highly reliable	Reliable	Uncertain

Better information on the condition and performance of assets in recent years has allowed for more robust renewal forecasts to be prepared. This information has been used in developing the forecasts in the 2015-25 10-Year Plan budgets.

Renewal of water supply assets has been given a high priority for funding in Council's decision making on its 10-Year Plan.

Renewals are prioritised based on how critical the asset is. Assets which are critical to enable the operation of the activity such as bulk and trunk mains, reservoirs and plant assets are renewed

before failure. Assets that are less critical such as reticulation servicing several houses, non critical valves and hydrants are left to run-to-failure and are renewed once they have failed.

Occasionally an asset will fail prior to its expected end of life, when this occurs Council will either:

- carry out reactive maintenance to immediately return it to service
- prioritise the required work against the planned works being undertaken and will be renewed based on the priority assessment.

It has also been assumed that the existing water treatment plant abstraction consent (expires 2044) and discharge consent (expires 2026) will be renewed with the existing conditions.

Wastewater

When a new water asset is constructed, a number of assumptions are made about what maintenance will be required, the expected life of the asset and when it will need to be replaced or renewed.

As the wastewater asset is used over the years, its condition and performance is monitored to ensure that the asset is replaced at the most cost effective time. To help in this assessment Council:

- uses asset age information to identify assets for more detailed assessment
- monitors the performance of assets to help identify where there might be issues
- physically inspects a sample of assets or uses in-pipe CCTV to check condition
- uses a complex water model to predict current and future wastewater flows and asset requirements.

The asset condition and performance information is used to develop the most cost effective timing for maintenance and renewal programmes.

The majority of Council's reticulated infrastructure was built prior to 1950, these pipes have a life of between 60 and 100 years and therefore will require replacement within the next 40 years. The most significant year for forecast wastewater renewals is 2045.

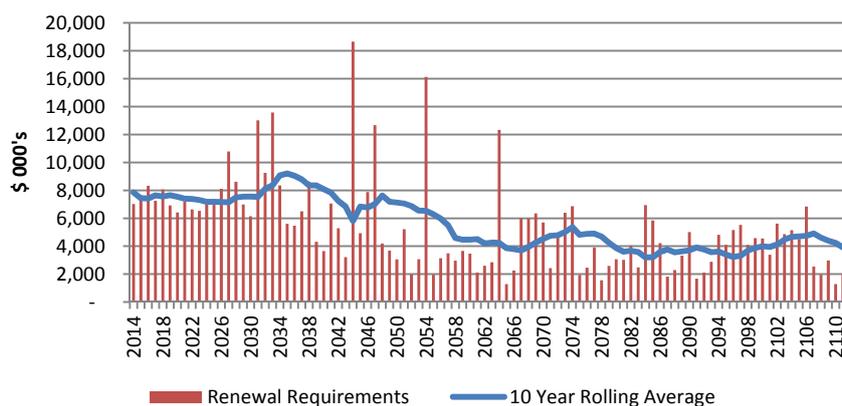
However, this based on predicted deterioration of assets. Over time physical inspections and other information will be used to ensure that renewals are not undertaken either too soon or left too late.

Confidence level assessments for maintenance and renewal forecast expenditure for water assets have been graded using the criteria of the International Infrastructure Management Manual 2011.

Table 39

Type of forecast	Reason	Confidence level		
		Years 1-3	Years 4-10	Years 10+
Maintenance	Expenditure has been derived from a combination of actual and extrapolated data which is based on assumptions	Reliable	Uncertain	Uncertain
Renewal	Expenditure has been derived from a combination of actual and extrapolated data which is based on assumptions	Highly reliable	Reliable	Uncertain

Figure 52: Predicted 10 year rolling average for wastewater renewals (four yearly intervals)



Renewal forecasts for the first ten years are based on current condition understanding, where condition assessment information is not available; industry life expectancy curves have been used. Condition assessments will continue to be carried out, which may affect future renewal forecasting. No provision in the budgets has been provided for reactive renewals.

Long term forecasts for plant renewals are based on limited asset information.

Renewal prioritisation is carried out utilising criticality analysis. Assets which are critical to enable the operation of the activity such as interceptors and plant assets are renewed before failure. Assets that are less critical such as reticulation servicing several houses are left to run-to-failure and are renewed once they have failed.

Occasionally an asset will fail prior to its expected end of life, when this occurs we either:

- carry out reactive maintenance to immediately return it to service
- it is prioritised against the planned programme and renewed accordingly.

The most significant renewal planned in the first ten years is the renewal of our wastewater discharge consent for the disposal of treated effluent to the Waikato River from our wastewater treatment plant. Commencing in 2023/24, the resource consent is expected to take three years to be approved at an estimated cost of \$1.8 million. This consenting process may require changes to be made to how Council treats and discharges wastewater.

It has also been assumed that the existing wastewater treatment plant discharge consent (expires 2027) will be renewed with the existing conditions.

Stormwater

When a new stormwater asset is constructed, a number of assumptions are made about what maintenance will be required, the expected life of the asset and when it will need to be replaced or renewed.

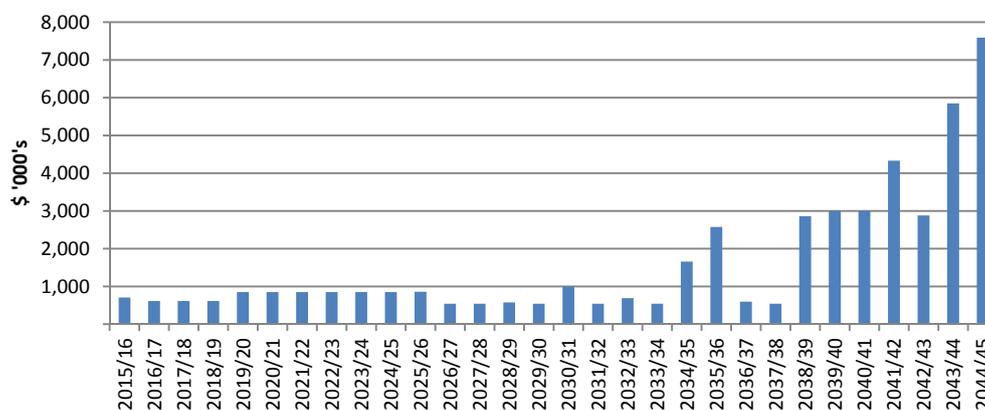
As the stormwater asset is used over the years, its condition and performance is monitored to ensure that the asset is replaced at the most cost effective time. To help in this assessment Council:

- uses asset age information to identify assets for more detailed assessment
- monitors the performance of assets to help identify where there might be issues
- uses a complex stormwater model to predict current and future flows and asset requirements

- uses asset condition and performance information to develop maintenance and renewal programmes to ensure expenditure on assets is done at the most cost effective time.

It has also been assumed that the existing stormwater discharge consent (expires 2036) will be renewed with the existing conditions.

Figure 53: Renewal expenditure by year – 2015-2045



Renewal forecasts are based on current condition understanding, where condition assessment information is not available; industry life expectancy curves have been used. Condition assessments will continue to be carried out, which may affect the renewal programmes in the next three years, prior to re-forecasting of the 2018/28 10-Year Plan.

Confidence level assessments for maintenance and renewal forecast expenditure for water assets have been graded using the criteria of the International Infrastructure Management Manual 2011.

Table 40

Type of forecast	Reason	Confidence level		
		Years 1-3	Years 4-10	Years 10+
Maintenance and operating	Expenditure has been derived from a combination of actual and extrapolated data which is based on assumptions	Reliable	Uncertain	Uncertain
Renewal	Expenditure has been derived from a combination of actual and extrapolated data which is based on assumptions	Highly reliable	Reliable	Uncertain

Transport

The maintenance and operation of the transport network is undertaken by Council's Infrastructure Alliance. Where applicable, services are delivered in collaboration with neighbouring roading authorities, under a Road Asset Technical Accord (RATA).

When a new transport asset is constructed, a number of assumptions are made about what maintenance will be required, the expected life of the asset and when it will need to be replaced or renewed.

As the transport asset is used over the years, its condition and performance is monitored to ensure that the asset is replaced at the most cost effective time. To help in this assessment Council:

- uses asset age information to identify assets for more detailed assessment
- monitors the performance of assets to help identify where there might be issues
- undertakes physical inspection and technical condition testing of assets
- use customer complaints to identify asset failures
- uses the Waikato Regional Traffic Model to predict future traffic demand, levels of service and asset improvement requirements
- uses asset condition and performance information to develop maintenance and renewal programmes to ensure expenditure on assets is done at the most cost effective time.

The Road Assessment and Maintenance Management (RAMM) database is used to hold and manage our transport network asset information.

As part of a maturity assessment in 2013 the asset data held in RAMM was considered to be reasonably reliable and was given a score of intermediate. There are good processes in place for maintaining the data held in RAMM.

Parks and Green Spaces

When a new park or garden asset is constructed, a number of assumptions are made about what maintenance will be required, and when it will need to be replaced or renewed.

Appendix 1 is a list of indicative expected lives that have been used for different park and garden asset types and as a basis for developing the projected renewal needs.

As the asset is used over the years its condition is monitored to ensure that the asset is replaced at the most cost effective time. Decisions on the priority of replacements and renewals of assets are identified mainly on the basis of:

- condition assessment for minor assets
- engineers' reports on significant assets as well as frequent condition assessments

Better information on the condition and performance of assets in recent years has allowed for more robust renewal forecasts to be prepared. This information has been used in developing the forecasts in the Parks and Open Spaces asset management plan (AMP), Hamilton Gardens AMP and subsequent 2015-25 10-Year Plan budgets.

Renewal programmes are prepared based on asset condition and performance information. Assets that are linked, either physically or through function may be considered for renewal at the same time to ensure a coordinated and cost efficient approach. Alternatively planned maintenance of the linked assets are planned to coincide with the capital renewal project to minimise disruption to service and costs of doing the work. The triggers for renewal of assets differ depending on the asset

type. Most assets are replaced or repaired prior to failure, as a failed asset no longer delivers on levels of service.

Occasionally an asset will fail prior to its expected end of life, when this occurs Council will either:

- carry out reactive maintenance to immediately return it to service or
- prioritise the required work against the planned works being undertaken and renew based on the priority assessment.

Community and event facilities

Council owns and maintains a significant amount of building infrastructure to deliver its community and events services to the community. These buildings range in age and use.

Both asset condition and performance information is used to determine when a renewal is required for the facility.

Appendix 1 is a list of indicative expected lives that have been used for community and event facilities and other types of assets. These are used as a basis for developing the projected renewal needs.

As the asset is used over the years its condition is monitored to ensure that the asset is replaced at the most cost effective time. Decisions on the priority of replacements and renewals of assets are identified mainly on the basis of:

- periodic reviews of asset condition
- feedback from users on appropriateness of venues and building infrastructure for activities
- need for upgrades to increase or maintain revenue from users.

Appendix 5

ASSUMPTIONS FOR GROWTH IN DEMAND

Water

Infrastructure that is required to provide for growth is anticipated through analysing a combination of:

- population projections
- hydrological network and process modelling
- capacity reviews at the treatment plant
- network requirements which have been analysed and solutions identified through integrated catchment management plans
- strategic network and treatment plant requirements and solutions which have been analysed and identified through our master plans
- engagement with central government, regional council and neighbouring district council's on future infrastructure requirements
- developing integrated catchment management plans (ICPs) which will identify issues and propose best practicable solutions for growth on a catchment basis.

Key water infrastructure assets that are anticipated to provide for growth include:

- network extensions for growth cells in Rototuna, Rotokauri, Peacocke, Ruakura, and Te Rapa North
- capacity upgrades of our water treatment plant and augmentation of treatment in the future
- new reservoirs to support growth
- specific network capacity improvements within the localised pipe network
- integration of new vested infrastructure into our networks.

More detail on specific projects by growth cell is provided in the sections on growth cells and in Appendix 1.

Wastewater

Planning for wastewater infrastructure assets to provide for new growth in the city has assumed that:

- new areas of the city will be serviced through the main reticulated network and existing treatment plant rather than standalone wastewater package plants
- wastewater assets from new development will be added to the existing reticulated network resulting in necessary interceptor and trunk extensions for growth cells in Rototuna, Rotokauri, Peacocke, Ruakura, and Te Rapa North over the 30-year period

- capacity upgrades of our water treatment plant will be required to accommodate new developments
- there will be a need to increase the capacity of the existing network resulting in the need for large inline storage tanks.

Projected population and resulting wastewater volumes have been based on Council's growth model using population projections prepared by National Institute of Demographic and Economic Analysis (University of Waikato).

No allowance has been made for new wet industry in the city as these have unique requirements that are not known until a specific proposal is put forward for consideration.

More detail on specific projects by growth cell is provided in the sections on growth cells and in Appendix 1.

Stormwater

Catchment management plans are being developed for each of the city's stormwater catchments to make sure stormwater infrastructure is planned, developed and managed in the most efficient way for the whole catchment.

There are different options for dealing with stormwater and the most efficient approach depends on the specific catchment. Determining the best approach for stormwater management and required infrastructure is determined through each integrated catchment management plan.

Council has consents from Waikato Regional Council for its stormwater discharges into the Waikato River. This consent is for the urban catchments within Hamilton and authorises the discharge of stormwater from 'existing' developed areas. Any new discharges will only be approved if they are supported by an approved catchment management plan.

The purpose of these plans in relation to stormwater is to:

- a) provide guidance to developers and regulatory bodies on how stormwater from new developments will be managed and integrated with other water services and proposed future land uses.
- b) minimise the need for stormwater treatment and detention devices.
- c) propose opportunities for the reuse of stormwater to reduce water demand.
- d) minimise stormwater and the effects of urbanisation on river and streams.
- e) lessen flood hazards on private property
- f) involve other stakeholders (such as *tangata whenua*, recreational and local interest groups) who may wish to contribute to the management of the catchment's waterbodies.

Each catchment management plan will provide best practicable options for stormwater management within each catchment area.

Transport

We propose to address growth in our city through prudent forward planning, thereby providing infrastructure as and when it is needed, and through managing the demand into alternative modes. Our tools comprise the services we provide (summarised below), the Access Hamilton action plans and our capital programme of works.

Transportation demand results from the need for people and goods to move around and through the city. Key influences include population growth, land use patterns, density and use of alternative transport options.

The services we will provide include:

- influencing and managing the transportation aspects of subdivision and land use development
- encouraging alternative travel choices, so that people can choose to walk or cycle rather than drive cars
- encouraging the development and use of public transport systems
- planning ahead to ensure that transport corridors are in place for new growth and that the existing roads and facilities have the capacity for our increasing population
- constructing major new transport corridors (such as the Hamilton Ring Road) and improving the roads we have
- providing more bus and high occupancy vehicle priority where appropriate.

Planning for transport infrastructure assets to provide for new growth in the city has assumed that:

- new areas of the city will be serviced through the existing arterial and collector network
- transport assets from new development in Rototuna, Rotokauri, Peacocke, Ruakura, and Te Rapa North will be added to the existing network resulting in necessary capacity and safety improvements to arterial/collector link roads
- the growth forecasts and assumed settlement pattern provide uneven demand growth on the network
- the location of residential growth within the city will influence the way that the residents access jobs, education and other daily needs
- the freight movement are expected to increase over the next 10 years
- energy costs are expected to continue to increase in the future meaning that people may start to find alternative modes of travel or reduce their travel
- with a higher importance being put on healthy lifestyle there is an increase in demand for walking and cycling facilities.

Projected population and resulting traffic volumes have been based on Council's growth model using population projections prepared by National Institute of Demographic and Economic Analysis (University of Waikato) and the Waikato Regional Traffic Model (WRTM).

More detail on specific projects by growth cell is provided in the later sections on growth cells.

Parks and Green Spaces

Infrastructure required to provide for growth is anticipated through analysing a combination of:

- population projections
- current and future trends for organised sport
- capacity review of sports fields.

Key open space infrastructure assets that are anticipated to provide for growth include:

- Purchase of land for future reserves identified in structure plans and committed to in past consents. In developing the Infrastructure Strategy it has been assumed Council will purchase and develop future parks.
- New destination playgrounds and toilets in the growth cells of Rototuna, Rotokauri, Peacocke, and Ruakura over the 30 years.
- Development of Rototuna, Mangaiti, Rototuna West and Rotokauri sports parks.
- Development of Te Manatu park into a passive park.

Community and event facilities

The community and event related infrastructure provides services to both Hamilton and surrounding areas.

Infrastructure required to provide for growth is anticipated through analysing a combination of:

- population projections
- current and future trends for passive and active recreation and organised sport
- commissioned research and studies that assess future demand for services and infrastructure.

Much of the current community and event infrastructure is adequate to meet the needs of a larger population. However over the period of the Infrastructure Strategy increases in capacity to meet demands of growth are required for:

- aquatic facilities
- library services.

Financial Strategy

Balancing Growth with Good Financial Management

COUNCIL WILL KEEP RATES INCREASES AT 3.8% AND DEBT UNDER 200% OF REVENUE.

The financial strategy is the cornerstone to Council achieving the goal of managing growth while living within its means.

Council will do this by keeping rates increases at 3.8%¹ and reducing debt to 200% of revenue, or below, by 2020.

Council has successfully operated within the limits of its first financial strategy since 2012. The 2015/25 strategy builds on this by continuing with the same limits which have proven to be prudent and sustainable.

By sticking to these limits Council is able to maintain its assets and service levels, keep its strong credit rating, balance its books and provide for growth.

¹ Except for special short term targeted rates for the Hamilton Gardens

Debt

Debt Limit

The debt to revenue ratio will be reduced to 200% or below by 2020 and thereafter will remain below 200%.

Council has successfully changed the direction of debt and is projecting debt levels within sustainable limits.

In 2011 our debt to revenue ratio peaked at 226%. It is prudent to operate at a lower level and Council has set a target to get this ratio under 200% by 2020 and to keep it there in the future.

During the past three years Council has been able to achieve an even lower debt balance than budgeted meaning that Council is now in a strong position to accommodate the significant expenditure required for new infrastructure assets to service our growing city and have capacity to provide funding for unforeseen events.

Table 1: Debt to Revenue Ratio

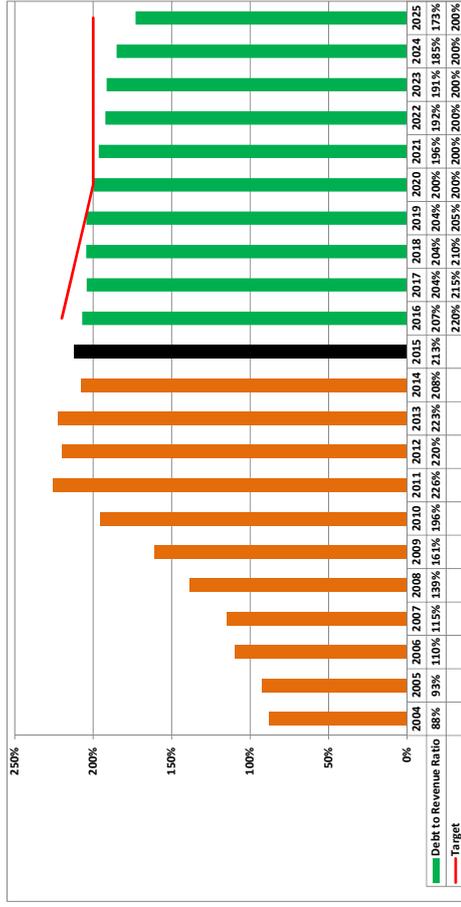
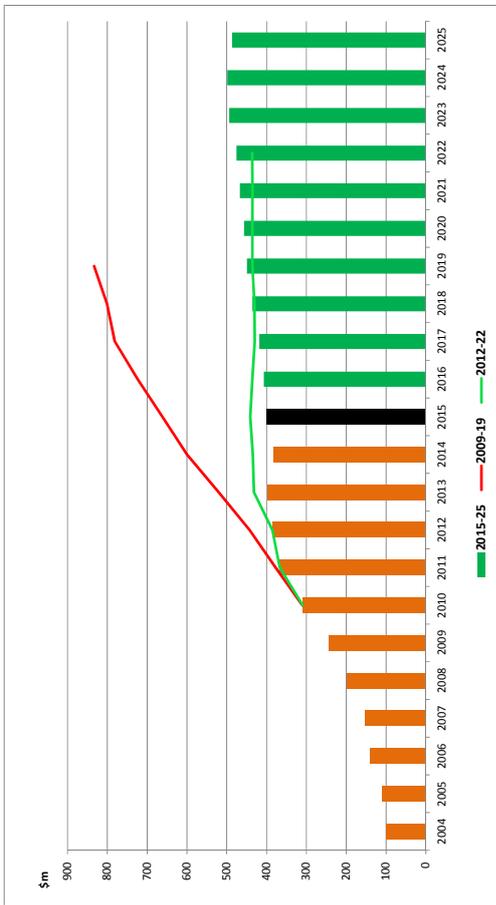


Table 2 shows our debt projections from the 2009-19, 2012-22, and 2015-25 10-Year Plans. By sticking to the 200% financial limit Council will be able to prudently increase borrowing to provide infrastructure to support the growth of Hamilton. The Total Overall Debt calculation is included in the notes to the financial statements

Table2: Total Overall Debt



With that in mind a 3.8% rates rise per year to existing ratepayers for each of the next 10 years is proposed.

Council's total rates revenue is budgeted to increase by 4.6% per year, allowing for a 0.8% per year growth in the rates base.

Table 3: Rates increases (to existing ratepayers)



As shown in Table 3 rates increased greater than the proposed 3.8% increase in 7 of the first 9 years.

2015 saw the introduction of the Hamilton Gardens targeted rate, which ceases in 2019.

Setting rates at the 3.8% level helps us to live within our means, by ensuring that current ratepayers are paying for the services they are using. Council can achieve this constant rate increase by carefully managing costs, service levels and debt.

The overall level of rates will also be capped relative to Hamilton's capital value.

Rates

Rating Limits

Rates Increase

Rates increases to existing ratepayers will not exceed 3.8%, except for special targeted rates (Hamilton Gardens).

Total Rates

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

Council will provide certainty to ratepayers over their rates bills. Council has successfully achieved this since 2012.

Balancing the Books

Council will balance the books by 2016.

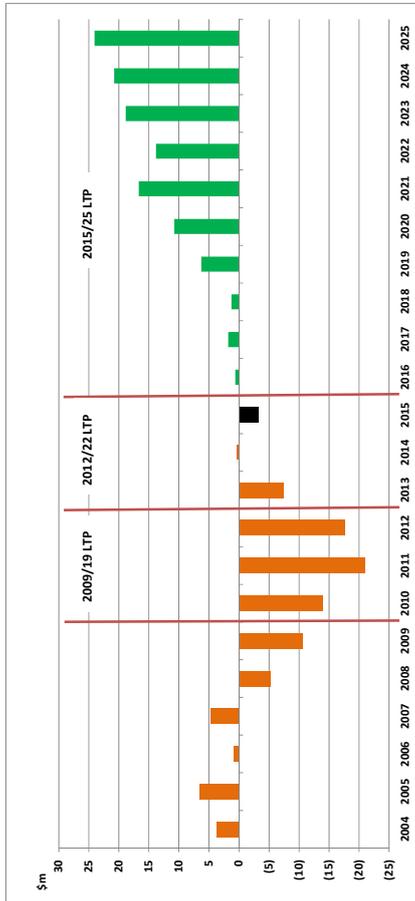
In recent years Council has spent more than it has earned and borrowed to pay the difference. Since 2012 we have changed direction and will balance the books in 2016 as shown in Table 4. The Balancing the Books calculation is included in the financial statements.

With operating surpluses Council will be able to invest in the future by maintaining existing and providing new infrastructure for our growing city.

Asset Sales

Council continues to investigate selling some assets in order to pay off debt quicker than projected. Council has not included any projected asset sales in the 2015-25 10-Year Plan due to the uncertainty associated with deciding to sell and ultimately achieving a sale. An example is our social housing assets. A decision has been made to sell these assets but they will only be sold if Council gets the right price. Until there is certainty of a sale progressing, Council will not anticipate receiving the proceeds.

Table 4: Operating Surplus/Deficits



Council has taken a conservative approach in considering whether it has balanced its budget by removing subsidies on significant one-off capital projects (such as the Ring Road project) and the value of assets vested to Council from new development from its operating revenues. This revenue is irregular in nature and distorts the true operational surplus/deficit of Council.

Surpluses from 2016 onwards will allow new assets and upgrades to be paid for with reduced requirements for increasing borrowing.

Growth

Managing growth over the period of this 10-Year Plan and beyond is a big challenge because Hamilton is growing fast. Growth is positive for Hamilton because it means people want to live here and we are attracting businesses and investment.

With growth comes the need for investment in infrastructure. It is very expensive to put in new infrastructure and we also need to look after the assets we already have. Managing the demands for growth and balancing the opportunities for future ratepayers against affordable rates and debt levels for current rate payers is an enormous challenge for Hamilton.

Hamilton's population has been projected to grow from 153,000 in 2016 to 174,000 in 2025. This projection is based on fertility, mortality and migration assumptions and is prepared by the University of Waikato. Population projections have been used to help prepare 30 year demand forecasts for the Infrastructure Strategy and the related capital expenditure programme for the 10-Year Plan has been prioritised from this base.

Table 5: Capital Expenditure

Activity Group	2015-25 10-Year Plan		
	Growth (\$'000's)	Improve Level of Service (\$'000's)	Renewal (\$'000's)
Sewerage	99,012	15,701	76,733
Stormwater	47,066	1,951	8,791
Transport	108,089	19,396	119,670
Water Supply	67,570	33,944	55,757
Other	15,988	19,109	160,075
All Activity Groups	337,725	90,101	421,026

Table 5 shows the total cost of projects over the period of the 10-Year Plan categorised by type of expenditure. Growth capital expenditure provides new or improved assets enabling more residents to live in our city; capital expenditure to improve levels of service is where we are creating new assets to service the existing population; and renewals restore our existing assets to their original function or capacity.

While Council is contributing significantly to growth not all growth infrastructure in all areas can be funded and third party funding will be required.

There are additional operating costs associated with adding new assets including depreciation. These can and will be absorbed in the 3.8% rates increase limit.

Policy on Securities

In order to borrow money Council has to offer our lenders some security, just like residents do with their mortgage. Like most councils we secure our debt against our rates income. Our lenders like this as security and it helps keep our interest rates low. Giving rates as security means that our lenders can make us rate you more to repay debt. That is why it is important to keep our debt at a sustainable level.

In certain circumstances Council may offer other security, including physical assets.

The full policy on giving securities can be found in the investment and liability management policy at council's website.

Investments

Council holds investments in companies, a trust, property and cash.

Investments in Companies/Trusts

Council is an equity holder in six companies and one trust. 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. Council holds shares in the following companies and trusts:

Table 9: Council's Shareholdings

Company	Shareholding	Principal reason for Investment	Budgeted return
Hamilton Properties Ltd	100%	Protect tax losses	Nil
Waikato Regional Airport Ltd	50%	Economic development	Nil
Innovation Waikato Ltd	100%	Economic Development	Nil
Local Authority Shared Services Ltd	24.58%	Efficient Government	Nil
New Zealand Local Government Funding Agency Ltd	8.3%	Borrowing	\$100,000 per annum
New Zealand Local Government Insurance Corporation Ltd	3.17%	Risk management	Nil
Vibrant Hamilton Trust	100%	Community funding	Nil

Council has no plans to change its shareholdings, though in accordance with good practice this is reviewed regularly.

Property Investments

Council's Economic Development group of activities includes Council's property investment activity. Property investments are divided into two categories:

- Municipal and Domain Endowment Properties, and
- Municipal Endowment Investment Properties.

Council's objective is to maximise the return from both categories, however due to historic arrangements the return on endowment properties is below market rates.

Expected rate of return on property value for the two categories is 3.5% on the Municipal and Domain Endowment Properties, and 7% on Municipal Endowment Investment Properties.

Council from time to time will buy and sell endowment properties in the portfolio to improve financial returns. Surplus cash is held in the Municipal or Domain Endowment Fund and is available for reinvestment in property. All endowment transactions are governed by Council's investment and endowment policies.

Cash Investments

Council holds cash for three main reasons:

- To support the balance of 'cash-backed' reserves (this cash is not available to offset external debt).
- To ensure strong lines of liquidity and access to cash remain available to Council. Cash is supplemented by the use of committed banking facilities. In the present financial markets, holding cash is a cheaper option than is available through the use of committed facilities.
- As a result of pre-funding maturing debt.

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

Other Investments

As part of borrowing from the Local Government Funding Agency, Council is required to invest in financial bonds with the agency. Council will receive interest on these bonds equivalent to the cost of borrowing.

Insurance

A group of Waikato councils, including Hamilton City Council, collectively tender their insurance programme through Local Authority Shared Services Ltd (LASS).

Significant savings for all councils in material damage insurance and Infrastructure insurance have been made by using a 'maximum probable loss' approach rather than reinstatement value for all properties, and 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 a catastrophe, whether natural or otherwise.

Underground infrastructure insurance is currently purchased up to 40% of the asset value, with the assumption that central government will provide 60% assistance in a disaster event. The central government funding is not guaranteed.

Based on risk and hazard profiling Council has incorporated an additional layer of insurance on top of the regionally shared limit to ensure appropriate cover for our assets which include the five Council owned bridges that span the Waikato River, 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.

External expertise has been engaged to provide scientific and engineering advice on current assumptions relating to the environment and ground conditions of key council infrastructure. We are trying to establish if the current assumptions that influence our insurance levels are appropriate or are required to be increased or decreased. The work will review the exposure to both the reticulation networks and point assets (reservoirs, pump stations and treatment plants) to both above ground and below ground assets to provide Council with a comprehensive understanding for the loss potential associated with a given event.

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

Forecast for the year ended 30 June 2016-2025

	Notes	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Revenue												
Rates, excluding targeted water supply rates	2	132,404	138,472	144,819	151,456	157,790	165,050	172,641	180,581	188,890	197,578	206,668
Targeted rates for water supply	2	8,121	8,162	8,352	8,555	8,775	9,013	9,269	9,547	9,845	10,167	10,514
Revenue from activities	3	41,280	40,501	41,916	42,939	44,240	45,674	46,769	47,894	49,652	52,034	53,878
Subsidies and grants	4	14,582	8,804	9,495	10,026	13,843	13,803	15,678	14,154	13,369	12,764	13,912
Development and financial contributions	5	7,571	9,500	9,027	9,141	9,215	9,464	9,734	10,025	10,339	10,677	11,041
Other revenue	6	11,141	13,347	13,490	13,629	12,082	12,194	12,295	12,408	12,529	12,643	12,766
Total revenue		215,099	218,785	227,099	235,746	245,945	255,198	266,387	274,608	284,624	295,863	308,779
Expenses												
Personnel costs		56,184	63,289	65,287	67,177	68,903	70,770	72,787	74,911	77,256	80,131	82,864
Depreciation and amortisation	7	56,295	58,269	58,352	60,086	61,586	63,273	63,590	65,224	67,676	70,236	73,471
Finance costs	8	24,887	23,703	24,636	25,916	26,896	27,558	28,106	28,696	29,531	30,258	30,035
Other expenses	9	66,225	64,439	68,490	72,701	73,607	74,073	76,389	83,059	82,348	85,428	89,248
Total expenses		203,591	209,700	216,765	225,879	230,992	235,673	240,873	251,890	256,810	266,053	275,617
Operating surplus/(deficit)		11,508	9,085	10,334	9,866	14,953	19,525	25,515	22,718	27,814	29,810	33,162
Gains												
Losses												
Share of associates' surplus/(deficit)												
Surplus/(deficit) before tax		11,508	9,085	10,334	9,866	14,953	19,525	25,515	22,718	27,814	29,810	33,162
Income tax expense												
Surplus/(deficit) after tax		11,508	9,085	10,334	9,866	14,953	19,525	25,515	22,718	27,814	29,810	33,162
Other comprehensive revenue and expense												
Gain/(loss) on property revaluations		143,967	18,262	22,753	52,856	74,588	62,185	63,937	97,283	83,674	78,757	127,543
Fair value through other comprehensive revenue and expense												
Share of associates' other comprehensive revenue and expense												
Other comprehensive revenue and expense for the period		143,967	18,262	22,753	52,856	74,588	62,185	63,937	97,283	83,674	78,757	127,543
Total comprehensive revenue and expense for the period		155,475	27,347	33,087	62,722	89,541	81,710	89,452	120,001	111,488	108,567	160,705

The accompanying notes form part of these financial statements.

PROSPECTIVE STATEMENT OF CHANGES IN NET ASSETS/EQUITY
Forecast for the year ended 30 June 2016-2025

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Equity balance at 1 July	3,406,177	2,955,514	2,982,861	3,015,948	3,078,670	3,168,211	3,249,921	3,339,372	3,459,373	3,570,861	3,679,428
Total comprehensive revenue and expense for the period	155,475	27,347	33,087	62,722	89,541	81,710	89,452	120,001	111,488	108,567	160,705
Equity balance at 30 June	3,561,652	2,982,861	3,015,948	3,078,670	3,168,211	3,249,921	3,339,372	3,459,373	3,570,861	3,679,428	3,840,134
13											
Accumulated comprehensive revenue and expense											
Balance at beginning of year	1,600,538	1,600,398	1,609,138	1,619,897	1,630,210	1,645,163	1,664,688	1,690,202	1,712,920	1,740,734	1,770,544
Total comprehensive revenue and expense for the period	11,508	9,085	10,334	9,866	14,953	19,525	25,515	22,718	27,814	29,810	33,162
Transfers (to) from restricted and council created reserves	(62)	(345)	425	447	0	0	0	0	0	0	0
Balance at end of year	1,611,984	1,609,138	1,619,897	1,630,210	1,645,163	1,664,688	1,690,202	1,712,920	1,740,734	1,770,544	1,803,707
Revaluation reserves											
Balance at beginning of year	1,788,333	1,314,249	1,332,511	1,355,264	1,408,120	1,482,708	1,544,893	1,608,830	1,706,113	1,789,787	1,868,544
Revaluation gains	143,967	18,262	22,753	52,856	74,588	62,185	63,937	97,283	83,674	78,757	127,543
Balance at end of year	1,932,300	1,332,511	1,355,264	1,408,120	1,482,708	1,544,893	1,608,830	1,706,113	1,789,787	1,868,544	1,996,087
Restricted and council created reserves											
Balance at beginning of year	17,306	40,867	41,212	40,787	40,340	40,340	40,340	40,340	40,340	40,340	40,340
Transfers to (from) reserves	62	345	(425)	(447)	0	0	0	0	0	0	0
Balance at end of year	17,368	41,212	40,787	40,340							
Equity balance at 30 June	3,561,652	2,982,861	3,015,948	3,078,670	3,168,211	3,249,921	3,339,372	3,459,373	3,570,861	3,679,428	3,840,134

The accompanying notes form part of these financial statements.

PROSPECTIVE BALANCING THE BOOKS MEASURE
Forecast for the year ended 30 June 2016-2025

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Total comprehensive revenue and expense for the period	\$155,475	\$27,347	\$33,087	\$62,722	\$89,541	\$81,710	\$89,452	\$120,001	\$111,488	\$108,567	\$160,705
Adjustments for balancing the books measure											
Losses	0	0	0	0	0	0	0	0	0	0	0
(Loss)/gain on property revaluations	(143,967)	(18,262)	(22,753)	(52,856)	(74,588)	(62,185)	(63,937)	(97,283)	(83,674)	(78,757)	(127,543)
Vested assets (included in Other revenue)	(8,414)	(8,481)	(8,549)	(8,618)	(8,686)	(8,756)	(8,826)	(8,897)	(8,968)	(9,040)	(9,112)
Ring Road subsidy (included in Subsidies and grants)	(6,360)	0	0	0	0	0	0	0	0	0	0
Total adjustments	(158,741)	(26,743)	(31,302)	(61,474)	(83,274)	(70,941)	(72,763)	(106,180)	(92,642)	(87,797)	(136,655)
Balancing the books surplus/(deficit)	(3,266)	604	1,785	1,248	6,267	10,769	16,689	13,821	18,846	20,770	24,050

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

Forecast as at 30 June 2016–2025

Notes	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets											
Current assets											
Cash and cash equivalents	25,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Debtors and other receivables	17,661	17,101	17,614	18,142	18,686	19,247	19,824	20,419	21,032	21,663	22,313
Prepayments	0	1,663	1,663	1,663	1,663	1,663	1,663	1,663	1,663	1,663	1,663
Inventory	533	237	244	251	259	267	275	283	291	300	309
Other financial assets	242	0	0	0	0	0	0	0	0	0	0
Derivative financial instruments	0	0	0	0	0	0	0	0	0	0	0
Non-current assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total current assets	43,436	64,001	64,521	65,056	65,608	66,177	66,762	67,365	67,986	68,626	69,285
Non-current assets											
Property, plant and equipment	3,901,574	3,294,007	3,338,192	3,420,240	3,524,566	3,615,248	3,714,194	3,841,057	3,969,618	4,082,987	4,231,266
Intangible assets	9,090	20,184	20,494	19,170	18,474	17,476	18,772	20,849	22,911	23,731	24,726
Investment property	57,326	24,308	24,308	24,308	24,308	24,308	24,308	24,308	24,308	24,308	24,308
Investment in associates	11	7,431	7,430	7,430	7,430	7,430	7,430	7,430	7,430	7,430	7,430
Other financial assets	10, 11	9,765	8,280	8,280	8,280	8,280	8,280	8,280	8,280	8,280	8,280
Investment in subsidiaries	11	0	10,150	10,150	10,150	10,150	10,150	10,150	10,150	10,150	10,150
Total non-current assets	3,985,186	3,364,359	3,408,854	3,489,578	3,593,208	3,682,892	3,783,134	3,912,074	4,042,697	4,156,886	4,306,160
Total assets	4,028,621	3,428,360	3,473,375	3,554,635	3,658,816	3,749,069	3,849,896	3,979,439	4,110,684	4,225,512	4,375,445
Liabilities											
Current liabilities											
Employee entitlements	6,177	5,013	5,053	5,094	5,134	5,175	5,217	5,258	5,301	5,343	5,386
Creditors and other payables	18,183	13,620	15,017	16,078	17,061	18,095	19,160	20,240	21,768	23,218	24,503
Borrowings	107,744	79,048	81,217	84,443	86,900	88,168	90,175	91,821	94,243	94,676	91,474
Derivative financial instruments	0	0	0	0	0	0	0	0	0	0	0
Provisions	2,024	1,724	1,074	824	774	724	674	624	574	524	474
Total current liabilities	134,128	99,405	102,361	106,438	109,869	112,162	115,226	117,943	121,886	123,761	121,836
Non-current liabilities											
Employee entitlements	1,917	886	886	886	886	886	886	886	886	886	886
Borrowings	321,446	337,123	346,108	360,581	371,804	378,067	386,392	393,230	409,057	413,456	404,621
Derivative financial instruments	9,479	8,085	8,072	8,059	8,046	8,033	8,020	8,007	7,994	7,981	7,968
Total non-current liabilities	332,842	346,094	355,066	369,526	380,736	386,986	395,298	402,123	417,937	422,323	413,475
Total liabilities	466,970	445,499	457,427	475,965	490,605	499,148	510,524	520,066	539,823	546,084	535,311
Net assets	3,561,652	2,982,861	3,015,948	3,078,670	3,168,211	3,249,921	3,339,372	3,459,374	3,570,861	3,679,428	3,840,134
Equity											
Accumulated funds	1,611,984	1,609,138	1,619,897	1,630,210	1,645,163	1,664,688	1,690,202	1,712,920	1,740,734	1,770,544	1,803,707
Other reserves	1,932,300	1,332,511	1,355,264	1,408,120	1,482,708	1,544,893	1,608,830	1,706,113	1,789,787	1,868,544	1,996,087
Restricted reserves	13,132	31,624	31,624	31,624	31,624	31,624	31,624	31,624	31,624	31,624	31,624
Council created reserves	4,236	9,588	9,163	8,716	8,716	8,716	8,716	8,716	8,716	8,716	8,716
Total equity attributable to Hamilton City Council	15	3,561,652	2,982,861	3,015,948	3,168,211	3,249,921	3,339,372	3,459,373	3,570,861	3,679,428	3,840,134
Total equity	3,561,652	2,982,861	3,015,948	3,078,670	3,168,211	3,249,921	3,339,372	3,459,373	3,570,861	3,679,428	3,840,134

The accompanying notes form part of these financial statements.

PROSPECTIVE STATEMENT OF CASH FLOWS

Forecast for the year ended 30 June 2016-2025

Notes	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities											
Cash will be provided from:											
Rates revenue	2	140,525	146,634	153,171	160,011	174,062	181,910	190,128	198,736	207,745	217,182
Fees, rents and charges	3	41,280	40,501	41,916	42,939	44,240	46,769	47,894	49,652	52,034	53,878
Government operating subsidies and grants	4	4,247	4,305	4,247	4,632	4,984	5,011	5,269	5,323	5,438	6,057
Government capital subsidies and grants	4	10,156	4,147	4,771	4,964	8,263	10,202	8,405	7,551	6,815	7,327
Other capital contributions	5 & 6	8,572	11,213	10,784	10,946	9,377	9,632	10,202	10,522	10,866	11,236
Interest received	6	1,200	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Dividends received	6	100	143	144	145	146	149	150	152	154	155
Sundry revenue	6	426	1,010	1,036	1,061	1,088	1,117	1,184	1,221	1,261	1,304
		206,685	209,894	218,126	226,698	236,818	257,096	265,232	275,156	286,312	299,139
Cash will be applied to:											
Salaries and wages		56,184	63,289	65,287	67,177	68,903	70,770	72,787	74,911	77,256	80,131
Payments for suppliers	9	64,368	62,130	66,047	70,214	71,006	73,722	80,384	79,227	82,399	86,390
Interest paid	8	24,887	23,703	24,636	25,916	26,896	28,106	28,696	29,531	30,258	30,035
Net GST paid		1,917	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900
		147,356	151,022	157,871	165,206	168,705	176,516	185,891	187,914	194,688	201,188
Net cash flow from operating activities		59,329	58,872	60,255	61,492	68,113	80,580	79,340	87,242	91,625	97,951
Cash flows from investing activities											
Cash will be provided from:											
Proceeds from sale of property, plant and equipment		108	139	137	145	149	157	159	166	172	175
		108	139	137	145	149	157	159	166	172	175
Cash will be applied to:											
Purchase of property, plant and equipment	14	67,903	66,586	71,546	79,336	81,941	91,069	87,983	105,657	96,629	86,089
		67,903	66,586	71,546	79,336	81,941	91,069	87,983	105,657	96,629	86,089
Net cash flow from investing activities		(67,795)	(66,447)	(71,409)	(79,191)	(81,865)	(90,912)	(87,824)	(105,491)	(96,457)	(85,914)
Cash flows from financing activities											
Cash will be provided from:											
Loans raised		25,618	34,000	66,579	113,124	79,105	17,955	38,909	83,674	45,257	38,388
		25,618	34,000	66,579	113,124	79,105	17,955	38,909	83,674	45,257	38,388
Cash will be applied to:											
Loan repayments		17,152	26,000	55,000	95,000	65,000	60,000	30,000	65,000	40,000	50,000
Finance lease repayments		425	425	425	425	425	425	425	425	425	425
		17,152	26,425	55,425	95,425	65,425	60,425	30,425	65,425	40,425	50,425
Net cash flow from financing activities		8,466	7,575	11,154	17,699	13,680	10,332	8,484	18,249	4,832	(12,037)
Net increase/(decrease) in cash held											
Opening cash and cash equivalents balance		25,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Closing cash and cash equivalents balance		25,000	45,000	45,000	45,000						

The accompanying notes form part of these financial statements.

PROSPECTIVE NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

Hamilton City Council is a territorial local authority governed by the Local Government Act 2002.

The primary objective of the Council is to provide goods or services for community or social benefit rather than making a financial return. Accordingly, for the purposes of financial reporting, Hamilton City Council is a public benefit entity.

These prospective financial statements are for Hamilton City Council (the Council) as a separate legal entity. Consolidated prospective financial statements comprising the Council and its subsidiaries and associates have not been prepared as the income and expenditure is not material to the long-term planning of Council.

BASIS OF PREPARATION

The Council authorised the prospective financial statements on 30 June 2015. The Council which is authorised to do so and, believes that the assumptions underlying these prospective financial statements are appropriate, approved the long term plan for Consultation. Council and management of Hamilton City Council accept responsibility for the preparation of the prospective financial statements, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures. No actual results have been incorporated within the prospective financial statements. Council do not intend to update the prospective financial statements subsequent to presentation.

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 Council is adopting the PBE standards for the first time.

The reporting period for these prospective financial statements is for ten years ending 30 June 2025. 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 in these prospective financial statements.

The purpose of the prospective financial information is to support the long-term planning of Council.

Measurement base

The measurement basis 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 obtained from the latest relevant BERL21 forecasts and the discount rate is the Council's 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

Revenue

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

Revenue may be derived from either exchange or non-exchange transactions.

Exchange transactions

Exchange transactions are transactions where the Council receives assets (primarily cash) or services, or has 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, the Council either receives value from or gives 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 recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Specific accounting policies for major categories of revenue are outlined below:

Rates

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

Operating activities

The following categories (except where noted) are generally classified as transfers of non-exchange revenue.

- **Grants, subsidies and reimbursements**

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.

- **Development contributions**

Development contributions are recognised as revenue when the application for service connection or code of compliance or 224(c) is received.

- **Fees and charges**

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

finest), Planning and guidance, Housing and Building Control which are 100 percent funded by users and classified as exchange revenue.

- **Fines and penalties**

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.

- **Sale of goods**

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

Other revenue

Specific accounting policies for major categories of other revenue are outlined below:

- **Dividends**

Dividends are classified as exchange revenue and are recognised when the Council's right to receive a payment has been established.

- **Investment property lease rentals**

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

- **Donated, subsidised or vested assets**

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 the control of the asset is transferred to the Council.

- **Gains**

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

Finance revenue

- **Interest**

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

- **Donated services**

The Council benefits from the voluntary service of many Hamiltonians in the delivery of its activities and services. Due to the difficulty in determining the precise value of these donated services with sufficient reliability, donated services are not recognised in these financial statements.

Expenses

Specific accounting policies for major categories of expenditure are outlined below:

Grants and sponsorship

Expenditure is classified as a grant or sponsorship if it results in a transfer of resources (e.g. cash or physical assets) to another entity for compliance with certain conditions relating to the operating

activities of that entity. It includes any expenditure arising from a funding arrangement with another entity that has been entered into to achieve the objectives of the Council. Grants and sponsorships are distinct from donations which are discretionary or charitable gifts. Where grants and sponsorships are discretionary until payment, the expense is recognised when the payment is made. Otherwise, the expense is recognised when the specified criteria have been fulfilled.

Finance expense

Interest expense is recognised using the effective interest rate method. All borrowing costs are expensed in the period in which they are incurred.

Borrowing costs

The Council has elected to defer the adoption of NZ IAS 23 Borrowing Costs (revised 2007) in accordance with its transitional provisions that are applicable to public benefit entities. Consequently, all borrowing costs are recognised as an expense in the period in which they are incurred.

Goods and Services Tax (GST)

All items in the prospective financial statements are stated exclusive of GST, with the exception of 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 comprises current and deferred tax.

Current tax is the expected tax payable based on the taxable income for the year, using 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, providing 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, and 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 that it is probable that future taxable profit will be available against which they can be utilised.

Financial instruments

Financial instruments include financial assets (loans and receivables and financial assets at fair value through other comprehensive revenue and expense), financial liabilities (payables and borrowings) and derivative financial instruments. Financial instruments are initially recognised on trade-date at their fair value plus transaction costs. Subsequent measurement of financial instruments depends on the classification determined by the Council. Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Council has transferred substantially all of the risks and rewards of ownership.

Financial instruments are classified into the categories outlined below based on the purpose for which they were acquired. The classification is determined at initial recognition and re-evaluated at the end of each reporting period.

Financial assets

Financial assets are classified as loans and receivables or financial assets at fair value through other comprehensive revenue and expense.

Loans and receivables comprise cash and cash equivalents, trade and other receivables and loans and deposits.

Cash and cash equivalents comprise cash balances and call deposits with maturity dates of three months or less.

Trade and other receivables have fixed or determinable payments. They arise when the Council provides money, goods or services directly to a debtor, and has no intention of trading the receivable.

Loans and deposits include loans to other entities (including subsidiaries and associates), and bank deposits with maturity dates of more than three months.

Financial assets in this category are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Fair value is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date for assets of a similar maturity and credit risk. Trade and other receivables due in less than 12 months are recognised at their nominal value. A provision for impairment is recognised when there is objective evidence that the asset is impaired. As there are statutory remedies to recover unpaid rates, penalties and water meter charges, no provision has been made for impairment in respect of these receivables.

Financial assets at fair value through other comprehensive revenue and expense relate to equity investments that are held by the Council for long-term strategic purposes and therefore are not intended to be sold. Financial assets at fair value through other comprehensive revenue and expense are initially recorded at fair value plus transaction costs. They are subsequently measured at fair value and changes, other than impairment losses, are recognised directly in a reserve within equity. On disposal, the cumulative fair value gain or loss previously recognised directly in other comprehensive revenue and expense is recognised within surplus or deficit.

Debtors and other receivables

Debtors and other receivables are measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Impairment of a receivable is established when there is objective evidence that the Council 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 liquidations, and default in payments are considered indicators that the debt is impaired. The

amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectable, it is written off against the allowance account for receivables. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

Inventory

Inventories consumed in the provision of services (such as botanical supplies) are measured at the lower of cost and current replacement cost.

Property, plant and equipment

Property, plant and equipment consist of:

- **Operational assets**
These include land, buildings (which includes cultural assets, community and leisure facilities), improvements, non-restricted parks and gardens, plant and equipment, vehicles, sports areas and library books.
- **Zoo animals**
Zoo animals are held primarily for a social and recreational purpose. The capital cost consists of the actual expense incurred in acquiring the Zoo animals.
- **Restricted assets**
These are parks and reserves owned by Council that cannot be disposed of because of legal or other restrictions and provide a benefit or service to the community.
- **Heritage assets**
These are museum collections and library collections (New Zealand Room).

- **Infrastructure assets**

These are the fixed utility systems owned by the Council. Each asset type includes all items that are required for the network to function.

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

- **Additions**

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to 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 subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to 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 with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and 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 ensure that 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 recognised in other comprehensive income.

- **Depreciation**

Depreciation is provided on a straight-line basis at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

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

Buildings - structure/fit out/services	10-100 yrs	1%-10%
Plant and vehicles	3-15 yrs	6.6%-33.3%
Furniture, fittings and equipment	5-10 yrs	10%-20%
Library books	8 yrs	12.5%
Zoo animal (acquisition costs)	10 yrs	10%
Improvements – Parks & Gardens	5 – 50 yrs	2% - 20%
Roads and traffic network:		
Top surface (seal)	6 - 18 yrs	5.5% - 16.6%
Pavement (basecourse)	30 - 140 yrs	2% - 4%
Catchpits	70 yrs	2%
Culverts	60 - 80 yrs	1.25% - 1.6%
Footpaths	50 - 70 yrs	1.4% - 2%
Kerbs and traffic islands	70 yrs	1.4%
Signs	12 yrs	8.3%
Street lights	25 yrs	4%
Bridges	150 yrs	0.6%
Traffic signals	15 yrs	6.6%
Barriers	25 - 40 yrs	2.5% - 4%
Bus shelters and parking meters	4 - 10 yrs	10% - 25%
Verge, embankment and retaining walls	60 yrs	1.6%
Wastewater reticulation:		
Pipes	60 - 100 yrs	1% - 1.6%
Manholes	75 yrs	1.3%
Treatment plant	5 - 100 yrs	1% - 20%
Bridges	75 - 100 yrs	1% - 1.3%
Pump stations	15 - 100 yrs	1% - 6.6%
Stormwater system:		
Pipes	100 yrs	1%
Manholes, cesspits	100 yrs	1%
Service connections and outlets	30 - 100 yrs	1% - 3.3%
Water reticulation:		
Pipes	60 - 80 yrs	1.25% - 1.6%
Butterfly valves	50 - 75 yrs	1.3% - 2%
Treatment plant	10 - 120 yrs	0.8% - 10%
Meters	20 yrs	5%
Hydrants	50 yrs	2%
Reservoirs	30 - 80 yrs	1.25% - 3.3%

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.

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 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 the Council, funded either from Corporate Funds, the Domain Endowment Fund or the Municipal Endowment Fund.

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

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

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

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

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

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

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Intangible assets

Intangible assets comprise:

Computer software licences are capitalised at historic cost and are amortised on a straight-line basis over their estimated useful lives (5 years). Costs associated with maintaining computer software are recognised as an expense when incurred.

Resource consents which are not attributed to a specific asset are capitalised at historic cost and are amortised on a straight-line basis over their estimated useful lives (7 to 35 years).

Impairment of non-financial assets

The carrying amount of the Council's assets, other than investment property and inventories are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Council estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where the future economic benefits of an asset are not primarily dependant on the asset's ability to generate net cash flows, and where the Council would, if deprived of the asset, replace its remaining future economic benefits, value in use shall be determined as the depreciated replacement cost of the asset.

Where the Council accounts for revaluations of property, plant and equipment on a class of asset basis, an impairment loss on a revalued asset is recognised directly against any revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation reserve for that same class of asset.

Where the Council accounts for revaluations of property, plant and equipment on a class of asset basis, a reversal of an impairment loss on a revalued asset is credited directly to the revaluation reserve. However, to the extent that an impairment loss on the same class of asset was previously recognised in the surplus or deficit, a reversal of that impairment loss is also recognised in the surplus or deficit.

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

- **Financial assets at fair value through surplus or deficit**

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated into a hedge accounting relationship for which hedge accounting is applied.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset. The current/non-current classification of derivatives is explained in the derivatives accounting policy below.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on remeasurement recognised in the surplus or deficit.

- **Fair value through other comprehensive income**

Financial assets at fair value through other comprehensive income are those that are designated into this category at initial recognition or are not classified in any of other categories above. They are included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of balance date. The Council includes in this category:

- Investments that it intends to hold long-term but which may be realised before maturity; and
- Shareholdings that it holds for strategic purposes.

These investments are measured at their fair value, with gains and losses recognised in other comprehensive income, except for impairment losses, which are recognised in the surplus or deficit.

On derecognition the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the surplus or deficit.

Impairment of financial assets

Financial assets are assessed for objective evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

- **Loans and other receivables, and held-to-maturity investments**

Impairment is established when there is objective evidence that the Council will not be able to collect amounts due according to the original terms of the debt. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectable, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, government stock bonds, general and community loans are recognised directly against the instruments' carrying amount.

- **Financial assets at fair value through surplus or deficit**

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt instruments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through the other comprehensive income, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive income is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

Creditors and other payables

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

Borrowings

Borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Finance charges, premiums payable on settlement or redemption and direct costs are accounted for on an accrual basis to the surplus or deficit using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

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 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, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

Presentation of employee entitlements

Sick leave, 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

Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus or deficit when incurred.

Derivative financial instruments

The Council's activities expose it primarily to the financial risks of changes in foreign exchange rates and interest rates. Council uses foreign exchange forward contracts and interest rate swaps to manage their foreign currency and interest rate exposure. Derivative financial instruments are recognised initially at fair value. The Council has elected not to hedge account for these derivative financial instruments.

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

Leases

Leases consist of:

- **Finance leases**

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

At the commencement of the lease term, Council recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The 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 certainty as to whether Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

- **Operating leases**

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Provisions

Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".

- **Financial guarantee contracts**

A financial guarantee contract is a contract that requires the Council to make specified payments to reimburse the holder of the contract for loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value, even if a payment under the guarantee is not considered probable. If a financial guarantee contract was issued in a stand-alone

Prospective Statement of cash flows

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

Operating activities include cash received from all non-financial revenue sources of the Council 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 the equity and debt capital structure of the Council and financing cost.

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. In accordance with PBE FRS 42, the following information is provided:

- (i) Description of the nature of the entity's current operation and its principal activities
The Council is a territorial local authority, as defined in the Local Government Act 2002. The Council's 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 1 year and include them within the Long-term Plan. This provides an opportunity for ratepayers and residents to review the projected financial results and position of the Council. 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 on the basis of best estimate assumptions as the future events which the Council expects to take place. The Council has 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 within this Long-term Plan.

(iv) Cautionary note

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

(iv) Other disclosures

These draft prospective financial statements were adopted as part of the assumptions that form the 2015-2025 Long-term Plan consultative documents for Hamilton City Council. The Council is responsible for the draft prospective financial statements presented, including the assumptions underlying prospective financial statements and all other disclosures. The Long-term Plan is prospective and as such contains no actual operating results.

arms length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, a liability is recognised based on the probability that the Council will be required to reimburse a holder for a loss incurred discounted to the present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation. However, if it is probable that expenditure will be required to settle a guarantee, then the provision for the guarantee is measured at the present value of the future expenditure.

Landfill post-closure costs

The Council has legal obligations under resource consent to provide ongoing maintenance and monitoring services at several of its 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, taking into account future events including legal requirements and known improvements in technology. The provision includes all costs associated with landfill post-closure.

Amounts provided for landfill post-closure are capitalised to the landfill asset where they give rise to future economic benefits to be obtained. Components of the capitalised landfill asset are depreciated over their useful lives.

The discount rate used is a rate that reflects current market assessments of the time value of money and the risks specific to the Council.

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

Equity

Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- Accumulated funds
- Revaluation reserves
- Restricted reserves
- Council created reserves

Accumulated funds comprise accumulated surpluses over the years.

Revaluation reserves comprise accumulated revaluation increments/decrements.

Restricted reserves are those funds subject to external restrictions accepted as binding by Council, which may not be revised by Council without reference to the Courts or a third party.

Council created reserves are formally imposed designations of public equity that indicate Council's intention to use a certain level of resources for a special purpose.

Note 2: Rates revenue

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
General rates, rates penalties											
General rate	125,592	13,154	27,566	43,322	60,520	79,249	99,616	121,729	145,709	171,675	199,762
Rates penalties	708	741	775	810	848	887	927	970	1,015	1,061	1,110
Less rates charges to Council properties	(843)	(630)	(654)	(679)	(705)	(731)	(759)	(788)	(818)	(849)	(881)
	125,457	13,265	27,687	43,453	60,663	79,405	99,783	121,911	145,906	171,887	199,991
Targeted rates attributable to activities:											
- Transitional rate	0	118,385	110,262	101,084	90,780	79,249	66,410	52,169	36,427	19,075	0
- Community use rates	1,062	932	975	1,020	1,067	1,116	1,167	1,221	1,277	1,336	1,397
- Access Hamilton rate	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
- Business Improvement District rate	280	280	280	280	280	280	280	280	280	280	280
- Hamilton Gardens rate	605	610	615	620	0	0	0	0	0	0	0
	6,947	125,207	117,132	108,004	97,127	85,645	72,857	58,670	42,984	25,691	6,677
Total rates, excluding metered water rates	132,404	138,472	144,819	151,456	157,790	165,050	172,641	180,581	188,890	197,578	206,668
Rates, excluding metered water rates	132,404	138,472	144,819	151,456	157,790	165,050	172,641	180,581	188,890	197,578	206,668
Metered water rates	8,121	8,162	8,352	8,555	8,775	9,013	9,269	9,547	9,845	10,167	10,514
Total rates revenue	140,525	146,634	153,171	160,011	166,565	174,062	181,910	190,128	198,736	207,745	217,182
Total gross rates excluding metered water rates	133,506	140,443	147,556	155,026	162,263	170,502	179,152	188,237	197,784	207,806	218,334
Rates Remissions:											
- hardship	353	369	369	386	404	423	442	462	484	506	529
- other	1,102	1,618	2,368	3,184	4,069	5,029	6,069	7,194	8,410	9,722	11,137
Total remissions	1,102	1,971	2,737	3,570	4,473	5,452	6,511	7,656	8,894	10,228	11,666
Rates (net of remissions)	132,404	138,472	144,819	151,456	157,790	165,050	172,641	180,581	188,890	197,578	206,668

- Rates revenue is classified as a non-exchange transaction except for metered water rates which are classed as exchange revenue.
 - Hamilton City Council are transitioning from a Land Value to a Capital Value rating system
 The move to a capital value general rate is transitioned over a 10 year period. From year 1, 10% of the 'General Rate' figure will be on capital value, the remaining 90% will be a land value transitional targeted rate.
 For each year of the LTP the increase on the general rate figure on capital value will increase by 10% until it has been 100% transitioned to a capital value by 2024/25.

Note 3: Activity Revenue

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue by group of activity											
Arts & Culture	7,918	1,679	1,718	1,760	1,805	1,854	1,907	1,671	1,724	2,229	2,305
Community Support	3,654	2,399	2,454	2,514	2,579	2,649	2,724	2,806	2,893	2,988	3,090
Democracy Services	30	17	220	18	18	237	19	20	259	21	22
Economic Development	9,895	8,871	9,077	9,298	9,537	9,795	10,074	10,376	10,700	11,050	11,427
Parks and Green Spaces	1,260	2,207	2,269	2,340	2,417	2,500	2,590	2,686	2,790	2,901	3,071
Planning and Development	1,119	7,410	7,583	7,767	7,967	8,182	8,416	8,667	8,939	9,231	9,546
Recreation *		4,429	4,790	5,103	5,415	5,562	5,720	5,891	6,076	6,810	7,042
Rubbish and Recycling	328	339	347	355	364	374	385	396	409	422	436
Safety	7,458	2,131	2,180	2,233	2,291	2,353	2,420	2,492	2,570	2,654	2,745
Sewerage	3,826	4,254	4,353	4,492	4,607	4,732	4,869	5,012	5,169	5,338	5,520
Stormwater	301	241	246	252	259	266	273	281	290	300	310
Transport	11,243	6,039	6,180	6,330	6,493	6,669	6,859	7,064	7,285	7,523	7,779
Water Supply	294	157	161	164	169	173	178	183	189	195	202
Overheads/Support Units		1,964	2,010	2,058	2,111	2,169	2,230	2,297	2,369	2,446	2,530
Less: internal revenue	(1,620)	(1,634)	(1,672)	(1,746)	(1,791)	(1,840)	(1,894)	(1,949)	(2,010)	(2,075)	(2,146)
Less: operating subsidies and grants	(4,426)										
Total revenue from activities	41,280	40,501	41,916	42,939	44,240	45,674	46,769	47,894	49,652	52,034	53,878

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from Activities by Type											
Adshel Contribution		36	37	38	39	40	41	42	43	45	46
Environment Waikato Contribution (project water shed)		449	459	471	483	496	510	525	542	559	578
Sale of Goods		1,311	1,340	1,372	1,407	1,445	1,487	1,531	1,579	1,631	1,686
Fees and User Charges		28,382	29,315	30,273	31,248	32,113	33,048	33,760	34,837	36,981	38,263
Infringements and Fines		2,090	2,139	2,191	2,247	2,308	2,374	2,445	2,521	2,604	2,692
Rents Received		6,065	6,206	6,357	6,521	6,697	6,888	7,094	7,316	7,556	7,862
Commission Received		951	973	996	1,022	1,050	1,080	1,112	1,147	1,184	1,225
Ticketing Commission Received		14	14	15	15	15	16	16	17	17	18
External Recoveries		2,493	2,753	2,613	2,680	2,971	2,831	2,916	3,246	3,105	3,211
Donations Received		11	11	12	12	12	13	13	13	14	14
Other income		334	340	348	357	367	377	389	401	414	428
Less: internal revenue		(1,634)	(1,672)	(1,746)	(1,791)	(1,840)	(1,894)	(1,949)	(2,010)	(2,075)	(2,146)
Total revenue from activities	41,280	40,501	41,916	42,939	44,240	45,674	46,769	47,894	49,652	52,034	53,878

Note 4: Subsidies and grants

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
NZTA Roading Subsidy	3,341	3,651	3,696	4,008	4,499	4,326	4,335	4,573	4,605	4,696	5,290
NZTA Roading Subsidy - Capital	11,241	4,147	4,771	4,964	8,263	8,367	10,202	8,405	7,551	6,815	7,327
Government Grants & Subsidies		0	0	0	0	0	0	0	0	0	0
Grants Received		596	609	624	640	657	676	696	718	741	767
Waste minimisation levy		410	420	430	441	453	466	480	495	511	528
Total Subsidies and grants	14,582	8,804	9,495	10,026	13,843	13,803	15,678	14,154	13,369	12,764	13,912

Note 5: Development and financial contributions

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Stormwater	378	502	477	483	487	500	514	529	546	564	583
Transport	1,840	2,656	2,524	2,556	2,576	2,646	2,721	2,803	2,890	2,985	3,087
Sewerage	2,215	2,877	2,733	2,767	2,790	2,866	2,948	3,036	3,132	3,233	3,343
Water	1,483	1,915	1,820	1,843	1,858	1,908	1,963	2,021	2,084	2,153	2,226
Community Infrastructure	788	1,550	1,473	1,492	1,504	1,544	1,588	1,636	1,687	1,742	1,802
Reserves	867	0	0	0	0	0	0	0	0	0	0
Total Development and financial contributions	7,571	9,500	9,027	9,141	9,215	9,464	9,734	10,025	10,339	10,677	11,041

Note 6: Other revenue

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Other revenue											
Capital Contributions - General	1,001	1,713	1,757	1,805	162	168	171	177	183	189	195
Interest income	1,200	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Dividends	100	143	144	145	146	147	149	150	152	154	155
Petrol Tax income		1,010	1,036	1,061	1,088	1,117	1,149	1,184	1,221	1,261	1,304
Vested assets	8,414	8,481	8,549	8,618	8,686	8,756	8,826	8,897	8,968	9,040	9,112
Other sundry income	426	0	5	0	0	5	0	0	5	0	0
Total Other revenue	11,141	13,347	13,490	13,629	12,082	12,194	12,295	12,408	12,529	12,643	12,766

Revenue may be derived from either exchange or non-exchange transactions:

Exchange transactions are transactions where the Council receives assets (primarily cash) or services, or has 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 are transactions that are not exchange transactions. In a non-exchange transaction, the Council either receives value from or gives value to another entity without directly giving or receiving approximately equal value in exchange.

Revenue reclassified as exchange or non-exchange transactions

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Revenue										
Revenue from exchange transactions										
Fees and user charges	27,082	27,983	28,875	29,814	30,639	31,531	32,200	33,227	35,319	36,545
Other revenue	7,396	7,725	7,649	7,792	8,170	8,113	8,292	8,731	8,695	8,920
Rental income	6,065	6,206	6,357	6,521	6,697	6,888	7,094	7,316	7,556	7,862
Subsidies and grants	596	609	624	640	657	676	696	718	741	767
Targeted rates for water supply	8,162	8,352	8,555	8,775	9,013	9,269	9,547	9,845	10,167	10,514
	49,300	50,875	52,060	53,542	55,176	56,477	57,829	59,838	62,479	64,608
Revenue from non-exchange transactions										
Development and financial contributions	9,500	9,027	9,141	9,215	9,464	9,734	10,025	10,339	10,677	11,041
Subsidies and grants	8,208	8,886	9,402	13,203	13,146	15,002	13,458	12,651	12,022	13,145
Infringements and fines	2,090	2,139	2,191	2,247	2,308	2,374	2,445	2,521	2,604	2,692
Other revenue	2,734	2,804	2,877	1,262	1,298	1,333	1,374	1,417	1,464	1,513
Rates, excluding targeted water supply rates	138,472	144,819	151,456	157,790	165,050	172,641	180,581	188,890	197,578	206,668
Vested assets	8,481	8,549	8,618	8,686	8,756	8,826	8,897	8,968	9,040	9,112
	169,485	176,224	183,686	192,403	200,022	209,910	216,779	224,786	233,384	244,171
Total revenue	218,785	227,099	235,746	245,945	255,198	266,387	274,608	284,624	295,863	308,779

Note 7: Depreciation and amortisation expenses by group of activity

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Directly attributable depreciation and amortisation											
expense by group of activity											
Arts & Culture *	3,196	2,611	2,641	2,744	2,865	2,959	3,108	3,153	3,211	3,869	3,880
Community Support	139	1,145	1,118	1,193	1,133	1,039	1,061	1,012	943	1,042	1,034
Democracy Services	0	0	0	0	0	0	0	0	0	0	0
Economic Development	2,184	5,928	5,284	5,715	5,601	5,552	6,141	5,942	6,073	6,435	6,413
Parks & Green Spaces	1,580	3,275	3,341	3,666	3,698	3,697	3,965	3,919	3,989	4,505	4,730
Planning & Development	0	0	0	0	0	0	0	0	0	0	0
Recreation *	0	1,631	1,641	1,715	1,681	1,681	1,796	1,796	1,766	2,042	2,057
Rubbish & Recycling	395	308	317	327	330	364	379	378	405	413	416
Safety	39	84	76	80	72	67	92	91	89	82	61
Sewerage	7,391	8,092	7,921	8,131	8,706	9,068	9,326	10,152	10,442	10,591	11,556
Stormwater	5,706	5,745	5,805	6,372	6,433	6,447	6,447	7,081	7,187	7,376	8,303
Transport	17,406	17,966	17,927	17,792	17,647	18,938	19,150	19,090	20,694	20,707	20,726
Water Supply	7,190	7,553	7,416	7,616	8,252	8,535	8,803	9,551	9,706	9,817	10,754
	45,226	54,338	53,487	54,832	56,358	58,334	60,267	62,166	64,505	66,879	69,930
Depreciation and amortisation not directly related to a group of activity	11,069	3,931	4,865	5,254	5,228	4,939	3,323	3,058	3,171	3,357	3,541
Total depreciation and amortisation expense	56,295	58,269	58,352	60,086	61,586	63,273	63,590	65,224	67,676	70,236	73,471

Note 8: Finance costs

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Interest on bank borrowings											
Interest on internal borrowings	24,743	23,628	24,561	25,841	26,821	27,483	28,031	28,621	29,456	30,183	29,960
Interest on finance leases	144	75	75	75	75	75	75	75	75	75	75
Total finance costs	24,887	23,703	24,636	25,916	26,896	27,558	28,106	28,696	29,531	30,258	30,035

Note 9: Other expenses

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Arts & Culture *	33,571	17,066	17,874	18,385	19,040	19,344	19,518	19,671	20,353	21,757	22,534
Community Support	8,328	6,383	6,592	6,918	7,958	6,716	6,936	7,114	7,258	7,638	7,666
Democracy Services	5,316	5,252	6,127	5,577	5,727	6,674	5,973	6,163	7,273	6,562	6,802
Economic Development	29,081	27,106	27,109	28,196	29,060	29,446	31,047	31,070	31,922	32,760	33,492
Parks & Green Spaces	16,039	20,959	22,002	22,985	23,360	23,904	24,340	24,806	25,677	27,160	28,183
Planning & Development	8,924	11,531	12,084	12,066	12,272	12,536	12,592	12,970	13,415	14,046	14,745
Recreation *	0	11,186	11,654	12,092	12,168	12,467	12,679	17,785	13,575	14,436	14,928
Rubbish & Recycling	6,407	7,310	7,464	10,710	8,042	8,276	8,515	8,828	9,121	9,476	9,870
Safety	5,860	5,057	5,207	5,352	5,484	5,605	5,707	5,869	6,041	6,232	6,430
Sewerage	23,136	24,311	24,977	25,815	27,074	27,908	28,717	30,341	31,427	32,406	33,822
Stormwater	8,758	8,528	8,711	8,932	9,550	9,610	10,292	10,479	10,667	11,008	12,052
Transport	43,100	44,725	45,708	46,991	48,644	50,253	50,963	52,120	54,637	55,707	57,612
Water Supply	18,612	19,281	20,243	20,866	21,607	22,439	23,086	24,151	24,904	26,308	26,902
Overheads/Support Units	0	2,639	2,688	2,741	2,798	2,335	2,401	2,473	2,551	2,634	2,724
Less internal expenses	(1,620)	(1,634)	(1,672)	(1,746)	(1,791)	(1,840)	(1,894)	(1,949)	(2,010)	(2,075)	(2,146)
Less interest on internal borrowing	(1,078)										
Total expenses from activities	204,434	209,700	216,765	225,879	230,992	235,673	240,873	251,890	256,810	266,053	275,617
Less depreciation and amortisation	(56,295)	(58,269)	(58,352)	(60,086)	(61,586)	(63,273)	(63,590)	(65,224)	(67,676)	(70,236)	(73,471)
Less finance costs	(24,887)	(23,703)	(24,636)	(25,916)	(26,896)	(27,558)	(28,106)	(28,696)	(29,531)	(30,258)	(30,035)
Less personnel costs	(56,184)	(63,289)	(65,287)	(67,177)	(68,903)	(70,770)	(72,787)	(74,911)	(77,256)	(80,131)	(82,864)
Total other expenses	67,068	64,439	68,490	72,701	73,607	74,073	76,389	83,059	82,348	85,428	89,248

Variations to Council's 2015-25 10-Year Plan

* It should be noted that the group of activity structure between the LTP 2012-22 and the LTP 2015-25 has changed

Note 10: Other financial assets

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current portion:											
Loans investments											
Loan to Staples Rodway	242	0	0	0	0	0	0	0	0	0	0
Total current portion	242	0									
Non-current portion:											
Loans and receivables											
Term deposits with maturities greater than 1 year	4,300	3,303	3,303	3,303	3,303	3,303	3,303	3,303	3,303	3,303	3,303
Unlisted shares											
NZ Local Government Insurance Co Ltd	337	227	227	227	227	227	227	227	227	227	227
NZ Local Government Funding Agency Ltd	2,000	1,866	1,866	1,866	1,866	1,866	1,866	1,866	1,866	1,866	1,866
Waikato Innovation Park Ltd	2,400	2,506	2,506	2,506	2,506	2,506	2,506	2,506	2,506	2,506	2,506
Local Authority Shared Services Ltd	728	378	378	378	378	378	378	378	378	378	378
Total non-current portion	9,765	8,280									
Total Other financials assets	10,007	8,280									

Note 11: Investment in associates

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Associates											
Waikato Regional Airport	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	17,437	15,710									

Note 12: Investment in subsidiaries

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Subsidiaries											
Hamilton Properties Limited	1	0	0	0	0	0	0	0	0	0	0
Total investment in subsidiaries	1	0									

Note 13: Investments in Council controlled organisations

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Associates											
Waikato Regional Airport	7,430	7,430	7,430	7,430	7,430	7,430	7,430	7,430	7,430	7,430	7,430
Subsidiaries											
Hamilton Properties Limited	1	0	0	0	0	0	0	0	0	0	0
Other financial assets											
Local Authority Shared Services Ltd	728	378	378	378	378	378	378	378	378	378	378
NZ Local Government Funding Agency Ltd	2,000	1,866	1,866	1,866	1,866	1,866	1,866	1,866	1,866	1,866	1,866
Waikato Innovation Park Ltd	2,400	2,506	2,506	2,506	2,506	2,506	2,506	2,506	2,506	2,506	2,506
Total investments in Council controlled organisations	12,559	12,180									

Note 14: Borrowings

The city's debt has been issued in accordance with the Local Government Act 2002. The loans are secured through the debenture trust deed over all rates with one exception. The \$1.0m loan used to purchase Victoria on the River property which is secured by first registered mortgage over the property.

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current portion:											
Secured loans	106,918	78,748	80,917	84,143	86,600	87,868	89,875	91,521	93,943	94,376	91,174
Finance leases	826	300	300	300	300	300	300	300	300	300	300
Total current portion	107,744	79,048	81,217	84,443	86,900	88,168	90,175	91,821	94,243	94,676	91,474
Non-current portion:											
Secured loans	319,519	336,473	345,458	359,931	371,154	377,417	385,742	392,580	408,407	412,806	403,971
Finance leases	1,927	650	650	650	650	650	650	650	650	650	650
Total non-current portion	321,446	337,123	346,108	360,581	371,804	378,067	386,392	393,230	409,057	413,456	404,621
Total external debt	429,190	416,171	427,325	445,024	458,704	466,235	476,567	485,051	503,300	508,132	496,095

Adjustments required to determine overall debt:

External debt	429,190	416,171	427,325	445,024	458,704	466,235	476,567	485,051	503,300	508,132	496,095
Less cash held and cash equivalents	(25,000)	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)
Plus reserves	17,368	35,860	35,815	35,555	35,445	35,347	35,347	35,307	35,307	35,307	35,307
Total overall debt	421,558	407,031	418,140	435,579	449,149	456,582	466,914	475,358	493,607	498,439	486,402

Debt servicing performance indicators

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Financial ratios											
Liquidity ratio (target > 110%)	>110%	>110%	>110%	>110%	>110%	>110%	>110%	>110%	>110%	>110%	>110%
Total overall debt / Total revenue (target 200% by 2021)	222%	207%	204%	204%	204%	200%	196%	192%	191%	185%	173%
Net interest on external debt / Total revenue (target <20%)	12%	11%	11%	11%	11%	11%	11%	11%	11%	10%	10%
Total overall debt as a multiple of cashflow (target <15)	8.4	7.4	7.6	7.7	7.5	7.0	6.7	6.7	6.3	5.9	5.4

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

Total overall debt is defined as total external debt less cash and cash equivalents, plus reserves required to be held in cash.

Total revenue is defined as total revenue less vested assets, capital subsidies, and development contributions.

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.

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

Council uses synthetic instruments (swaps and FRAs) to manage its interest rate risk profile based on independent professional advice. The specific limits are outlined in the investment and liability management policy.

Note 15: Reserves

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Restricted and Council created reserves											
Restricted reserves											
Cemetery plot maintenance in perpetuity	1,541	1,541	1,541	1,541	1,541	1,541	1,541	1,541	1,541	1,541	1,541
Dame Hilda Ross library memorial reserve	2	2	2	2	2	2	2	2	2	2	2
Domain endowment fund	2,144	2,144	2,144	2,144	2,144	2,144	2,144	2,144	2,144	2,144	2,144
Roman Catholic schools library reserve	2	2	2	2	2	2	2	2	2	2	2
Waikato art gallery endowment reserve	8	8	8	8	8	8	8	8	8	8	8
Municipal endowment fund	9,435	27,927	27,927	27,927	27,927	27,927	27,927	27,927	27,927	27,927	27,927
Total restricted reserves	13,132	31,624									
Council created reserves											
Bus shelter (Adshel) reserve	212	212	212	212	212	212	212	212	212	212	212
Hamilton Gardens	527	872	492	0	0	0	0	0	0	0	0
Housing upgrade reserve	3,101	3,101	3,101	3,101	3,101	3,101	3,101	3,101	3,101	3,101	3,101
Project watershed operating reserve	396	396	351	396	396	396	396	396	396	396	396
Rotokauri land sale reserve	2,167	2,167	2,167	2,167	2,167	2,167	2,167	2,167	2,167	2,167	2,167
Reserves contribution fund	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332
Waste minimisation reserve	508	508	508	508	508	508	508	508	508	508	508
Total council created reserves	9,243	9,588	9,163	8,716							
Total restricted and Council created reserves	22,375	41,212	40,787	40,340							

Note 15: Reserves

Reserve	Activities to which the reserve relates	Opening	Transfers	Transfers	Closing
		balance July 2015	into reserve	out of reserve	balance June 2025
		\$000	\$000	\$000	\$000
Restricted reserves					
Cemetery plot maintenance in perpetuity reserve					
To maintain and provide for improvements to the cemeteries.	Cemeteries and Crematorium	1,541			1,541
Domain endowment fund reserve					
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 Green Spaces and Stormwater	2,144			2,144
Municipal Endowment Fund					
To provide a capital fund for Crown endowment land vested in the council for investment in property. Rental income and interest earned from the land and property may be used for council purposes to offset rates.	Strategic property investment	27,927			27,927
Waikato Art Gallery Endowment reserve					
To provide funds for the acquisition of works of art for the Waikato Museum of Art and History.	Arts promotion	8			8
Dame Hilda Ross Children's Library Memorial Fund					
To manage a bequest by Dame Hilda Ross given for the purpose of extending the children's collection in the Dame Hilda Ross Memorial Arts Centre (Children's Library). Only the interest from the fund may be used for purchases.	Libraries	2			2
Roman Catholic Schools Library Fund					
To manage a bequest made for the purpose of extending the children's collection in the Children's Library. The interest income from the fund may be used for children's book collection purchases.	Libraries	2			2
Total restricted reserves		31,624	-	-	31,624

Reserve	Activities to which the reserve relates	Opening balance July 2015	Transfers into reserve	Transfers out of reserve	Closing balance June 2015
Council created reserves					
Bus shelter reserve	To manage the income generated from advertising in bus shelters to provide, maintain and enhance passenger infrastructure.	212			212
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.	396	45	(45)	396
Housing upgrade reserve	To assist in improving council owned housing. There is no specific plan to use this reserve for the coming ten years while the council considers its future role in this activity.	3,101			3,101
Rotokauri land sale reserve	To manage funds derived from the sale of land in Foreman Road. These funds are for a purchase of land reserves in the Rotokauri growth cell.	2,167			2,167
Reserves contribution fund	This fund receives contributions from Council policy on levying sub-dividers and developers for provision of reserves. Payment may be in kind (land) or a pro rata levy on the value of the development. The balance of the fund is used for the purchase of land for reserves (or the development of same). Reserve contributions were levied on sub-divisions approved prior to the advent of development contributions for reserves which came into effect on 1 July 2006.	2,332			2,332
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.	508			508
Hamilton Gardens reserve	To provide funds for the development of Hamilton Gardens. Funds are being sourced from a targeted rate over a four year period starting 2014/15.	527	1,901	(2,428)	-
Total Council created reserves		9,243	1,946	(2,473)	8,716
Total restricted and Council created reserves		40,867	1,946	(2,473)	40,340

Note 16: Capital expenditure

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Capital expenditure disclosed in Funding impact statements *											
Arts and Culture	3,637	2,339	2,245	3,541	3,704	3,111	2,015	10,962	11,279	3,192	3,197
Community Support	178	200	205	211	216	222	229	236	244	252	261
Democracy Services	0	0	0	0	0	0	0	0	0	0	0
Economic Development	294	2,677	1,912	2,083	1,710	3,418	6,196	4,676	4,602	3,002	2,031
Parks and Green Spaces	2,299	5,695	5,841	5,326	2,658	3,083	3,420	3,683	4,468	7,235	8,997
Planning and Development	0	0	0	0	0	0	0	0	0	0	0
Recreation	1,046	829	1,214	1,801	1,127	1,593	2,799	1,439	7,244	688	1,122
Rubbish and Recycling		307	422	425	158	261	258	367	78	272	574
Safety		110	41	42	43	155	46	47	49	50	183
Sewerage	7,623	13,679	15,590	23,072	23,813	18,970	24,386	18,501	14,800	21,854	16,780
Stormwater	2,301	2,464	1,550	2,714	3,017	2,683	3,168	6,591	15,977	15,638	4,004
Transport	25,647	18,206	20,286	17,643	22,544	28,606	30,993	28,977	31,741	22,468	25,692
Water supply	17,409	16,265	17,994	18,334	18,363	16,560	14,173	8,871	10,042	17,744	18,924
Capital expenditure incurred by business units and internal service units											
Fleet Vehicles	0	839	884	938	962	978	1,019	1,027	1,072	1,115	1,130
Information services	2,809	2,794	3,234	2,102	2,766	1,956	2,075	2,481	3,133	2,372	2,544
Corporate Buildings	4,660	182	128	1,104	859	419	292	125	927	747	650
Total capital expenditure	67,903	66,586	71,546	79,336	81,941	82,015	91,069	87,983	105,657	96,629	86,089

Variations to Council's 2015-25 10-Year Plan

* It should be noted that the activity structure between the LTP 2012-22 and the LTP 2015-25 has been changed

Note 17: Reconciliation between Prospective statement of comprehensive revenue and expense and Prospective funding impact statement

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operating surplus/(deficit) per Prospective statement of comprehensive revenue and expense	11,508	9,085	10,334	9,866	14,953	19,525	25,515	22,718	27,814	29,810	33,162
Items recognised as revenue in Prospective statement of comprehensive revenue and expense and as capital expenditure funding sources in Funding impact statement:											
Capital subsidies	(11,157)	(4,147)	(4,771)	(4,964)	(8,263)	(8,367)	(10,202)	(8,405)	(7,551)	(6,815)	(7,327)
Development and financial contributions											
Recognition of revenue from vested assets and interest on internal borrowing not included in the FIS	(7,571)	(11,213)	(10,784)	(10,946)	(9,377)	(9,632)	(9,905)	(10,202)	(10,522)	(10,866)	(11,236)
Non-cash items recognised in Prospective statement of comprehensive revenue and expense and not included in Funding impact statement:											
Depreciation	(8,414)	(8,481)	(8,549)	(8,618)	(8,686)	(8,756)	(8,826)	(8,897)	(8,968)	(9,040)	(9,112)
Interest on internal borrowing	56,295	58,269	58,352	60,086	61,586	63,273	63,590	65,224	67,676	70,236	73,471
Operating funding surplus/(deficit) per Prospective Funding Impact Statement	40,661	43,513	44,582	45,424	50,213	56,042	60,172	60,438	68,449	73,325	78,958
Balance as per Council FIS operating surplus/(deficit) of funding	40,661	43,513	44,582	45,424	50,213	56,042	60,172	60,438	68,449	73,325	78,958

Variations to Council's 2012-2022 10-Year Plan

* Refer to the individual Funding Impact Statements for detailed commentary on variations.

ARTS & CULTURE FUNDING IMPACT STATEMENT

Forecast for the year ended 30 June 2016-2025

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
	Annual Plan											
Sources of operating funding												
General rates, uniform annual general charges, rates penalties	13,233	1,595	3,228	5,223	7,270	6,967	9,927	18,155	21,558	17,098	19,820	
Targeted rates	143	13,597	12,558	11,970	10,759	10,457	6,547	7,733	5,360	1,886	0	
Subsidies and grants for operating purposes	0	38	39	40	41	42	43	44	46	47	49	
Fees and charges	2,513	1,991	2,038	2,087	2,141	2,199	2,261	2,037	2,100	2,617	2,707	
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0	
Local authorities fuel tax, fines, infringement fees, and other receipts	13	31	31	32	32	32	33	33	33	34	34	
Total operating funding	15,902	17,253	17,894	19,351	20,242	19,697	18,811	28,002	29,098	21,682	22,610	
Application of operating funding												
Payments to staff and suppliers	11,550	13,744	14,394	14,738	15,259	15,438	15,661	15,795	16,395	17,110	17,851	
Finance costs	329	261	272	285	295	302	307	313	323	330	329	
Internal charges and overheads applied	3,258	311	327	338	351	357	348	356	366	377	390	
Other operating funding applications	30	0	0	0	0	0	0	0	0	0	0	
Total applications of operating funding	15,167	14,316	14,993	15,361	15,904	16,096	16,315	16,464	17,083	17,816	18,570	
Surplus (deficit) of operating funding	736	2,937	2,901	3,990	4,338	3,601	2,495	11,538	12,015	3,866	4,040	
Sources of capital funding												
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0	
Development and financial contributions	172	0	0	0	0	0	0	0	0	0	0	
Increase (decrease) in debt	1,861	118	163	238	170	86	110	85	165	44	(96)	
Gross proceeds from sale of assets	18	17	18	19	19	19	20	21	21	22	23	
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0	
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0	
Total sources of capital funding	2,051	134	181	256	189	105	130	105	186	66	(73)	
Application of capital funding												
Capital expenditure	0	0	0	0	0	0	0	0	0	0	0	
- to meet additional demand	941	377	189	53	87	61	100	70	81	83	86	
- to improve the level of service	1,845	2,699	2,889	4,195	4,444	3,648	2,529	11,576	12,128	3,854	3,884	
- to replace existing assets	0	(5)	4	(2)	(4)	(3)	(3)	(3)	(7)	(5)	(4)	
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0	
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0	
Total applications of capital funding	2,786	3,071	3,082	4,246	4,527	3,706	2,626	11,643	12,201	3,932	3,966	
Surplus (deficit) of capital funding	(735)	(2,937)	(2,901)	(3,990)	(4,338)	(3,601)	(2,496)	(11,538)	(12,015)	(3,867)	(4,039)	
Funding balance	0	0	(0)	0	0	(0)	(0)	(0)	0	(0)	0	

COMMUNITY SUPPORT FUNDING IMPACT STATEMENT

Forecast for the year ended 30 June 2016-2025

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
	Annual Plan											
Sources of operating funding												
General rates, uniform annual general charges, rates penalties	2,844	171	516	906	1,678	1,514	1,973	2,448	2,965	3,518	3,879	
Targeted rates	31	2,869	2,674	2,484	2,764	1,684	1,433	1,128	789	413	0	
Subsidies and grants for operating purposes	50	0	0	0	0	0	0	0	0	0	0	
Fees and charges	2,013	2,412	2,468	2,528	2,593	2,664	2,739	2,821	2,910	3,005	3,107	
Internal charges and overheads recovered	0	3	3	3	3	3	3	3	4	4	4	
Local authorities fuel tax, fines, infringement fees, and other receipts	1	1	1	1	1	1	1	1	1	1	1	
Total operating funding	4,939	5,457	5,662	5,923	7,039	5,866	6,149	6,402	6,668	6,940	6,991	
Application of operating funding												
Payments to staff and suppliers	4,745	5,071	5,265	5,495	6,596	5,444	5,719	5,959	6,167	6,440	6,467	
Finance costs	38	20	21	22	22	23	23	23	24	24	24	
Internal charges and overheads applied	713	77	76	78	82	85	89	93	95	98	101	
Other operating funding applications	6	0	0	0	0	0	0	0	0	0	0	
Total applications of operating funding	5,502	5,167	5,362	5,595	6,699	5,551	5,831	6,074	6,285	6,561	6,592	
Surplus (deficit) of operating funding	(563)	289	300	328	340	315	319	327	383	379	399	
Sources of capital funding												
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0	
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0	
Increase (decrease) in debt	500	10	13	19	14	7	9	7	14	4	(8)	
Gross proceeds from sale of assets	7	7	7	8	8	8	8	9	9	9	9	
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0	
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0	
Total sources of capital funding	507	17	21	27	22	15	17	16	23	13	1	
Application of capital funding												
Capital expenditure	0	0	0	0	0	0	0	0	0	0	0	
- to meet additional demand	82	34	17	5	8	6	9	6	7	8	8	
- to improve the level of service	151	273	303	350	354	325	327	337	399	385	393	
- to replace existing assets	(289)	(1)	0	0	0	(1)	0	0	(1)	0	0	
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0	
Increase (decrease) of investments	(56)	306	320	355	362	330	336	343	406	393	401	
Total applications of capital funding	(56)	306	320	355	362	330	336	343	406	393	401	
Surplus (deficit) of capital funding	563	(289)	(300)	(328)	(340)	(315)	(319)	(328)	(383)	(380)	(399)	
Funding balance	0	0	0	(0)	(0)	0	(0)	(0)	0	(0)	(0)	

DEMOCRACY SERVICES FUNDING IMPACT STATEMENT

Forecast for the year ended 30 June 2016-2025

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
	Annual Plan											
Sources of operating funding												
General rates, uniform annual general charges, rates penalties	4,065	552	1,210	1,696	2,314	3,234	3,597	4,328	5,643	5,917	6,813	
Targeted rates	43	4,716	4,721	3,885	3,423	3,200	2,374	1,839	1,401	653	0	
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0	
Fees and charges	17	20	228	21	22	246	23	23	269	25	26	
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0	
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0	
Total operating funding	4,125	5,288	6,158	5,602	5,759	6,679	5,994	6,190	7,313	6,595	6,839	
Application of operating funding												
Payments to staff and suppliers	1,892	5,038	5,896	5,338	5,482	6,406	5,717	5,904	7,005	6,285	6,516	
Finance costs	10	1	1	1	1	1	1	1	1	1	1	
Internal charges and overheads applied	2,935	216	224	229	237	243	246	253	262	270	278	
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0	
Total applications of operating funding	4,837	5,255	6,121	5,568	5,719	6,650	5,964	6,158	7,268	6,555	6,795	
Surplus (deficit) of operating funding	(712)	34	37	35	40	30	29	33	45	40	44	
Sources of capital funding												
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0	
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0	
Increase (decrease) in debt	957	3	4	6	4	2	3	2	4	1	(3)	
Gross proceeds from sale of assets	2	1	1	2	2	2	2	2	2	2	2	
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0	
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0	
Total sources of capital funding	959	4	5	7	6	4	4	4	6	3	(1)	
Application of capital funding												
Capital expenditure	0	0	0	0	0	0	0	0	0	0	0	
- to meet additional demand	91	17	9	2	4	3	5	3	4	4	4	
- to improve the level of service	156	21	34	39	42	31	29	33	48	39	39	
- to replace existing assets	0	0	0	0	0	0	0	0	0	0	0	
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0	
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0	
Total applications of capital funding	247	38	42	41	46	34	34	36	51	42	43	
Surplus (deficit) of capital funding	712	(34)	(37)	(34)	(40)	(30)	(29)	(32)	(45)	(39)	(44)	
Funding balance	0	(0)	0	0	(0)	(0)	(0)	0	(0)	0	0	

ECONOMIC DEVELOPMENT FUNDING IMPACT STATEMENT

Forecast for the year ended 30 June 2016-2025

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
	Annual Plan											
Sources of operating funding												
General rates, uniform annual general charges, rates penalties	15,847	1,083	2,202	3,265	4,938	7,609	11,220	12,279	13,661	15,274	18,038	
Targeted rates	169	11,828	9,914	8,397	8,019	8,118	7,918	5,647	3,758	2,006	280	
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0	
Fees and charges	9,285	9,254	9,470	9,700	9,949	10,219	10,510	10,824	11,163	11,528	11,921	
Internal charges and overheads recovered	0	(197)	(202)	(207)	(212)	(218)	(224)	(231)	(238)	(246)	(254)	
Local authorities fuel tax, fines, infringement fees, and other receipts	414	550	550	550	550	550	550	550	550	550	550	
Total operating funding	25,715	22,518	21,934	21,704	23,244	26,278	29,974	29,070	28,895	29,113	30,535	
Application of operating funding												
Payments to staff and suppliers	14,886	14,323	14,613	14,885	15,595	15,807	16,853	16,938	17,412	17,663	18,443	
Finance costs	7,279	6,199	6,446	6,781	7,037	7,213	7,346	7,502	7,727	7,919	7,860	
Internal charges and overheads applied	2,240	536	553	567	587	602	613	631	650	670	693	
Other operating funding applications	470	0	0	0	0	0	0	0	0	0	0	
Total applications of operating funding	24,875	21,059	21,613	22,233	23,219	23,622	24,812	25,071	25,788	26,252	26,996	
Surplus (deficit) of operating funding	840	1,459	321	(528)	25	2,656	5,162	3,999	3,107	2,861	3,540	
Sources of capital funding												
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0	
Development and financial contributions	193	0	0	0	0	0	0	0	0	0	0	
Increase (decrease) in debt	1,191	1,552	2,092	3,023	2,132	1,071	1,348	1,023	1,963	520	(1,093)	
Gross proceeds from sale of assets	11	15	16	17	18	18	19	19	20	20	21	
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0	
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0	
Total sources of capital funding	1,395	1,567	2,108	3,040	2,149	1,089	1,367	1,042	1,983	540	(1,072)	
Application of capital funding												
Capital expenditure												
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0	
- to improve the level of service	355	279	275	27	44	31	50	53	40	42	43	
- to replace existing assets	901	2,818	2,104	2,512	2,171	3,756	6,519	5,022	5,126	3,426	2,464	
Increase (decrease) in reserves	0	(71)	50	(27)	(40)	(42)	(40)	(35)	(77)	(67)	(39)	
Increase (decrease) of investments	979	0	0	0	0	0	0	0	0	0	0	
Total applications of capital funding	2,235	3,026	2,429	2,512	2,175	3,745	6,528	5,041	5,090	3,401	2,468	
Surplus (deficit) of capital funding	(840)	(1,459)	(321)	529	(25)	(2,656)	(5,161)	(3,999)	(3,107)	(2,861)	(3,540)	
Funding balance	0	0	(0)	0	(0)	0	0	(0)	0	0	(0)	

PARKS & GREEN SPACES FUNDING IMPACT STATEMENT

Forecast for the year ended 30 June 2016-2025

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
	Annual Plan											
Sources of operating funding												
General rates, uniform annual general charges, rates penalties	14,823	1,783	3,511	5,172	6,930	9,228	11,313	13,757	16,562	22,388	28,024	
Targeted rates	761	15,819	14,270	12,450	10,234	9,116	7,464	5,844	4,108	2,473	0	
Subsidies and grants for operating purposes	281	7	7	7	7	7	8	8	8	8	9	
Fees and charges	2,622	1,350	1,392	1,442	1,496	1,554	1,617	1,684	1,756	1,834	1,967	
Internal charges and overheads recovered	0	816	835	855	877	901	927	954	984	1,016	1,051	
Local authorities fuel tax, fines, infringement fees, and other receipts	87	393	399	405	411	418	426	434	443	452	462	
Total operating funding	18,575	20,167	20,413	20,331	19,956	21,224	21,754	22,680	23,861	28,172	31,513	
Application of operating funding												
Payments to staff and suppliers	13,241	15,898	16,697	17,223	17,501	17,978	18,326	18,844	19,584	20,490	21,299	
Finance costs	1,655	1,729	1,796	1,891	1,962	2,011	2,051	2,095	2,155	2,207	2,192	
Internal charges and overheads applied	2,272	(105)	(104)	(111)	(106)	(107)	(117)	(122)	(126)	(132)	(139)	
Other operating funding applications	98	0	0	0	0	0	0	0	0	0	0	
Total applications of operating funding	17,265	17,521	18,389	19,004	19,357	19,882	20,261	20,817	21,613	22,565	23,351	
Surplus (deficit) of operating funding	1,310	2,646	2,024	1,328	599	1,343	1,493	1,864	2,249	5,607	8,162	
Sources of capital funding												
Subsidies and grants for capital expenditure	81	0	0	0	0	0	0	0	0	0	0	
Development and financial contributions	453	1,550	1,473	1,492	1,504	1,544	1,588	1,636	1,687	1,742	1,802	
Increase (decrease) in debt	2,930	512	748	1,263	974	494	635	493	981	260	(577)	
Gross proceeds from sale of assets	9	18	19	20	21	21	22	22	23	24	24	
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0	
Other dedicated capital funding	0	1,563	1,604	1,646	0	0	0	0	0	0	0	
Total sources of capital funding	3,473	3,643	3,844	4,421	2,499	2,059	2,245	2,151	2,691	2,026	1,249	
Application of capital funding												
Capital expenditure	440	3,040	2,874	3,055	192	39	0	110	818	1,943	3,917	
- to meet additional demand	1,010	737	839	546	302	578	608	616	456	1,409	685	
- to improve the level of service	2,806	2,274	2,518	2,158	2,622	2,804	3,148	3,306	3,704	4,315	4,829	
- to replace existing assets	527	238	(363)	(11)	(18)	(19)	(18)	(17)	(39)	(34)	(21)	
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0	
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0	
Total applications of capital funding	4,783	6,289	5,868	5,749	3,098	3,402	3,738	4,015	4,940	7,633	9,411	
Surplus (deficit) of capital funding	(1,310)	(2,646)	(2,024)	(1,328)	(599)	(1,343)	(1,494)	(1,863)	(2,248)	(5,607)	(8,162)	
Funding balance	0	(0)	0	0	(0)	(0)	(0)	0	0	0	0	

PLANNING & DEVELOPMENT FUNDING IMPACT STATEMENT

Forecast for the year ended 30 June 2016-2025

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Annual Plan											
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	3,481	459	966	1,333	1,818	2,243	2,655	3,241	3,926	4,661	5,641
Targeted rates	37	3,918	3,764	3,050	2,686	2,215	1,750	1,376	973	514	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	6,376	7,436	7,610	7,795	7,995	8,212	8,446	8,698	8,970	9,264	9,580
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding	9,894	11,813	12,340	12,177	12,499	12,669	12,851	13,314	13,870	14,438	15,221
Application of operating funding											
Payments to staff and suppliers	8,047	11,195	11,670	11,619	11,823	12,094	12,284	12,684	13,119	13,734	14,416
Finance costs	7	11	11	11	11	11	11	11	11	11	11
Internal charges and overheads applied	2,305	209	219	226	234	239	233	239	246	253	262
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	10,359	11,414	11,899	11,855	12,068	12,343	12,528	12,933	13,376	13,997	14,689
Surplus (deficit) of operating funding	(466)	399	440	322	431	326	323	381	495	441	532
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	695	60	83	121	87	44	57	44	86	23	(50)
Gross proceeds from sale of assets	5	11	12	12	13	13	14	14	14	15	15
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	700	71	95	134	100	57	70	58	100	38	(35)
Application of capital funding											
Capital expenditure	0	0	0	0	0	0	0	0	0	0	0
- to meet additional demand	86	240	121	34	56	39	64	45	51	53	55
- to improve the level of service	148	233	413	424	477	347	332	395	547	428	444
- to replace existing assets	0	(3)	2	(1)	(2)	(2)	(2)	(1)	(4)	(3)	(2)
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	234	470	536	457	531	384	393	439	595	478	497
Surplus (deficit) of capital funding	466	(399)	(441)	(323)	(431)	(327)	(323)	(381)	(494)	(441)	(532)
Funding balance	0	(0)	(0)	(0)	0	(0)	(0)	(0)	0	0	0

RECREATION FUNDING IMPACT STATEMENT

Forecast for the year ended 30 June 2016-2025

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Annual Plan											
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	5,248	604	1,261	2,026	2,381	3,260	4,644	7,958	10,266	5,519	6,918
Targeted rates	57	5,125	4,901	4,640	3,513	3,220	3,068	3,391	2,555	608	0
Subsidies and grants for operating purposes	0	276	282	289	296	305	313	323	333	344	355
Fees and charges	4,828	4,452	4,814	5,127	5,440	5,587	5,746	5,918	6,104	6,839	7,072
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	16	29	29	29	29	29	29	29	29	29	29
Total operating funding	10,149	10,485	11,287	12,112	11,660	12,401	13,801	17,619	19,286	13,338	14,375
Application of operating funding											
Payments to staff and suppliers	7,986	9,005	9,388	9,707	9,802	10,091	10,292	15,411	11,215	11,779	12,246
Finance costs	344	318	330	347	361	369	379	386	395	404	401
Internal charges and overheads applied	1,552	136	141	145	152	155	153	158	162	167	173
Other operating funding applications	12	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	9,894	9,459	9,859	10,199	10,315	10,614	10,824	15,954	11,771	12,350	12,820
Surplus (deficit) of operating funding	254	1,026	1,428	1,912	1,345	1,787	2,977	1,665	7,515	988	1,555
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	68	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	739	111	151	219	155	78	98	75	145	38	(82)
Gross proceeds from sale of assets	7	10	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	814	120	151	219	155	78	98	75	145	38	(82)
Application of capital funding											
Capital expenditure	0	0	0	0	0	0	0	0	0	0	0
- to meet additional demand	0	154	98	22	36	25	41	29	5,883	34	35
- to improve the level of service	1,069	998	1,477	2,111	1,468	1,842	3,037	1,714	1,783	998	1,440
- to replace existing assets	0	(5)	3	(2)	(3)	(3)	(3)	(2)	(6)	(5)	(3)
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	1,069	1,147	1,579	2,131	1,500	1,864	3,075	1,741	7,660	1,027	1,473
Surplus (deficit) of capital funding	(255)	(1,026)	(1,428)	(1,912)	(1,345)	(1,786)	(2,976)	(1,666)	(7,515)	(988)	(1,555)
Funding balance	0	(0)	0	(0)	(0)	0	0	(0)	(0)	(0)	0

RUBBISH & RECYCLING FUNDING IMPACT STATEMENT

Forecast for the year ended 30 June 2016-2025

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
	Annual Plan											
Sources of operating funding												
General rates, uniform annual general charges, rates penalties	5,006	679	1,366	2,990	2,807	3,641	4,521	5,566	6,323	7,599	9,167	
Targeted rates	54	5,834	5,335	6,899	4,159	3,604	2,988	2,369	1,570	839	0	
Subsidies and grants for operating purposes	0	410	420	430	441	453	466	480	495	511	528	
Fees and charges	293	355	363	372	382	392	403	415	428	442	458	
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0	
Local authorities fuel tax, fines, infringement fees, and other receipts	7	14	14	14	14	14	14	14	14	14	14	
Total operating funding	5,360	7,292	7,498	10,705	7,803	8,104	8,392	8,844	8,830	9,406	10,167	
Application of operating funding												
Payments to staff and suppliers	4,699	6,687	6,780	9,989	7,311	7,499	7,796	8,119	8,374	8,707	9,091	
Finance costs	163	147	153	161	167	171	175	178	183	188	186	
Internal charges and overheads applied	733	102	104	108	113	116	121	126	129	133	138	
Other operating funding applications	10	0	0	0	0	0	0	0	0	0	0	
Total applications of operating funding	5,605	6,935	7,037	10,257	7,590	7,786	8,091	8,422	8,686	9,027	9,414	
Surplus (deficit) of operating funding	(245)	357	460	448	213	318	301	422	144	378	753	
Sources of capital funding												
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0	
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0	
Increase (decrease) in debt	1,587	48	71	113	81	42	55	42	84	22	(51)	
Gross proceeds from sale of assets	5	7	7	8	8	8	8	9	9	9	9	
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0	
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0	
Total sources of capital funding	1,592	55	79	121	89	50	63	51	93	31	(42)	
Application of capital funding												
Capital expenditure	0	0	0	0	0	0	0	0	0	0	0	
- to meet additional demand	275	234	276	241	61	108	65	63	66	124	72	
- to improve the level of service	1,072	180	261	328	243	262	300	411	174	289	642	
- to replace existing assets	0	(2)	2	(1)	(2)	(2)	(1)	(1)	(4)	(3)	(2)	
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0	
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0	
Total applications of capital funding	1,347	412	539	568	302	368	364	473	237	410	712	
Surplus (deficit) of capital funding	245	(357)	(460)	(447)	(213)	(318)	(301)	(422)	(144)	(378)	(753)	
Funding balance	0	(0)	(0)	0	0	0	(0)	(0)	0	0	(0)	

SAFETY FUNDING IMPACT STATEMENT

Forecast for the year ended 30 June 2016-2025

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Annual Plan											
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	2,430	298	590	892	1,233	1,612	1,898	2,291	2,717	3,143	3,778
Targeted rates	25	2,584	2,314	2,054	1,830	1,599	1,256	976	676	347	0
Subsidies and grants for operating purposes	106	125	128	131	134	138	142	146	151	156	161
Fees and charges	1,967	2,131	2,180	2,233	2,291	2,353	2,420	2,492	2,570	2,654	2,745
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	2	13	13	13	14	14	14	15	15	15	16
Total operating funding	4,529	5,151	5,225	5,324	5,501	5,715	5,729	5,920	6,129	6,316	6,699
Application of operating funding											
Payments to staff and suppliers	4,009	4,802	4,932	5,057	5,195	5,321	5,446	5,616	5,784	5,974	6,187
Finance costs	45	35	36	38	39	40	41	41	42	44	43
Internal charges and overheads applied	563	92	95	98	102	104	104	107	110	113	117
Other operating funding applications	3	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	4,620	4,929	5,063	5,193	5,336	5,464	5,590	5,763	5,936	6,131	6,347
Surplus (deficit) of operating funding	(91)	222	162	131	166	251	139	157	193	185	352
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	161	25	35	51	37	18	23	18	35	9	(20)
Gross proceeds from sale of assets	6	4	4	5	5	5	5	5	5	6	6
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	167	30	40	56	41	23	29	23	40	15	(15)
Application of capital funding											
Capital expenditure	0	0	0	0	0	0	0	0	0	0	0
- to meet additional demand	28	69	34	10	16	11	18	13	15	15	16
- to improve the level of service	48	184	166	178	192	264	150	168	220	186	322
- to replace existing assets	0	(1)	1	0	(1)	(1)	(1)	(1)	(1)	(1)	0
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	76	251	202	187	207	274	167	180	233	200	338
Surplus (deficit) of capital funding	91	(222)	(162)	(131)	(166)	(251)	(139)	(157)	(193)	(185)	(353)
Funding balance	0	0	(0)	(0)	(0)	0	0	(0)	0	(0)	(0)

SEWERAGE FUNDING IMPACT STATEMENT

Forecast for the year ended 30 June 2016-2025

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Annual Plan											
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	16,425	2,121	4,539	8,726	12,323	13,540	19,283	18,923	17,071	28,980	31,514
Targeted rates	178	19,130	18,715	21,128	19,382	14,537	13,940	9,274	5,511	4,540	1,397
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	3,746	3,272	3,348	3,428	3,516	3,611	3,714	3,825	3,945	4,074	4,213
Internal charges and overheads recovered	0	1,012	1,035	1,095	1,123	1,153	1,188	1,222	1,260	1,301	1,345
Local authorities fuel tax, fines, infringement fees, and other receipts	620	355	355	356	356	357	357	358	358	359	360
Total operating funding	20,969	25,890	27,993	34,733	36,700	33,198	38,482	33,602	28,145	39,255	38,830
Application of operating funding											
Payments to staff and suppliers	7,841	13,009	13,625	14,064	14,614	14,959	15,596	16,347	17,034	17,764	18,275
Finance costs	4,145	3,794	3,947	4,150	4,305	4,413	4,502	4,599	4,730	4,849	4,810
Internal charges and overheads applied	1,596	(671)	(678)	(723)	(737)	(757)	(784)	(805)	(831)	(859)	(889)
Other operating funding applications	266	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	13,848	16,132	16,893	17,491	18,182	18,615	19,313	20,141	20,933	21,754	22,196
Surplus (deficit) of operating funding	7,121	9,758	11,100	17,242	18,518	14,582	19,169	13,461	7,211	17,501	16,634
Sources of capital funding											
Subsidies and grants for capital expenditure	270	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	2,225	2,877	2,733	2,767	2,790	2,866	2,948	3,036	3,132	3,233	3,343
Increase (decrease) in debt	(1,012)	1,213	1,923	3,298	2,742	1,650	2,390	2,063	4,598	1,217	(3,050)
Gross proceeds from sale of assets	9	13	13	14	14	15	15	15	16	17	17
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	50	51	53	54	56	57	59	61	63	65
Total sources of capital funding	1,492	4,153	4,720	6,132	5,600	4,586	5,410	5,174	7,807	4,530	375
Application of capital funding											
Capital expenditure	926	5,454	7,906	14,598	14,327	10,259	13,906	8,969	5,682	11,305	6,606
- to meet additional demand	1,801	1,193	1,106	1,359	1,434	1,242	1,291	1,556	2,220	2,296	2,381
- to improve the level of service	5,886	7,319	6,896	7,446	8,410	7,732	9,452	8,253	7,298	8,586	8,131
- to replace existing assets	0	(55)	(88)	(29)	(52)	(64)	(70)	(144)	(182)	(156)	(109)
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	8,613	13,911	15,820	23,374	24,119	19,169	24,579	18,634	15,018	22,032	17,009
Surplus (deficit) of capital funding	(7,121)	(9,758)	(11,100)	(17,242)	(18,518)	(14,582)	(19,169)	(13,461)	(7,211)	(17,502)	(16,634)
Funding balance	0	(0)	(0)	0	(0)	(0)	0	0	0	(0)	(0)

STORMWATER FUNDING IMPACT STATEMENT

Forecast for the year ended 30 June 2016-2025

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
	Annual Plan											
Sources of operating funding												
General rates, uniform annual general charges, rates penalties	7,265	466	719	1,380	2,028	2,408	3,515	6,148	13,885	16,197	7,799	
Targeted rates	78	3,809	2,701	3,112	2,969	2,357	2,308	2,611	3,457	1,793	0	
Subsidies and grants for operating purposes	275	0	0	0	0	0	0	0	0	0	0	
Fees and charges	10	32	33	34	35	36	37	38	39	40	41	
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0	
Local authorities fuel tax, fines, infringement fees, and other receipts	18	249	254	259	265	272	278	286	294	302	312	
Total operating funding	7,646	4,556	3,707	4,785	5,296	5,072	6,138	9,082	17,674	18,332	8,152	
Application of operating funding												
Payments to staff and suppliers	1,273	2,292	2,378	2,470	2,600	2,562	3,251	2,797	2,860	2,993	3,108	
Finance costs	425	363	378	397	412	422	430	439	452	463	460	
Internal charges and overheads applied	316	122	129	134	139	143	147	151	156	161	166	
Other operating funding applications	27	0	0	0	0	0	0	0	0	0	0	
Total applications of operating funding	2,041	2,777	2,884	3,001	3,151	3,127	3,827	3,387	3,468	3,617	3,733	
Surplus (deficit) of operating funding	5,605	1,779	823	1,784	2,145	1,945	2,310	5,696	14,207	14,715	4,419	
Sources of capital funding												
Subsidies and grants for capital expenditure	271	0	0	0	0	0	0	0	0	0	0	
Development and financial contributions	538	502	477	483	487	500	514	529	546	564	583	
Increase (decrease) in debt	(3,760)	171	254	449	384	218	321	340	1,184	314	(1,043)	
Gross proceeds from sale of assets	2	3	3	3	3	3	3	3	4	4	4	
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0	
Other dedicated capital funding	0	50	51	53	54	56	57	59	61	63	65	
Total sources of capital funding	(2,949)	726	785	988	929	778	896	931	1,795	944	(391)	
Application of capital funding												
Capital expenditure	878	1,757	973	1,885	2,074	1,481	1,954	5,339	14,684	14,300	2,617	
- to meet additional demand	833	17	9	186	231	259	245	251	260	269	279	
- to improve the level of service	1,026	738	621	704	776	991	1,016	1,049	1,105	1,130	1,169	
- to replace existing assets	(81)	(7)	6	(4)	(7)	(8)	(9)	(12)	(47)	(40)	(38)	
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0	
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0	
Total applications of capital funding	2,656	2,505	1,608	2,772	3,075	2,723	3,206	6,627	16,001	15,659	4,027	
Surplus (deficit) of capital funding	(5,605)	(1,779)	(823)	(1,784)	(2,146)	(1,945)	(2,311)	(5,695)	(14,206)	(14,715)	(4,419)	
Funding balance	0	(0)	(0)	(0)	(0)	(0)	(0)	0	0	(0)	0	

TRANSPORT FUNDING IMPACT STATEMENT

Forecast for the year ended 30 June 2016-2025

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
	Annual Plan											
Sources of operating funding												
General rates, uniform annual general charges, rates penalties	26,224	1,770	3,852	4,578	7,739	15,380	16,418	19,914	23,669	23,075	34,297	
Targeted rates	5,281	21,297	20,574	15,780	16,673	16,832	15,975	13,553	10,929	7,569	5,000	
Subsidies and grants for operating purposes	3,714	3,801	3,849	4,166	4,660	4,492	4,505	4,748	4,786	4,883	5,483	
Fees and charges	3,363	5,036	5,153	5,278	5,414	5,561	5,719	5,890	6,074	6,273	6,487	
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0	
Local authorities fuel tax, fines, infringement fees, and other receipts	4,416	3,826	3,901	3,979	4,063	4,154	4,253	4,359	4,474	4,597	4,730	
Total operating funding	42,998	35,730	37,330	33,780	38,549	46,418	46,871	48,465	49,933	46,397	55,997	
Application of operating funding												
Payments to staff and suppliers	11,697	18,296	18,853	19,772	21,239	21,314	21,921	22,994	23,611	24,396	26,320	
Finance costs	7,338	7,834	8,135	8,561	8,890	9,106	9,291	9,484	9,761	9,998	9,925	
Internal charges and overheads applied	3,311	376	382	391	408	421	434	449	460	474	491	
Other operating funding applications	466	0	0	0	0	0	0	0	0	0	0	
Total applications of operating funding	22,812	26,507	27,370	28,724	30,537	30,840	31,645	32,927	33,832	34,868	36,737	
Surplus (deficit) of operating funding	20,186	9,223	9,960	5,056	8,012	15,578	15,226	15,538	16,100	11,529	19,261	
Sources of capital funding												
Subsidies and grants for capital expenditure	10,156	4,147	4,771	4,964	8,263	8,367	10,202	8,405	7,551	6,815	7,327	
Development and financial contributions	2,155	2,656	2,524	2,556	2,576	2,646	2,721	2,803	2,890	2,985	3,087	
Increase (decrease) in debt	(5,354)	2,566	3,669	5,542	4,132	2,266	3,150	2,623	5,634	1,492	(3,560)	
Gross proceeds from sale of assets	21	26	28	30	30	31	32	32	34	35	36	
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0	
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0	
Total sources of capital funding	6,978	9,396	10,992	13,091	15,002	13,310	16,105	13,863	16,109	11,327	6,890	
Application of capital funding												
Capital expenditure	1,148	6,344	6,878	4,627	9,051	14,805	16,846	14,841	17,259	7,174	10,264	
- to meet additional demand	15,754	2,157	2,104	1,767	1,833	1,867	1,943	1,986	2,055	2,126	2,205	
- to improve the level of service	10,276	10,235	11,884	11,889	12,339	12,433	12,701	12,666	13,183	13,806	13,866	
- to replace existing assets	(14)	(117)	86	(136)	(209)	(217)	(160)	(92)	(288)	(250)	(185)	
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0	
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0	
Total applications of capital funding	27,164	18,618	20,952	18,148	23,013	28,889	31,331	29,401	32,209	22,856	26,150	
Surplus (deficit) of capital funding	(20,186)	(9,223)	(9,960)	(5,056)	(8,012)	(15,579)	(15,226)	(15,538)	(16,100)	(11,529)	(19,261)	
Funding balance	0	0	0	0	0	(0)	(0)	0	(0)	(0)	(0)	

WATER SUPPLY FUNDING IMPACT STATEMENT

Forecast for the year ended 30 June 2016-2025

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Annual Plan										
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	8,569	1,683	3,727	5,266	7,204	8,770	8,820	6,903	7,659	18,520	24,302
Targeted rates	8,211	22,844	23,044	20,710	19,491	17,720	15,106	12,476	11,742	12,217	10,514
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	227	173	177	182	186	191	197	203	209	216	223
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	152	278	278	279	279	279	280	280	281	281	282
Total operating funding	17,159	24,978	27,227	26,436	27,160	26,961	24,403	19,863	19,891	31,234	35,321
Application of operating funding											
Payments to staff and suppliers	5,888	8,368	9,287	9,520	9,493	9,931	10,315	10,564	11,043	12,225	11,894
Finance costs	3,109	2,994	3,112	3,273	3,396	3,479	3,553	3,626	3,730	3,823	3,795
Internal charges and overheads applied	1,275	318	337	350	362	372	375	385	398	411	424
Other operating funding applications	199	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	10,471	11,680	12,736	13,143	13,252	13,782	14,243	14,576	15,172	16,459	16,112
Surplus (deficit) of operating funding	6,688	13,298	14,491	13,293	13,909	13,179	10,161	5,287	4,719	14,775	19,209
Sources of capital funding											
Subsidies and grants for capital expenditure	379	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	1,767	1,915	1,820	1,843	1,858	1,908	1,963	2,021	2,084	2,153	2,226
Increase (decrease) in debt	8,950	1,187	1,947	3,357	2,767	1,555	2,133	1,669	3,356	889	(2,404)
Gross proceeds from sale of assets	6	7	7	8	8	8	8	9	9	9	9
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	50	51	53	54	56	57	59	61	63	65
Total sources of capital funding	11,102	3,159	3,826	5,261	4,687	3,527	4,161	3,757	5,510	3,114	(104)
Application of capital funding											
Capital expenditure	5,772	9,393	11,437	12,287	11,258	6,676	6,781	1,596	2,114	4,189	1,839
- to meet additional demand	7,723	2,135	1,980	1,238	2,068	4,515	1,349	1,389	2,325	6,146	11,176
- to improve the level of service	4,376	4,984	4,854	5,058	5,322	5,575	6,254	6,117	5,923	7,668	6,176
- to replace existing assets	(81)	(54)	46	(30)	(53)	(61)	(62)	(59)	(132)	(114)	(86)
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	17,790	16,458	18,317	18,553	18,595	16,706	14,322	9,043	10,229	17,889	19,105
Surplus (deficit) of capital funding	(6,688)	(13,299)	(14,492)	(13,293)	(13,908)	(13,179)	(10,161)	(5,286)	(4,719)	(14,775)	(19,209)
Funding balance	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)

10-Year Plan Disclosure Statement for period commencing 1 July 2015

What is the purpose of this statement?

The purpose of this statement is to disclose the council's planned financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings. The council is required to include this statement in its long-term plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the **regulations**). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

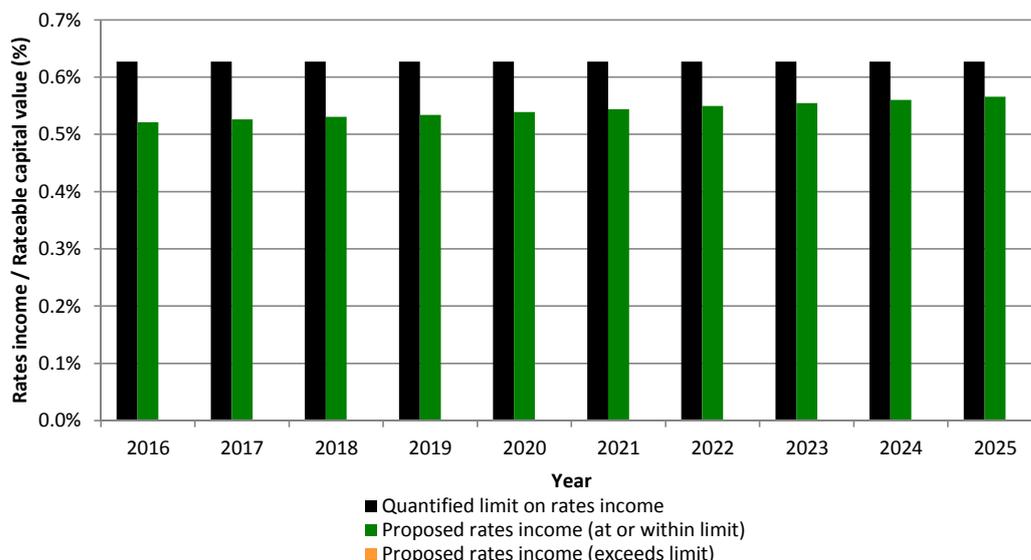
Rates affordability benchmark

The council meets the rates affordability benchmark if -

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

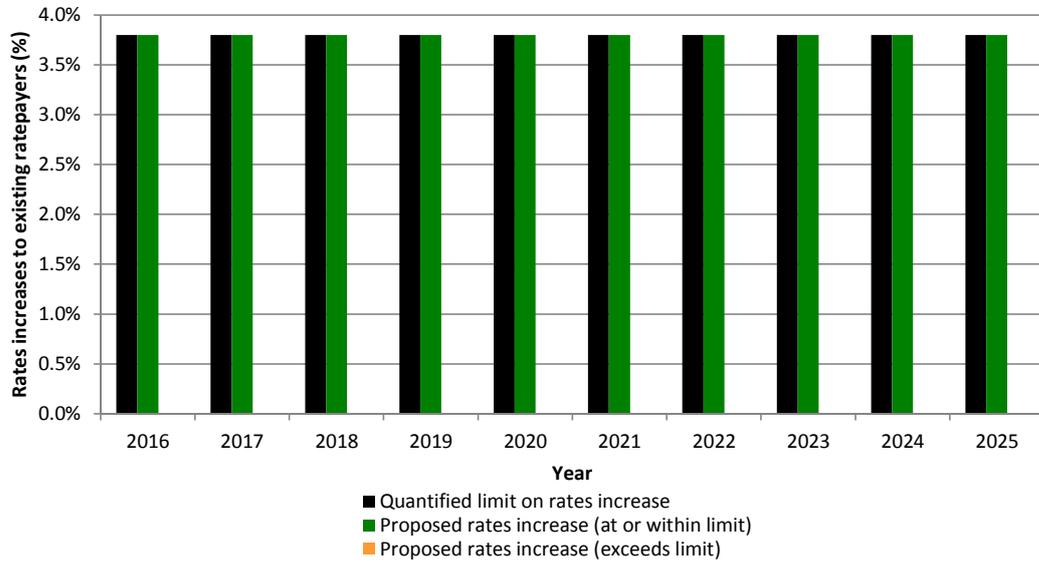
Rates (income) affordability

The following graph compares the council's planned rates income with a quantified limit on rates contained in the financial strategy included in this long-term plan. The quantified limit is that rates will not exceed 0.627% of the city's rateable capital value.



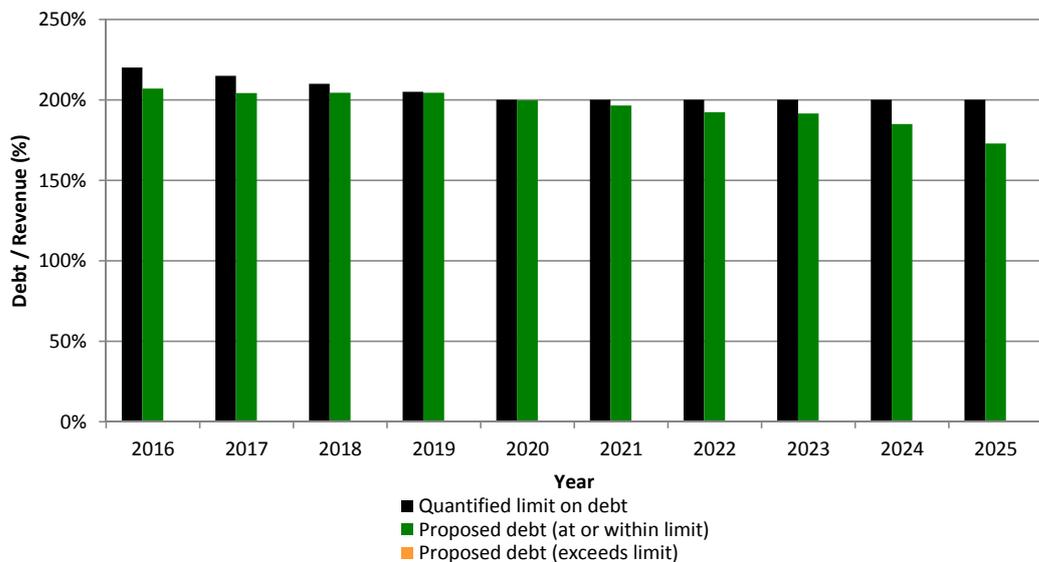
Rates (increases) affordability

The following graph compares the council's planned rates increases with a quantified limit on rates increases contained in the financial strategy included in this long-term plan. The quantified limit is that rates increases to existing ratepayers will not exceed 3.8%, except for targeted rates (Hamilton Gardens).



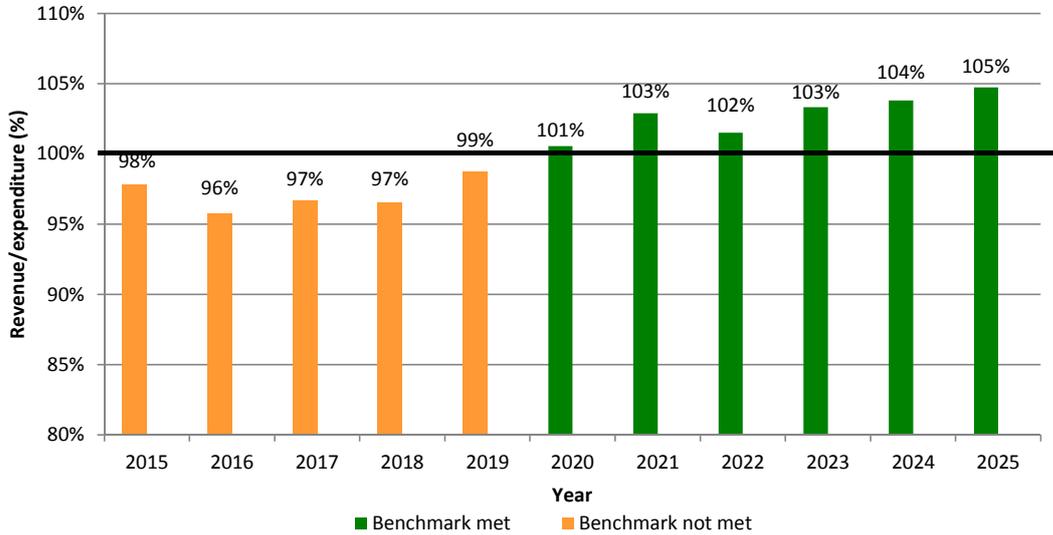
Debt affordability benchmark

The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing. The following graph compares the council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is that the debt to revenue ratio will be reduced to 200% or below by 2020 and thereafter will remain below 200%.



Balanced budget benchmark

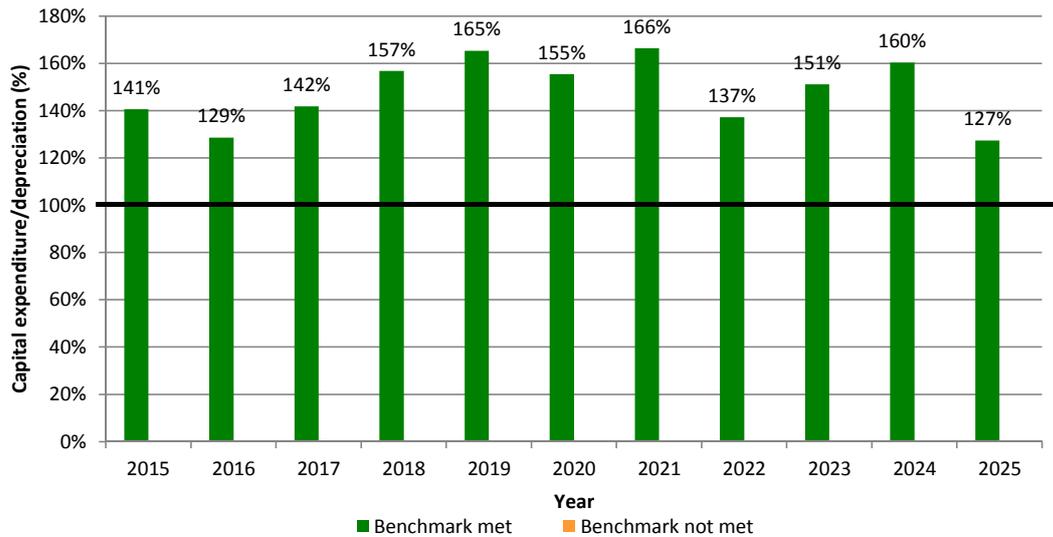
The following graph displays the council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of planned operating expenses (excluding losses on derivative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



NOTE: This is a statutory benchmark and is not the same as Council's own "Balancing the Books" measure referred to in the financial strategy.

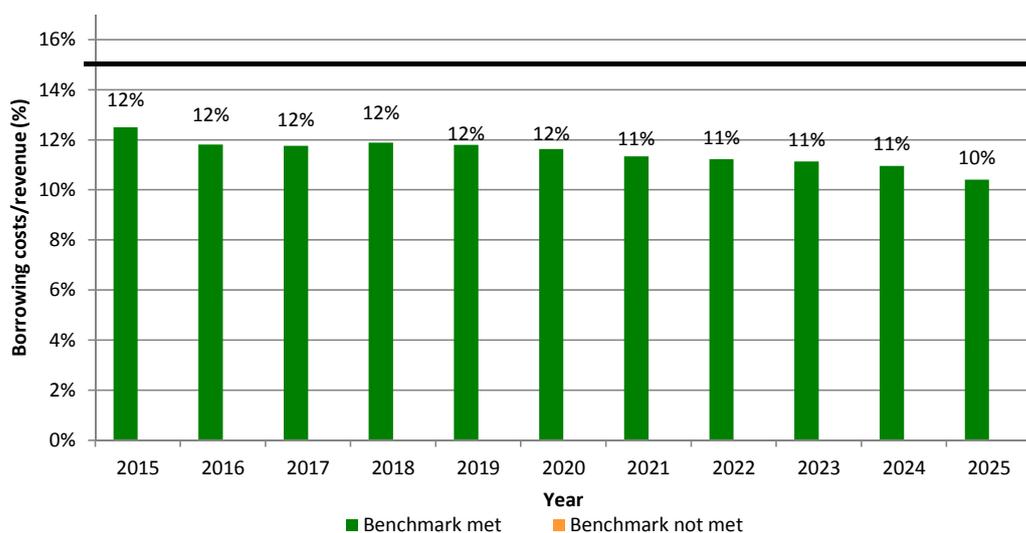
Essential services benchmark

The following graph displays the council's planned capital expenditure on network services as a proportion of expected depreciation on network services. The council meets this benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



Debt servicing benchmark

The following graph displays the council's 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 the council's population will grow faster than the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 15% of its planned revenue.



Additional Information or Comments

Council meets all the measures required by the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations) with one exception.

Council is required to measure its budget in accordance with the Balanced Budget Benchmark using the formulae proscribed by the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Balanced Budget Benchmark excludes a number of items of revenue that are included in both Generally Accepted Accounting Practice and Council's own Balancing the Books. These include development and financial contributions, vested assets, revaluations of property, plant and equipment, or any gains on derivative financial instruments.

The 10-Year Plan does not meet the Balanced Budget Benchmark as defined under the regulation until 2020. Council is of the opinion that this is due to the overall conservative nature of the measure and its inappropriateness in a growing city rather than any underlying unsustainable budget.

Council has noted the failure to meet this Benchmark but after considering the surpluses measured in accordance with its own "Balancing the Books" measure and Generally Accepted Accounting Practice is satisfied this is appropriate.

Council is of the opinion there are no material implications of not meeting the Balanced Budget Benchmark for the first four years of the 10-Year Plan and that the strong improvement in its financial results over the term of this plan shows that its financial performance is sustainable.

Council Funding Impact Statement

The Funding Impact Statement is made up of three parts:

- Rating Information for 2015/16
- Rates Samples for 2015/16
- The Whole of Council Funding Impact Statement for 2015/25

The Funding Impact Statement should be read in conjunction with the Revenue and Financing Policy and Rating Policy. Figures in this statement are GST inclusive.

RATING INFORMATION FOR 2015/16

Council sets and assesses the following rates under the Local Government (Rating) Act 2002.

- General Rate
- Targeted Rates:
 - Transitional
 - Access Hamilton
 - Business Improvement District
 - Hamilton Gardens
 - Community Use Water
 - Community Use Sewerage
 - Community Use Refuse
 - Metered water
 - Commercial non-metered water
 - Horsham Downs Hall

Details of the amount of rates to be collected and the 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 rating categories are defined in the Rating Policy. The differential basis is the use to which the land is put and in the case of the CBD Commercial differential, the location of the land. The different categories of rateable land are outlined in the table below.

This funding mechanism covers all services of Council. The total revenue sought is \$15.335 million.

Land described in Part 2 Schedule 1 of the Local Government (Rating) Act 2002 (broadly land owned or used by societies for arts or sports) will be assessed 50% of the general rate that applies to the land. The total revenue sought from the land is \$186,002.

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

SOURCE	DIFFERENTIAL CATEGORIES	DIFFERENTIAL FACTOR	PERCENTAGE OF TOTAL GENERAL RATES	GENERAL RATE IN THE DOLLAR OF CAPITAL VALUE (GST INCL)	RATES REVENUE (GST INCL)
General Rate	Residential	1.00	65%	0.00057355	\$9,967,780
	Commercial	1.79	25.82%	0.00091167	\$4,101,606
	CBD Commercial	1.70	8.18%	0.00086609	\$1,112,310
	Rural	0.42	1.0%	0.00023908	\$153,350

Uniform Annual General Charge

Council does not use a uniform annual general charge.

TARGETED RATES

Lump sum contributions are not sought or invited by Council in respect of targeted rates.

Transitional Rate

The rate is set and assessed on the land value of all rateable properties in the City.

The transitional rates are set on a differential basis on the categories identified in the table below. The rating categories are defined in the Rating Policy. The differential basis is based on the use to which the land is put, the location of the land and/or area of the land.

The total revenue sought is \$138,015 million.

SOURCE	DIFFERENTIAL CATEGORIES	DIFFERENTIAL FACTOR	PERCENTAGE OF TOTAL TRANSITIONAL RATES	TRANSITIONAL RATE IN THE DOLLAR OF LAND VALUE (GST INCL)	RATES REVENUE (GST INCL)
Transitional Rate	Residential	1.0000	63.16%	0.01107862	\$87,176,516
	Commercial	2.3268	26.25%	0.02577722	\$36,229,892
	CBD Commercial	2.2104	7.75%	0.02448836	\$10,695,351
	Multi Unit Residential	1.4089	1.79%	0.01560892	\$2,470,814
	Rural Residential	0.4642	0.05%	0.00514303	\$62,694
	Rural Small	0.3362	0.75%	0.00372480	\$1,034,533
	Rural Large	0.1550	0.25%	0.00171736	\$345,621

The Transitional rate funds the following activities

- Planning Guidance & Compliance
- Animal Education and Control
- Stormwater Network
- Catchment Management
- Refuse Collection
- Waste Minimisation
- Landfill Site Management
- Arts Promotion
- City Planning
- Theatres
- Sewage Collection
- Sewage Treatment and Disposal
- Hamilton Gardens
- Economic Initiatives
- Libraries
- Museum
- Community Development
- Community Parks
- Gullies and native plantings
- Streetscapes
- Sports Parks
- Governance & Civic Affairs
- Environmental Health and Public Safety
- Water Treatment and Storage
- Water Distribution
- Transport Network
- Zoo
- Stadiums
- Claudelands
- Leisure Facilities
- Emergency Management

Metered Water Rate

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

The rate is:

- i. a fixed amount based on the nature of the connection as follows:
 - \$422 for all metered rating units(except rural receiving a restricted flow supply);
 - \$312 for rural rating units receiving a restricted flow supply.
- ii. a charge per unit of water consumed or supplied on every metered connection in accordance with the following scale:
 - All metered rating units (except rural receiving a restricted supply) - \$1.76 per kilolitre of water supplied after the first 240 kilolitres of consumption or supply;

- rural rating units receiving a restricted flow supply - \$1.30 per kilolitre of water supplied after the first 240 kilolitres of consumption or supply.

The rates contribute to the funding of the Water Distribution and Water Treatment and Storage activities.

The total revenue sought is \$9.132 million.

Commercial Non-metered Water Rate

The rate is set and assessed on non-metered Commercial and Rural properties which are connected to or have a water supply available. The rate is \$422 per separately used inhabited part of the rating unit.

The rates contribute to the funding of the Water Distribution and Water Treatment and Storage activities. The total revenue sought is \$254,150.

Properties in the Waikato District Council and Waipa District Council supplied with water under contractual arrangements will be charged according to Council's Fees and Charging schedule.

Access Hamilton Rate

The rate is set and assessed at a uniform rate per dollar of capital value on all rating units in the City (excluding 100% non-rateable and 50% non-rateable properties).

The rate is \$0.00024156 per dollar of capital value. The total revenue sought is \$5,750,000.

The Access Hamilton rate funds the work programmes and/or financing costs relating to this project as part of the Transport Network activity.

Business Improvement District Rates (BID)

The rate is set and assessed on all separately used or inhabited part of commercial rating units in the BID area as mapped in the Rating Policy. The rate is:

- a) BID Fixed rate: a fixed amount of \$230 per separately used or inhabited parts of a 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 fixed amount of \$230 per rating unit or separately used portion of a rating unit, is \$0.00003757

The rate provides funding to the Economic Initiatives activity. The total revenue sought is \$322,000.

Hamilton Gardens Rate

The rate is set and assessed as a fixed amount on all separately used or inhabited part of each rating unit within the City. The rate is set at \$11.50.

The rate contributes funding to develop themed gardens and infrastructure as part of the Hamilton Gardens activity.

The total revenue sought is \$701,500.

Community Use Water Rate

The rate is set and assessed on properties as defined as a community use (see Rating Policy) and which are connected to the water supply.

- a) a fixed amount of \$422 per separately used or inhabited part of a rating unit; and
- b) a rate per dollar of land value of the rating unit, set at \$0.00262289

The rate provides funding towards the water distribution and water treatment and storage activities.

The total revenue sought is \$121,288.

Community Use Refuse Rate

The rate is set and assessed on properties defined as a community use (see Rating Policy) and which are provided with refuse collection service. The rate is:

- a) a fixed amount of \$150 per separately used or inhabited part of a rating unit; and
- b) a rate per dollar of land value) per rating unit set at \$0.00095798

The rate provides funding towards the refuse collection activity.

The total revenue sought is \$45,736.

Community Use Sewerage Rate

The rate is set and assessed on properties defined as a community use (see Rating Policy) and which are connected to the sewerage network. The rate is:

- a) a fixed amount of \$412 per separately used or inhabited part of a rating unit; and
- b) The rate per dollar of land value set at \$0.00277746.

The rate provides funding towards the sewage distribution and sewage treatment and storage activities.

The total revenue sought is \$904,778.

Horsham Downs Hall Rate

The rate is set and assessed as a fixed amount of \$25 per rating unit located within the Horsham Downs Hall rating area.

The rate provides funding to the Community Development activity. The total revenue sought for is \$1,550.

FUTURE RATES

Council intends to set and assess rates from the sources listed above in each year of the plan except:

- a) The Hamilton Gardens rate is budgeted to stop after the 2017/18 rating year.

SEPARATELY USED OR INHABITED PART OF A RATING UNIT (SUIP) - DEFINITION

Any part of a rating unit that is, or is able to be, separately used or inhabited by the ratepayer, or by any other person or body having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement.

For example, this means that each flat within a block of flats, or each shop within a block of shops, for example, would be charged the relevant targeted rate. The same would apply to a farm with more than one dwelling, (i.e. worker accommodation), or a residential property with a separate fully self-contained unit available for visitor accommodation.

Each use that involves a different activity that is conducted by a person, company, or organisation different to the ratepayer is considered to be a separate use. For example, if a photographic processing franchise operated within a store is operated by the store's staff, it is not a separate use. However if the same franchise is operated by a person, company, or organisation different to the store operator, it is considered a separate use.

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, Garden Place, Hamilton, between the hours of 8.00am and 4.45pm on all business days of the week.

2015/2016 PROPOSED RATES - SAMPLE PROPERTIES												
Differential	SUIPs	Land Value	Capital Value	2014/15 RATES			2015/2016 PROPOSED RATES			Total Rates Change (\$)	Total Rates Change (%)	
				General Rate	Targeted Rates	Total Rates	Land Value Transitional Rate	Capital Value General Rate	Targeted Rates			Total Rates
RESIDENTIAL SECTOR												
Vacant	1	200,000	200,000	2,360	61	2,422	2,216	115	60	2,390	-31	-1.30%
Modest	1	100,000	200,000	1,180	61	1,242	1,108	115	60	1,282	41	3.28%
Medium	1	200,000	400,000	2,360	111	2,472	2,216	229	108	2,553	81	3.29%
High	1	250,000	800,000	2,950	211	3,162	2,770	459	205	3,433	272	8.59%
Multi Unit	4	300,000	800,000	4,905	246	5,151	4,683	459	239	5,381	230	4.47%
RURAL SECTOR												
Vacant	1	400,000	400,000	1,608	111	1,719	1,490	96	108	1,694	-25	-1.47%
Medium	1	800,000	1,200,000	3,215	311	3,526	2,980	287	301	3,568	42	1.18%
High	1	2,000,000	2,300,000	3,639	586	4,225	3,435	550	567	4,552	327	7.73%
COMMERCIAL SECTOR												
Low	1	100,000	200,000	2,713	61	2,775	2,578	182	60	2,820	45	1.63%
Medium	1	250,000	500,000	6,783	136	6,919	6,444	456	132	7,032	113	1.63%
High	1	500,000	1,500,000	13,566	386	13,952	12,889	1,368	374	14,630	678	4.86%
CBD Medium	1	300,000	800,000	7,733	473	8,206	7,347	693	465	8,504	298	3.63%
CBD High	4	500,000	1,500,000	12,888	1,401	14,289	12,244	1,299	1,385	14,928	640	4.48%

COUNCIL FUNDING IMPACT STATEMENT

Forecast for the year ended 30 June 2016-2025

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Annual Plan											
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	125,459	13,265	27,687	43,453	60,663	79,405	99,783	121,911	145,906	171,887	199,991
Targeted rates	15,068	133,369	125,484	116,558	105,902	94,658	82,127	68,217	52,830	35,858	17,191
Subsidies and grants for operating purposes	4,426	4,657	4,724	5,062	5,580	5,436	5,476	5,749	5,818	5,949	6,585
Fees and charges	37,260	37,915	39,274	40,228	41,459	42,823	43,832	44,869	46,537	48,812	50,547
Interest and dividends from investments	2,143	2,143	2,144	2,145	2,146	2,147	2,149	2,150	2,152	2,154	2,155
Local authorities fuel tax, fines, infringement fees, and other receipts	3,603	3,596	3,682	3,771	3,868	3,973	4,086	4,209	4,340	4,482	4,635
Total operating funding	187,960	194,944	202,995	211,217	219,619	228,444	237,454	247,104	257,583	269,142	281,104
Application of operating funding											
Payments to staff and suppliers	120,822	127,728	133,777	139,878	142,510	144,843	149,176	157,970	159,604	165,560	172,111
Finance costs	24,887	23,703	24,636	25,916	26,896	27,558	28,106	28,696	29,531	30,258	30,035
Other operating funding applications	1,587	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	147,297	151,431	158,413	165,794	169,406	172,401	177,283	186,667	189,134	195,817	202,146
Surplus (deficit) of operating funding	40,663	43,513	44,582	45,424	50,213	56,043	60,172	60,438	68,449	73,325	78,958
Sources of capital funding											
Subsidies and grants for capital expenditure	11,157	4,147	4,771	4,964	8,263	8,367	10,202	8,405	7,551	6,815	7,327
Development and financial contributions	7,571	9,500	9,027	9,141	9,215	9,464	9,734	10,025	10,339	10,677	11,041
Increase (decrease) in debt	9,445	7,575	11,154	17,699	13,680	7,531	10,332	8,484	18,249	4,832	(12,037)
Gross proceeds from sale of assets	108	139	137	145	149	151	157	159	166	172	175
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	1,713	1,757	1,805	162	168	171	177	183	189	195
Total sources of capital funding	28,281	23,074	26,846	33,754	31,469	25,681	30,596	27,250	36,488	22,685	6,701
Application of capital funding											
Capital expenditure	9,164	25,988	30,068	36,452	36,902	33,260	39,488	30,855	40,556	38,912	25,243
- to meet additional demand	28,979	7,643	7,058	5,491	6,178	8,745	5,787	6,082	13,462	12,608	17,046
- to improve the level of service	29,760	32,955	34,420	37,393	38,861	40,010	45,794	51,046	51,638	45,109	43,799
- to replace existing assets	62	1	(118)	(158)	(260)	(292)	(301)	(296)	(720)	(619)	(430)
Increase (decrease) in reserves	979	0	0	0	0	0	0	0	0	0	0
Increase (decrease) of investments	68,944	66,587	71,428	79,178	81,681	81,723	90,768	87,687	104,937	96,010	85,659
Total applications of capital funding	(40,663)	(43,513)	(44,582)	(45,424)	(50,213)	(56,043)	(60,172)	(60,437)	(68,449)	(73,325)	(78,958)
Surplus (deficit) of capital funding	0	0	(0)	(0)	(0)	0	(0)	0	(0)	(0)	0
Funding balance	0	0	(0)	(0)	(0)	0	(0)	0	(0)	(0)	0

Arts & Culture

What we do

- Libraries
- Museum
- Theatres
- Arts Promotion

This includes:

- Central Library
- Suburban Libraries
- Founders Theatre
- Clarence Street Theatre
- Waikato Museum
- ArtsPost
- Public Art Support
- Gallagher Academy of Performing Arts Grant

The Council is involved in a range of artistic and cultural endeavours that contribute to making Hamilton a desirable place to live.

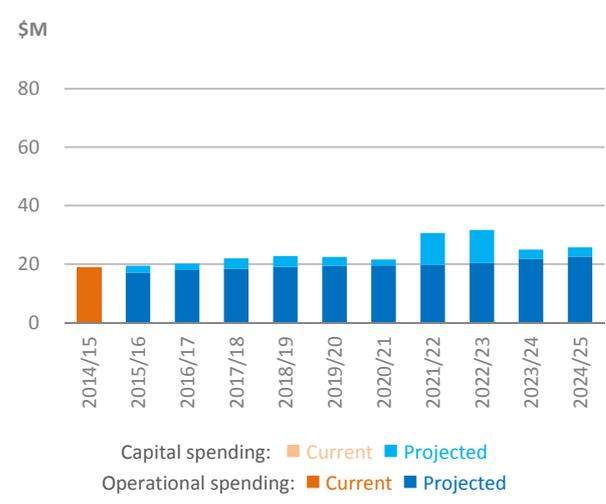
Hamilton has a network of six public libraries providing resources and information services. Our libraries are also increasingly becoming community learning spaces or hubs.

Waikato Museum cares for the city’s cultural and artistic treasures. Regular exhibitions and activities share the knowledge, creativity, history and stories of those treasures.

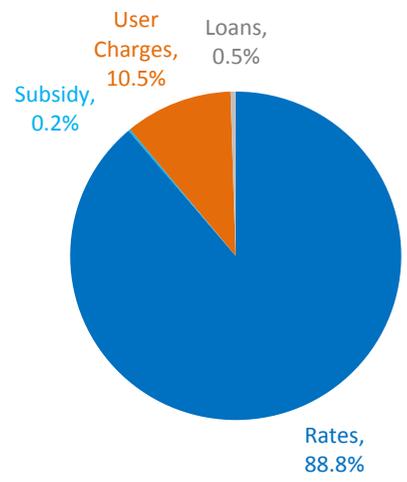
Founders Theatre offers space for live entertainment, conferences, seminars and social functions. The Council gifted operations of the Meteor theatre to a community group in early 2014. We are also considering a proposal to gift Clarence Street Theatre to a community group. This will allow both theatres to remain community assets.

We also provide seed funding for public art, administer the contestable performing arts fund and liaise with arts groups to build a vibrant arts scene.

How much it costs



How it's paid for



Our focus

To reflect the fast-moving change in the libraries sector, the Council has developed the Hamilton City Libraries Strategic Plan 2015-2025, which sets the direction for our library services. A libraries facilities plan is being prepared to determine the necessary library infrastructure required to deliver on the strategic plan.

We'll be making sure that our changing exhibitions and events continue to offer new and interesting reasons to visit the Museum, encouraging visitors to return. We are also focusing on delivering high quality education programmes and learning experiences for all ages to extend learning beyond the classroom.

The Council has set aside \$13.8m to upgrade the Founders Theatre in 2021/22 because maintaining the theatre has been deferred in the past and an independent report is saying we can no longer defer work. But first it plans to spend \$100,000 on a business plan to examine all the options for upgrading the 50-year-old theatre.

The estimated cost of upgrading the fly tower and stage house structure, and to upgrade toilets in the venue is \$10.8m. Upgrading the auditorium, foyer and facade is estimated to cost \$3m. A decision on whether or not to go ahead with this project will not be made until after the business plan is finished, which will be later in 2015.

Key projects (excludes inflation)

Founders Theatre upgrade

2015/16: \$100,000

2021/22 - 2023/24: \$13.95m

Upgrades to fly tower and stage house structure to address safety issues. Upgrades to auditorium, foyer and façade. Without this work the theatre will be unable to continue to operate as a regional theatre.

ArtsPost earthquake strengthening

2017/18 - 2018/19: \$2.5m

ArtsPost is a heritage category 2 building and needs to be brought up to a minimum earthquake standard to meet legal requirements.

Library collection purchases

\$10.5m over 10 years

Purchasing new items for the libraries collection, including print and electronic resources.

Public art support fund

\$300,000 over 10 years

Funding to support Council-led and community-led public art projects.

What you can expect from us

We're involved in arts and culture to support a fun and creative city with quality artistic and cultural experiences.

The Hamilton Plan

Arts and Culture contributes to these Hamilton Plan priorities:

- Celebrated for our arts and culture
- Providing outstanding infrastructure

You can expect...

Quality visitor experiences

Measure	Latest Result	Targets
The percentage of Residents Survey respondents who provide a rating, satisfied with libraries, Waikato Museum and theatres:	2013/14:	2015-25:
• Central Library	91%	At least 85%
• Chartwell Library	89%	At least 85%
• Hillcrest Library	82%	At least 85%
• Glenview Library	97%	At least 85%
• Dinsdale Library	84%	At least 85%
• St Andrews Library	89%	At least 85%
• Waikato Museum	84%	At least 80%
• Founders Theatre	78%	At least 75%
• Clarence St Theatre	71%	At least 65%
<p>What this tells us</p> <p>Our Residents Survey provides with an indication of the satisfaction of residents who use these facilities. We are aiming to maintain satisfaction at or close to current levels for the libraries and Museum. A decision on whether or not to go ahead with the Founders Theatre refurbishment project will not be made until after a business plan is finished, which will be later in 2015. If this project is completed, we would expect to see a corresponding increase in satisfaction.</p>		

You can expect...

Our facilities to be well used

Measure	Latest Result	Targets
The number of physical and virtual visits to libraries each year.	2013/14: 1,369,523	2015-25: At least 1,300,000
The number of visits to Museum each year.	2013/14: 120,218	2015-25: At least 118,000
The number of people attending events at theatres each year.	New measure	2015/16 – 2016/17: 70,000-80,000 2017-25: 75,000-85,000
<p>What this tells us</p> <p>Visitor numbers are a helpful indicator of the quality of our services.</p> <p>The theatres target includes Founders and Clarence Street Theatre. Council is currently considering a proposal to gift the operations of Clarence Street Theatre to a community group. If the proposal is adopted, then the target for this measure will need to be adjusted.</p>		
The total number of hire days across the theatres.	New measure	2015/16: 170-190 2016/17: 180-200 2017/18: 190-210 2018-25: 200-220
<p>What this tells us</p> <p>We measure the number of days the theatres are booked instead of the number of events to get a more accurate picture of how much these venues are used.</p> <p>The length of each event varies, so too does the number of days taken to set up or pack down an event. The term 'hire days' reflects the total number of days that the theatres are booked.</p>		

You can expect...

Our facilities to support a range of activities and learning opportunities

Measure	Latest Result	Targets
The number of children and students visiting the Museum for education each year.	2013/14: 8,014	2015-25: At least 8,000
The number of people attending events, programmes and classes at the libraries.	24,886	At least 25,000
<p>What this tells us</p> <p>The libraries and museum provide educational opportunities for whole the community.</p> <p>The library hosts a wide range of activities and learning opportunities for all age groups, from playgroups, story time sessions and reading programmes to computer mentoring.</p> <p>The museum has a changing programme of high quality exhibitions to give education visitors compelling reasons to revisit. We are working toward establishing the Museum as a must-visit Waikato education destination.</p>		

Community Support

What we do

- Community Development
- Emergency Management
- Housing

This includes:

- Grants and funding advice
- Community liaison and collaboration
- Community centres and halls
- Civil defence
- Housing for older people

We provide a range of community focused services to promote the social and cultural wellbeing of our city’s diverse communities.

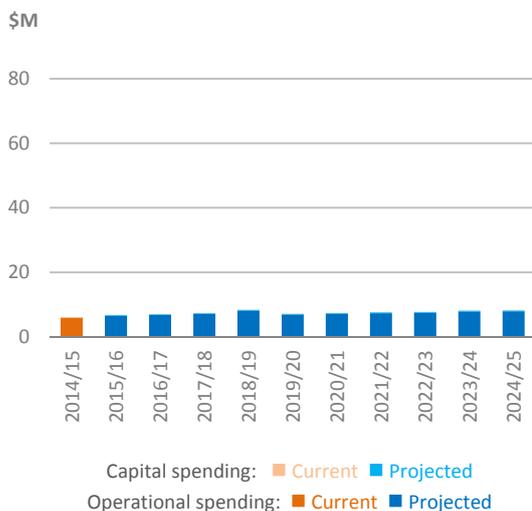
We work alongside the community, support services and central government agencies to help ensure services are in place to support a strong and connected city. We place special emphasis on connecting with the city’s ethnic communities, people with disabilities, youth and elderly, and communities in areas of low social-economic status.

Our work includes community advisory services, funding and grants. We also own and operate a number of community centres and halls to support social and recreational activities within our city.

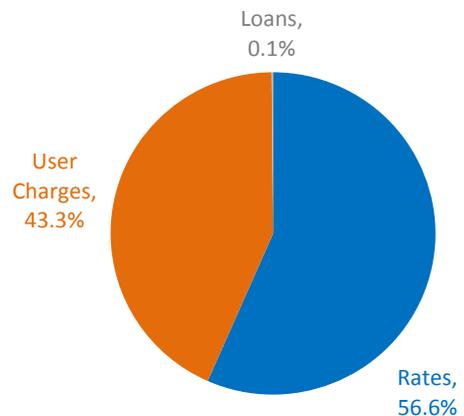
We provide leadership, advice, planning and resources to enable the community to respond and recover from any significant disaster that could affect the city.

The Council currently owns 344, mainly one-bedroom pensioner housing units in 17 communal-style complexes across the city. The Council decided, through a separate process in 2014, to sell the units to social housing providers.

How much it costs



How it's paid for



Our focus

After considering feedback from the social housing sector and the community, the Council has decided to sell its pensioner housing units to social housing providers. Conditions of any sale will be that existing tenants are able to remain within the pensioner housing portfolio for as long as they wish and that the units remain as social housing for the next ten years.

Social housing providers will have six months from 23 February 2015 to express interest in purchasing the housing portfolio. The Council will continue to manage the social housing units until a sale is completed. We are also contributing to the development of a Hamilton Social Housing Strategy that will be lead by the Social Housing Sector. For more information see www.hamilton.govt.nz/housingreview

On the Emergency Management front, we are working with our communities to build greater resilience to emergencies and disaster events, and to help our city recover faster. We are proactively encouraging the uptake of community response plans to enable the community to respond and remain self reliant for at least three days without any external assistance in the event of an emergency.

What you can expect from us

We're in community services to support a strong, resilient and connected community.

The Hamilton Plan

Community Support contributes to these Hamilton Plan priorities:

- Celebrate our arts and culture
- An active, strong commercial central city with distinctive suburban villages

You can expect...

Council to always be ready for an emergency

Measure	Latest Result	Targets
<p>Hamilton's overall capability for an emergency event, assessed against the Ministry of Civil Defence criteria.</p> <p>What this tells us</p> <p>We have made significant progress since we achieved a 30% score In 2010/11, by focusing on putting in place better plans and procedures to improve our capability to respond to an emergency event.</p> <p>We are also working in partnership with other local authorities from across the region through the Waikato Civil Defence Emergency Management (CDEM) Group. The role of the group is to work together with Waikato communities to ensure the effective and efficient delivery of emergency management through a collective response.</p> <p>Our future focus will be working to integrate emergency response and recovery planning into Hamilton communities. A resilient city will recover from an emergency event faster.</p>	<p>2013/14: 73%</p>	<p>2015/16-2017/18: 75%</p> <p>2018/19- 2024/25: 80%</p>

You can expect...

Council to work together with others on community issues

Measure	Latest Result	Targets
<p>The percentage of groups we work closely with who are satisfied with our community development services.</p> <p>What this tells us</p> <p>Much of what we do in the community services area is about working with people. Having professional and people-focused services is very important. These measures provide an indication of whether the people we work closely with have confidence in our contribution.</p>	2013/14: 86%	2015-25: 85%

You can expect...

Council to support and develop initiatives that improve the social well-being of the city

Measure	Latest Result	Targets
<p>The percentage of planned community development actions that are in progress or achieved each year.</p> <p>What this tells us</p> <p>We work in partnership with others to meet the recognised needs of the community. This is a measure of our contribution towards addressing significant community issues.</p>	New measure	<p>2015-25:</p> <p>75% of actions in progress or completed</p>

Democracy Services

What we do

- Governance and Public Affairs
- Partnership with Maaori

Democracy is about providing Hamiltonians with excellent governance and sound leadership for the city, with opportunities to be involved in decisions the Council makes.

This includes:

- Council and Committee Meetings
- Elected members' remuneration
- Elections and Referenda
- Civic events
- Partnership with Maaori
- Official information requests
- Advisory Panels

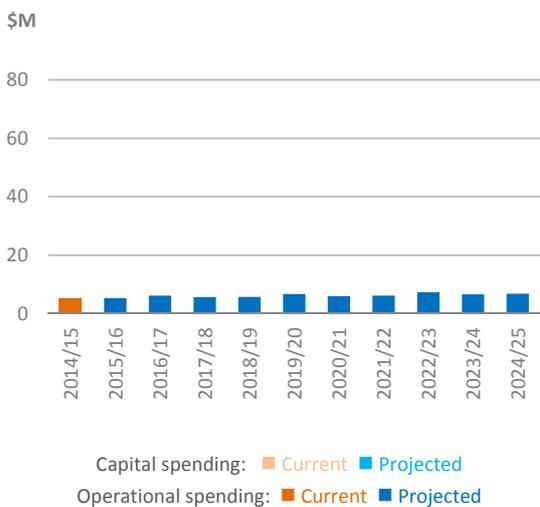
This activity includes Council and Committee meetings, consultation, elected members' remuneration, and civic functions. We also run Hamilton's local government elections.

We make sure that people have easy access to the information they need to get involved in Council's decision making.

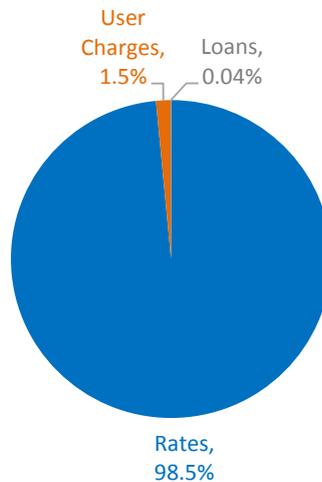
The Council fosters opportunities for Maaori to be involved and has relationships and service contracts with organisations to ensure Maaori views are represented in decisions about the city.

We have a number of advisory panels that provide guidance and advice to Council on a range of matters. These include the Hamilton's Older Persons Advisory Panel and Youth Council who are key representative partners.

How much it costs



How it's paid for



Our focus

We will continue to work towards building on our relationships with the community to make sure that Hamilton's interests are represented regionally and nationally. This includes focusing on developing stronger relationships with local Maaori.

One of our challenges is to ensure we hear a wide range of views from our diverse community. To do this we are working to make information more easily accessible, improve the ways we interact with residents and make it easier for everyone to have their say.

One way we are making information more accessible is by live-streaming all Council meetings, Finance Committee and Strategy and Policy Committee meetings. We will be looking at how to increase the usability and community interaction with this service over the coming years.

We have also been making changes to the way we manage the information on our website to ensure that information is readily available and easy to access. We will be making sure that agendas, minutes, key information and Official Information requests are all available online in a timely manner to promote openness and transparency in everything we do.

At the next local election in 2016 we hope to become one of the first cities in New Zealand to trial online voting. It is hoped this will improve voter turnout by making voting more convenient and accessible.

Maaori and Decision-making

Council seeks to honour the principles of partnership in decision-making with its treaty partners.

Council has partnerships with Maaori organisations which assist Council in ensuring Hamilton is a city where people from different cultures work together and respect each other's views, heritage, culture and strengths.

Following an independent review carried out by Pricewaterhouse Coopers in 2012/13, we continue to receive valued support and advice from urban Maaori organisation Te Runanga o Kirikiriroa (for strategic policy advice) and Te Hā o te Whenua o Kirikiriroa Trust (THaWK), who represent the five hapū for the greater Hamilton City area on issues relating to the management of Hamilton's natural and physical resources.

A Maaori Relationship Advisor role was established in March 2014 to provide support and advice to Council on issues related to Maaori and to help with the development of stronger relationships with local Maaori. Tame Pokaia was appointed by the Maaori King's office as Council's kaumatua, also in March, 2014 following the passing of our valued and respected kaumatua Moko Hamiora.

In November 2014, Her Worship the Mayor and elected members were privileged to be invited and hosted by the Maaori King, King Tuuheitia. King Tuuheitia shared his desire to work more closely with the Council in the future, which will bring benefits to Waikato-Tainui and also the residents of Hamilton City.

Council also met with members of management from Waikato-Tainui to discuss building positive and stronger relationships between the organisations. It was agreed that more regular co-management meetings be held to support development of the relationship.

Implementing the Joint Management Agreement (JMA) with Waikato-Tainui on issues relating to the Waikato River is still in early stages and will continue in the coming year.

What you can expect from us

We provide democracy services to support effective, open and responsive city governance.

The Hamilton Plan

Democracy services are about governance and decision-making, which contribute to all of our Hamilton Plan priorities.

You can expect...

Timely and open access to public information

Measure	Latest Result	Targets
<p>The percentage of official information requests responded to within 20 working days.</p> <p>What this tells us All requests for information are considered official. By law the Council must reply to official information requests within 20 working days. If extra time is needed, the applicant will be advised and given a reason and an estimated time period in which the information will be supplied.</p>	<p>2013/14: 97%</p>	<p>2015-25: 100%</p>
<p>The percentage of Council meeting agendas circulated at least two working days prior to the meeting.</p> <p>What this tells us We are required by law to make sure that meeting agendas are made publicly available within certain timeframes. Making sure this information is easily accessible in a timely manner means that people are more likely to get the information they need to get involved in the Council's decision-making processes.</p>	<p>New measure</p>	<p>2015-25: 100%</p>
<p>The number of complaints about Council withholding information upheld by the Ombudsman.</p> <p>What this tells us Once a request for information is made the Council must supply the information unless there is a reason for withholding it. These reasons are set out in the Local Government Official Information and Meetings Act.</p>	<p>2013/14: 0 complaints upheld</p>	<p>2015-25: 0 complaints upheld</p>

Economic Development

What We Do

- Economic initiatives
- Strategic Property Investment
- Claudelands
- Stadiums

The Council is a key contributor to enhancing the Hamilton economy and delivering core services and infrastructure that enable business to thrive in our city.

Economic Initiatives

We work with external agencies to develop and improve the local economy. This includes initiatives such as funding for the regional tourism organisation, event sponsorship, and support for the central city business improvement agency.

Strategic Property Investment

The Council manages two strategic property investment funds – the Domain Endowment Fund and the Municipal Endowment Fund – and administers leases across a broad range of Council-owned properties. Both funds are required by law to be invested in property, in order to maximise the financial return for the city.

Claudelands

Claudelands was crowned ‘Supreme Venue of the Year’ and ‘Large Venue of the Year’ at the 2014 Entertainment Venues Association of New Zealand industry awards. It is a versatile complex that caters for a variety of events and functions. It includes a multi-purpose indoor arena for up to 5000 spectators, conference facilities for up to 1200 delegates and exhibition and show facilities.

Stadiums

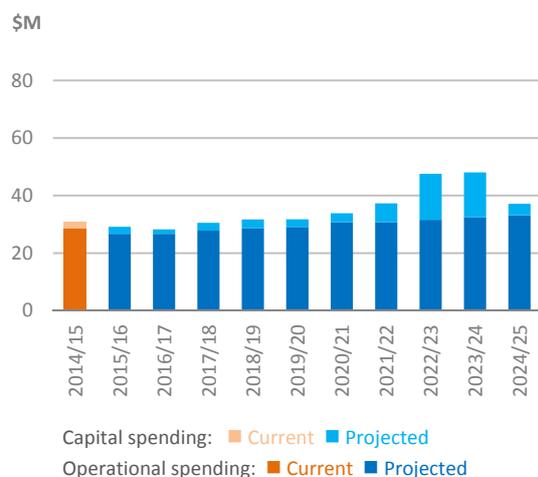
Waikato Stadium is one of New Zealand’s premier venues for international and national sports, live performances and functions. It hosts a range of events including international rugby and concerts. The stadium also has a number of lounges that are used for a variety of functions.

Seddon Park is an international standard cricket facility. Although the venue is predominantly used for cricket, it has also been used for other sports and entertainment events. The pavilion has two lounges suitable for other functions.

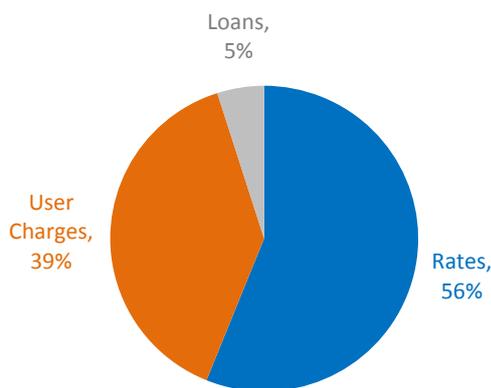
This includes:

- Event Sponsorship
- I-site visitor information centre
- Regional Tourism Organisation funding
- Hamilton Central Business Association
- Economic monitoring
- Property Investments
- Claudelands Events Centre
- Waikato Stadium
- Seddon Park
- Ownership interest in Waikato Innovation Park Limited and Hamilton Airport

How much it costs



How it's paid for



Our focus

Over the last few years we have been looking at some of the properties and investments owned by Council, and considering whether these assets should be kept or sold to help reduce the city's debt. A number of assets have been sold over this period, and a few more are still being considered for sale. We will also be looking at whether Council ownership is the most cost effective model for operation of some of the assets that need to be retained.

Claudelands, Waikato Stadium and Seddon Park are important contributors to our city's economy as major generators of business and event tourism that comes to Hamilton. The events we host bring visitors from outside the Hamilton which has an economic benefit for the city. Many stay in the city and buy other services while they are here, which has a flow on effect for businesses. We'll be focussed on continuing to bring a range of international and national events to our city to attract people to our event facilities. We will also be looking at ways we can provide a better experience for our event attendees and venue hirers.

Hamilton's economic growth and development agenda is guided by the Hamilton Plan. This will include the development of a Central City Transformation Plan (similar to and closely linked to the River Plan). This plan will identify the outcomes, opportunities and projects required to transform the central city into a strong commercial centre with residential living.

Key projects (excludes inflation)

Claudelds Asset Replacements

\$9.6m over 10 years

Includes property assets such as an upgrade of the toilets in the conference centre (not included in the 2011 redevelopment), kitchen equipment, oval lighting and drainage required to allow the oval to continue to be used for parking during wet weather.

Also includes plant and equipment such as replacement of conference furniture, audio visual equipment, kitchen equipment, staging, signs, etc.

Stadium Asset Replacements

\$15.1m over 10 years

Includes property assets such as air conditioning, roofing material, plumbing services, electrical services, security systems, lighting, carpeting, fixed seating, fencing, irrigation, CCTV systems, kitchen equipment, media & function areas, sight screens, etc.

Also includes plant and equipment such as playing surfaces, training facilities, audio visual equipment, furniture, pathways, car parks, landscape features, signs, etc.

What You Can Expect From Us

We invest in our city to support a strong, productive and sustainable local economy.

The Hamilton Plan

Our Economic Development activities contribute to these Hamilton Plan priorities:

- Providing outstanding infrastructure
- The third city economy in New Zealand
- An active, strong commercial central city with distinctive suburban villages

You can expect...

Our venues are well utilised

Measure	Latest Result	Targets
The total number of hire days across the Claudelds facilities.	New measure	2015/16: 500-530 2016/17: 510-540 2017-25: 520-550
The total number of hire days across the stadium facilities.	New measure	2015/16: 410-430 2016-25: 420-440
What this tells us We measure the number of days a venue is hired instead of the number of events to get a more accurate picture of how much our venues are used. Venues have multiple spaces available for hire and can host a number of different events on any particular day. The length of each event varies, so too does the number of days taken to set up or pack down an event. The term 'hire days' therefore reflects the total number of days that each hireable space is booked at a particular venue.		

You can expect...

A range of quality events that people want to attend

Measure	Latest Result	Targets
The number of people attending events at Claudelands.	New measure	2015/16: 180,000-200,000 2016/17: 185,000-205,000 2017/18: 190,000-210,000 2018-25: 190,000-210,000
The number of people attending events at the stadiums.	New measure	2015-25: 200,000-220,000
What this tells us We want to be sure that types of events that we host at Claudelands, Seddon Park and Waikato Stadium are events that people want to go to.		
The percentage of customer survey respondents who are satisfied with the overall event experience.	New measure	2015-25: At least 85%
What this tells us Feedback from our customers is valuable. It helps us to identify what we are doing well and what we need to improve to deliver a better experience for event attendees.		

You can expect...

A financial return on the Council's commercial property investments

Measure	Latest Result	Targets
The financial return on the Council's commercial property investments.	2013/14: 8%	2015-25: 7%
What this tells us Keeping properties tenanted is key to ensuring we are achieving good financial returns on our commercial property investments. The target reflects the current market we are operating in, and has been benchmarked against other commercial investment portfolios.		

Parks & Green Spaces

What we do

- Hamilton Gardens
- Community Parks
- Gullies and native plantings
- Streetscapes
- Sports Parks
- Cemeteries and Crematorium

This includes:

- Neighbourhood and destination parks
- Hamilton Gardens
- Playgrounds
- Public Toilets
- Sports Parks
- River and lake walkways
- Gullies and native plantings
- Natural heritage parks
- Street plantings and trees
- Cemeteries and crematorium

One of the great features of Hamilton is its huge range of parks.

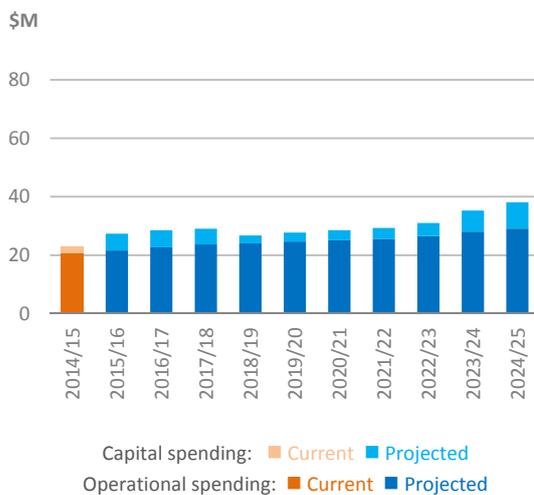
We want Hamilton to be an urban garden, with parks, trees, beautiful gardens and street plantings. The city offers numerous green areas such as Claudelands Park, Hamilton Lake Domain and Memorial Park. The star of our green spaces is Hamilton Gardens.

Our city also has a network of natural areas alongside the Waikato River, and a range of gullies and ecological restoration areas such as the Waiwhakareke Natural Heritage Park.

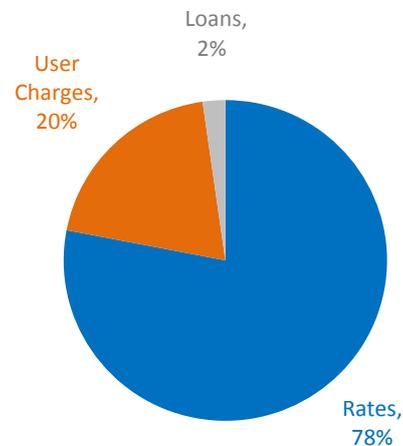
We also provide burial and crematorium services in park like settings where people can remember loved ones.

The parks and gardens, with their complementing walkways and amenities managed by the Council contribute to people’s sense of pride in how Hamilton looks and feels.

How much it costs



How it's paid for



Our focus

We are planning a number of improvements to our parks and green spaces to ensure that we continue to meet the changing needs of our city.

In 2015/16 we will begin a staged development of a new sports park in Rototuna. Initial development will include basic improvements to make the grounds usable as a park for the next few years. Starting in 2021/22, the fields will be developed over four years to create new sports fields. From 2023/24 we will also be spending money on existing sports parks to improve things like field irrigation and drainage.

Over the next 10 years we will be upgrading two existing neighbourhood playgrounds and creating eight new destination playgrounds throughout the city. Two-thirds of the cost will be funded by Council, and the remaining one-third through other funding sources. New public toilets are also planned in conjunction with destination playgrounds.

The four-year Hamilton Gardens Development reinvestment programme that began in 2014/15 will also continue, delivering five new themed gardens and additional infrastructure.

Key projects (excludes inflation)

Hamilton Gardens Development

\$2.344m over three years

Development of four new themed gardens (the Tudor Garden is already completed), a new jetty, turtle lake carpark extension, information centre upgrade and extension, destination playground and security improvements. One-third is funded by the Council. The additional two-thirds is being sought from other funding sources.

Destination playground public toilets

\$1.3m over 10 years

Refurbishment of the public toilets at the Hamilton Lake destination playground and new public toilets for destination playgrounds across the city.

Playgrounds

\$3.7m over 10 years

Development of eight new destination playgrounds and upgrades to two neighbourhood parks. Eighteen small neighbourhood playgrounds will be retired over this period.

Rototuna park and sports fields development

2015/16: \$350,000

2021/22 - 2024/25: \$4.8m

Basic development of park (stage 1), and sports fields (stage 2) in the Rototuna growth area.

Sports park improvements

2023/24 – 2024/25: \$2m

Improvements to six existing high priority sports fields, including installation of field irrigation systems and upgrades to ageing drainage.

What you can expect from us

We provide parks and green spaces to protect, restore and enhance Hamilton's beautiful green landscape, and offer community spaces for leisure and recreation that everyone can enjoy.

The Hamilton Plan

Our parks and green spaces contribute to these Hamilton Plan priorities:

- An urban garden
- Best garden in the world
- Strongly connected to the river

You can expect...

Quality parks for everyone to enjoy

Measure	Latest Result	Targets
<p>The percentage of Residents Survey respondents who provide a rating, satisfied with parks and gardens in the city in general.</p> <p>What this tells us</p> <p>Our parks and gardens enhance Hamilton's green landscape and provide opportunities for leisure and outdoor recreation. Hamilton has more than 200 parks and reserves that are available for everyone to enjoy.</p>	<p>2013/14: 83%</p>	<p>2015-25: At least 75%</p>

You can expect...

Our streetscapes to be well presented

Measure	Latest Result	Targets
<p>The percentage of Residents Survey respondents who provide a rating, satisfied with city beautification.</p> <p>What this tells us</p> <p>We plant trees and plants throughout the city's traffic islands and road reserves to beautify our city. Enhancing our streetscapes and open spaces with beautification planting improves safety for road users, helps to maintain our city's green image, and promotes environmental sustainability.</p> <p>This measure tells us if we are focused on beautification planting and maintenance in streetscapes and open spaces that need it most.</p>	<p>New measure</p>	<p>2015-25: At least 75%</p>

You can expect...

Sports grounds to be available for use

Measure	Latest Result	Targets
<p>The number of times the Council closes sports grounds for club sport during a season.</p> <p>What this tells us</p> <p>The closure of sports grounds is weather dependent. Grounds are generally closed when there has been a lot of rain and the grounds will be damaged if they are played on.</p> <p>This measure is a useful indicator of the quality of our sports grounds and helps us to identify what sports fields require better drainage to cope with a wet winter. We'll be putting some money into improving drainage in some sports fields from 2023/24.</p>	<p>2013/14:</p> <p>0 sports grounds with more than six closures</p>	<p>2015-25:</p> <p>No more than six sports ground closures per park</p>

You can expect...

Council to work with others to protect and gradually restore biodiversity

Measure	Latest Result	Targets
<p>The number of native plants planted in Council-owned natural areas each year.</p> <p>What this tells us</p> <p>Each year we receive external funding to restore native planting at Waiwhakareke and in gully and stream areas around the city. The funding can vary from year to year which affects how many plants get planted in any given year.</p> <p>In 2013/14 we successfully secured external funding to increase our plantings for that year. This funding is not available to the same extent going forward. Our target for 2015-25 reflects this.</p>	<p>2013/14:</p> <p>75,436 plants</p>	<p>2015-25:</p> <p>At least 25,000 each year</p>
<p>The number of community volunteer hours devoted to planting and maintenance each year.</p> <p>What this tells us</p> <p>We work with community groups and residents to improve our natural habitats and increase the city's biodiversity for future generations to enjoy.</p> <p>Thousands of native trees and shrubs have been planted by community group volunteers to encourage native birds, like tui, back into our city, and it is working, however there is still more that we can achieve together.</p> <p>Arbor day makes a significant contribution to the number volunteers hours each year.</p>	<p>New measure</p>	<p>2015-25:</p> <p>At least 8,000</p>

You can expect...

The playgrounds development programme to be delivered

Measure	Latest Result	Targets
Delivery of the playgrounds programme.	New measure	2015-25: To achieve the playgrounds programme as planned.
What this tells us The Council adopted a Playground Policy in February 2014 that sets out a programme for development of new playgrounds across the city. The playgrounds programme includes the delivery of eight new destination playgrounds, plus upgrades to two existing neighbourhood playgrounds over the next 10 years. This measure tells us if we are delivering the playgrounds identified in the programme as planned.		

You can expect...

Hamilton Gardens to provide a quality visitor experience

Measure	Latest Result	Targets
The percentage of Resident Survey respondents who provide a rating satisfied with Hamilton Gardens.	2013/14: 97%	2015-25: At least 95%
What this tells us Hamilton Gardens is a city asset that is highly valued by our residents.		

You can expect...

Hamilton Gardens to be a key visitor attraction for the city

Measure	Latest Result	Targets
The estimated number of visitors to the Hamilton Gardens each year.	New measure	2015-25: 1.3 million
What this tells us We measure the number of visitors to the gardens through our on-site electronic counters and visitor surveys. These give us an indication of how well used Hamilton Gardens is by both locals and visitors.		

Planning & Development

What we do

- City Planning
- Planning Guidance & Compliance
- Building Control

This includes:

- District Plan
- Urban Design and Heritage Panels
- Resource consents and monitoring
- Building consents and inspections
- Building warrants of fitness
- Property information and advice

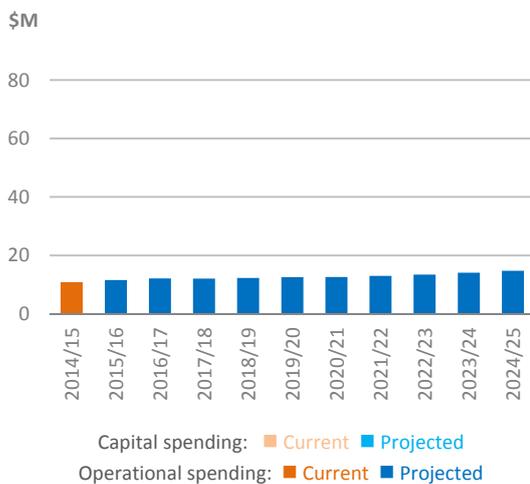
Good planning supports sustainable growth and development. It protects Hamilton’s natural and built environments and helps maintain quality of life for our city’s residents.

We prepare the District Plan and other policies that guide the future development of our city. We are several years into a review of our District Plan, the key document that defines how and where the city grows and how its natural and physical resources are managed.

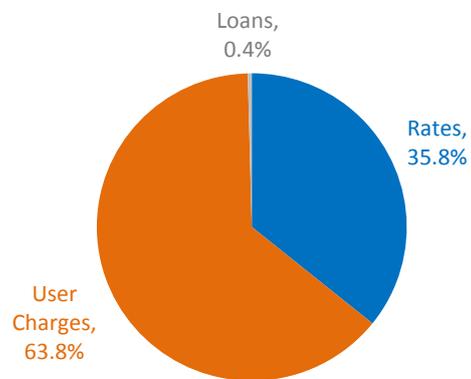
We provide planning information and process applications for land use and subdivision consents and work with developers to ensure the city is well designed, safe and successful. Our work also includes monitoring and investigating compliance with resource consent conditions, District Plan, the Prostitution Bylaw and the Gambling Policy.

We issue building consents, inspect buildings and provide advice to help ensure Hamilton’s buildings are safe, healthy and durable. We also maintain property information and answer property enquiries.

How much it costs



How it's paid for



Our focus

It is a priority for the Council to make it better to do business with us. We are working to improve our planning and building control services, with a focus on providing quality services that are efficient and easy to use.

The Council is now several years into the review of the District Plan. We will continue to work on resolving all appeals so the Proposed District Plan can be made operative. We will also complete a further process to enable the development of an inland port in Ruakura to progress, which will involve consultation and hearings to rezone some land.

We are required to monitor our District Plan to make sure that it is successful in achieving the objectives and policies which have been set out in the plan. We are working on putting in a place a programme to monitor its effectiveness.

What you can expect from us

We're involved in planning and development to protect Hamilton's unique environment and residents' quality of life as our city grows.

The Hamilton Plan

Planning & Development contributes to these Hamilton Plan priorities:

- Hamilton is the third largest city economy in New Zealand
- An active, strong commercial central city and distinctive suburban villages
- Affordable housing

You can expect...

A District Plan that promotes quality growth and development

Measure	Latest Result	Targets
The percentage of residents survey respondents who provide a rating agreeing they have pride in the city's look and feel.	2013/14: 71%	2015-25: At least 70%
What this tells us Residents' perception about the look and feel of the city is impacted in part by the quality of the built environment. The new District Plan changes some of the rules for future city development to make sure that Hamilton is a well designed and innovative city where people love to live.		

You can expect...

Consents and property information to be processed within statutory timeframes

Measure	Latest Result	Targets
The percentage of non-notified resource consent applications processed within statutory timeframes.	New measure	2015-25: 100%
The percentage of survey plans (223 certificates) approved within statutory timeframes.	New measure	100%
The percentage of building consents processed within statutory timeframes.	New measure	100%
The percentage of final building consent sign-offs (code compliance certificates) issued within statutory timeframes.	New measure	100%
The percentage of Land Information Memoranda reports issued within 10 working days.	New measure	100%
<p>What this tells us</p> <p>The Council has legal timeframes that applications must be processed within. We monitor these timeframes to make sure we are meeting and where possible, exceeding our obligations.</p>		

Recreation

What we do

- Pools
- Indoor Recreation
- Hamilton Zoo

This includes:

- Waterworld
- Gallagher Aquatic Centre
- Partner pool funding
- Hamilton Zoo
- Te Rapa Sportsdrome

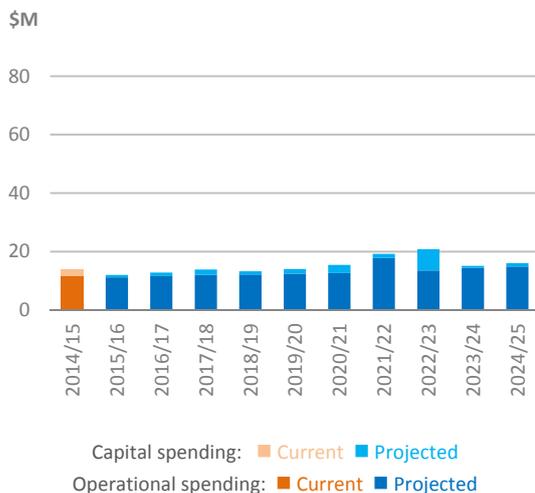
We provide a range of quality recreational facilities that are widely accessible and suitable for all ages and abilities. They offer a range of activities and learning opportunities.

The Council operates two swimming complexes - Waterworld and Gallagher Aquatic Centre. Waterworld is the largest multi-pool complex in the Waikato region and hosts both local and national competitions. Gallagher Aquatic Centre is a smaller community pool well suited to recreational and leisure swimmers.

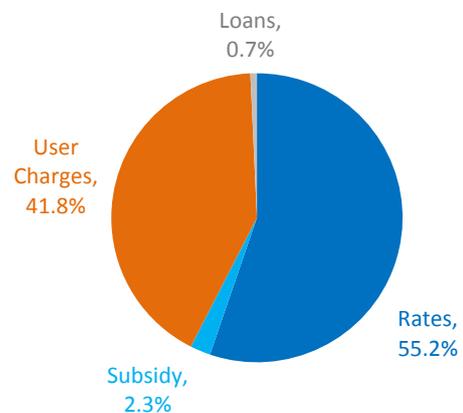
We also own the Te Rapa Sportsdrome, an indoor recreational facility that supports local sports and community use.

Hamilton Zoo is home to more than 600 exotic and native New Zealand animals spread over 21 hectares. The unique experience at Hamilton Zoo allows residents and visitors to enjoy wildlife in a natural setting and encourages support for wildlife conservation and sustainability of natural resources. The Zoo offers education programmes for schools, participates in international breeding programmes for endangered species and breeds native animals for introduction to the wild.

How much it costs



How it's paid for



Our focus

We will be focusing on working in partnership with other organisations to further develop Hamilton's recreational facilities.

The Council is considering several options for developing an indoor recreation centre to meet future demand for sports codes like netball, basketball, badminton, volleyball, and indoor soccer. We have set aside \$4m towards the construction of an indoor recreation centre to be developed in partnership with others. This process will begin with a feasibility study led by Sport Waikato, in conjunction with other stakeholders, to look at the best options for the city. The feasibility study will be reported back to the Council by October 2015.

There is a shortage of swimming pool space in Hamilton, particularly during winter. The Council has been looking at how to address this. Funding of \$4.85m has been made available in 2022/23 for an additional 25m pool within the city, with the location to be determined. The Council would also like to look at what can be done to address the pool space shortage in the short term, and staff will be reporting back on options as part of development of the next 2016/17 Annual Plan.

As part of considering what to do about swimming pools, the Council also looked at the option of refurbishing the Municipal Pool. The pool has been closed since mid-2012 because of mechanical and structural issues needing major repairs. Council will be consulting with the public to permanently close the Municipal Pool.

We will also continue work on a master plan for Hamilton Zoo. The master plan focuses on setting the future direction for Hamilton Zoo and exploring opportunities for growth through increasing visitor numbers or other use.

What you can expect from us

We're involved in recreation facilities to provide opportunities for fun, leisure and learning.

The Hamilton Plan

Our Recreation activities contribute to these Hamilton Plan priorities:

- Providing outstanding infrastructure
- Celebrated for our arts and culture
- Waikato is the capital of high performance sport.

You can expect...

Quality visitor experiences

Measure	Latest Result	Targets
The percentage of Residents Survey respondents who provide a rating, satisfied with Waterworld.	2013/14: 76%	2015-25: At least 75%
The percentage of Residents Survey respondents who provide a rating, satisfied with Gallagher Aquatic Centre.	68%	At least 75%
The percentage of Residents Survey respondents who provide a rating, satisfied with Hamilton Zoo.	91%	At least 90%
What this tells us Our Residents Survey provides with an indication of the satisfaction of residents who use these facilities. We are aiming to maintain satisfaction at or close to current levels.		

You can expect...

Our facilities are well used

Measure	Latest Result	Targets
The number of visits to Waterworld and Gallagher Aquatic Centre each year.	2013/14: New measure	2015-25: At least 580,000
The number of visits to Hamilton Zoo each year.	121,270	At least 120,000
What this tells us Visitor numbers are a helpful indicator of the quality of our services.		

You can expect...

Our facilities to support a range of activities and learning opportunities

Measure	Latest Result	Targets
The number of students participating in Zoo education programmes.	2013/14: 7,819	2015-25: 8,000
The number of students participating in aquatic education classes.	32,454*	28,000
The number of people participating in Learn to Swim classes.	New measure	40,000
<p>What this tells us</p> <p>The Hamilton Zoo and our pools provide education programmes for schools and the wider community.</p> <p>Our pools offer a curriculum based water safety and aquatic education programmes to local schools that don't have their own pools. We also offer Learn To Swim lessons, either one-on-one or in a small group, for people of all ages and abilities to improve their swimming technique and overall skill level.</p> <p>The Zoo provides education programmes that focus on social science, including the conservation of wildlife and environmental responsibility.</p> <p>* This figure was incorrectly reported in the 2013/14 Annual Report as 37,000.</p>		

You can expect...

Our pools to be accessible

Measure	Latest Result	Targets
Waterworld Halberg accessibility accreditation.	New measure	2015-18: Bronze 2019-25: Silver
Gallagher Aquatic Centre accessibility accreditation.		2015/16: Bronze 2017-25: Silver
<p>What this tells us</p> <p>Halberg accessibility accreditation is a nationally recognised programme for sport and recreation facilities that provide inclusive opportunities for disabled people. We know that water activities, such as swimming and hydrotherapy, are beneficial for people of all ages and abilities. So, we are focused on making sure that our facilities are accessible for the entire community.</p> <p>We will be working toward achieving accreditation in 2015.</p>		

Rubbish & Recycling

What we do

- Rubbish and Recycling Collection
- Waste Minimisation
- Landfill Site Management

This includes:

- Kerbside rubbish & recycling collections
- Resource recovery centres
- Closed landfill management
- Waste minimisation initiatives

We are responsible for the collection, safe disposal and minimisation of household rubbish and recycling.

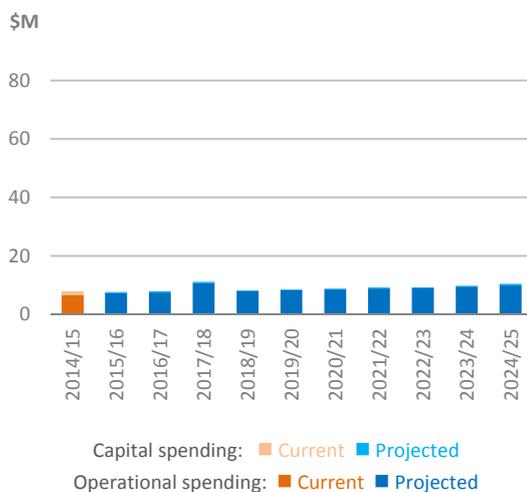
We provide kerbside rubbish and recycling collections for residential properties (excluding inner city apartments).

Our rubbish is disposed of in a landfill at Hampton Downs as Council no longer operates a landfill locally. We also manage closed landfill sites at Rototuna, Cobham Drive, Willoughby and Horotiu to prevent adverse effects on the environment and public health.

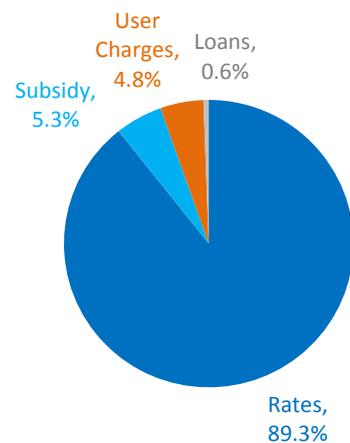
The Council has a legal responsibility to reduce the amount of waste going into landfills and to encourage more recycling and reuse.

Our resource recovery centres include the Lincoln Street Refuse Transfer Station, Recycling Centre and the Hamilton Organic Centre. The operation of these three facilities is contracted to privately owned businesses.

How much it costs



How it's paid for



Our focus

The Council has developed a Waste Minimisation and Management Plan and wants to be recognised as a national leader in waste minimisation. The plan contains 46 action points to promote efficient waste minimisation. One of the key priorities of the plan is a Waste Serves Review. This began in 2013 and is looking at how we currently manage waste within in the city, and new ways in which we can promote the diversion of recyclable materials from our black bags and waste streams.

We are proposing an expanded recycling service from 2017/18, with a preference for introducing recycling wheelie bins. These bins will enable us to expand the recycling service and take additional plastics. We have included \$2.8m in the draft budget to purchase the bins, paid for by borrowing.

A business case will be prepared over the next year, to be considered by the Council as part of the next 2016/17 Annual Plan and we will be talking with the community about the details at that time. The business case will also look at options for a user-pays rubbish bag system.

What you can expect from us

We provide these services to protect people's health and our environment by minimising the production of waste and promoting recycling and reuse.

The Hamilton Plan

Rubbish and recycling contributes to this Hamilton Plan priority:

- Providing outstanding infrastructure

You can expect...

Reliable rubbish and recycling collections

Measure	Latest Result	Targets
The number of weeks with more than 20 complaints about uncollected household rubbish and recycling.	2013/14: 0 weeks	2015-25: 0 weeks
The percentage of customer complaints about uncollected rubbish and recycling resolved within 24 hours.	97%	95%
What this tells us Making sure our collection services are reliable is important. A reliable service stops rubbish and recycling becoming a health risk and keeps the streets tidy.		

You can expect...

Council to promote and encourage recycling and reuse

Measure	Latest Result	Targets
The percentage of waste recovered for recycling through the kerbside collections.	2013/14: 30%	2015-25: At least 30% and increasing over time
<p>What this tells us</p> <p>With an expanded recycling service proposed from 2017/18, we are expecting the amount of waste recovered for recycling to increase over time.</p>		

You can expect...

Closed landfills to be managed in a way that does not unduly impact on the environment

Measure	Latest Result	Targets
The Council's compliance with its resource consents for closed landfill management measured by:		2015-25:
a) The number of abatement notices.	New measure	No more than 1 abatement notice
b) The number of infringement notices.	New measure	0 infringement notices
c) The number of enforcement orders.	New measure	0 enforcement orders
d) The number of successful prosecutions.	New measure	0 convictions
<p>What this tells us</p> <p>From 1920 – 2008 Council provided landfills in the city at Cobham Drive, Willoughby, Horotiu and Rototuna. These landfills are now closed and Council must manage these sites in perpetuity. This performance measure tells us the extent to which Council is meeting resource consent requirements to prevent harm to the environment from closed landfills, from substances like leachate and gases.</p>		

Safety

What we do

- Animal Education and Control
- Environmental Health and Public Safety

The Council plays a large a role in protecting public safety in a range of areas aimed at making Hamilton a more desirable place to live.

This includes:

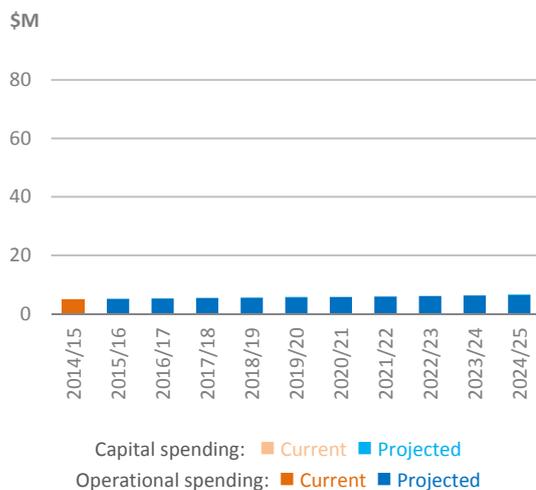
- Dog registration
- Dog safety education
- Food and liquor licensing
- Public health nuisances
- Noise control
- Contaminated site management and hazardous substances
- Graffiti prevention and removal
- City Safe patrols
- CCTV cameras
- Liquor Licensing

We ensure dogs are registered and controlled and provide education to schools, businesses and community groups about safety around dogs.

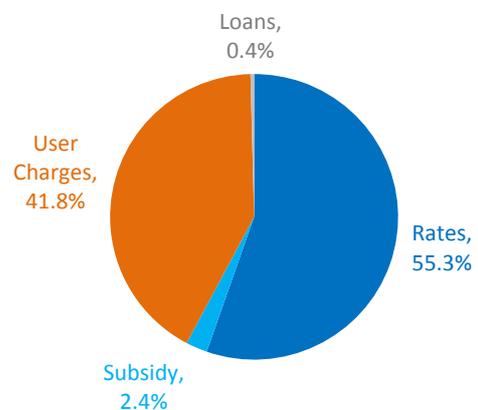
We monitor and enforce standards for businesses selling food and liquor, respond to health nuisances and deal with environmental pollution issues such as noise control and contaminated sites.

Our work also includes partnering with others, such as the Police, on crime prevention initiatives. Some of the services we provide are the City Safety Patrols, CCTV cameras in the central city and a graffiti removal service to proactively investigate and remove tagging from publically visible sites and Council assets.

How much it costs



How it's paid for



Our focus

The Council is taking safety in the central city seriously and responding to public concerns about feeling unsafe. We have created a Central City Safety Plan with the help of experts including the police, health providers, government social service organisations and the Hamilton Central Business Association.

The Plan responds to public concerns about safety. It contains goals and a list of actions that the Council and others will deliver over the next four years to improve people's perception of safety in Hamilton's central city.

Through our 2014/15 Annual Plan a number of initiatives were introduced to improve safety in the central city. This included installing six new cameras to extend CCTV coverage in the central city, increasing the Safety Officer patrols to six days per week, and enabling bylaw and policy monitoring and enforcement to address behaviours that negatively impact on the central city.

You can find out more about the Central City Safety Plan at www.hamilton.govt.nz

What you can expect from us

We provide these services to contribute to a safe community by minimising risks to public health and working with others to help keep our city safe.

The Hamilton Plan

Our Safety activities contribute to this Hamilton Plan priority:

- An active, strong commercial central city with distinctive suburban villages.

You can expect...

A reliable and timely response to requests for graffiti, excessive noise and dog control

Measure	Latest Result	Targets
The percentage of graffiti removal jobs completed within two working days.	2013/14: 97%	2015-25: 95%
<p>What this tells us</p> <p>The Council provides a service to remove tagging from public spaces. Our focus is to remove tagging quickly to make sure that it has minimal impact on the look of our city and to discourage repeat offending. We also have a hotline for the community to report graffiti.</p>		

Measure	Latest Result	Targets
The percentage of complaints about excessive noise responded to within 30 minutes	2013/14: 96%	2015-25: 95%
<p>What this tells us</p> <p>Excessive noise is defined as noise that disturbs someone's peace and comfort. Examples include a loud stereo or party, band practices, a loud alarm or machinery.</p>		
The percentage of urgent and routine requests for dog control responded to within set timeframes:	2013/14:	2015-25:
a) Urgent requests responded to within 60 minutes	98.5%	100%
b) Routine requests responded to within 48 hours	99.8%	100%
<p>What this tells us</p> <p>A threat to public safety occurs when someone is intimidated or attacked by a dog. Routine requests for service don't pose an immediate threat to public safety. The most common reason people call us is to report dogs roaming in either public places or on private property that is not the dog's home. There has been a significant increase in the number of dog control requests in the last few years. The city's dog population is also expected to grow considerably over the next 10 years. We will be looking at how we are resourced to make sure that we are able to meet this increased demand.</p>		

You can expect...

Premises selling food and liquor to be regularly monitored

Measure	Latest Result	Targets
The percentage of high risk premises selling food inspected at least once each year for compliance with the current food safety requirements (excluding those premises subject to the new Food Act 2014 regime)	2013/14: 100%	2015/16 – 2017/18: 100%
<p>What this tells us</p> <p>The current food safety regulations require that we inspect high risk food premises at least once annually. However, recent changes to the regulations will see a new food safety regime introduced that will broaden the focus of our inspection to include an audit of the food safety practices of a business as well.</p> <p>Under the new regulations high risk food premises will be required to have a written food control plan that identifies food safety risks and what they will do to manage those risks. Food businesses will transition over to the new regime over the next three years. In the meantime we will continue to inspect and monitor all high risk premises that have not yet transitioned to the new regime.</p> <p>We will be encouraging the early uptake of food control plans by food premises before the new Act comes into effect on 1 March 2016. Once enacted, we will begin proactive auditing of these food control plans.</p>		
The percentage of high risk premises selling liquor monitored annually	2013/14: 100%	2015-25: 100%
<p>What this tells us</p> <p>We proactively monitor high risk premises selling liquor through routine inspections and audits. Premises with a higher risk are inspected more regularly.</p>		

You can expect...

Council to work with others to improve perceptions of safety in the central city

Measure	Latest Result	Targets
<p>The number of interactions with the community in the central city recorded by City Safe Safety Officers.</p> <p>What this tells us</p> <p>Our City Safe Safety Officers patrol the central city during the day to reduce anti social and criminal activity and make our city safer.</p> <p>Our Safety Officers interact with people for a range of reasons, from bylaw enforcement and investigating suspicious behaviour, to providing directions or information to members of the public. We are working on increasing our presence in the central city and the number of interactions we have with users of public space to continue to improve people’s sense of safety when they are in the central city.</p>	New measure	<p>2015-25:</p> <p>Increasing over time</p>
<p>The number of calls to the City Safe 0800 hotline.</p> <p>What this tells us</p> <p>We operate a 0800 hotline that anyone can call if they feel unsafe or witness nuisance or anti-social behaviour in the central city. Calls to our hotline help inform the dispatch of our City Safe Safety Officers.</p> <p>We have been working in partnership with local businesses and residents to promote the hotline and to encourage people to call in. Having this information reported to us helps us to plan and respond better, keeping our city safer.</p>	New measure	<p>2015-25:</p> <p>Increasing over time</p>

Sewerage

What we do

- Sewage collection
- Sewage treatment and disposal

This includes:

- Sewerage Treatment Plant
- Pump stations and pipes
- Trade waste

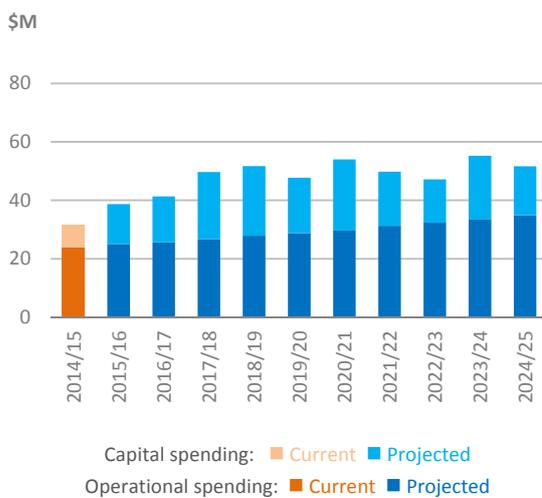
Sewage drains from showers, baths, sinks, washing machines, dishwashers and toilets.

Liquid waste from commercial and industrial premises is also treated through the sewerage system.

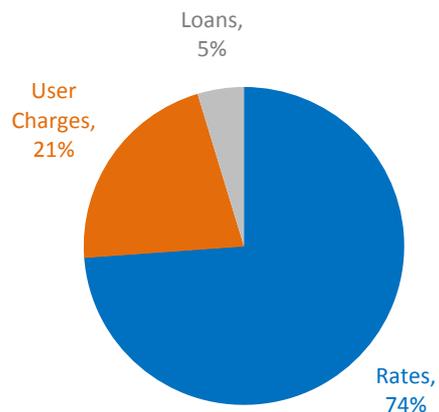
In Hamilton, sewage is transported through a network of pipes and pump stations to the treatment plant at Pukete, where it is treated to a high standard before being discharged into the Waikato River. Solid waste is removed as part of the treatment process and then composted off-site for reuse.

The sewerage network services approximately 50,000 households and 4,800 commercial and industrial premises.

How much it costs



How it's paid for



Our focus

We will be focusing on meeting the current and future demands for sewerage collection, treatment and disposal as our city grows.

We will need to invest in sewerage infrastructure to allow new areas of our city to be developed. We will also need to upgrade some existing infrastructure to make sure that it can keep up with demand.

We also need to make sure we have enough capacity to reduce existing sewage overflows and meet our consent conditions. We have had some difficulties in recent years being able to manage and treat the amount of sewage that travels through the piped network and arrives at the plant during heavy rainfall. We are planning to spend more on increasing the network's capacity to make sure we are able to contain sewage in these events, to protect public health and the environment.

Key projects (excludes inflation)

Increase capacity of Sewerage Network city wide

\$19.1m over 10 years

Works to increase the capacity of the bulk sewerage network and upgrades to the existing networks to cater for city wide growth, such as infill development and intensification (outside growth areas).

Replacing existing assets and minor Upgrades for Sewerage Treatment Plant Compliance

\$75.4 million over 10 years

Replacement of existing assets which have reached the end of their life. Continuous improvements to the treatment plant to mitigate risk, ensure reliable and effective operations, maintain compliance with resource consent conditions, and improve automation

Increase capacity of Sewerage Network for Wet Weather

\$30.9m over 10 years

Works to provide storage in the bulk sewerage network to manage flows to the treatment plant and provide storage during wet weather events.

Stages 3 and 4 of Sewerage Treatment Plant Upgrades

\$17.7m over 10 years

Upgrades to increase capacity of the sewerage treatment plant to meet growth and requirements and maintain current levels of service.

Extension and integration of new sewerage networks in growth areas

\$19.2m over 10 years

New sewerage networks to facilitate growth in Rototuna, Rotokauri, Peacocke, and Ruakura.

Increase capacity of Sewerage Pump Stations

\$5.9m over 10 years

Retrofit storage devices at older pump stations to mitigate the risk of overflows in dry weather.

What you can expect from us

We're in the sewerage business to provide our city with reliable services that protect people's health and our waterways.

Note: The measures for this activity are set by the Government and are included in all councils' 10-Year Plans.

The Hamilton Plan

This area of our work contributes to these Hamilton Plan priorities:

- Outstanding infrastructure
- Hamilton is the third largest city economy in New Zealand

You can expect...

The sewerage system to be well maintained

Measure	Latest Result	Targets
The number of dry weather sewerage overflows from the Council's sewerage system, expressed per 1,000 sewerage connections to the system.	New measure	2015-25 No more than 5 overflows per 1,000 connections
<p>What this tells us</p> <p>This measure provides information on whether the sewerage system is designed to an adequate standard and is being maintained in a way that minimises harm to the community.</p> <p>Overflows are when sewage escapes the sewerage system and enters the environment.</p>		

You can expect...

A quality service

Measure	Latest Result	Targets
The total number of complaints received by the Council about any of the following: Sewerage odour; sewerage system faults or blockages; and Council's response to any of these issues.	New measure	2015-25 No more than 25 complaints per 1,000 connections
<p>What this tells us</p> <p>The number of complaints provides an indication of the quality of the service provided. This measure also provides data that highlights problems requiring attention, such as the need for maintenance, renewals, upgrades or new infrastructure.</p>		

You can expect...

The sewerage system to be managed in a way that does not unduly impact on the environment

Measure	Latest Result	Targets
The Council's compliance with its resource consents for discharge from the sewerage system:		
a) The number of abatement notices.	New measure	2015-25: No more than 1 abatement notice
b) The number of infringement notices.	New measure	0 infringement notices
c) The number of enforcement orders.	New measure	0 enforcement orders
d) The number of successful prosecutions.	New measure	0 convictions
What this tells us This measure indicates how well we are managing the environmental impacts of the city's sewerage system. It only includes formal actions taken, as they represent incidents that may have the greatest adverse impact on the environment.		

You can expect...

A timely response if there is a problem with the sewerage system

Measure	Latest Result	Targets
The Council's compliance with its resource consents for discharge from the sewerage system:		
a) Attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site.	New measure	2015-25: Median response time No more than 60 minutes
b) Resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault.	New measure	No more than 5 hours
What this tells us This measure shows how quickly we respond when there is a problem with the sewerage system, and how quickly the problem is resolved.		

Stormwater

What we do

- Stormwater Network

This includes:

- Pipes, streams, rivers and drains
- Ponds and wetlands

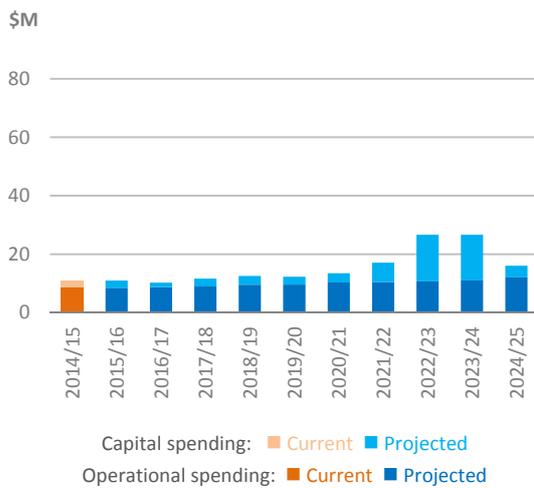
Stormwater is rainwater that flows from surfaces like roofs, footpaths and roads.

The stormwater system consists of pipes, channels, treatment devices and open watercourses, which release water into the city’s streams, lakes and the Waikato River.

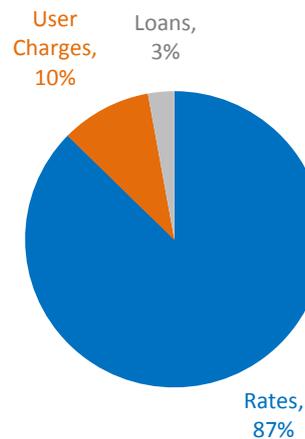
Large amounts of uncontrolled stormwater can lead to flooding and damage to property, so it is important that it is managed.

The Council manages stormwater through encouraging stormwater re-use, and ground soakage. Where reuse or soakage is not possible we transfer stormwater away from properties and provide treatment to ensure the environment is protected.

How much it costs



How it's paid for



Our focus

As the city grows, so does the amount of stormwater that is generated. We will be focusing on meeting the current and future demand for stormwater management.

We will need to invest in the development of integrated catchment management plans, which will look at the effects of urbanisation on the natural environment and identify best practice stormwater solutions to ensure that the city does not impact on the Waikato River, streams and tributaries.

We will need to invest in stormwater infrastructure to allow new areas of our city to be developed without causing flooding. We will also need to upgrade some existing infrastructure to reduce the flooding hazard and to retrofit treatment devices in the older areas of the city to keep up with demand.

Key projects (excludes inflation)

Stormwater Infrastructure in Growth Areas

\$35.7m over 10 years

Core stormwater infrastructure to facilitate growth in Rototuna, Peacocke, Rotokauri, and within established parts of the city.

Replacement of Stormwater Assets

\$7.6m over 10 years

Replacement of asset that have reached the end of their life, such as pipes, channels, manholes and outfalls.

What you can expect from us

We're in the stormwater business to protect people and properties from flooding and to minimise the pollution of waterways.

Note: The measures for Stormwater are set by the Government and are included in all councils' 10-Year Plans.

The Hamilton Plan

Stormwater contributes to these Hamilton Plan priorities:

- Providing outstanding infrastructure
- The third city economy in New Zealand

You can expect...

The stormwater system to be adequately maintained

Measure	Latest Result	Targets
a) The number of flooding events within the city	New measure	2015-25: No more than 1 flooding event
b) The number of habitable floors affected	New measure	No more than 1 per 1,000 properties
<p>What this tells us</p> <p>It is important that our stormwater system is reliable and that the scale of any flooding events are minimised, as these events can have potential consequences for our residents and our community amenities. This performance measure provides information on how effective our stormwater system is in providing an appropriate level of protection and how well it is being managed; in other words, whether it has been designed to an adequate standard and is being operated in a way that minimises harm to the community</p>		

You can expect...

A quality service

Measure	Latest Result	Targets
The number of complaints received by Council about the performance of the stormwater system.	New measure	2015-25 No more than 10 complaints per 1,000 connections
<p>What this tells us</p> <p>The number of complaints received gives us an indication of the quality of service we are providing. It also gives us information about issues with the stormwater system and tells us how satisfied customers are with the way we respond to requests to fix problems.</p>		

You can expect...

The stormwater system to be managed in a way that does not unduly impact on the environment

Measure	Latest Result	Targets
Compliance with Council's resource consents for discharge from the stormwater system measured by the number of abatement notices, infringement notices, enforcement orders and convictions (received by Council in relation to resource consents).		2015-25:
a) The number of abatement notices.	New measure	No more than 1 abatement notice
b) The number of infringement notices.	New measure	0 infringement notices
c) The number of enforcement orders.	New measure	0 enforcement orders
d) The number of convictions.	New measure	0 convictions
What this tells us		
This measure indicates how well Council is managing the environmental impacts of the stormwater system. Not complying with consent conditions may indicate that Council is not managing its processes adequately or that the infrastructure is no longer adequate.		

You can expect...

A timely response if there is a flooding event

Measure	Latest Result	Targets
The median response time to a flooding event, measured from the time that the Council receives notification to the time that service personnel reach the site.	New measure	2015-25 Median response time to get to site: No more than 60 minutes
What this tells us		
This measure shows how quickly we respond when there is a problem the stormwater system. These are situations where water from the stormwater system enters a habitable floor of a building.		
It is important that we are able to respond quickly to flooding events to reduce the impact they have on habitable buildings and the welfare of the inhabitants of those buildings.		

Transport

What we do

- Transport Network
- Parking Management

We provide and manage a safe and efficient transport network for Hamilton which integrates freight, private vehicles, buses, walking and cycling.

This includes:

- Roads, footpaths, cycleways and bridges
- Traffic lights, street lights, signs, pedestrian crossings, street furniture, and road safety
- Landscaping, weeding, street cleaning and litter collection
- The Transport Centre
- Bus stops and shelters
- Car parks and parking meters

We also manage on-street parking, clearways, and Council-owned car parks.

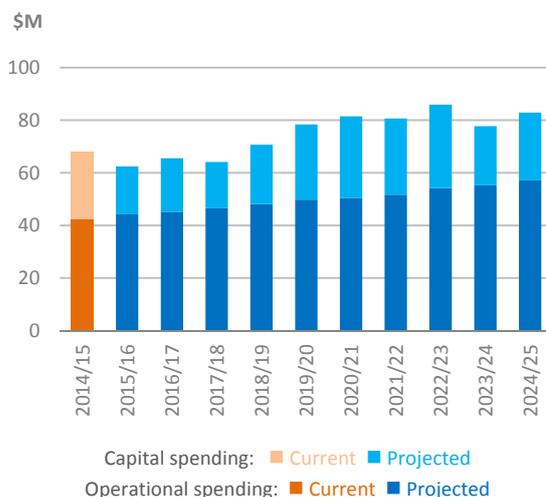
Our services include operation and maintenance of the existing network and planning for future development and growth.

We work with the community to promote different modes of travel and influence travel behaviour to manage the city’s transport demand and get the most out of our investment in the network.

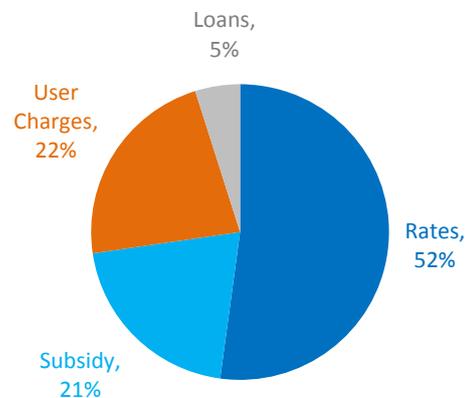
The Government, through the New Zealand Transport Agency (NZTA), partners with Council by operating the State Highways that run through Hamilton and co-investing with Council in transport infrastructure and services.

The bus service is provided and managed by the Waikato Regional Council through a partnership with the city.

How much it costs



How it's paid for



Our focus

Hamilton currently experiences congestion for short periods of the day which is expected to increase as it continues to grow. The road network also struggles with competing demands of different users such as pedestrians, cyclists, cars, buses and trucks. Before resorting to new infrastructure, one of the key approaches is to make best use of existing capacity.

Over recent years there has been significant investment in Hamilton's strategic transport infrastructure to support growth. The focus has been on the completion of the Te Rapa western transport bypass and the city's Ring Road. Over the next ten years, connections to the central government funded Waikato Expressway will be a focus, along with a continued partnership approach with developers in established growth areas.

Beyond the next ten years investment is required to extend the transport network into new growth areas, including providing additional river crossings in the north and south of the city.

Key projects (excludes inflation)

Upgrading and Developing Roads in Growth Areas

New roads and upgrades to existing roads to support development in these areas:

Peacocke \$16.1 million over 10 years

Rotokauri \$20.2 million over 10 years

Ruakura \$3.98 million over 10 years

Rototuna \$41.3 million over 10 years, this includes \$9.3 million to extend Resolution Drive to the Waikato Expressway.

Integrated transport initiatives

Cost: \$9 million over 10 years

Minor improvements to the existing network to assist walking, cycling and public transport infrastructure (Waikato Regional Council operates the buses).

Traffic Signal Improvements

Cost: \$294,000 in 2015/16 and 2016/17 plus operating costs

Installation of wireless and camera technology to modernise and improve current traffic signal management.

Footpath replacements and maintenance

Cost: \$19 million for replacements and \$5.8 million for maintenance over 10 years

This includes resurfacing or reconstruction of ageing or maintenance to existing footpaths.

Parking Technology Replacement

Cost: \$0.7 million in 2015/16 and 2016/17

Replacement of the city's ageing and increasingly obsolete parking technology to new smart technology.

Road resurfacing

Cost: \$42.1 million over 10 years

Renewal programme for road surfacing (chip seal or asphaltic concrete).

Improvements to the Cross City

Connector Corridor

Cost: \$4.96 million in 2019-25

Improvements to increase the road's capacity and address congestion and safety issues. This includes traffic signals at the Heaphy Terrace / Boundary Road intersection and 5 Cross Roads.

What you can expect from us

We're in the transportation business to make Hamilton easy to get around by providing a safe, reliable and sustainable transport system that is accessible to everyone.

Note: Some of the measures for Transport are set by the Government and are included in all councils' 10-Year Plans.

The Hamilton Plan

Transportation contributes to these Hamilton Plan priorities:

- Outstanding infrastructure
- Hamilton is the third largest city economy in New Zealand
- Connected to the Waikato River

You can expect...

A transport network that is safe to use

Measure	Latest Result	Targets
<p>The change from the previous financial year in the number of deaths and serious injuries on the Hamilton's local road network.</p> <p>What this tells us</p> <p>It is extremely important that our road network is safe for everyone to use. Road crashes can involve factors that are outside of Council's control (such as speed or driver behaviour) but it is important that other factors within our control are carefully managed to improve road safety across our city and reduce the number the deaths or serious injuries each year. These include the condition of the road and footpaths, the location of pedestrian crossings and traffic signals to name a few.</p> <p>We also provide road safety education to schools and adult learners to help increase awareness of road safety risks.</p>	New measure	<p>2015-25:</p> <p>Two less deaths or serious injuries than the previous year.</p>

You can expect...

Roads to be kept in good condition

Measure	Latest Result	Targets
<p>The average quality of ride on the sealed local road network, measured by smooth travel exposure.</p> <p>What this tells us</p> <p>The condition of roads can impact both on the safety and comfort of road users, as well as on vehicle operating and maintenance costs. Smooth Travel Exposure (STE) is a system of measurement used to assess the quality of our city's roads. The higher the STE percentage, the smoother the network. This measure provides an indication of the condition of our sealed road network. It acts as a check on whether the quality of our roads is being maintained to a consistent standard.</p> <p>A deteriorating trend for STE would tell us that the maintenance of our existing roads and investment in new roads is not keeping up with the deterioration of the network.</p>	New measure	<p>2015-25:</p> <p>At least 86% Smooth Travel Exposure</p>

You can expect...

Roads to be adequately maintained

Measure	Latest Result	Targets (■)										
<p>The percentage of Hamilton's sealed local road network that is resurfaced each year.</p> <p>What this tells us:</p> <p>This measure will provide information on how well we are maintaining our road network and meeting the targets we have set through our asset planning.</p>	New measure	<table border="1"> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2015/16</td> <td>5%</td> </tr> <tr> <td>2016/17</td> <td>5.5%</td> </tr> <tr> <td>2017/18</td> <td>5.75%</td> </tr> <tr> <td>By 2025</td> <td>6%</td> </tr> </tbody> </table>	Year	Percentage	2015/16	5%	2016/17	5.5%	2017/18	5.75%	By 2025	6%
Year	Percentage											
2015/16	5%											
2016/17	5.5%											
2017/18	5.75%											
By 2025	6%											

You can expect...

Footpaths to be kept in good condition

Measure	Latest Result	Targets
<p>The percentage of footpaths within Hamilton that fall within the level of service or service standard for the condition of footpaths that is set out in Council's Activity Management Plan.</p> <p>What this tells us</p> <p>Footpaths are an important part of a city's infrastructure. They make walking a safer and more convenient option for local trips, which are carried out in some form by almost all residents and visitors (particularly school pupils, public transport users, and the elderly).</p> <p>Well-maintained footpaths are important for pedestrians' convenience and safety. The ability to negotiate footpaths safely on foot, by wheelchair/mobility scooter, or with a stroller is an important aspect for those who use footpaths.</p>	New measure	<p>2015-25: 97%</p> <p>2016/17: 97.2%</p> <p>2017/18: 97.4%</p> <p>By 2025: 97.6%</p>

You can expect...

A timely response to requests for service

Measure	Latest Result	Targets
<p>The percentage of customer service requests relating to roads and footpaths responded to within 5 working days.</p> <p>What this tells us</p> <p>This measure acknowledges the importance of our responsiveness to, and focus on, our customers. Interaction with the public is a key aspect of service delivery, and response time is a key method of measuring whether Council is listening to its customers.</p>	New measure	<p>2015-25: 95%</p>

You can expect...

The transport network to be managed efficiently

Measure	Latest Result	Targets
The percentage of extra time taken to travel key routes in the city during peak travel times.	2013/14: 38%	2015-25: No more than 50%
<p>What this tells us</p> <p>As the number of vehicles on the road increases, the capacity of our network to provide reliable and consistent travel times decreases.</p> <p>To achieve this target, we will continuously monitor the city's main routes, upgrading the traffic signals communication system and proactively monitoring the signals to improve traffic flows. We will also be working to minimise disruption to the roads at peak times through better scheduling of road works and carefully planned management of events.</p> <p>We won't be able to build our way out of congestion, so meeting this target is also going to rely on people changing their travel behaviours and commuters choosing alternatives to single occupancy car trips.</p>		

You can expect...

Parking in the central city to be managed effectively

Measure	Latest Result	Targets
The percentage of on-street car parks in central city high demand parking areas that are full between 10am - 4pm on weekdays.	New measure	2015-25: No more than 85%
<p>What this tells us</p> <p>We manage parking to ensure that there are enough parks available for shoppers and visitors to the central city, without leaving too many empty parks. This is especially important in areas of high demand; from London Street to Hood Street, and Angelsea Street to the River.</p> <p>To improve parking management in the central city, we plan to replace ageing parking meters and pay and display machines with new parking technology between 2015 and 2017. Motorists will be able to pay for their park using a smart phone App that also gives information on parking availability. There will also be pay kiosks that allow flexible payment options and the choice of paying en route, so there's no need to return to your car to top up a meter. We are also planning to introduce sensors in parking bays, giving motorists information on the availability of parks in the central city.</p>		

You can expect...

Transport infrastructure that supports sustainable travel choices

Measure	Latest Result	Targets
The percentage of Residents Survey respondents who provide a rating, agreeing that Hamilton is a biking friendly city.	New measure	2015-25: 65%
The percentage of Residents Survey respondents who provide a rating, agreeing that Hamilton is a walking friendly city.	New measure	2015-25: 75%

What this tells us

It is important that our transport network supports all modes of transport and offers safe, well maintained facilities that are biking and walking friendly.

We are developing a Biking Plan for the Hamilton, which will provide a 30-year strategic direction for the city's on-road and off-road biking facilities. It will identify key cycleway links and prioritise future investment for biking routes throughout the city. By creating a connected bike network, it will make it easier and safer for our residents to get around and contribute to the health and well-being of our community.

Our budget includes money for changes to the existing transport network to improve our walking and cycling facilities. We also have a footpath replacement programme for repairs and reconstruction of footpaths that are damaged or worn out.

These are both new performance measures; however, our Residents Survey has included questions on residents' satisfaction levels with both cycling and pedestrian facilities for a number of years. We have used previous results for these questions to guide our target setting for these new measures:

Previous Residents Survey Questions:

Resident Survey respondents who were satisfied with the City's cycling facilities:	Resident Survey respondents who were satisfied with the City's pedestrian facilities:
2012/13: 68%	2012/13: 76%
2011/12: 65%	2011/12: 75%
2010/11: 69%	2010/11: 76%

Water Supply

What we do

- Water treatment and storage
- Water distribution

This includes:

- Water Treatment Plant
- Water storage reservoirs
- Pump stations, hydrants and pipes
- Commercial water meters
- Water conservation initiatives

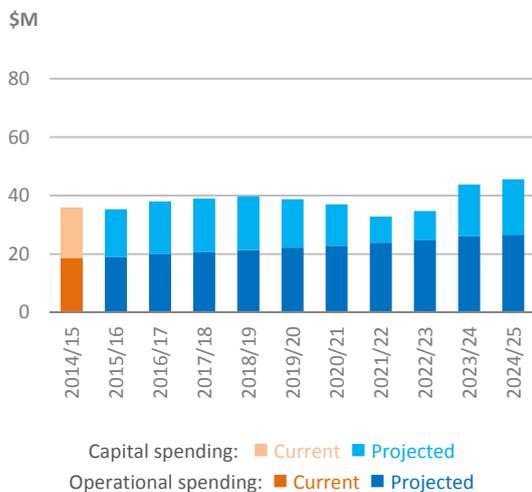
The Council treats, distributes and manages Hamilton’s water supply, which all comes from one place – the Waikato River.

We are allowed to draw a set limit of water from the river into the Water Treatment Plant, where it is treated to provide a high standard of drinking water for residents and businesses.

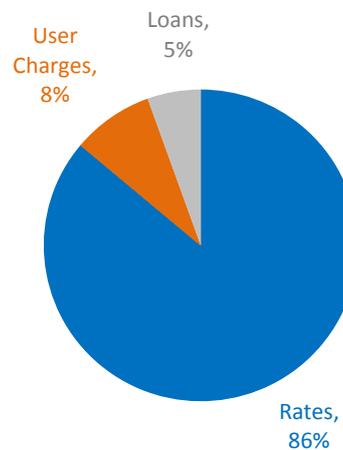
The water supply network services around 50,000 households and 5,500 commercial and industrial premises. Water from the city also supplies approximately 1,600 properties in the Waikato area and 100 properties in the Waipa area.

The Council is legally required to ensure water is used sustainably. There are a number of ways we do this, including water restrictions when demand is high, such as summer. We also encourage residents to conserve water as much as possible because it is a precious resource.

How much it costs



How it's paid for



Our focus

As Hamilton is growing, more and more pressure is going on our water assets. We need to invest in water infrastructure to allow new areas of our city to be developed. We will also need to upgrade some of our existing infrastructure to make sure that it can keep up with demand. Our focus is on ensuring a high grade of water continues to be supplied to all areas of the city, at the right pressure.

Waikato Water Study

In October 2014, Hamilton City Council agreed to join with Waipa and Waikato District Councils to jointly fund a study into how best to manage water infrastructure across all three councils in the future. The study will look at three options:

- boosting the existing shared service arrangements between all three councils,
- retaining the status quo with each council running its own operations,
- forming a ratepayer-owned and council-controlled organisation (CCO) to run water services on behalf of all three councils.

The study will NOT consider establishing a private water company. The privatisation of council-delivered water services is against the law in New Zealand.

Results of the study will not be available until mid-2015. Should any changes be recommended as a result of this study, those changes would need to be widely discussed with the Hamilton community.

Key projects (excludes inflation)

Replacing existing assets and minor upgrades

\$48.9m over 10 years

Replacement of assets which have reached the end of their life, including pipes, connections, commercial meters, valves, hydrants, reservoir and treatment plant assets.

Routine upgrades to the treatment plant

\$10.4m over 10 years

A programme of works to continuously improve the treatment plant to ensure reliability and risk mitigation, effective operations and processes, monitoring and security.

Watermains in growth areas

\$20.6 over 10 years

Upgrading and building new watermains and in the Rototuna, Rotokauri, Peacocke and Ruakura growth areas and in more established parts of the city.

Treatment plant capacity upgrade

\$26.5m for 6 years

An upgrade to the treatment plant so that it has the capacity to treat more water as the city grows.

Investigating water loss

\$1.3m over 4 years

A capital programme to assess water loss in different areas of the city, so we can identify where water loss is occurring and fix leaks.

Water storage reservoirs

\$31.3 million over 10 years

Reconfiguration of two reservoirs in the west of the city and new reservoirs in Rototuna and Hillcrest to ensure water can be provided at the correct pressure and flow to our customers.

What you can expect from us

We're in the water business to provide Hamiltonians with a safe, high quality, reliable and sustainable supply.

Note: The measures for Water Supply are set by the Government and are included in all councils' 10-Year Plans.

The Hamilton Plan

Water supply contributes to these Hamilton Plan priorities:

- Providing outstanding infrastructure
- The third city economy in New Zealand

You can expect...

Water that is safe to drink

Measure	Latest Result	Targets
The extent to which the Council's water supply complies with:		2015-25:
a) Part 4 of the drinking-water standards (bacteria compliance criteria)	New measure	Achieve compliance
b) Part 5 of the drinking-water standards (protozoal compliance criteria).	New measure	Achieve compliance
What this tells us This measure informs ratepayers and consumers on whether the water supplied is safe to drink. The New Zealand Drinking Water Standards, monitored by the Ministry of Health, provide a recognised standard for public safety.		

You can expect...

The water network to be well maintained

Measure	Latest Result	Targets
The percentage of real water loss from the Council's networked reticulation system.	New measure	2015/16 – 2017/18: 16% By 2024/25: 10%
What this tells us Water lost from leaking pipes is a key indicator of the performance of our water network. High levels of water loss can show that the network is in poor condition or that it is being operated inefficiently. To reduce the amount of water lost from the network, we will continue with our programme to find and fix leaks. This is a six year programme of works, which started in 2012 and is due to finish in 2018/19. We use Water New Zealand Water Loss Guidelines to calculate how much water is lost from the water network.		

You can expect...

A timely response if there is a problem with the water supply

Measure	Latest Result	Targets
<p>The median response times for the following when we attend a call-out in response to a fault or unplanned interruption to the water supply.</p> <p>a) Attendance for urgent call-outs: from the time that we receive notification to the time that service personnel reach the site.</p>	New measure	<p>2015-25:</p> <p>Median response time</p> <p>No more than 60 minutes</p>
<p>b) Resolution of urgent call-outs: from the time that we receive notification to the time that service personnel confirm resolution of the fault or interruption.</p>	New measure	No more than 5 hours
<p>c) Attendance for non-urgent call-outs: from the time that we receive notification to the time that service personnel reach the site.</p>	New measure	No more than 5 days
<p>d) Resolution of non-urgent call-outs: from the time we receive notification to the time that service personnel confirm resolution of the fault or interruption.</p>	New measure	No more than 10 days
<p>What this tells us</p> <p>Households and businesses rely heavily on water, so it's important that we provide a timely response when something goes wrong. An urgent call-out is one where there's no water being delivered. A non-urgent call-out is where there is still a supply of water.</p>		

You can expect...

A quality service

Measure	Latest Result	Targets
<p>The total number of complaints received by the Council about any of the following:</p> <ul style="list-style-type: none"> Drinking water clarity, taste, odour, pressure or flow, continuity of supply; or Council's response to any of these issues. 	New measure	<p>2015-25:</p> <p>No more than 5 complaints per 1,000 connections</p>
<p>What this tells us</p> <p>The number of complaints provides an indication of the quality of the service provided. This measure also provides data that highlights problems requiring attention, such as the need for maintenance, repair, upgrading or new infrastructure.</p>		

You can expect...

The water supply to be managed so demand does not outstrip the available capacity

Measure	Latest Result	Targets
The average consumption of drinking water in Hamilton each year, measured per day per resident.	New measure	2015-25: No more than 400 litres per resident, per day
<p>What this tells us</p> <p>Careful water management ensures demand does not exceed capacity, that water is allocated efficiently and that productivity is maximised.</p> <p>A system that treats and transfers less water maximises the value of existing infrastructure. It costs less to construct and maintain, uses fewer chemicals and less energy.</p> <p>Where there is increasing demand for water, managing demand provides a means for a community to defer investment in new water infrastructure through more efficient use of existing resources.</p>		

Capital Projects List for 2015-2025

Gross Capital Expenditure

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	
R, LOS, G	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
Arts & Culture											
Libraries											
CE10005 - Library Collection Purchases	R	1,048	1,076	1,104	1,134	1,165	1,200	1,237	1,278	1,322	1,371
CE10006 - Library Asset Renewal	R	164	102	81	110	103	35	107	97	113	118
CE10007 - Building Asset Renewal Programme	R	9	70	38	88	82	73	158	579	226	570
		1,221	1,248	1,223	1,332	1,350	1,308	1,502	1,954	1,661	2,059
Museum											
CE10008 - Asset Renewal Programme	R	139	98	94	115	133	84	205	24	272	178
CE10009 - ArtsPost Earthquake Strengthening	R			1,316	1,352						
CE10010 - Public Art Support Fund	R	30	31	32	32	33	34	35	37	38	39
CE10011 - Museum Activity Building Renewals	R	390	210	115	162	1,093	89	239	400	570	306
		559	339	1,557	1,661	1,259	207	479	461	880	523
Hamilton City Theatres											
CE10012 - Founders Theatre - Plant & Equipment	R	97	258	292	130	97	56	235	79	197	366
CE10013 - Technical Services - Equipment Renewals	R	210	310	456	469	283	410	258	494	199	146
CE10014 - Founders Theatre Building Renewals	R	252	90	13	112	122	34	8,488	8,291	255	103
		559	658	761	711	502	500	8,981	8,864	651	615
Total Arts & Culture		2,339	2,245	3,541	3,704	3,111	2,015	10,962	11,279	3,192	3,197
Community Services											
Housing Services											
CE10025 - Pensioner Housing Renewals	R	200	205	211	216	222	229	236	244	252	261
		200	205	211	216	222	229	236	244	252	261
Total Community Services		200	205	211	216	222	229	236	244	252	261

Hamilton Gardens

R	CE10026 - Hamilton Gardens assets - renewals	45	51	158	54	167	17	205	62	19	78
G	CE15027 - Proposed development programme	1,828	2,627	2,786							
R	CE10028 - Hamilton Gardens - building renewals	165	132	48	31	137	81	276	37	52	191
		2,038	2,810	2,992	85	304	98	481	99	71	269

Parks

R	CE10029 - Toilet and changing room renewals	284	83	110	467	277	81	219	395	189	48
R	CE10030 - Parks & open spaces - building renewals	233	238	48	137	183	266	289	542	61	114
R	CE10031 - Sports area renewals	287	120	92	279	235	388	343	523	624	880
R	CE10032 - Parks & open spaces assets & playgrounds renewals	969	1,384	1,245	1,161	1,323	1,733	1,591	1,444	2,018	1,839
G	CE15033 - Land purchase future reserves	830	226	232	130						
LOS	CE15034 - Destination playground - public toilets	500	257	270				305			
G	CE15035 - Rototuna Park development	350									
LOS	CE15036 - Playground development programme	100	513	527	556	572	590	122	631	654	
		3,553	2,821	2,254	2,444	2,574	3,040	3,032	3,331	3,523	3,535

Sports Parks

R	CE10160 - Galloway Park									598	
LOS	CE15163 - Mahoe Park									747	
R	CE10161 - Porritt Stadium										84
R	CE10162 - Resthills Park										412
R	CE10163 - Marist Park										386
R	CE10164 - Ashurst Park										309
G	CE15164 - Rototuna Park Option 1							58	223	1,943	3,871
		0	0	0	0	0	0	58	223	3,289	5,063

Total Parks & Green Spaces		5,695	5,841	5,326	2,658	3,083	3,420	3,683	4,468	7,235	8,997
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Recreation

Aquatic Facilities

CE10001 - Aquatic Facilities building renewals	R	79	544	1,120	218	594	1,147	79	511	30	362
CE10180 - New 25m pool	R								5,850		
CE10002 - Waterworld Hydroslide renewal	R	150						177			
CE10003 - Waterworld operational asset renewals	R	180	197	252	440	566	1,062	583	219	227	235
CE10004 - Gallagher Aquatic Centre operational asset renewal	R	70	198	156	126	90	289	203	85	88	92
		479	939	1,528	784	1,250	2,498	1,042	6,665	345	689

Hamilton Zoo

CE10015 - Zoo animal enclosure renewals	R	108	140	146	138	145	149	153	158	164	170
CE10016 - Zoo building renewals	R	108	62	85	94	97	93	103	106	110	114
CE10017 - Property renewals	R	14	11		68	57	13	94	266	19	97
CE15018 - Zoo browse plantation	LOS		21								
CE10019 - Zoo quarantine replacement	R	80									
CE10020 - Zoo animal replacement	R	40	41	42	43	44	46	47	49	50	52
		350	275	273	343	343	301	397	579	343	433

Total Recreation

		829	1,214	1,801	1,127	1,593	2,799	1,439	7,244	688	1,122
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Safety

CE10037 - CCTV renewals	R	40	41	42	43	44	46	47	49	50	52
CE10038 - Animal Ed. & Control Building - security fencing	R	70									
CE10039 - Mobile Inspection Unit renewals	R					111					131

Total Safety

		110	41	42	43	155	46	47	49	50	183
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Rubbish and Recycling

CE10054 - Replacement of closed landfill assets	R	100	161	182	77	159	111	189	13	123	84
CE15055 - Closed landfill management	LOS	200	259	236	53	102	56	57	59	116	64
CE10056 - Replacement of RTS & HOC assets	R	7	2	7	28		91	121	6	33	426

Total Rubbish and Recycling

		307	422	425	158	261	258	367	78	272	574
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Stormwater

CE10058 - Replacement of stormwater assets	R	707	577	645	716	946	974	1,004	1,037	1,073	1,112
CE15059 - Rototuna stormwater infrastructure	G	574	332	900	1,053	665	713	735	598	1,745	1,123
CE15060 - Rotokauri stormwater infrastructure stage 1	G			316	400	177	584	373	3,552	11,471	269
CE15062 - Peacocke stormwater infrastructure stage 1	G	558								359	
CE15063 - Peacocke stormwater infrastructure stage 2	G										474
CE15064 - Stormwater pipe upgrade - growth	G	125	128	132	135	139	143	148	152	158	163
CE15066 - Existing network improvements in new areas	G	100	103	105	108	111	114	118	122	126	131
CE15067 - Comprehensive stormwater consent implementation	LOS			184	227	256	240	248	256	265	275
CE15068 - Stormwater customer connections to the network	G	50	51	53	54	56	57	59	61	63	65
CE15162 - Integrated Catchment Management Plan	G	350	359	379	324	333	343	354	366	378	392
Total Stormwater		2,464	1,550	2,714	3,017	2,683	3,168	6,591	15,977	15,638	4,004

Transportation

Parking Management

CE10069 - Resurfacing off street carparks	R	23			55	110		59		63	
CE10070 - Replacement of parking enforcement equipment	R	360	370	5	5	28	29	30	30	70	33
CE10071 - Parking Building renewal	R	256	26	5	4	26		8	44	4	
		639	396	10	64	164	29	97	74	137	33

Transportation Network

CE10072 - Replacement of footpath	R	2,141	2,561	2,248	1,892	1,945	2,003	2,065	2,133	2,207	2,288
CE10073 - Replacement of street furniture	R	60	62	63	65	67	69	71	73	76	78
CE10074 - Replacement of Drainage (Kerb & channel)	R	1,229	1,261	1,294	1,329	1,366	1,407	1,450	1,498	1,550	1,607
CE10075 - Replacement of road base	R	937	1,836	2,093	2,163	2,223	2,289	2,360	2,437	2,522	2,615
CE10076 - Road resurfacing	R	3,970	4,258	4,561	4,866	4,669	4,807	4,956	5,118	5,297	5,426
CE10077 - Replacement of bridges and culverts	R	100	103	158	433	389	687	118	122	126	131
CE10078 - Replacement of retaining walls & structures	R	45	46	47	49	50	52	53	55	57	59
CE10079 - Replacement of environmental controls	R	10	10	11	16	17	17	24	24	25	26
CE10080 - Replacement of lighting	R	280	287	295	303	311	320	330	341	353	366
CE10081 - Replacement of traffic equipment	R	400	410	421	433	445	458	472	487	504	523
CE10082 - Replacement of street signs	R	70	72	74	76	78	80	83	85	88	91
CE15085 - Minor improvements to transport network	LOS	638	655	672	690	709	730	753	777	804	834
CE15086 - Bus stop infrastructure	LOS	113	115	118	122	125	129	133	137	142	147

HAMILTON CITY COUNCIL
Capital Projects List 2015-2025

CE15087 - Network upgrades to allow new development	G	175	180	184	189	195	200	207	213	221	229
CE15088 - Roading upgrades & development in Peacocke stage 1	G	950	154	53	449	1,953	549	2,504	196		
CE15089 - Roading upgrades & development in Peacocke stage 2	G	2,050	770	527	1,352	1,112	401	295	2,534	946	1,307
CE15090 - Roading upgrades & development - Rotokauri stage 1	G	777	1,221	772	1,186	4,356	1,378	1,158	3,312	3,674	6,106
CE15092 - Roading upgrades & development in Rototuna	G	2,392	4,553	3,091	5,875	6,406	7,318	8,187	8,131	363	
CE15093 - Roading upgrades & development in Ruakura	G				394		4,082	71			
CE15094 - Traffic signal improvements	LOS	300	308								
CE15095 - Integrated transport initiatives	LOS	900	923	948	973	1,000	1,030	1,062	1,097	1,135	1,177
CE15096 - Cross city connector	G				389		2,918	2,419	18		
CE15097 - Northern River crossing	G								2,855	1,970	2,622
CE10098 - Building and property renewals	R	30	105	3	19	243	40	109	24	271	26
		17,567	19,890	17,633	22,480	28,442	30,964	28,880	31,667	22,331	25,659
Total Transportation		18,206	20,286	17,643	22,544	28,606	30,993	28,977	31,741	22,468	25,692

Sewerage

CE10100 - Replacement of wastewater pump station assets	R	1,013	1,022	825	1,058	849	570	958	942	757	790
CE10101 - Replacement of wastewater assets	R	3,915	3,728	4,406	4,975	5,073	6,979	5,166	4,599	4,844	4,995
CE15103 - Increase capacity of wastewater pump stations	LOS	423	379	446	487	500	515	531	1,158	1,198	1,242
CE15104 - Wastewater pipe upgrade - growth	G	300	308	316	324	333	343	354	366	378	392
CE15105 - Increase capacity of wastewater network - Rototuna	G	1,400	274	671	1,367	411	206	626	584	2,096	783
CE15106 - Wastewater network upgrades to allow development	G	80	82	84	87	89	92	94	97	101	105
CE15107 - Increase capacity of network in Rotokauri Stage 1	G	52	342	256	845	704	164	1,095	278	974	784
CE15109 - Increase capacity of network in Peacocke Stage 1	G	1,722	69				60				
CE15111 - Increase capacity of network throughout the city	G	350	4,104	3,202	433	389	8,011				163
CE15112 - Increase capacity of network (Far East Interceptor)	G									3,153	3,268
CE15113 - Increase capacity of network (South Interceptor)	G										392
CE15114 - Increase capacity of network (Bulk storage)	G	400	470	3,881	5,810	4,386	4,973	6,741	4,113	4,540	
CE15160 - Wastewater model	R						470	629			
CE15161 - Wastewater Master Plan	G	150	154	79					183		
CE10115 - Replacement of wastewater treatment plant assets	R	2,224	1,889	1,901	2,047	1,566	1,201	1,245	1,384	2,678	2,035
CE15116 - Upgrade wastewater treatment plant systems	LOS	150	154	369	378	167	172	413	427	441	458
CE15117 - Upgrade wastewater treatment plant (Pukete 3)	G	950	2,052	6,056	5,407	3,891					

Corporate Services

Corporate Buildings

CE10151 - Renewals Program

R	182	128	1,104	859	419	292	125	927	747	650
	182	128	1,104	859	419	292	125	927	747	650

Information Services

CE10152 - Network and Infrastructure

R	380	605	342	270	333	366	266	402	227	412
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CE10153 - Core Business Applications

R	420	965	706	638	856	675	791	1,450	845	771
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CE10154 - Minor Applications

R	10	21	11	22	11	23	12	24	13	26
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CE15155 - Mobility and eServices

LOS	214	348	243	397	278	454	320	366	378	392
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CE10156 - Lease funding of Equipment

R	270	782	800	1,439	478	557	1,092	891	909	943
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CE15157 - Authority Replacement

LOS	1,500	513								
	2,794	3,234	2,102	2,766	1,956	2,075	2,481	3,133	2,372	2,544

Performance

CE10158 - Replacement of Fleet Vehicles

R	839	884	938	962	978	1,019	1,027	1,072	1,115	1,130
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	839	884	938	962	978	1,019	1,027	1,072	1,115	1,130
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Total Corporate Services

	3,815	4,246	4,144	4,587	3,353	3,386	3,633	5,132	4,234	4,324
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Total Council

	66,586	71,546	79,336	81,941	82,015	91,069	87,983	105,657	96,629	86,089
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COUNCIL CONTROLLED ORGANISATIONS

The Council is involved and represented in a number of organisations to assist in meeting its vision for the 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. Council has an interest in following ten CCOs: Local Authority Shared Services Ltd, New Zealand Local Government Funding Agency Ltd, Waikato Regional Airport Limited and its subsidiaries (Hamilton & Waikato Tourism Ltd and Titanium Park Ltd), Vibrant Hamilton Trust, and Innovation Waikato Ltd and its subsidiaries (Waikato Innovation Park Ltd and New Zealand Food Innovation (Waikato) Ltd) and Hamilton Properties Ltd.

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

Note: Based on draft 2016 SOI's received end of Feb 2015 CCO's are not required to advise Council of final figures until after 31 March

Organisation	Local Authority Shared Services Limited (LASS)									
Ownership	13.72% SVDS class shares and 37.5% WRTM Service class shares (this equates to 24.58% of the total weighted value of issued shares). The balance of shares is owned by other Local Authorities in the Waikato Region. Council has only one voting right out the twelve Local Authorities.									
Representation (total members)	1(12) - LASS has twelve Directors, with each Director representing a shareholder Council.									
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	<p>The company has four major initiatives under the LASS umbrella, plus a support role for the collaborative work streams of the Waikato Mayoral Forum.</p> <ul style="list-style-type: none"> ▪ Shared Valuation Data Service (SVDS) ▪ Waikato Regional Transportation Model (WRTM) ▪ Joint Procurement Initiatives ▪ Waikato Regional Aerial Photography Service (WRAPS) <p>The specific objectives of the company are agreed each year in accordance with the constitution and the Statement of Intent.</p>									
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 and Performance Targets are specified annually in the Statement of Corporate Intent. ▪ Joint procurement initiatives for goods and services are investigated and implemented. ▪ Collaborative projects are identified and business cases are developed for the highest priority projects and the projects implemented. ▪ Existing LASS are managed and renegotiated as required. ▪ Positive cash flow will be maintained. ▪ Expenditure shall not exceed that budgeted by more than 5% unless prior approval is obtained from the directors. ▪ The Board will provide a written report on the business operations and financial position of the LASS to shareholder as a minimum on a six monthly basis. ▪ Administrative support and regular updates provided to Mayoral Forum regarding progress for approved work streams. ▪ The Shared Valuation Data Service (SVDS) is reliable, well maintained and available to users at least 99% of normal working hours. All SVDS major enhancements are supported by business case. ▪ The Waikato Regional Transport Model (WRTM) is reliable, well managed and available to all users. Modelling reports requested are actioned within the agreed time frame. A report by the Contract Manager is provided to the Board at least every six months. ▪ Shareholders are surveyed annually and satisfied with the performance of LASS. ▪ Shareholders are informed on the benefits being provided to shareholding Councils by LASS. ▪ Financial forecasts to be achieved: 									
Financial Forecasts										
EBITDA	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #003366; color: white;"> <th style="width: 33%;">2016</th> <th style="width: 33%;">2017</th> <th style="width: 33%;">2018</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$10k</td> <td style="text-align: center;">\$10k</td> <td style="text-align: center;">\$10k</td> </tr> <tr> <td style="text-align: center;">\$(428)k</td> <td style="text-align: center;">\$(318)k</td> <td style="text-align: center;">\$(99)k</td> </tr> </tbody> </table>	2016	2017	2018	\$10k	\$10k	\$10k	\$(428)k	\$(318)k	\$(99)k
2016	2017	2018								
\$10k	\$10k	\$10k								
\$(428)k	\$(318)k	\$(99)k								
Net surplus /(deficit) before tax	<table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="text-align: center;">\$(428)k</td> <td style="text-align: center;">\$(318)k</td> <td style="text-align: center;">\$(99)k</td> </tr> </tbody> </table>	\$(428)k	\$(318)k	\$(99)k						
\$(428)k	\$(318)k	\$(99)k								

Organisation	New Zealand Local Government Funding Agency Limited (LGFA)
Ownership	8.3%
Representation (total members)	1(19)
Significant policies and objectives	<ul style="list-style-type: none"> To ensure the Council's finances are sustainable in the long term. To optimise debt funding terms and conditions for the Council, including flexible lending terms. To enhance the certainty of access to debt markets for the Council. To ensure savings in annual interest costs for the Council. To support LGFA to ensure profits are sufficient to pay a dividend to Council in accordance with the LGFA dividend policy.
Nature and scope of activities	<ul style="list-style-type: none"> LGFA will raise debt funding either domestically and/or offshore in either NZ dollars or foreign currency and provide debt funding to New Zealand Local Authorities, and may undertake any other activities considered by the Board to be reasonably related or incidental to, or in connection with, that business. The LGFA will only lend to local authorities that enter into all the relevant arrangements with it (participating local authorities) and comply with the LGFA's lending policies. In lending to local authorities LGFA will ensure its products and services are delivered in a cost effective manner.

Key performance targets

- Statement of Corporate Intent, Interim Report and Annual Report is presented to the CCO Subcommittee.
- Financial Forecasts and Performance Targets are specified annually in the Statement of Corporate Intent.
- Financial forecasts to be achieved as follows:

Financial Forecasts	2016	2017	2018
Comprehensive income			
Net interest revenue	\$16.17m	\$18.23m	\$19.16m
Issuance and operating expenses	\$5.65m	\$6.58m	\$7.06m
Surplus	\$10.52m	\$11.65m	\$12.10m
Dividend	\$1.75m	\$1.75m	\$1.75m
Financial Position			
Total assets	\$6,002m	\$6,560m	\$7,940m
Total LG loans	\$5,760m	\$6,484m	\$7,610m
Total Equity	43.42	53.32	63.66
Shareholders Funds/Total assets	0.7%	0.7%	0.8%

- Performance targets to be met or exceeded as follows:
 LGFA's average cost of funds relative to the average cost of funds for New Zealand Government Securities for the period to:
 - 30 June 2016 will be less than 0.50% higher
 - 30 June 2017 will be less than 0.50% higher
 - 30 June 2018 will be less than 0.50% higher

The average margin above LGFA's cost of funds charged to the highest rated participating local authorities will be no more than:

- 30 June 2016 will no more than 0.10%
- 30 June 2017 will no more than 0.10%
- 30 June 2018 will no more than 0.10%

LGFA's annualised issuance and operating expenses:

- 30 June 2016 will no more than \$5.65 million
- 30 June 2017 will no more than \$6.58million
- 30 June 2018 will no more than \$7.06million

Total lending to participating local authorities at:

- 30 June 2016 will be at least \$5,760 million
- 30 June 2017 will be at least \$6,970 million
- 30 June 2018 will be at least \$7,610 million

Waikato Regional Airport Limited (WRAL) and its Subsidiaries, Hamilton & Waikato Tourism Ltd and Titanium Park Ltd																																													
Organisation	50%																																												
Ownership	0(5)																																												
Representation (total members)																																													
Significant policies and objectives	<ul style="list-style-type: none"> To support the delivery of sustainable airport operations for the region To support and enable a strong, productive economy where it is easy to do business. 																																												
Nature and scope of activities	<ul style="list-style-type: none"> Operate an efficient and compliant airport. Enhance the traveller experience. Maintain a viable aero nautical business. Maximise revenue diversification through non-aeronautical business opportunities. Ensure appropriate internal and external resource to enable a commercially driven and high performing organisation. 																																												
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 and Performance targets are specified annually in the Statement of Corporate Intent. Financial performance targets be achieved as follows: <table border="1"> <thead> <tr> <th></th> <th>2016</th> <th>2017</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>Consolidated company forecast:</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Earning before interest, tax, depreciation & amortisation (EBITDA)</td> <td>\$1.930m</td> <td>\$1.903m</td> <td>\$1.872m</td> </tr> <tr> <td>Net surplus/(deficit) after tax</td> <td>\$(0.573)m</td> <td>\$0.701)m</td> <td>\$0.760)m</td> </tr> <tr> <td>Net surplus/(deficit) after tax to average shareholders' funds</td> <td>(1)%</td> <td>(1)%</td> <td>(1)%</td> </tr> <tr> <td>Net surplus/(deficit) after tax to total assets</td> <td>(1)%</td> <td>(1)%</td> <td>(1)%</td> </tr> <tr> <td>Net cash flow (operating & investing)</td> <td>\$35k</td> <td>\$28k</td> <td>\$101k</td> </tr> <tr> <td>Total liabilities/shareholders' funds (debt/equity ratio)</td> <td>26:74</td> <td>25:75</td> <td>24:76</td> </tr> <tr> <td>Parent Company operations only:</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Percentage of non-landing charges revenue</td> <td>64%</td> <td>64%</td> <td>64%</td> </tr> <tr> <td>Interest cover</td> <td>2.73</td> <td>2.76</td> <td>3.00</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Non-financial performance targets: <ul style="list-style-type: none"> Health & safety: <ul style="list-style-type: none"> Facilitate Health & Safety meeting every 2 months with representative from each company department. Zero Worksafe notifiable accident/ injuries. Commission independent review of the company's Health & Safety framework. Implement recommendations from the review to ensure best-practice compliance. 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). Facilitate noise management meetings each 4 months in accordance with the Noise Management Plan. Customer satisfaction: <ul style="list-style-type: none"> Continuously monitor and improve the customer experience using the customer feedback form. 		2016	2017	2018	Consolidated company forecast:				Earning before interest, tax, depreciation & amortisation (EBITDA)	\$1.930m	\$1.903m	\$1.872m	Net surplus/(deficit) after tax	\$(0.573)m	\$0.701)m	\$0.760)m	Net surplus/(deficit) after tax to average shareholders' funds	(1)%	(1)%	(1)%	Net surplus/(deficit) after tax to total assets	(1)%	(1)%	(1)%	Net cash flow (operating & investing)	\$35k	\$28k	\$101k	Total liabilities/shareholders' funds (debt/equity ratio)	26:74	25:75	24:76	Parent Company operations only:				Percentage of non-landing charges revenue	64%	64%	64%	Interest cover	2.73	2.76	3.00
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	<p>Vibrant Hamilton Trust (VHT) Incorporated Society and Charitable Trust</p> <p>5(5)</p> <p>The Vibrant Hamilton Trust is a Council Controlled Organisation as per the requirements under section 64(1) of the Local Government Act 2002. It was established to provide a legal entity which upon incorporation under the Charitable Trusts Act 1957 to receive funds from the Waikato Foundation Trust and is empowered to make distributions of income and capital for the charitable purposes authorised in its Trust Deed.</p> <p>The Waikato Foundation Trust transferred funds to the Vibrant Hamilton Trust (65%) and the Waikato District Community Wellbeing Trust Board (35%) on 31 January 2012. The Waikato Foundation Trust was subsequently disestablished.</p> <p>The objectives of Vibrant Hamilton Trust are:</p> <ul style="list-style-type: none"> ▪ Promote the social, economic, environmental and cultural wellbeing of City Of Hamilton and its communities. ▪ Relieve poverty through sustainable policies and practices. ▪ Advance education in the City of Hamilton, particularly to promote and advance economic standards for the benefit of the public. ▪ Deliver on strategic aspirations of the City of Hamilton as identified by the community from time to time and endorsed by Hamilton City Council. <p>The Vibrant Hamilton Trust is a Charitable Trust was established for the primary reason of earning a return on investment funds and the provision of grant distributions that meet the Trust's criteria and the objects of the Trust Deed.</p>																
<p>Nature and scope of activities</p>																	
<p>Key performance targets</p>	<ul style="list-style-type: none"> ▪ Statement of Corporate Intent, Interim Report and Annual Report is presented to the CCO Subcommittee. ▪ Financial Forecasts and Performance Targets are specified annually in the Statement of Corporate Intent. ▪ Ensure trust membership obligations are fulfilled in accordance with section 5 of the Trust Deed. ▪ Ensure Trustee's deliver against position descriptions. ▪ Monitor the performance of investments by receiving and considering financial information, on at least a quarterly basis. ▪ Monitor investment mandate to ensure the investment portfolio reflects the risk tolerance, investment time zone and drawing requirement of the Trust. ▪ Review the performance of the Portfolio Manager. ▪ Ensure the minimum total annual grant of \$300,000 is made for 2016. ▪ Financial forecast targets to be achieved: 																
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Organisation	Innovation Waikato Limited (IWL) and its subsidiaries, Waikato Innovation Park Ltd (WIPL) and New Zealand Food Innovation (Waikato) Limited (NZFIW)																				
Ownership	<p>Council has a 100% shareholding in IWL and a 19.81% shareholding in WIPL (i.e. Direct ownership). IWL owns 80.19% of WIPL, and WIPL owns 100% of NZFIW.</p> <p>The 100% shareholding in IWL was gifted by the Katoyst Group to Council on 9 October 2013.</p> <p>Council advanced \$2.4 million to IWL in March 2009 and this was subsequently treated as investment in IWL. These shares in IWL were subsequently exchanged for shares in WIPL in July 2012 (being a 19.81% shareholding of WIPL).</p>																				
Representation (total members)	0(5)																				
Significant policies and objectives	<p>Council supports economic development through its investment in Innovation Waikato Limited.</p> <p>The core purpose of the IWL Group is:</p> <ul style="list-style-type: none"> ▪ To promote research, commercialisation and marketing of new and existing entities or individuals of new products, processes, technologies and quality improvement. ▪ To actively promote economic development by supporting the growth of business that contributes to New Zealand's export economy. <p>The focus of the Park is on innovation and technology- led businesses that enhance New Zealand's competitive advantage and align the region's economic development strategy in areas such as: agriculture, agribusiness, food processing, Value added food products from primary production, horticulture, environmental sustainability, enabling information and communication technology</p>																				
Nature and scope of activities	Innovation Waikato Limited is involved in the business of the development and operation of the Innovation Park in Hamilton, which currently includes two commercially tenanted properties and a pilot spray dryer facility.																				
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" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #003366; color: white;"> <th>Consolidated company forecast</th> <th>2016</th> <th>2017</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>Group EBITDA (earnings before interest, tax, dep & amortisation)</td> <td>\$3.055m</td> <td>\$4.077m</td> <td>\$4.784m</td> </tr> <tr> <td>Group cash from operating activities</td> <td>\$1.423m</td> <td>\$1.144m</td> <td>\$1.400m</td> </tr> <tr> <td>Surplus after tax & dividends</td> <td>\$0.670m</td> <td>\$0.830m</td> <td>\$1.470m</td> </tr> <tr> <td>Shareholders funds (including deferred income)/Tangible assets</td> <td>42%</td> <td>46%</td> <td>48%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> ▪ Key objectives to be achieved for 2016 to 2018 includes: <ul style="list-style-type: none"> • Contribute to a successful economic growth strategy, in collaboration with other regional agencies, NZTE and Callaghan Innovation. WIPL will specialise in funding grants, incubation, clustering, business attraction and business to business collaboration. • New building completed and occupied, 100% rented by Tetrapak in 2015/16 and 100% banked financed. • New building completed and occupied in 2017/18, with private capital injection. • Major company attracted to the Park with signed agreement to lease 2015/16 and 2017/18. • Agreement signed with new investor to introduce private capital to introduce private capital to funds new building and reduce HCC to a minority shareholding 2015/16 and 2017/18. 	Consolidated company forecast	2016	2017	2018	Group EBITDA (earnings before interest, tax, dep & amortisation)	\$3.055m	\$4.077m	\$4.784m	Group cash from operating activities	\$1.423m	\$1.144m	\$1.400m	Surplus after tax & dividends	\$0.670m	\$0.830m	\$1.470m	Shareholders funds (including deferred income)/Tangible assets	42%	46%	48%
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- Increasing production days for the spray dryer (2016: 300 days, 2017: 320 days and 2018: 323 days)
- Establishment of a milk sheep industry in the region in 2016/17
- New drying technology established to develop meat/horticulture industry in 2017/18.

Organisation	Hamilton Properties Limited (HPL)
Ownership	100%
Representation (total members)	1(1)
Significant policies and objectives	Council has retained this company with the view to utilising its tax losses in the future.
Nature and scope of activities	This is a non-operating company that is no longer trading.
Key performance targets	<ul style="list-style-type: none"> ▪ Exempt as a CCO for performance monitoring under Section 7 (3-5) LGA 2002 by Council resolution on 2 July 2013.

First adopted:	2004
Revision dates/version:	Version 5
Next review date:	November 2017
Engagement required:	The Council will develop a proposal, make this available to the public, allow written submissions for a period of up to 4 weeks
Document number:	D-1684879
Associated documents:	Funding Needs Analysis
Sponsor/Group:	CFO



REVENUE AND FINANCING POLICY

Policy Objectives and scope

1. This policy outlines the choices Council has made to determine the appropriate funding of operating expenditure and capital expenditure from the sources¹ of funds listed in the Local Government Act 2002 (LGA). The policy also shows how Council has complied with section 101(3)². The comprehensive section 101(3) analysis is separately documented in the Funding Needs Analysis.
2. Determining the appropriate way to fund Council activities is complex. It is a process that takes account of many matters including, but not limited to:
 - Legal
 - Social
 - Competition
 - Affordability
 - Impact of change
 - Efficiency
 - Equity
 - Cost
 - Intergenerational equity
 - Transparency
 - Accountability
 - Business
 - Strategic Alignment
 - Benefit
3. This policy explains how Council plans to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

Principles of policy

4. Council has determined the following basic principles to guide the appropriate use of funding sources.
 - User charges are preferred when a private benefit can be identified and it is efficient to collect the revenue.
 - Subsidies, grants and other income options are fully explored prior to rates being used.
 - Each generation of ratepayers should pay for the services they receive and borrowing can assist to achieve this outcome.
 - Capital costs to replace assets that reach the end of their projected economic life is firstly funded from rates.
 - Capital costs to upgrade or build new assets is funded firstly from sources other than rates (e.g. subsidies, grants, fundraising, financial contributions) and then borrowing.
 - Growth related capital costs are funded by development contributions.
 - Rates systems should be simple and easily understood.

¹ The sources of funds are listed in section 103(2).

² All legislative references are to the Local Government Act 2002 unless otherwise stated.

- Rates are a tax and are not a charge for the use of a service.
 - If no other funding source can be used it is then appropriate to fund the remaining revenue requirement for operating expenditure from rates.
5. Complying with these principles can at times be challenging. The Council must apply judgment in assessing many options to determine appropriateness in its development of budgets or acquisition of assets and the choice of funding sources to implement these.

Policy guidelines

Operating Cost Funding Sources

6. Operating costs are the day to day spending that maintains the services delivered by Council. This includes contributions to the wear and tear on assets used (depreciation), interest charged on borrowing for capital projects and corporate overheads.
7. Council must consider the funding of each activity in a way that relates exclusively to that activity. Some activities may be best funded by user charges, such as swimming pool admission fees, others with targeted rates, such as a water rate, and others from the general rate, such as road maintenance.
8. The funding sources for operating costs include:
- 9. User charges**
10. User charges are used for services where there is a benefit to an individual or group. Users charges is a broad group of revenue charged directly to an individual or entity. It includes:
- | | | |
|---|------------------------|------------------------------|
| ▪ Entry fees. | ▪ Regulatory charges. | ▪ Memberships. |
| ▪ Service charges. | ▪ Fines and penalties. | ▪ Planning and consent fees. |
| ▪ Hire. | ▪ Connection fees. | ▪ Statutory charges. |
| ▪ Rent, lease, licenses for land and buildings. | ▪ Disposal fees. | ▪ Retail sales. |
| ▪ Deposits. | | |
| ▪ Private works. | | |
| ▪ Permits | | |
11. 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 to encourage/discourage 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 collection mechanisms.
 - The impact of affordability on users.
 - Statutory limits.
 - Other matters as determined by Council.
12. Council's ability to charge user charges is limited by the powers conferred to it by many 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) Council may set fees at greater than the cost of providing the service. Council considers it appropriate to incorporate overhead charges in the determination of the cost of providing a service.

13. Where Council is charging for the sale of goods or services not required by statute, Council's preference is to charge a market price, having regard to the powers conferred by section 12. This includes leases, rents and licenses for land and buildings.
14. Fees and charges may be set by Council at any time and are reviewed by Council annually. A list of regular fees and charges is maintained on Council's website.
15. User charges revenue is allocated to the activity which generates the revenue.

16. Grants, sponsorship, subsidies and other income

17. Grants, sponsorship and subsidies are used where they are available. Many of these items are regular and predictable and therefore can be budgeted. Some items of other income 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 payouts)
18. Council expects to continue receiving substantial subsidies for road maintenance from government or its agencies. While this is recorded as operating income a large portion is for capital costs.

19. Investment income

20. Council's investment policy is documented in its Liability Management and Investment Policy. These investments generate income such as dividends, interest, and rents.
21. Each source of income is receipted to the activity that owns the asset.

22. Development contributions, financial contributions, proceeds from the sale of assets and lump sum contributions

23. Council does not collect revenue from these funding sources to fund operating costs.

24. Reserve funds

25. Council maintains a small number of cash funded reserve funds. Some of these reserve funds are available to meet operating costs (e.g. cemetery maintenance).
26. Council generally uses these funds for the purposes that the reserve was created.

27. Borrowing

28. Council borrowing is generally undertaken at a whole of Council level subject to the constraints on rates increases, debt levels set by the financial strategy. Council also plans to balance the books.
29. Council generally plans to fund all cash operating costs from non-borrowing sources but may in specific circumstances, where it determines it is prudent to do so, fund some operating costs from borrowing.

30. Rates

31. Having been prudent and appropriately exhausting all other funding sources, Council funds its remaining operating expenses from rates. For many activities this is the main funding source.
32. Council will set a capital value general rate and only a few targeted rates.
33. These matters were taken into account by Council when determining the funding requirements of each activity in the Funding Needs Analysis, as required by section 101(3)(a).
34. Council may establish targeted rates to fund operating costs.

35. Further information on rates can be found from paragraph 75.

36. Summary of sources of funding for operating costs by activity

37. Council has applied the above preferences for the use of the funding sources to each activity in its Funding Needs Analysis. Table 1 describes the extent each funding source is used to fund operating costs following the s101(3)(a) assessment. Council has modified this assessment with its s101(3)(b) assessment as described from paragraph 84. This includes the creation of the transitional rate, which is a targeted rate designed to address the impact of the change from land value to capital value for the general rate.

38. These ranges are expressed as a percentage of the cost of the activity. A key to interpret the graphics follows the table.

Table 1: Summary of funding sources by activity s.101(3)(a) only

Activity	User charges	Grants, subsidies & other	Invest. Income	Fin. Cont.	Dev. Cont.	Reserve Funds	Borrowing	General Rates	Targeted rates
Parking Management	✓	x	x	x	x	x	x	x	x
Housing	✓	x	x	x	x	x	x	x	x
Building Control	✓	x	x	x	x	x	x	x	x
Cemeteries & Crematorium	✓	x	x	x	x	✓	x	x	x
Strategic Property Investment	x	✓	✓	x	x	x	x	x	x
Planning Guidance & Compliance	✓	x	x	x	x	x	x	✓	x
Animal Education and Control	✓	x	x	x	x	x	x	✓	x
Waste Minimisation	x	x	x	x	x	x	x	✓	x
Landfill Site Management	x	x	x	x	x	x	x	✓	x
Arts Promotion	x	x	x	x	x	x	x	✓	x
Partnership with Maaori	x	x	x	x	x	x	x	✓	x
City Planning	x	x	x	x	x	x	x	✓	x
Emergency Management	x	x	x	x	x	x	x	✓	x
Stormwater Network	x	✓	x	x	x	x	x	✓	x
Refuse Collection	x	✓	x	x	x	x	x	✓	✓
Sewage Treatment and Disposal	✓	x	x	x	x	x	x	✓	✓
Hamilton Gardens	✓	x	x	x	x	x	x	✓	x
Economic Initiatives	x	x	x	x	x	x	x	✓	✓
Libraries	✓	✓	x	x	x	x	x	✓	x
Museum	✓	✓	x	x	x	x	x	✓	x
Community Development	✓	✓	x	x	x	x	x	✓	x
Community Parks	✓	x	x	x	x	x	x	✓	x
Gullies and native plantings	x	✓	x	x	x	x	x	✓	x
Streetscapes	x	✓	x	x	x	x	x	✓	x
Sports Parks	✓	x	x	x	x	x	x	✓	x
Governance & Civic Affairs	✓	x	x	x	x	x	x	✓	x
Theatres	✓	✓	x	x	x	x	x	✓	x
Sewage Collection	✓	x	x	x	x	x	x	✓	✓

Indoor Recreation	✓	✓	x	x	x	x	x	✓	x
Environmental Health and Public Safety	✓	✓	x	x	x	x	x	✓	x
Water Treatment and Storage	x	x	x	x	x	x	x	✓	✓
Water Distribution	✓	x	x	x	x	x	x	✓	✓
Transport Network	✓	✓	x	x	x	x	x	✓	✓
Zoo	✓	✓	x	x	x	x	x	✓	x
Stadiums	✓	x	x	x	x	x	x	✓	x
Claudlands	✓	✓	x	x	x	x	x	✓	x
Pools	✓	✓	x	x	x	x	x	✓	x

Table 2: Summary of funding sources by activity

Key

Range Name	Range	Key
Unlikely	0	x
Minimal	0% -20%	✓
Low	20% -40%	✓
Moderate	40% - 60%	✓
High	60% - 80%	✓
Most	80% - 100%	✓
All	100%	✓

39. Council budgets will normally be set within these ranges. As these ranges are expressed as a percentage of the cost of the activity they may change over time because of changes in expenditure rather than changes in revenue. If budgets were marginally outside these ranges, it is unlikely that Council will consider that matter to have a high degree of significance and therefore warrant a consultation to change the Revenue and Financing Policy. It is also likely that actual funding sources will be different from budgeted funding sources.

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Funding Sources for Capital Costs

40. 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 include:

41. User charges

42. User charges are generally not available 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 charging users contributions.

43. Council does charge 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).

44. Grants, subsidies, and other income

45. Council relies on significant subsidies for capital works in its roads and bridges activity. Other activities are able to access grants and subsidies 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 payouts, and legal settlements.

46. Grants, subsidies and other income are used wherever they are available.

47. Development contributions

48. Council collects development contributions to fund capital costs necessary to service growth over the long-term.

49. Council has a Development and Financial Contributions Policy. Most contributions received are transferred to loan accounts³. Development contribution funds received will be applied to the projects as identified by the policy. Projects identified in the policy may be either completed projects (with debt yet to be repaid from future development contributions) or future projects planned to be undertaken.

50. Note that, in addition to the requirements of sections 101(3) and 103 the Development and Financial Contributions Policy additionally describes funding matters further as stipulated by section 106(2)(c).

51. Financial contributions

52. Council collects financial contributions under the Resource Management Act 2001 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 Plans. Most contributions are received as revenue by the vesting of assets in Council; some contributions may be paid to Council.

53. Proceeds from the sale of assets

³ Many growth developments are undertaken in anticipation of growth. The growth portion of the project is funded from borrowing. When this occurs the development contribution receipts are then used to repay the debt.

54. From time to time Council disposes of assets. Many of these are low value items and the revenue is received by the activity that owns the assets.
55. Council's Strategic Property activity holds some higher value assets that are intended for sale. Unrestricted proceeds from the sale of these assets will be used to repay debt, unless resolved otherwise by Council⁴. Restricted revenues will 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).

56. Reserve funds

57. Council maintains some reserve funds for capital projects and will approve the use of the funds when a project meets the specific criteria for the reserve.

58. Borrowing

59. Council must borrow to fund its asset programme. The amount of borrowing available is restricted by Council's financial strategy debt limits.
60. Borrowing, both the capital (principal) and interest components, is generally repaid by future rates.
61. Borrowing spreads the cost of the project over a longer period, smoothing changes in rates and contributing to intergenerational equity.

62. Lump sum contributions

63. Council has the option when undertaking a major project to seek lump sum contributions to the capital cost of the project from those who are identified in the projects "capital project funding plan"⁵. Lump sum contributions are provided for in the Local Government (Rating) Act 2002 and have stringent requirements placed on how they are used. Where a lump sum payment option is proposed ratepayers choose to participate or not. Council has previously used these provisions and may do so in the future.
64. Council does not plan to seek lump sum contributions.

65. Rates

66. Rates are primarily used to fund the day to day expenses including depreciation and borrowing interest costs. In each year Council calculates the cash surplus from operating revenue less operating costs to determine the amount of rates funding available to fund capital projects.
67. The greatest portion of this funding is cash generated from depreciation (a non-cash operating cost). These funds are used to fund renewal projects.
68. A portion of rates funds the capital (principal) repayments of debt.
69. Council may establish targeted rates to fund capital projects.

70. Summary of sources of funding for capital costs by activity

71. Council uses 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.

⁴ As required by the Investment and Liability Management Policy.

⁵ Local Government (Rating) Act 2002 - s.117A

- Growth projects for network infrastructure that are required to meet increased demand are funded from development contributions, to the extent the Financial and Development Contributions Policy provides.
 - Reserve funds for other purposes are considered. Council has a small number of cash funded reserves available for capital costs projects.
 - Targeted rating options may be considered.
 - Projects that have exhausted previous funding sources are funded from the surplus cash available from general rates and/or debt.
72. A single project may have a mix of each of these funding options.
73. Whenever Council resolves to consider a separate funding policy Council will consider the sources of funds above, the Revenue and Financing Policy and complete a section 101(3) assessment to determine an appropriate funding policy for the project. Generally Council will resolve the funding policy at the time the project is proposed in an Annual Plan or Long-term Plan.

Overall funding consideration

74. Council is required by section 101(3)(b) to consider the overall impact of the allocation of liability for revenue needs on the community. It allows Council, as a final measure, to modify the overall mix of funding in response to these considerations.
- i. Council will modify the change from the land value general rate of 2014/15 to a capital value general, by transitioning the change over 10 years. This is achieved by using the transitional targeted rate. Council is making this modification to mitigate the impact of the change on ratepayers by spreading that impact over 10 years.
 - ii. Council will modify the allocation of the rates liability between sectors of the rating base by the use of differentials on the general and transitional rates.
 - iii. Council will modify the choice of general rate funding to a mix of targeted and general rate funding in order to achieve an appropriate transition from the land value general rate in 2014/15 to a capital value general from 2015/16.
 - iv. As water, sewerage and refuse collection is part of the general rate, it is appropriate to create targeted rates for non-rateable properties for this services which are rateable.
 - v. Council may waive or discount fees and charges where it considers it appropriate to do so. Some matters Council may consider in deciding whether it is appropriate to waive fees are for social reasons, for the promotion of events and facilities, for commercial reasons, due to poor service or to minimise risk.
 - vi. Council may remit rates where it considers it appropriate to do so and as documented in the Rates Remissions 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).
 - vii. Council may use accounting provisions and reserve funds to spread the costs of activities over multiple years for the purpose of smoothing the cost to users and ratepayers.
 - viii. Council may modify the allocation of liability for growth related network infrastructure projects when considering the matters required by s106 in the Financial and Development Contributions Policy.

Rates

75. Council's final consideration of revenue and financing policy for rates comes:

- After consideration of how the funding source will be used to fund operating and capital costs, and
 - After that has been applied to activities in the Funding Needs Analysis, and
 - After being adjusted for the overall funding considerations
76. 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 having regard to the analysis above and in conjunction with the Rating Policy, Funding Impact Statement and Rates Resolution.

77. General rates

78. The general rate is allocated to properties based on the capital value of the property. Council does not have a uniform annual general charge.
79. Council has chosen to differentiate the general rate into four differential rating categories (residential, commercial, CBD commercial and rural). The full definition of these categories is contained within the Rating Policy.
80. Council has determined in its Funding Needs Analysis that all or part of the following activities should be funded from the general rate:
- | | | |
|----------------------------------|---------------------------------|--|
| ▪ Planning Guidance & Compliance | ▪ Sewage Treatment and Disposal | ▪ Governance & Civic Affairs |
| ▪ Animal Education and Control | ▪ Hamilton Gardens | ▪ Environmental Health and Public Safety |
| ▪ Stormwater Network | ▪ Economic Initiatives | ▪ Water Treatment and Storage |
| ▪ Catchment Management | ▪ Libraries | ▪ Water Distribution |
| ▪ Refuse Collection | ▪ Museum | ▪ Transport Network |
| ▪ Waste Minimisation | ▪ Community Development | ▪ Zoo |
| ▪ Landfill Site Management | ▪ Community Parks | ▪ Stadiums |
| ▪ Arts Promotion | ▪ Gullies and native plantings | ▪ Claudelands |
| ▪ City Planning | ▪ Streetscapes | ▪ Leisure Facilities |
| ▪ Theatres | ▪ Sports Parks | ▪ Emergency Management |
| ▪ Sewage Collection | | |

81. The general rate differential factors for 2015/16 will be calculated as shown in the Rating Policy.
82. In setting the differential sectors, and the differential factors, Council considered the requirements of the Local Government Act and a number of other considerations, including:
- The activities funded by the general rate and the s101(3) considerations for the activities.
 - The historic relationship between the differential sectors and the existing level of the differential under the land value general rate.
 - 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.
 - The overall impact of the differential on ratepayers.

83. Targeted rates

84. Transitional Rate

85. Council has decided to move to a capital value general rate from a land value general rate. Having considered the overall impact of the change on ratepayers, Council determined that the impact of the change should be transitioned over 10 years. For transparency, Council has chosen to achieve the transition by setting a transitional rate that is similar in effect to the prior land value general rate. The aggregate of the amounts raised by the capital value general rate and the land value transitional rate will equal the amount Council would otherwise have raised from the general rate if the transition were not occurring.
86. The transitional rate is a land value rate, differentiated by 7 differential rating categories (Residential, Commercial/Industrial, CBD Commercial/Ind, Multi Unit Residential, Rural Residential, Rural Small and Rural Large).
87. The full definition of these differential categories is contained within the Rating Policy. How the allocations to these categories are calculated is documented below under "Transition from land value to capital value general rates".
88. The transitional rate arises as a result of Council's s.101(3)(b) consideration of the overall impact in the allocation of liability for revenue. This rate mitigates the impact of the change from land value to capital for general rate. Council has determined in its Funding Needs Analysis that all or part of the following activities should be funded from the targeted rates (note these are the same activities as funded by the general rate):
- | | | |
|----------------------------------|---------------------------------|--|
| ▪ Planning Guidance & Compliance | ▪ Sewage Treatment and Disposal | ▪ Governance & Civic Affairs |
| ▪ Animal Education and Control | ▪ Hamilton Gardens | ▪ Environmental Health and Public Safety |
| ▪ Stormwater Network | ▪ Economic Initiatives | ▪ Water Treatment and Storage |
| ▪ Catchment Management | ▪ Libraries | ▪ Water Distribution |
| ▪ Refuse Collection | ▪ Museum | ▪ Transport Network |
| ▪ Waste Minimisation | ▪ Community Development | ▪ Zoo |
| ▪ Landfill Site Management | ▪ Community Parks | ▪ Stadiums |
| ▪ Arts Promotion | ▪ Gullies and native plantings | ▪ Claudelands |
| ▪ City Planning | ▪ Streetscapes | ▪ Leisure Facilities |
| ▪ Theatres | ▪ Sports Parks | ▪ Emergency Management |
| ▪ Sewage Collection | | |
89. The transitional rate differential factors for 2015/16 will be calculated as shown in the Rating Policy. These differentiations are based on the 2014/15 cost allocation and are designed, as listed under the overall considerations, to assist in minimising the impacts of the change from land value to capital value by ensuring the sectors (residential, commercial and rural) continue to pay the same share of the rates as they did prior to the change to a capital value general rate.
- 90. Transition from land value to capital value general rates**
91. In 2014 Council decided to change from the land value general rate to a capital value general rate. In order to minimise the effect of the change on individual ratepayers Council decided to transition the change over 10 years.
92. This is implemented by changing the general rate to capital value from 1 July 2105 and at the same time introducing a targeted rate based on land value and differentiated similarly to the

land value general rate of 2014/15. Each year 10% of the total cost of the activities funded by the general and transitional rate will be transferred as shown on the table 3.

Table 3: Transition Process

Year	Land Value Transition Rate	Capital Value General Rate
2015/16	90%	10%
2016/17	80%	20%
2017/18	70%	30%
2018/19	60%	40%
2019/20	50%	50%
2020/21	40%	60%
2021/22	30%	70%
2022/23	20%	80%
2023/24	10%	90%
2024/25	0%	100%

1/10 each year

93. The total rates requirement for the activities funded from the activities listed will be split between each rate according to these ratios each year. This allows for adjustments in budgets over time.

94. Other Targeted Rates

95. Council collects a few targeted rates either to fund activities as identified in the Funding Needs Analysis or as a result of Council's overall funding considerations.

Table 4: Targeted rate types

Name	Activities funded	Basis for Rate
Access Hamilton	Access Hamilton projects and finance costs in the Transportation Activity.	Capital value across whole city.
Business Improvement District	BID projects as part of the Economic Initiatives Activity.	Fixed amount per SUIP ⁶ and a rate per dollar of capital value for all properties in the BID area ⁷ .
Hamilton Gardens	Gardens Development projects in the Hamilton Gardens activity.	Fixed amount per SUIP across the whole city.
Metered water supply	Water Distribution and Water Treatment and Storage activities.	Fixed amount per SUIP supplied with water and a charge per unit of water consumed or supplied to non-residential properties.

⁶ SUIP or Separately used or inhabited part of a rating unit is as required, defined each year in the Funding Impact Statement.

⁷ The BID area map is in the Rating Policy.

Commercial Non-metered Water Supply	Water Distribution and Water Treatment and Storage activities	Fixed amount per SUIP with water supplied or available.
Non-rateable water	Sewage Distribution and Sewage Treatment and Storage activities	Fixed amount per property and a rate per dollar of land value for connected land used for services as defined in the rating policy.
Non-rateable refuse	Refuse Collection activity	Fixed amount per property and a rate per dollar of land value for connected land used for services as defined in the rating policy.
Non-rateable sewerage	Sewage Collection and Sewage Treatment and Disposal activity	Fixed amount per property and a rate per dollar of land value for connected land used for services as defined in the rating policy.
Horsham Downs Hall	Council invoices and collects the following rate on behalf of Waikato District Council.	Fixed amount to properties within the Hall district.

References

96. Funding Needs Analysis, section 101(3), provides the background and analysis to explain the funding decisions made by Council. It is guided by the funding principles and choices of funding sources documented in the Revenue and Financing Policy.
97. The Development and Financial Contributions Policy provides further analysis, as required by section 106(2)(c). This explains why Council has chosen to use development and financial contributions to fund the capital costs needed to meet increased demand for community infrastructure.
98. The Liability Management and Investment Policy places restrictions on the use of the proceeds from asset sales.
99. The Rating Policy further clarifies the funding requirements of Council by documenting matters not included in the Funding Impact Statement, rates resolution or this policy. It includes the allocation of activity rates requirements to different differential categories, detailed definitions and maps for rating areas.
100. 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 plan.
101. Together the above documents form the necessary components to lawfully charge under the Local Government Act for the revenue requirements of Council. Council must also comply with other legislation in regard to the setting of some fees and charges and the Local Government (Rating) Act 2002 for the setting of rates.

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FUNDING NEEDS ANALYSIS

Purpose and Scope

1. The Funding Needs Analysis provides the background and analysis to explain the funding decisions made by Council. It is guided by the funding principles documented in the Revenue and Financing Policy.
2. Council must comply with section 101(3)¹. For each activity, Council must, in the first instance, determine the appropriate sources of funding² that will meet the funding needs of each activity. In determining this Council will take into consideration:
 - The community outcomes to which the activity primarily contributes.
 - The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals.
 - The period in or over which those benefits are expected to occur.
 - The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity.
 - The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.
3. Having completed the above analysis Council must then consider:
 - The overall impact of any allocation of liability for revenue needs on the community.
4. The application of these requirements is very subjective. The legislation places no more or less weight or priority on any one of the factors listed in section 101(3)(a)³. It also provides Council with considerable latitude for judgement in the consideration of the section 101(3)(b) requirement.
5. The following sections document the matters and approaches Council has taken in determine the funding needs of an activity and how that translates into Council's decision on the appropriate funding sources to be used.

Previous reviews

6. In 2004/14 Council prepared its first Long Term Council Community Plan (later to be named the Long Term Plan). A requirement of the plan was to every three years review and consult on the

¹ All references to legislation are to the Local Government Act 2002, unless otherwise stated.

² The funding sources are listed in s103 LGA.

³ In his High Court judgement on Neil Construction Ltd and others v. North Shore City Council 2007, Potter J made it clear that Council must for each activity consider each element of s101(3).

Revenue and Financing Policy. The Funding Needs Analysis was incorporated in its entirety in these previous Revenue and Financing Policies up until the 2012/22 - 10 Year Plan.

7. At each review Council has considered particular activities that may need re-analysis. Council does not reconsider all of the options for funding each activity at each review; this would be impractical and inefficient.

Funding Sources for Operating Costs

8. Operating costs are the day to day spending that maintains the services delivered by Council. This includes contributions to the wear and tear on assets used (depreciation), interest charged on borrowing for capital projects and corporate overheads.
9. Council must consider the funding for each activity in a way that relates exclusively to that activity. Some activities may be best funded using user charges such as swimming pool admission fees, others with targeted rates such as the Hamilton Gardens rate and others from the general rate such as road maintenance. Distinct funding enables ratepayers or payers of user charges to assess more readily whether or not the cost of the service provided to them either directly or indirectly represents good value. They can also more easily determine how much money is being raised for the service and spent on the service, which promotes transparency and accountability.
10. The available funding sources for operating costs include:
 - User charges
 - Grants, sponsorship, subsidies and other income
 - Investment income
 - Reserve funds
 - Rates
 - General rate
 - Targeted rates
11. Each funding source and how Council prefers to use that funding source for operating expenses is described in detail in the Revenue and Financing Policy and is applied in this analysis.

Table 2: Consideration of legal requirements for operating expenses

Headings -s.101(a) reference	Matters Council might consider
Community outcomes - s.101(3)(a)(i)	Council determines which of its 10 community outcomes which an activity contributes to. Council has not established a link between community outcomes and funding requirements for an activity.
Distribution benefits - s.101(3)(a)(ii)	The distribution of benefits is given consideration by Council, reflecting its area of benefit preference to funding sources for an activity. Determining benefit is not scientific ⁴ , is very subjective and is for Council to determine. Council has considered how the benefit of activity applies to households, businesses and the community as a whole.
Period of benefit- s.101(3)(a)(iii)	For most operational expenses the benefit is received in the

⁴ As concluded by Richardson P in the Court of Appeal decision on Wellington City Council v. Woolworths NZ Ltd and others (1996). *“The very complexity and inherent subjectivity of any benefit allocation for these specified outputs points away from using relative benefit as a definitive criterion.”*

Headings -s.101(a) reference	Matters Council might consider
	<p>year the expense is incurred.</p> <p>For most activities Council cash funds depreciation (an operating expense) from revenue sources and this along with other surplus cashflow will be used to fund capital costs for either asset renewal or debt repayments.</p> <p>Some operational expenses (provisions) may have a benefit over multiple years and so Council may choose to fund the activity over that period.</p>
Who creates the need- s.101(3)(a)(iv)	<p>Some things Council must do because the actions or inactions of individuals or groups create the need to undertake the activity.</p> <p>Council may choose to target these people or organisations through fines, charges or rates.</p>
Separate funding- s.101(3)(a)(v)	<p>Council must consider the practicalities of separate funding along with transparency and accountability.</p> <p>In some cases while it may be desirable to charge individuals there may be no practical way of doing so</p> <p>With regard to the rates contribution, Council is of the view that the costs and benefits of separate rating mechanisms for separate activities makes a complex rating system which is expensive to maintain and becomes confusing to interpret. In Council's opinion this does not contribute to improved transparency and accountability.</p>

Analysis for operating costs by activity

- Schedule 1 analyses each activity against the requirements of section 101(3)(a). These views are subjective and have been formed by successive councils, having reviewed the policy at least every three years.

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Funding Sources for Capital Costs

13. 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 include:
- User charges
 - Grants, sponsorship, subsidies and other income
 - Investment income
 - Financial contributions
 - Development contributions
 - Proceeds from the sale of assets⁵
 - Reserve funds
 - Borrowing
 - Rates
 - General rate
 - Targeted rates
14. Each funding source and how Council prefers to use that funding source for capital expenditure is described in detail in the Revenue and Financing Policy and is applied in this analysis.

Analysis for capital costs by activity

15. Council does not fund its capital costs on an activity by activity basis.
16. As described in the Financial Strategy, Council has a challenge to manage growth, affordable rates increases and debt. In order to achieve the appropriate balance between these variables Council takes the following approach.
- i. Council sets the annual rate increase,
 - ii. The existing budget plus an estimate for growth determines the rates income.
 - iii. Activity operating revenue and expenditure budgets are determined, within this constraint.
 - iv. An amount is budgeted for Development Contributions payments, which is set aside to fund growth projects or growth debt, as determined by the Development Contributions Policy.
 - v. The net cash operating costs is determined (net of cash revenue budgets).
 - vi. 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 activity and is available to fund any capital costs.
 - vii. Council sets the limit on debt, which determines the debt funding available for capital costs.
17. This process results in the following funding available for capital costs:
- Cash from general rates for use on all activities.
 - Cash from targeted rates for use on Access Hamilton project (Activity: Transportation), Hamilton Gardens' development (Activity: Hamilton Gardens) and BID improvements (Activity: Economic Initiatives).
 - Cash from borrowing

⁵ The Liability Management and Investment Policy states: “the proceeds from asset sales or investments will in the first instance be used to repay outstanding borrowings to reduce the overall debt, unless otherwise specifically authorised by Council. The exception to this is in relation to the sale of endowment properties where any surplus cash is held in the Municipal Endowment Fund to be used to reinvest in property.”

18. Council uses 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 costs.
 - Growth projects for network infrastructure that are required to meet increased demand are funded from development contributions, to the extent the Development Contributions Policy provides.
 - Reserve funds for other purposes are considered. Council has a small number of cash funded reserves available for capital costs projects.
 - Targeted rating options may be considered.
 - Projects that have exhausted previous funding sources are funded from the surplus cash available from general rates and debt.
19. A single project may have a mix of each of these funding options.
20. Whenever Council resolves to consider a separate funding policy Council will consider the sources of funds above, the Revenue and Financing Policy and complete a section 101(3) assessment to determine an appropriate funding policy for the project. Generally, Council will resolve the funding policy at the time the project is proposed in an Annual Plan or Long-term Plan. In undertaking this assessment it shall have regard to the matters in table three.

Table 3: Consideration of legal requirements for capital expenses

Headings -s.101 reference	Matters Council might consider
Community outcomes - s.101(3)(a)(i)	A capital project is expected to contribute to the community outcomes in the same-way as the activity in which it is funded, unless Council resolves otherwise.
Distribution benefits - s.101(3)(a)(ii)	The distribution of benefits is expected to be the same as that for the operating costs of the activity in which it is funded, unless Council resolves otherwise. Council may choose to target those people or organisations who primarily benefit through financial and development contributions, lump sum options or targeted rates.
Period of benefit- s.101(3)(a)(iii)	For most capital projects the benefit is received over the life or the capacity life of the asset. Council will have regard to the equitable distribution of costs to each generation for the building and renewal of the asset.
Who creates the need- s.101(3)(a)(iv)	Some capital costs Council has to do because the actions or inactions of individuals or groups create the need to undertake the activity. Council may choose to target these people or organisations through financial and development contributions or targeted rates.
Separate funding- s.101(3)(a)(v)	Council must consider the practicalities of separate funding along with transparency and accountability. In some cases while it may be desirable to charge individuals there may be no practical way of doing so.

21. Note that for growth related network infrastructure a separate s.101(3) analysis is required in the Financial and Development Contributions Policy, as required by s106.

Overall funding consideration

22. Council is required by section 101(3)(b) to consider the overall impact of the allocation of liability for revenue needs on the community. It allows Council, as a final measure, to modify the overall mix of funding in response to these considerations.
- i. Council will modify the change from the land value general rate of 2014/15 to a capital value general, by transitioning the change over 10 years. This is achieved by using the transitional targeted rate. Council is making this modification to mitigate the impact of the change on ratepayers by spreading that impact over 10 years.
 - ii. Council will modify the allocation of the rates liability between sectors of the rating base by the use of differentials on the general and transitional rates.
 - iii. Council will modify the choice of general rate funding to a mix of targeted and general rate funding in order to achieve an appropriate transition from the land value general rate in 2014/15 to a capital value general from 2015/16.
 - iv. As water, sewerage and refuse collection is part of the general rate, it is appropriate to create targeted rates for non-rateable properties for this services which are rateable.
 - v. Council may waive or discount fees and charges where it considers it appropriate to do so. Some matters Council may consider in deciding whether it is appropriate to waive fees are for social reasons, for the promotion of events and facilities, for commercial reasons, due to poor service or to minimise risk.
 - vi. Council may remit rates where it considers it appropriate to do so and as documented in the Rates Remissions 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).
 - vii. Council may use accounting provisions and reserve funds to spread the costs of activities over multiple years for the purpose of smoothing the cost to users and ratepayers.
 - viii. Council may modify the allocation of liability for growth related network infrastructure projects when considering the matters required by s106 in the Financial and Development Contributions Policy.

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Activity Funding Needs Analysis – Operating Costs

23. Schedule One lists each activity⁶ and documents Council’s assessment of the components of section 101(3)(a) as it applies to that activity. Table two list the matters Council might consider under each part of the section.

Funding Bands

24. After considering the section 101(3)(a) components, Council considers to what extent each of the funding sources is able to fund each activity. This policy is intended to be in place for the next three years before it is reviewed and because things change over time, it is not possible to precisely determine the percentage allocated. For this reason Council has decided to band the percentages into the categories listed in table four.
25. The assessment in Appendix One identifies the most likely sources of income an activity is budgeted to earn. In all case rates funds the balance of the activity after all other sources have been maximised. It is likely that from time to time Council will be able to secure additional funding that may be become available.
26. Council budgets will normally be set within these ranges. As these ranges are expressed as a percentage of the cost of the activity they may change over time because of changes in expenditure rather than changes in revenue. If budgets were marginally outside these ranges, it is unlikely that Council will consider that matter to have a high degree of significance and therefore warrant a consultation to change the Revenue and Financing Policy. It is also likely that actual funding sources will be different from budgeted funding sources.

Table 4: Funding Bands

Name	Percentage Range
Unlikely	0%
Minimal	0% - 20%
Low	20% - 40%
Moderate	40% - 60%
High	60% - 80%
Most	80% -100%
All	100%

Funding Sources and Rationale

27. This column of Schedule One identifies which of the funding sources Council plans to use in budgeting to fund the operating costs of each activity. It is determined by Council after consideration of each clause of section 101(3)(a).
28. As the assessment of the funding sources is a complex matter of weighing up the requirements of section 101(3)(a) with the available sources and Council’s preferences for using these sources. The final choice of funding sources is subjective. Therefore Council has documented its rationale for choosing the funding source.
29. The funding source for an activity may be modified by Council when Council considers the requirements of section 101(3)(b). If this has occurred it is considered as part of the overall funding considerations section of this policy.

⁶ For a description of each activity see the 10-Year Plan.

Rating Policy

30. The requirements of section 101(3)(a) and section 103 only require Council to consider the rating funding sources at the level of:
- “(a) *general rates, including—*
 - (i) choice of valuation system; and*
 - (ii) differential rating; and*
 - (iii) uniform annual general charges:*
 - (b) targeted rates”*
31. This is consistent with the purpose of the revenue and financing policy to “describe the policies” of funding.
32. The Revenue and Financing Policy is intended to provide policy direction but not intended to replace the decision making requirements for calculation of the rates as described for the Funding Impact Statement in clause 15 or clause 20 of schedule 10. Nor is it intended that the Revenue and Financing Policy replace the requirements of the Local Government (Rating) Act 2002.
33. Council has a preference that its decisions on the allocation of the rates provides predictability and certainty. For this reason Council has developed its rating policies which will provide information that further assists in understanding the rates calculation processes.

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SCHEDULE ONE: Activity Funding Needs Analysis – Operating Costs

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need	Separate Funding	Funding Source and Bands	Rationale
Water Supply							
Water Treatment and Storage	Providing outstanding Infrastructure	The primary benefit for having a safe and adequate volume of water is to households and business. Council considers that each household receives approximately the same benefit from a safe and adequate storage of water. Business and rural water users have greater variation in requirements for water.	The benefit of most operating costs is expected to arise in the year the funding is sourced.	Very limited impact of the actions or actions of others.	Council considers that there is little benefit of separate funding for water treatment and storage from water distribution.	HIGH General rates Targeted rates MINIMAL User charges UNLIKELY All other funding sources.	General rates are the appropriate funding source for households as they are easy to administer and users receive the same benefit from the quality and quantity of supply. Metered water rates (targeted rates) and a targeted rate are appropriate for funding business and rural consumers. Where bulk water is supplied it is able to be charged on a user charges basis.
Water Distribution	Providing outstanding Infrastructure	The primary benefit for having an outstanding water distribution network is to households and business. 1700 properties outside the district are supplied with water. Council considers that each household receives approximately the same benefit from a safe and adequate storage of water. Business and rural water users have greater variation in requirements for water.	The benefit of most operating costs is expected to arise in the year the funding is sourced.	Very limited impact of the actions or actions of others.	Council considers that there is little benefit of separate funding for water treatment and storage from water distribution.	HIGH General rates Targeted rates MINIMAL User charges UNLIKELY All other funding sources.	General rates are the appropriate funding source for households as they are easy to administer and users receive the same benefit from the supply of water. Metered water rates (targeted rates) are appropriate for funding business and rural consumers. Where bulk water or outside of the district water is supplied it is able to be charged on a user charges basis.

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Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need	Separate Funding	Funding Source and Bands	Rationale
Sewerage Collection	Providing outstanding Infrastructure	The collection of sewerage is primarily a benefit to households and business that are connected to the schemes by removing the waste from properties. Council considers that each household and business receives approximately the same benefit from the removal of sewerage.	The benefit of most operating costs is expected to arise in the year the funding is sourced.	Very limited impact of the actions or actions of others.	Council considers that there is little benefit of separate funding for sewerage collection.	HIGH General rates. MINIMAL Targeted rate. User Charges. UNLIKELY All other funding sources.	In most cases it is not practicable to measure the quantity of each individual's contribution to the sewerage system. General rates are the appropriate funding source for households and business as they receive the same benefit from sewerage collection.
Sewerage Treatment and Disposal	Providing outstanding Infrastructure	The treatment and disposal of sewerage are primarily a benefit to the community as a whole by removing the health risks. The protection of the environment is a benefit to the serviced communities. Council considers that each household and business receives approximately the same benefit from the treatment and disposal of sewerage.	The benefit of most operating costs is expected to arise in the year the funding is sourced.	Some businesses have an adverse impact greater than most users due to the volume or nature of the waste produced.	Council considers that there is little benefit of separate funding for sewerage treatment and disposal.	MOST General rates. MINIMAL Targeted Rate User Charges. UNLIKELY All other funding sources.	In most cases it is not practicable to measure the quantity of each individual's contribution to the sewerage system. There are some businesses that produce abnormal sewage where direct charging is able to be made. This is required by the Trade Waste Bylaw in addition to the targeted rate. Their share of costs is recovered by way of trade waste user charges. The community benefits from the safety and environmental effects of sewerage treatment and disposal. General rates are the appropriate funding source for households and business as they receive the same benefit from wastewater collection.

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need	Separate Funding	Funding Source and Bands	Rationale
Stormwater Network	Providing outstanding Infrastructure	The collection of stormwater are primarily a benefit to households and business by minimising and removing stormwater from properties. This benefit extends to the wider community as it includes the removal of stormwater from public spaces. Council considers that each household and business receives approximately the same benefit from the stormwater network.	The benefit of most operating costs is expected to arise in the year the funding is sourced.	The actions of most individuals or groups have a minor impact	Council considers that there is little benefit of separate funding for stormwater collection.	ALL General rates. MINIMAL Subsidy & other UNLIKELY All other funding sources.	There is no practical way to charge individuals or groups for any direct benefit. General rates are the appropriate funding source for households and business as they are easy to administer and users receive the same benefit from the stormwater network. Those who (either directly or indirectly) benefit should pay. Stormwater networks are funded from local amenity rates in the serviced townships.
Transport Network	Providing outstanding Infrastructure	The transport network serves the whole district and everyone benefits directly in their personal use and indirectly through the supply of goods and services to businesses. Council considers that each household and business receives approximately the same benefit from transport network.	The benefit of most operating costs is expected to arise in the year the funding is sourced.	There is an impact of the actions or inactions of others. Costs are driven by traffic volumes and wear roads out more quickly than motorcars.	Council considers that there is little benefit of separate funding for transport network generally. The Access Hamilton strategy has important strategic relationships and requires certainty of funding. For this reason separate funding is required for this component of the activity.	HIGH General rates LOW Subsidy & other MINIMAL Targeted rate User Charges UNLIKELY All other funding sources.	While there is an individual benefit to using the roading network there is no practical means available to charge for this. Subsidies sourced from New Zealand Transport Agency (NZTA) are funded from licensing revenue that represents some element of user pays, particular in the case of Road User Charges, which is based on road kilometres travelled. Council also receives a minimal amount of regional petrol tax. Council maximises the amount of subsidy for the level of spending it approves. The subsidy revenue from NZTA is available to fund both operating and capital costs. A targeted roading rate based on

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need	Separate Funding	Funding Source and Bands	Rationale
Parking Management	Providing outstanding Infrastructure An Active, Strong Commercial City with Distinctive Suburban Villages	Parking provides a direct benefit to users. Having parking available in business areas provides an indirect benefit to businesses. Council considers that users receive the primary benefit of parking management.	The benefit of most operating costs is expected to arise in the year the funding is sourced.	There is an impact of the actions or inactions of others. Demand is driven by volumes and time parked.	Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.	ALL User charges UNLIKELY All other funding sources.	capital value funds Council's share of the operating costs for Access Hamilton strategy expenditure. Capital value is selected as it is considered it has the best available relationship to benefit received. There are well established user charges methodologies for city parking that assist in demand management. Fines revenue is included in user charges and results in this activity operating at a surplus.
Rubbish and Recycling							
Refuse Collection	Providing outstanding Infrastructure	Removal of refuse provides a benefit to households.	The benefit of most operating costs is expected to arise in the year the funding is sourced.	Some households create more waste than others. This is managed by rules on volumes of waste. Business refuse varies across business and is managed by Council not providing a refuse service.	Council considers that there is little benefit of separate funding for stormwater collection.	MOST General rates. MINIMAL Targeted rates Grants and subsidies UNLIKELY All other funding sources.	General rates are the appropriate funding source for households as they are easy to administer and users receive the same benefit from refuse collection.
Waste Minimisation	Providing outstanding Infrastructure	The whole community benefits from action in this area to minimise the negative impacts of waste.	The benefit of most operating costs is expected to arise in the year the funding is sourced.	The actions of most individuals or groups have a minor impact.	Council considers that there is little benefit of separate funding for stormwater collection.	ALL General rates. UNLIKELY All other funding sources.	General rates are the appropriate funding source for households as they are easy to administer and users receive the same benefit from refuse collection.
Landfill Site Management	Providing outstanding Infrastructure	The whole community benefits from the responsible management and monitoring of	The benefit of most operating costs is expected to arise in the year the funding is	The actions of individuals or groups have a minor impact	Council considers that there is little benefit of separate funding for	ALL General rates. UNLIKELY	General rates are the appropriate funding source for households as they are easy to administer and users receive the same benefit

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need	Separate Funding	Funding Source and Bands	Rationale
		historic landfill sites.	sourced by ensuring the closed land fill is safe.	The actions of most individuals or groups have some impact on this activity.	stormwater collection.	All other funding sources.	from landfill site management.
Recreation							
Pools	Providing outstanding Infrastructure An Active, Strong Commercial City with Distinctive Suburban Villages Waikato is the Capital of High Performance Sport	The primary benefit from the leisure facilities is the use of the pools for recreation, social, sporting, educational, and water safety purposes. The regional visitor uses the facilities providing indirect benefits to business. Council considers that households receive a similar benefit from leisure facilities.	The benefit of operating costs is expected to arise in the year the funding is sourced.	The actions of most individuals or groups have some impact on this activity. There is a correlation between the numbers of people using the pool and operating costs.	Identifying separate users pays funding assists in the accountability and transparency of Council's expenditure on this activity.	MODERATE General rates User charges MINIMAL Grants Sponsorship UNLIKELY All other funding sources.	The Active Hamilton strategy encourages participation. The cost effective pricing access to leisure amenities contributes to this. User charges are made for casual recreation use, fees for recreation programmes, swim school, and retail sales. User charges do not fully recover the cost of the private benefit and rates funding is required ensure cost effective access to this service can be provided. General rates are the appropriate funding source for households and business as they are easy to administer and it recognises the benefit from leisure facilities.
Indoor recreation	Providing outstanding Infrastructure An Active, Strong Commercial City with Distinctive Suburban Villages Waikato is the Capital of High Performance Sport	The primary benefit from the indoor recreation is the use of the Te Rapa Sportsdrome for recreation, social, sporting, and educational purposes. The regional visitor uses the facilities providing indirect benefits to business. Council considers that households receive a similar benefit from indoor recreation	The benefit of operating costs is expected to arise in the year the funding is sourced.	The actions of most individuals or groups have some impact on this activity. There is a correlation between the numbers of people using the pool and operating costs.	Identifying separate users pays funding assists in the accountability and transparency of Council's expenditure on this activity.	HIGH General rates LOW User charges MINIMAL Grants Sponsorship UNLIKELY All other funding sources.	The Active Hamilton strategy encourages participation. The cost effective pricing access to leisure amenities contributes to this. User charges are made for casual recreation use and fees for recreation programmes. User charges do not fully recover the cost of the private benefit and rates funding is required ensure cost effective access to this service

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need	Separate Funding	Funding Source and Bands	Rationale
		facilities.					can be provided. General rates are the appropriate funding source for households and business as they are easy to administer and it recognises the benefit from indoor recreation facilities.
Zoo	Providing outstanding Infrastructure	The primary benefit of the Zoo is to users. An indirect benefit to business occurs as the zoo attracts regional tourism. Zoological activities assist the international protection species.	The benefit of operating costs is expected to arise in the year the funding is sourced.	The actions of most individuals or groups have some impact on this activity. There is a correlation between the numbers of people using the pool and operating costs.	Identifying separate user pays funding assists in the accountability and transparency of Council's expenditure on this activity.	HIGH General rates LOW User charges UNLIKELY All other funding sources.	User charges are made for admission, events and retail sales. User charges do not fully recover the cost of the private benefit and rates funding is required ensure cost effective access to this service can be provided. General rates are the appropriate funding source for households and business as they are easy to administer and it recognises the benefit from the Zoo.
Arts and Culture							
Libraries	Our Books are Balanced Providing outstanding Infrastructure Celebrated for our Arts and Culture	The primary benefit from libraries is to those that borrow and use of library material and resources. Waikato ratepayers get the benefit of free access, which is funded from the Waikato District Council. The library attracts visitors which benefit local businesses. The community is enriched by the preservation of collections of regional significance and the contribution of the library to a well-informed and literate	The benefit of most operating costs is expected to arise in the year the funding is sourced.	The actions of most individuals or groups have a minor impact on this activity.	Identifying separate user pays funding assists in the accountability and transparency of Council's expenditure on this activity.	MOST General rates MINIMAL User Charges Grants & Subsidies UNLIKELY All other funding sources.	The private good component of library activities is recovered through user charges, and fines. High levels of user charging results in a considerable drop off of usage and has proven to not be cost effective access. User recovery is also constrained by s.142 of the Local Government Act 2002. Waikato residence use is paid for by as provided in a funding agreement with Waikato District Council. General rates are the appropriate funding source for households and

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need	Separate Funding	Funding Source and Bands	Rationale
		community.					business as they are easy to administer and it recognises the benefit from the libraries.
Museum	<p>Providing outstanding Infrastructure</p> <p>Celebrated for our Arts and Culture</p>	<p>The museum provides for exhibitions and use of the archives by visitors to the museum.</p> <p>Businesses benefit from this visitor attraction.</p> <p>The community as a whole has a collective sense of history due to preservation of collections of regional significance and the contribution of the museum to the regional visitor and tourism economy.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of most individuals or groups have a minor impact on this activity.</p>	<p>Identifying separate user pays funding assists in the accountability and transparency of Council's expenditure on this activity.</p>	<p>MOST General rates</p> <p>MINIMAL User Charges Grants & Subsidies Sponsorship</p> <p>UNLIKELY All other funding sources.</p>	<p>User charges set at an appropriate level to promote and provide access to a range of experiences which celebrate the arts and history of the region.</p> <p>General rates are the appropriate funding source for households and business as they are easy to administer and it recognises the benefit from the libraries.</p>
Theatres	<p>Providing outstanding Infrastructure</p> <p>Celebrated for our Arts and Culture</p>	<p>Theatres provide events and performing arts venues that assist in celebrating our arts and culture. Primary benefits are to the users.</p> <p>Businesses benefit indirectly from these events.</p> <p>The community is enriched by events and performances of regional significance.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of most individuals or groups have a minor impact on this activity.</p>	<p>Identifying separate user pays funding assists in the accountability and transparency of Council's expenditure on this activity.</p>	<p>HIGH General rates</p> <p>LOW User Charges</p> <p>MINIMAL Grants & Subsidies Sponsorship</p> <p>UNLIKELY All other funding sources.</p>	<p>User charges set at an appropriate level to promote and provide access to a diverse range of events and cultural experiences for residents.</p> <p>General rates are the appropriate funding source for households and business as they are easy to administer and it recognises the benefit from the theatres.</p>
Arts Promotion	<p>An Active, Strong Commercial City with Distinctive Suburban Villages</p> <p>Celebrated for our Arts and Culture</p>	<p>The community is enriched by events and performances.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of most individuals or groups have a minor impact on this activity.</p>	<p>Identifying separate user pays funding assists in the accountability and transparency of Council's expenditure on this activity.</p>	<p>ALL General rates</p> <p>UNLIKELY All other funding sources.</p>	<p>General rates are the appropriate funding source for households and business as they are easy to administer and it recognises the benefit from arts promotion.</p>

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need	Separate Funding	Funding Source and Bands	Rationale
Safety							
Animal Education and Control	An Active, Strong Commercial City with Distinctive Suburban Villages	Dog registration is a service that benefits dog owners by allowing legal ownership of dogs and enabling impounded dogs to be traced to their owners. Dog ranging, pound keeping and response to animal complaints are activities that protect the public from the negative effects of the actions or inactions of dog owners.	The benefit of operating costs is expected to arise in the year the funding is sourced.	The actions or inactions of animal owners create costs for this activity and negatively impact on the community. The negative impacts affect the whole community.	Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.	HIGH User charges LOW General rates UNLIKELY All other funding sources	User charges recognise that the benefits of registration activities are to dog owners and the costs of responding to complaints about dogs and wandering stock are driven by the actions or inactions of animal owners. General rates are the appropriate funding source for households and business as they are easy to administer and it recognises the benefit from animal control.
Environmental Health and Public Safety (including tagbusters)	An Active, Strong Commercial City with Distinctive Suburban Villages	The benefits of inspection and licensing of premises (including food premises, camping grounds, hairdressers, liquor, offensive trades and funeral directors) accrue mostly to the business owner. The protection of public health by ensuring these premises meet requirements is a benefit to the community.	The benefit of operating costs is expected to arise in the year the funding is sourced.	The allocation of charges is modified on grounds of fairness and equity to recognise that the costs of controlling the negative effects of the actions or inactions of animal owners should be borne by those owners.	Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.	MODERATE General rates LOW User charges MINIMAL Grants and subsidies UNLIKELY All other funding sources	User charges recognise the benefits to people who apply for licences. General rates are the appropriate funding source for households and business as they are easy to administer and it recognises the benefit from a safer community.
Community Support							
Community Development	The Third City Economy in New Zealand An Active, Strong Commercial City with Distinctive Suburban Villages	The community development activity supports resilient and readiness of communities. All members of the community benefit from these activities.	The benefit of most operating costs is expected to arise in the year the funding is sourced.	The actions of most individuals or groups have a minor impact on this activity.	Council considers that there is little benefit of separate funding for community development.	MOST General rates MINIMAL User charges Grants and subsidies. UNLIKELY	This activity includes grants administration on behalf of others. This shows as an income and expense. General rates are the appropriate funding source for households and

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need	Separate Funding	Funding Source and Bands	Rationale
Emergency Management	An Active, Strong Commercial City with Distinctive Suburban Villages	Civil defence activities are provided for the benefit of the whole community.	The benefit of operating costs is in having plans in the event of an emergency at some time in the future. The annual operating costs ensure there are up to date plans and staff and volunteers are trained. This expenditure is incurred in the year the funding is sourced.	The actions of most individuals or groups have a minor impact on this activity.	Council considers that there is little benefit of separate funding for emergency management.	ALL General rates UNLIKELY All other funding sources.	In the event of activation Council may be entitled to subsidies for some civil defence costs such as welfare. Council does not budget for this income or the expense. The planning for an emergency benefits the whole community and is fully rate funded.
Housing	Access to Affordable Housing	Tenants primarily benefit from community housing. Council's objective for the community housing activity is that it should be self-funding and not be subsidised by rates.	The benefit of operating costs is expected to arise in the year the funding is sourced.	The actions of most individuals or groups have a minor impact on this activity.	Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.	ALL User charges UNLIKELY All other funding sources.	Rents are at, or near, market value and set in accord with the Housing for the Older Person Policy.
Parks & Green Spaces							
Hamilton Gardens	Strongly connected to the River Best Concept Garden in the World An Urban Garden Celebrated for our Arts and gardens.	The gardens are for the recreational enjoyment of the amenity by visitors. They are the region's largest visitor attraction. The households benefit for the recreation and amenity of the gardens.	The benefit of operating costs is expected to arise in the year the funding is sourced.	The actions of most individuals or groups have a minor impact on this activity.	Council considers that there is little benefit of separate funding for emergency management.	MOST General rates MINIMAL User charges UNLIKELY All other funding	A small amount of user charges is achievable for private use of the facility such as weddings, festivals and retail sales. It is not practical to charge casual users. It is budgeted that all costs

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need	Separate Funding	Funding Source and Bands	Rationale
	Culture	Business benefits from the visitor activity created by the attraction.				sources.	associated with the Gardens development meet from the Gardens targeted rate will be for capital costs.
Community Parks	Providing outstanding Infrastructure Strongly connected to the River An Urban Garden	Community parks create amenity with green spaces and playgrounds throughout the city. The whole community benefits from this activity.	The benefit of operating costs is expected to arise in the year the funding is sourced.	The actions of most individuals or groups have a minor impact on this activity.	Council considers that there is little benefit of separate funding for community parks.	MOST General rates MINIMAL User charges UNLIKELY All other funding sources.	There is no practical way to collect revenues from private benefit of using these parks. There are some tenancies on community parks. General rates are the appropriate funding source for households and business as they are easy to administer and it recognises the benefit from community parks.
Gullies and native plantings	Providing outstanding Infrastructure Strongly connected to the River An Urban Garden	Gullies and native plantings create amenity with green spaces. The whole community benefits from this activity.	The benefit of operating costs is expected to arise in the year the funding is sourced.	The actions of most individuals or groups have a minor impact on this activity.	Council considers that there is little benefit of separate funding for gullies and native plantings.	MOST General rates MINIMAL Grants and subsidies UNLIKELY All other funding sources.	Some external funding is available for improving these areas. General rates are the appropriate funding source for households and business as they are easy to administer and it recognises the benefit from for gullies and native plantings.
Streetscapes	Providing outstanding Infrastructure An Urban Garden An Active, Strong Commercial City with Distinctive Suburban Villages	Streetscapes create amenity with green spaces. The whole community benefits from this activity.	The benefit of operating costs is expected to arise in the year the funding is sourced.	The actions of most individuals or groups have a minor impact on this activity.	Council considers that there is little benefit of separate funding for streetscapes.	MOST General rates MINIMAL Subsidies UNLIKELY All other funding sources.	General rates are the appropriate funding source for households and business as they are easy to administer and it recognises the benefit from streetscapes.
Sports Parks	Providing outstanding Infrastructure Waikato is the Capital of	Sports parks provide active recreation for training and competition for all levels of sport.	The benefit of operating costs is expected to arise in the year the funding is sourced.	The actions of most individuals or groups have a minor impact on this activity.	Identifying separate funding assists in the accountability and transparency of	MOST General rates MINIMAL	User charges set at an appropriate level to promote and provide the sustainable use of these facilities. General rates are the appropriate

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need	Separate Funding	Funding Source and Bands	Rationale
	High Performance Sport Celebrated for our Arts and Culture	Users benefit directly from having the facilities available. The whole community benefits from the amenity values, the health and wellbeing benefits. The community is enriched by the sports performance and events. Business benefits indirectly from the events.	sourced.		Council's expenditure on this activity.	User charges UNLIKELY All other funding sources.	funding source for households and business as they are easy to administer and it recognises the benefit from sports parks.
Cemeteries & Crematorium	Providing outstanding Infrastructure Celebrated for our Arts and Culture	The provision of burial facilities and services is for individuals. The city in turn has available green space, protecting public health by ensuring the safe disposal of human remains, and in maintaining cemeteries and cemetery records for future generations to locate their ancestor's burial plot/site. The crematorium is a regional facility and benefits those who choose cremation.	The benefit of operating costs is expected to arise in the year the funding is sourced.	The actions of some individuals or groups have some impact on this activity.	Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.	MOST User charges MINIMAL Reserve funds UNLIKELY All other funding sources.	Individuals pay user charges for the initial acquisition and use of a burial site (burial fees and plot charges) or the crematorium. The cemetery plot maintenance in perpetuity reserve fund contributes to maintenance costs.
Economic Development	The Third City Economy in New Zealand An Active, Strong Commercial City with Distinctive Suburban Villages	Benefits accrue to the city as a whole from efforts to grow the economy. The benefits accrue to all sectors of the economy. The targeted funding for the BID area benefits those businesses inside the area.	Economic initiatives benefits could accrue over a number of years as a result of some costs. However, the benefit of most operating expenditure is expected to arise in the year the funding is sourced.	The actions of most individuals or groups have a minor impact on this activity.	Council considers that there is little benefit of separate funding for streetscapes.	MOST General rates MINIMAL Targeted rate User Charges UNLIKELY All other funding sources.	User charges revenue is earned from some events promoted in this activity. General rates are the appropriate funding source for households and business as they are easy to administer and it recognises the benefit from cemeteries and the crematorium. A targeted rate to fund the BID for those who get the benefit of the

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need	Separate Funding	Funding Source and Bands	Rationale
Strategic Property Investment	The Third City Economy in New Zealand	The primary benefit from strategic property is the use of the property by commercial tenants.	Commercial property benefits could accrue over a number of years as a result of some expenditure. However, the benefit of most operating costs is expected to arise in the year the funding is sourced.	The actions of most individuals or groups have a minor impact.	Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.	ALL Investment Income UNLIKELY All other funding sources.	BID. The benefits accrue primarily to users who pay for the service provided by way of rents, lease, licenses etc. Assets sale income, unless otherwise resolved is used to reduce debt.
Claudealands	Providing outstanding Infrastructure Waikato is the Capital of High Performance Sport Celebrated for our Arts and Culture	Claudealands provides venues for events that are attended by large numbers of people including high performance sport, conferences, functions, concerts and shows. The community is enriched by the range of events and activities at the venue. Events provide direct and indirect benefits to businesses.	The benefit of operating costs is expected to arise in the year the funding is sourced.	The actions of most individuals or groups have some impact on this activity. Each sport has their own specifications and requirements for stadia.	Identifying separate user pays funding assists in the accountability and transparency of Council's expenditure on this activity.	HIGH General rates LOW User Charges MINIMAL Sponsorship UNLIKELY All other funding sources.	User charges are made for hire, events and retail sales. User charges do not fully recover the cost of the private benefit and rates funding is required ensure cost effective access to this service can be provided. General rates are the appropriate funding source for households and business as they are easy to administer and it recognises the benefit from Claudealands.
Stadiums	Providing outstanding Infrastructure Waikato is the Capital of High Performance Sport Celebrated for our Arts and Culture	Stadiums provide venues for high performance sport and are attended by large numbers of people. The benefit to households of being able to attend live high performance sport is reflected in the importance of sport to our cultural and social wellbeing. Sporting events provide direct and indirect benefits to businesses. The community is enriched by	The benefit of operating costs is expected to arise in the year the funding is sourced.	The actions of most individuals or groups have some impact on this activity. Each sport has their own specifications and requirements for stadia.	Identifying separate user pays funding assists in the accountability and transparency of Council's expenditure on this activity.	HIGH General rates LOW User Charges MINIMAL Grants Sponsorship UNLIKELY All other funding sources.	User charges are made for admission, events and retail sales. User charges do not fully recover the cost of the private benefit and rates funding is required ensure cost effective access to this service can be provided. General rates are the appropriate funding source for households and business as they are easy to administer and it recognises the benefit from the stadia.

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need	Separate Funding	Funding Source and Bands	Rationale
		events and performances of regional significance.					
Planning & Development							
City Planning	Providing outstanding Infrastructure Strongly connected to the River An Active, Strong Commercial City with Distinctive Suburban Villages An Urban Garden Access to Affordable Housing	City Planning provides professional resource management advice and leadership to Council, the community and the development industry; to facilitate the planned and sustainable growth of Hamilton City. The whole community benefits from this activity.	The benefit of operating costs is expected to arise in the year the funding is sourced.	The actions of most individuals or groups have a minor impact on this activity.	Council considers that there is little benefit of separate funding for City Planning.	ALL General rates UNLIKELY All other funding sources.	General rates are the appropriate funding source for households and business as they are easy to administer and it recognises the benefit from city planning.
Planning & Guidance & Compliance	The Third City Economy in New Zealand Providing outstanding Infrastructure An Active, Strong Commercial City with Distinctive Suburban Villages An Urban Garden Access to Affordable Housing	Individuals that apply for consents and use the other services in this area are the predominant beneficiaries of this activity. Through their actions they directly drive the majority of the costs. These activities also provide benefit to persons other than the applicant such future owners and occupiers of the land (a property-based benefit). The whole community benefits as this activity aims to protect Hamilton's unique environment and residents' quality of life as the city grows and develops.	The benefit of operating costs is expected to arise in the year the funding is sourced.	The actions of individuals and groups drive the costs in this activity.	Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.	HIGH User Charges LOW General rates. UNLIKELY All other funding	A user charge recognises the benefits to people who apply for resource consents. General rates are the appropriate funding source for households and business as they are easy to administer and it recognises the benefit from city planning.
Building Control	The Third City Economy in consents and use the other	Individuals that apply for consents and use the other	The benefit of operating costs is	The actions of most individuals or groups	Identifying separate funding assists in the	MOST	User charges are favoured for those that apply for building

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need	Separate Funding	Funding Source and Bands	Rationale
	New Zealand Providing outstanding Infrastructure An Active, Strong Commercial City with Distinctive Suburban Villages Access to Affordable Housing	services in this area directly drive the majority of the costs. These building control activities also provide the public entering the building and future owners and occupiers of the building Information is supplied to the public through inquiries. The whole community benefits as this activity aims to protect Hamilton's unique environment and residents' quality of life as the city grows and develops.	expected to arise in the year the funding is sourced.	have a minor impact on this activity.	accountability and transparency of Council's expenditure on this activity.	User charges LOW Other UNLIKELY All other funding	consents, code compliance certificates, PIMs or LIMs. Some other income is collected in commissions.
Democracy							
Governance & Civic Affairs	Our Books are Balanced The Third City Economy in New Zealand Providing outstanding Infrastructure Strongly connected to the River Best Concept Garden in the World An Active, Strong Commercial City with Distinctive Suburban Villages An Urban Garden Access to Affordable Housing Waikato is the Capital of High Performance Sport	The whole community benefits from this activity.	The benefit of operating costs is expected to arise in the year the funding is sourced.	The actions of individuals and groups drive the costs in this activity.	Council considers that there is little benefit of separate funding for City Planning.	ALL General rates MINIMAL User charges UNLIKELY All other funding sources.	General rates are the appropriate funding source for households and business as they are easy to administer and it recognises the benefit from city planning. A small amount of income is received every three years for providing election services to other organisations.

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need	Separate Funding	Funding Source and Bands	Rationale
	Celebrated for our Arts and Culture						
Partnership with Maaori	Celebrated for our Arts and Culture	The whole community benefits from this activity.	The benefit of operating costs is expected to arise in the year the funding is sourced.	The actions of individuals and groups drive the costs in this activity.	Council considers that there is little benefit of separate funding for City Planning.	ALL General rates UNLIKELY All other funding sources.	General rates are the appropriate funding source for households and business as they are easy to administer and it recognises the benefit from city planning.

First adopted:	25 March 2015
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Engagement required:	The Council will develop a proposal, make this available to the public, allow written submissions for a period of up to 4 weeks
Document number:	D-1684859
Associated documents:	Revenue and Financing Policy
Sponsor/Group:	CFO



RATING POLICY

Policy objectives and scope

1. The setting of rates is a complex process. Council must comply with the requirements of the Local Government Act 2002 (LGA) and the Local Government (Rating) Act 2002 (LGRA).
2. In doing so, Council must produce the following in order to set a lawful rate.
 - Have completed a s.101(3) analysis (see Funding Needs Analysis).
 - Adopted a Revenue and Financing Policy (see the Long-term Plan).
 - Adopted a Funding Impact Statement (see either an Annual or Long-term Plan).
 - Adopted a Rates Remissions and Postponements Policy.
 - Adopt an Annual or Long-term Plan.
 - Adopt a rates resolution, consistent with everything above.
3. In order to assist with this process Council has developed a number of policies that contribute to the rates system being clear and understandable. These are included in this rating policy.

Policy

Description of Differentials

4. The following rates are rated differentially based on the use to which the land is put.
 - General rate
 - Transitional rate
5. The LGRA Schedule 2 allows councils to rate based on the use to which the land is put. Each Council is able to define that use and rate based on that use. A property may be described under different rates as having different uses.
6. All references to residential, commercial, BID commercial and rural uses in targeted rates (except the transitional rate) use the general rate definitions.

General Rate Differentials

7. The general rate is differentiated into four rating categories:
 - Residential
 - Commercial
 - BID Commercial
 - Rural

8. These land uses are defined as follows:

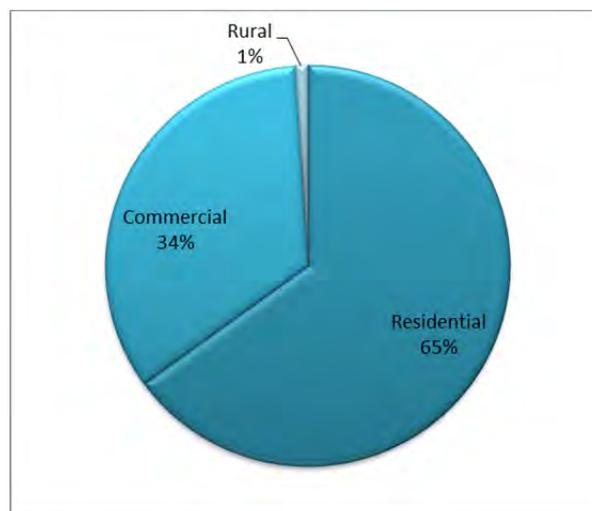
Table 1: General Rate Rating Categories

General Rate Category	Description
Residential	<p>All rating units:</p> <ul style="list-style-type: none"> i. Used solely or principally for residential purposes and don't meet the definition of commercial or rural; or ii. Land under development for a residential subdivision and no longer used principally for rural purposes or bare land marketed for residential section sales not under development. iii. Vacant land in District Plan residential zones for residential use, any vacant land in other District Plan zones that are predominantly used for residential purposes and any land used for other purpose not specified in the category definitions. iv. Any other rating units which do not meet the rating category description for Commercial, BID Commercial and Rural.
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, show homes, motels, residential clubs, 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. The area of a chartered club used for the restaurant, bar and gaming machines; or i. The commercial portion of the property, which is used for both commercial/residential use, i.e. small business, operated from residential property; or ii. Vacant land located in District Plan; business, central city, knowledge and industrial zones and any vacant land in other District Plan zones that are predominantly used for commercial purposes.
BID Commercial	All rating units that meet the definition of commercial above and are within the Business Improvement District as shown on the map in Appendix Two.
Rural	All rating units more than 2,000 square metres, which are used solely or principally for rural purposes. Rural purposes include agricultural, horticultural or pastoral purposes and the keeping of bees or poultry or other livestock.

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9. The allocation of cost to each of these differential categories is as follows:

Figure 1: General Rate Allocation Model



10. For the purpose of the allocation the BID Commercial rating category is included within the commercial rating category.
11. This allocation is based on the allocation of costs to the general rate in 2014/15. Council has selected this as the appropriate model for the allocation of rates by considering the overall impact on rates as a result of the change from the land value general rate to this capital value general rate.
12. Every three years at the time of a revaluation, the differential factor would normally be adjusted to maintain the differential yield of the previous rating year. The next revaluation is 1 September 2015 for the 2016/17 rates. Due to the implementation of a new rates system this does not allow for the normal adjustments to be made. For this reason the ratios applied to 2015/16 will remain for 2016/17.
13. For the years 2017/18 and 2018/19 the differential factors will change based on changes in the use of properties and budgets (e.g. as more rural land is subdivided the share of the rates the rural sector pays will reduce).
14. The model for the general rate allocation between rating categories for 2014/15 was based on the detailed allocation of costs. This included the reduction or removal of some activities from some differential categories where Council had decided the services were not provided (e.g. rural ratepayers allocation is adjusted to recognise they are not receiving full mains water supply and commercial ratepayers do not receive refuse collection services).

Transitional Rate Differentials

15. The transitional rate is differentiated into seven rating categories:
 - Residential
 - Multi-Unit Residential
 - Commercial
 - BID Commercial
 - Rural Residential
 - Rural Small
 - Rural Large
16. Note that in 2014/15 there was a rating category for Inner City Residential. This category existed to reduce the rate for residential properties that did not receive a refuse collection. These properties will now receive a rates remission for this service they do not receive, eliminating the need for a differential category.
17. These land uses are defined as follows:

Table 2: Transitional Rate Rating Categories

Transitional Rate Category	Description
Residential	All rating units: <ol style="list-style-type: none"> i. Used solely or principally for residential purposes and don't meet the definition of commercial or rural; or ii. Land under development for a residential subdivision and no longer used principally for rural purposes or bare land marketed for residential section sales not under development. iii. Vacant land in District Plan residential zones for residential use, any vacant land in other District Plan zones that are predominantly used for residential purposes

	and any land used for other purpose not specified in the category. iv. Any other rating units which do not meet the rating category description for Multi-unit Residential, Commercial, BID Commercial, Rural Residential, Rural Small Holdings and Rural Large Holdings.
Multi-unit Residential	All rating units used solely or principally for three or more residential dwellings/households on a single title including residential centres, but excluding properties categorised as Commercial.
Commercial	All rating units: iv. Used solely or principally for commercial or industrial purposes; or v. Used solely or principally for commercial residential purposes, including, but not limited to, hotels, boarding houses, rest homes, show homes, motels, residential clubs, 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. Hostel is the residence or lodging place for persons.; or vi. The area of a chartered club used for the restaurant, bar and gaming machines; or iii. The commercial portion of the property, which is used for both commercial/ residential use, i.e. small business, operated from residential property; or iv. Vacant land in District Plan business, central city, knowledge and industrial zones and any vacant land in other District Plan zones that are predominantly used for commercial purposes.
BID Commercial	All rating units that meet the definition of commercial above and are within the Business Improvement District as shown on the map in Appendix Two.
Rural Residential	All rating units more than 2,000 square metres, used solely or principally for residential purposes as the home or residence of not more than two households which receive full water and wastewater services from the Council.
Rural Small Holding	All rating units more than 2,000 square metres and less than 10 hectares, which are used solely or principally for rural purposes. Rural purposes include agricultural, horticultural or pastoral purposes and the keeping of bees or poultry or other livestock.
Rural Large Holding	All rating units 10ha and more, which are used solely or principally for rural purposes. Rural purposes include agricultural, horticultural or pastoral purposes and the keeping of bees or poultry or other livestock.

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18. The allocation of cost to each of these differential categories is as follows:

Table 3: Transitional Rate Allocation Model

Transitional Rate Category	Allocation of Cost
Residential	63.2%
Multi-unit residential	1.7%
Commercial	33.9%
Rural Residential	0.1%
Rural Small Holding	0.8%
Rural Large Holding	0.3%

19. For the purpose of the allocation the BID Commercial rating category is included within the commercial rating category. This has the effect of any loss in revenue from a reduced BID area general rate factor remaining allocated within the commercial sector.

20. This allocation is based on the allocation of costs to the general rate in 2014/15 and applies to the transitional rate. The model for the general rate allocation between rating categories for 2014/15 was based on the detailed allocation of costs. This included the reduction or removal of some activities from some differential factors where Council had decided the services were not provided (e.g. rural ratepayers allocation is adjusted to recognise they are not receiving water supply and commercial ratepayers are not receive refuse collection services).
21. Every three years at the time of a revaluation, the differential factor would normally be adjusted to maintain the differential yield of the previous rating year. The next revaluation is 1 September 2015 for the 2016/17 rates. Due to the implementation of a new rates system this does not allow for the normal adjustments to be made. For this reason the ratios applied to 2015/16 will remain for 2016/17.
22. For the years 2017/18 and 2018/19 the differential factors will change based on changes in the use of properties and budgets (e.g. as more rural land is subdivided the share of the rates the rural sector pays will reduce).

Targeted Rates - Services Category

23. Services category of ratepayers are a group of ratepayers that are defined by the use the rating unit is put for the purpose of charging water, sewerage and refuse collection targeted rates.
24. Services category rating units are defines as rating units that are provided with one or more of water, sewerage or refuse collection services and are used:
 - As a reserve under the Reserves Act 1977.
 - For conservation, wildlife management or preservation purposes and not for private pecuniary profit and accessible to the public.
 - By council for:
 - Public garden, reserve, or children playground.
 - Games and sports.
 - Public hall, athenaeum, museum, gallery or similar institution.
 - Public baths, swimming baths and sanitary conveniences.
 - Cemeteries or crematorium.
 - By the Queen Elizabeth the Second National Trust
 - By the Royal Foundation of the Blind, except as an endowment.
 - By or for an education establishment, special school or other institution under s159(1) of the Education Act 1989.
 - By a district health board for health and health related services.
 - 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.
 - As Maori meeting house that is Maori freehold land not exceeding 2ha.
 - As railway or for the loading and unloading of goods or passengers from trains.
 - For the free maintenance or relief of persons in need, not exceeding 1.5 hectares.
25. For guidance on interpretation of these categories of use Council will look towards Schedule 1 of the Local Government (Rating) Act 2002.

Rates based on location

26. Council has established one rate based on the location of a rating unit. Rating boundaries have been drawn with the intention of going around whole rating units. Should a boundary split a rating unit Council will rate the property based on the predominate use of the property.
27. The Business Improvement District map is shown in Schedule 1. and is used for the General, Transitional and BID rates.

Separately Used and Inhabited parts

28. Council has elected to rate all fixed rates on the basis of separately used or inhabited parts of a rating unit.
29. Council must define the term in its funding impact statement in each Annual Plan or Long-term Plan.

Divisions

30. A division is the separation of parts of a property record in the District Valuation Roll (DVR) into two or more parts in the Rating Information Database (RID). A division is done only for the purpose of charging the correct rates liability according to the properties use.
31. Council has elected to undertake the division of properties, where there are two or more uses (being the rating categories, or as non-rateable or 50% non-rateable properties).
32. Where a division is required Council measures the area of the property applied to each use and requests its valuer to apportion the values of the DVR to these portions.
33. Where a division is not required rates based on use or location shall be calculated on a properties predominant use.

Rates Payable by Instalments

34. Council provides for rates to be paid in four equal instalments. A ratepayer may elect to pay weekly, fortnightly, monthly by automatic payment through the banking system. Rates can also be paid by direct debit (weekly fortnightly, monthly or quarterly), internet and other banking methods.
35. Any payments received for rates are applied to the oldest debt first.

Minimum Economic Rate

36. Council will not collect the rates payable on a rating unit if the sum of those rates is so small as to be uneconomic to collect. Council has determined that it is uneconomic to collect rates owing on any rating unit of less than \$20.00 (including GST) per annum.

Rates Penalties

37. Council must set its rates penalties as part of its rates resolution.
38. Generally Council will resolve the following penalties:
 - A 10% penalty is added on the next business day to any balance of any instalment not paid by due date.
 - A 10% penalty will be added to any balance that remains unpaid from previous years. This will be added on 1 July of each year, or 5 working days after Council has passed the rates resolution (whichever is the later).

- A further 10% penalty will be added to rates that remain unpaid from previous years. This will be added 6 months after the penalty made in 2 above.

39. Any payments received for rates are applied to the oldest debt first.

Three Yearly Revaluations of Property Values

40. Council has chosen to revalue rateable property values of properties every three years, the maximum timeframe allowed by the Rating Valuations Act 1998. The next revaluation is as of 1 September 2015 for effect in the 2016/17 rating year.
41. The revaluation may affect the amounts assessed against individual rating units within each differential rating sector relative to other rating units in that sector.

Public Availability of Information

42. Council may charge a fee for supplying any person with a copy of information from the rating information database.

Objections and Disputes

43. The Local Government (Rating) Act 2002 provides for the right of objection to Council's implementation of their rating policies. Any objections to the allocation of property use to the council differential categories needs to be in writing to the Revenue Manager for consideration.

References

44. Funding Needs Analysis, section 101(3), provides the background and analysis to explain the funding decisions made by Council. It is guided by the funding principles and choices of funding sources documented in the Revenue and Financing Policy.
45. The Revenue and Financing Policy further clarifies the funding requirements of Council.
46. The Funding Impact Statement is included in each Long-term Plan and Annual Plan as required by clauses 15 or 20 of schedule 10. That statement shows the results of the detailed rates calculation for the first year of the plan.
47. The Rate Remissions and Postponements Policy provides information on rates that are reduced to implement policy objectives that affect the overall liability for rates a property has. It also provides options for individuals to postpone rates in particular specified circumstances.

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Schedule 1: Rating Maps



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First adopted:	2004
Revision dates/version:	Version 5
Next review date:	November 2021
Engagement required:	The Council will develop a proposal, make this available to the public, allow written submissions for a period of up to 4 weeks
Document number:	D-155495
Associated documents:	n/a
Sponsor/Group:	CFO

Rates Remissions and Postponements Policy

Policy objectives and scope

1. To have a rating system which:
 - Appropriately spreads the incidence of rates.
 - Provides sufficient revenue to cover costs.
 - Complies with relevant legislation.
 - Is transparent to the ratepayer and promotes accountability.
2. Rates remissions modify the rates liability on particular rating units in order to ensure an appropriate rate liability.
3. Postponements allow for the delay in payment of rates in certain specific circumstances.
4. Council must comply with the requirements of the Local Government Act 2002 (LGA) and the Local Government (Rating) Act 2002 (LGRA).

Remissions policy guidelines

General

5. All rates remissions are deducted from the rates assessment when the rates are assessed at the start of each rating year.
6. All applications, where applicable, for rates remissions must be received one month prior to the rates being assessed. Remissions received after this date will be applied to the following financial year (except for penalty and natural calamity or disaster remissions). Rates remissions are not made retrospectively.
7. All references to the remission of the general rate shall also apply to the transitional rate.

Not-for Profit Community Organisations

8. Council applies the rules of Schedule 1 of the Local Government (Rating) Act 2002 and extends these provisions to not-for-profit community organisations.

9. These organisations must deliver social benefits to the community where neither government nor business is best or appropriately placed to do so. An application for rating relief from this remission is required and is available on Council's website.
10. Where there is multi-use on a property, a division of the rating unit will be undertaken for rating purposes.
11. The policy is:
 - That these rating units will have all rates remitted except for water, refuse and sewerage services supplied.
 - Water, refuse and sewerage rates will be charged as targeted rates to 100% non-rateable rating units.

Conditions and Criteria

12. A qualifying not-for profit community organisation is defined as:
 - The organisation must be either a registered Charitable Trust or an IRD approved donee organisation.
 - The organisation and anyone using the organisations property must not be operating any activity for private profit.
 - The organisation must deliver social benefits as a substantial part of its activities.
 - The organisation must complete and provide all information requested on the application form and respond to any further enquiry for information to support the application.
 - New remission will be approved in public meeting by the Finance Committee.
 - As annual declaration form is required to be completed confirming that the organisation still occupies the property and meets the purpose of this policy.

Penalties Remission

13. The objective of this policy is to consider requests for remission of penalty charges on rates.

Conditions and Criteria

14. Council's policy is that rates penalties may be remitted under the following criteria:
 - Remission may be granted where payment has been received after the date fixed for imposition of a penalty charge, provided that none of the previous four instalments were similarly received late.
 - Remission may be granted where a ratepayer either:
 - Makes satisfactory arrangements for regular and substantial reduction of arrears. (These arrangements are to include the remission of penalty charges as long as such arrangements are fully met); or,
 - provides sufficient information which, if considered genuine and if substantiated with reasonable excuse for late payment, would justify remission for late penalty charges,
15. The practice of a penalty for non-payment of rates by due date is an accepted standard practice for local authorities and delay in mail delivery does not constitute justification for remission.
16. A written application for remission is required if the request does not meet the above criteria.

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Hardship Relief

17. The objective of this policy is to receive and consider applications for rates remission in the cases of extreme financial hardship.

Conditions and Criteria

18. Council will remit part of the rates owing on a rating unit in cases of extreme hardship. Council has approved the following criteria for determining the application of this policy:
- Ratepayers must apply to Council in writing to be considered for a remission.
 - The maximum remission is \$447 - (updated 1 July 2015).
 - The maximum remission amount to be increased by the average percentage general residential rates increase annually.
 - The application will be assessed independently from the Government Rates Rebate Scheme.
 - For the purposes of calculating the remission the basic allowable income factor is set at \$22,858 - (updated 1 July 2015).
 - The income threshold level will be adjusted by the annual percentage change in the Super Living Alone benefit payment each year.
 - The following essential elements must be met before any remission is granted:
 - The applicant must be the owner of the rating unit, must reside at the property and the property must be classified as a residential rating category. Companies, trusts and other similar ownership structures of these properties do not qualify for this remission;
 - Council must be satisfied that extreme financial hardship on any individual exists or would be caused by requiring payment of the whole or part of the rates;
 - the applicant must declare total household income and their total financial position for the purposes of the remission calculation;
 - the applicant's total assets must not exceed the "total assets" formula described in the Postponement due to Financial Hardship Policy;
 - all applications for rates remission be treated on a case-by-case basis and approved/declined by either the Chief Financial Officer or Revenue Manager;
 - Council shall consider whether postponement of rates is a more suitable option.

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Property affected by Natural Calamity or Disaster

19. The objective of this policy is to enable rate relief to be provided to assist ratepayers experiencing extreme financial hardship due to a calamity or natural disaster that affects their ability to pay rates.

Conditions and Criteria

20. Remissions approved under this policy do not set a precedent and will be applied only for each specific event and only to properties affected by the event.
21. Council may remit all or part of any rate on any rating unit where the application meets the following criteria:
- Where erosion, subsidence, submersion or other natural calamity or disaster has affected the use or occupation of any rating unit.
 - It is applicable for each single event and does not apply to erosion, subsidence or other incidences that may have occurred without a recognised major natural calamity or disaster.

- Council can set additional criteria for each event where it considers it to be fair and reasonable to do so. This is because the criteria may change depending on the nature and severity of the event and available funding at the time. Council may require financial or other records to be provided as part of the remission approval process.
- The extent of any remission shall be determined by Council on a case-by-case basis.

Organisation with Club Liquor Licence

22. The objective of this policy is to ensure sporting clubs and organisations that are entitled under Schedule 1, Part 2, Local Government (Rating) Act 2002 to a remission of 50% of residential rates. However the Local Government (Rating) Act 2002 excludes land, in respect of which a club licence under the Sale and Supply of Alcohol Act 2012 is for the time being in force, from receiving the 50% non-rateable status.
23. It is difficult to determine the portion of the property to which the liquor licence applies. A further consideration is that often the liquor licence is not held to generate profit but helps to cover the operating costs of the sporting club or organisation.

Conditions and Criteria

24. To ensure consistency, sporting clubs and organisations which hold a club liquor licence, may be eligible for the 50% remission if they meet the following criteria:
 - The club or organisation must qualify as 50% non-rateable under Schedule 1, Part 2, Local Government (Rating) Act 2002.
 - The club or organisation must not operate for private pecuniary profit.
 - The club or organisation must hold the liquor licence as an incidental activity to the primary purpose of occupancy.
 - The restaurant, bar and gaming machines area for Chartered Clubs are excluded from this remission and will be rated at the full commercial rating.
 - The club or organisation will be required to complete a yearly statutory declaration confirming that they meet the condition and criteria under the policy.
 - Council may remit 50% of the rate levied in respect of the land relating to the liquor licence where it considers it to be fair and reasonable to do so.

Hardship Relief for 100% Non-Rateable Community Organisations (Needs Based)

25. The objective of this policy is to facilitate the ongoing provision of the Community Organisations (Needs Based) and their services to the residents of Hamilton City where the charging of the full targeted rate for water, sewerage and refuse may affect the Community Organisations (Needs Based) viability.

Conditions and Criteria

26. Council may remit up to 40% of the targeted rates levied for water, wastewater and refuse in respect of the rating unit, where the application meets the following criteria, and where it considers it to be fair and reasonable to do so:
 - Organisations must not operate for private pecuniary profit.

- Organisations must not receive any funding from government agencies or have any contracts for fee for service with government agencies.
 - Organisations must operate on a voluntary basis and have no full-time or part-time paid employees or contractors operating in this capacity.
 - The cost of the full targeted rates for water, wastewater and refuse will cause the Organisations extreme financial hardship and/or cause the organisation to operate at a financial deficit.
27. Organisations (Needs Based) must provide the following documents with their application:
- Statement of Objectives
 - Constitution or Trust Deed
 - Full financial accounts
 - Information showing extreme financial hardship and operating position
 - Information on activities and programmes
 - Information on funding sources
28. Each application shall be determined by Council on a case-by-case basis.
29. Applications for this remission must be made annually by the Community Organisation (Needs Based).

Hardship Relief for 50% Non-Rateable Sporting and Cultural Organisations

30. The objective of this policy is to facilitate the ongoing provision of the Sporting and Cultural Organisations and their services to the residents of the City where the charging of rates may affect the Sporting and Cultural Organisations viability. Council will remit general and transitional rates up to an amount, so that the amount payable is equivalent to the rates on the water, sewerage and refuse services the property receives.

Conditions and Criteria

31. The application must meet the following criteria and conditions to qualify for the above remissions:
- Organisations must not operate for private pecuniary profit.
 - Organisations must not receive any funding from government agencies or have any contracts for fee for service with government agencies.
 - Organisations must not hold a liquor licence under the Sale and Supply of Alcohol Act 2012.
 - Gross annual income of the organisation must be less than \$600,000.
 - Organisations must operate on a voluntary basis and have no full-time and part-time paid employees or contractors operating in this capacity.
 - The charge of 50% of the general rate will cause the organisation extreme financial hardship and/or cause the organisation to operate at a financial deficit.
32. Organisations must provide the following documents with their application:
- Statement of Objectives
 - Constitution or Trust Deed
 - Full Financial Statements
 - Information showing extreme financial hardship and operating position
 - Information on activities and programmes
 - Information on funding sources

33. Each application shall be determined by Council on a case-by-case basis.
34. Applications for this remission must be made annually by the Sporting and Cultural Organisation.

Community Organisation with Retail Shops

35. The objective of this policy is to facilitate the on-going provision of the Community Organisation (Needs Based) and their services to the residents of Hamilton. The remission is to acknowledge the benefits these community groups deliver to the city by way of helping those in need and supplying low cost items to the community.

Conditions and Criteria

36. The applicant must be a legally constituted charitable trust or incorporated society not for profit which delivers social benefits to the community where neither government nor business is best or appropriately placed.
37. The community retail shops will be rated at full commercial rates with a remission of 50%.

Council Owned Property

38. The objective of this policy is to be administratively efficient by minimising unnecessary, uneconomic transactions by removing rates transactions for some Council owned properties. Council rates all its rateable properties but remits the rates on those properties that are used for non-commercial purposes. Commercial or investment properties are rated on the same basis as the private sector.

Conditions and Criteria

39. The following Hamilton City Council owned properties are considered to be non-commercial in their use and will attract 100% rates remission.
 - Properties classified as community assets.
 - Administrative buildings.
 - Infrastructural assets for transport, water, sewerage, storm water, and solid waste management.
 - Sports facilities (including Waikato Stadium).
 - Claudelands.
 - Carparks (when no fee is charged).

Water, Sewerage and Refuse Services

40. The objective of this policy is to not charge rating units for water, sewerage or refuse collection services when Council has not made that service available to the rating unit.

Conditions and Criteria

41. A service is not available when the water supply or sewerage networks or refuse collection is not able to be connected or provided to the property for physical reasons.

42. The remissions are as a rate in the dollar of capital and land value to recognise that portion of the general and transitional rate that is to be remitted.
43. The rate in the dollar is calculated by taking the percentage that each of water, sewerage and refuse collection services are of the general and transitional rate for each differential category.
44. No applications are required.

Change of Use – Commercial to Residential

45. The objective of this policy is to adjust the rates on Commercial properties to residential rates where the property has changed use part way through the financial year.

Conditions and Criteria

46. Show homes:
 - Show homes are rated commercial rates.
 - Where a show home is sold for residential use Council will calculate the difference in the commercial and residential rate from the next instalment after Council was notified in writing of the change of use.
 - The difference between the commercial and residential rate will be remitted from the rates for the remaining portion of the year.
47. Home occupation- Commercial:
 - Where a division has been created for a commercial activity in a residential property and that commercial activity has ceased and the property is reverted to full residential use Council will calculate the difference in the commercial and residential rate from the next instalment after Council was notified in writing of the change of use.
 - The property will be inspected to establish the criteria have been met.
 - The difference between the commercial and residential rate will be remitted from the rates for the remaining portion of the year.

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Delegation

48. The Chief Financial Officer or Revenue Manager may approve decisions on the application of the remissions policies unless stated otherwise within this policy.

Postponement policy guidelines

Rates Postponement - Postponement due to Financial Hardship

1. The objective of this policy is to provide a measure of rating relief to property owners where the full payment of rates would otherwise cause financial hardship.
2. Section 110 of the Local Government Act 2002 and Section 87 of the Local Government (Rating) Act 2002 provides for Council to postpone rates in cases of extreme financial hardship. The "Act" provides the necessary authority to grant relief after Council's full enquiry and on being satisfied that financial hardship exists or would be caused by non-postponement. Postponed

rates are a charge against the property and must be paid either at the end of the postponement term or when the property is sold, whichever is the earlier.

3. All applications for postponement will be treated on a case-by-case basis and approved/declined by either the Chief Financial Officer or Revenue Manager.
4. Council has established base criteria against which the acceptability or otherwise of individual applications for rates postponement relief on grounds of hardship will be able to be judged. In Council's opinion, "hardship" may occur and a measure of relief may be able to be given when all of the following aspects are present:
 - The ratepayer is the property owner.
 - The property is used by the ratepayer as his or her permanent place of residence.
 - The property is used solely for residential purposes.
 - The ratepayer has not less than 25% equity in the property.
 - The total assets of the household are not more than those specified by the set formula The assessed rates which would otherwise be payable, when compared with the total gross annual income for the ratepayer's household, exceeds the appropriate figure as calculated on the application form.
 - For those property owners whose disposable income is too low to clear both arrears and current year's rates within a 24 month period, Council will consider the postponement of all or part of the arrears that would not be cleared within a two year time frame. An agreement to regularly pay a set amount to cover both current and the nominated amount of arrears is assumed. Each application will be considered on its individual merits.

Total Assets Formula

5. The total asset formula is:
6. No property owner(s) would be eligible for rates postponement relief if the total assets held exceed:
 - The property to which the application for rates postponement relief relates;
 - Normal household chattels;
 - A car;
 - Other assets of whatever nature (including cash and investments) with a total value of more than \$17,947 - (updated 1 July 2015, to adjust annually by CPI index).

Household Income Formula

7. The annual income formula proposed would have three elements to calculate the value of rates postponed:
 - **Initial Contribution**

It is suggested that an initial contribution towards the cost of rates is charged before any relief is calculated. This sum is likely to cover the cost of all utility services to residential properties calculated on a uniform charge basis. This amount is \$790 - (updated 1 July 2015).

The minimum rates payable figure is adjusted annually by the movement in the CPI.
 - **Additional Contribution**

It is also suggested that the ratepayer should pay at least one-third of the remainder due, i.e. one third of the amount by which the rates exceed the initial contribution payable by the ratepayer.
 - **Abatement**

Where the annual income is in excess of the household income limit, the postponed amount is reduced by \$1 for each \$20 of excess income. Council's current household income limit is \$16,980 - (updated 1 July 2015).

The household income limit is adjusted annually by the movement in the CPI and the updated figures are disclosed in the Annual Plan/Community Plan each year.

(The income limit before abatement applies is a 50% increase on Government income limits set for the Rates Rebate Scheme) and CPI adjusted since 1991 when the policy was first introduced.

The formula followed to establish the amount of postponed rates will be based on the above, combined with the general method used in the calculation of Government Rates Rebate.

Applications for Rates Postponement

8. All applicants will be required to complete, in full, the application questionnaire annually. Staff will conduct an interview with the applicant, supported, where considered necessary, by advice and assistance from the Budget Advisory Service. It is proposed that the Deputy Chief Executive will make the decisions on eligibility for postponement under delegated authority from the Chief Executive.
9. The Deputy Chief Executive, Finance Manager and Revenue Manager may approve, in cases of extreme hardship, the postponement of rates in accordance with Section 110 of the Local Government Act 2002 and Section 87 of the Local Government (Rating) Act 2002, subject to regular reporting of decisions made under this delegation to the Finance & Audit Committee. When deciding that extreme financial hardship applies, consideration must be given to any guidelines approved by Council.
10. The financial circumstances of successful applicants will be reviewed each year during the period of postponement in order to ascertain whether the situation has changed. For this purpose it is likely that the application questionnaire and a declaration will be required annually.
11. If the financial circumstances of the person in receipt of rates postponement improves during the term that relief has been granted to the extent that the payment of rates in whole would not create a hardship, the remainder of the period of the postponed rates may be cancelled and the applicant could be required to pay all current rates, together with postponed rates and any accrued interest.

Process and Period of Postponement

12. When an application for postponement is approved, it is suggested that the following provisions will apply:
 - Postponement will first apply in the year a completed application is received. The amount of rates postponed will not incur additional charges.
 - Instead of the Council requiring payment of the full annual rates bill in the year in which it falls due, the ratepayer will be required to pay to the Council the appropriate amount shown on the application form as the "Minimum Payment Scale". The balance of the total annual rates bill will be postponed.
 - Any rates postponed shall be registered as a charge on the land.
 - Interest may be charged annually on the postponed rates at 10% p.a. or at the same rate of interest that would be charged by the Council's bankers on any overdraft in the Council's name at the commencement of each rating year, whichever is less.

- The total amount of all postponed rates and charges will be postponed:
 - until the death of the property owner; or
 - until the applicant/occupier ceases to be the occupier (or one of the occupiers) of the land; or
 - until a date when the applicant/occupier ceases to:
 - use the property as his/her permanent place of residence; or to
 - use the property solely for residential purposes.
 - until a date upon which any of the statements certified by the applicant in the application for rates postponement are found to have been incorrect at the time they were made; or
 - until a date upon which all or any part of the rates due and owing by the property owner from time to time, and not postponed, become overdue - whichever occurs first.
13. In any case, rates postponement will be for a period of time not exceeding ten years from the date of application.

Any Part of the Postponed Rates May be Paid at Any Time

14. Notwithstanding the above:
- The applicant may elect to "postpone" the payment of a lesser sum than that which he/she would otherwise be entitled to have postponed under this policy.
 - Any part of the postponed rates and/or interest charges may be paid at any time.

Ratepayers to be Given Details of Postponed Rates Each Year

15. Not less than once annually every ratepayer, a part of whose rates have been postponed under this policy, will be provided with:
- a statement showing the total annual rates currently due;
 - a breakdown showing year by year the total amount of the postponed rates and interest charges.
16. Following the end of the financial year, a schedule of rates postponed will also be provided to Council (annually), listing all the properties for which rates postponements have been granted and which remain outstanding.
17. When rates are no longer eligible to be postponed on the property, all postponed rates will be payable immediately.

Prescribed Application Form

18. The prescribed application form for rates postponement relief under this policy is available from the Revenue Manager.

Financing the Postponement Programme

19. Adoption of this policy represents a formal recognition of a loss of cash flow (at least initially). However, once the programme has been in place a number of years, it might be expected that the collection of previously postponed rates will finance current applications.
20. To the extent of this programme's acceptance, it is proposed the current loss of income will be financed by Council's general cash resources and/or bank overdraft.

21. Note: This system complements the rates rebate programme and other schemes run by Government and voluntary organisations. The criteria regarding "household assets and income" have remained at the 1 July 1991 level, in line with the Government Rates Rebate Scheme having also been held at the levels applying at that date.

Any Part of the Postponed Rates May be Paid at Any Time

22. Notwithstanding the above:
- The applicant may elect to "postpone" the payment of a lesser sum than that which he/she would otherwise be entitled to have postponed under this policy.
 - Any part of the postponed rates and/or interest charges may be paid at any time.

Maori Freehold Land Policy Guidelines

Rates Remission and Postponement on Maori Freehold Land

The objective of this policy is:

- To recognise situations where there is no occupier or no economic or financial benefit is derived from the land and there is no practical means of enforcing the rates assessed.
- To grant remission, (where part only of a block is occupied), for the portion of land unoccupied and unproductive.
- To encourage owners or trustees to use or develop the land.
- Where the owners cannot be found, to take into account the statutory limitation of time for the recovery of unpaid rates.

Council's current policy is that a remission of all or part of rates may be granted in respect of rating units which are Maori freehold land in multiple ownership, where the land is both unoccupied and unproductive.

This policy addresses the requirements prescribed under Section 108 and Schedule 11 of the Local Government Act 2002 and Section 114 of the Local Government (Rating) Act 2002. Conditions and Criteria are available on the council website.

Definitions

The following definitions are taken from section 5 of the Local Government (Rating) Act 2002:

- Maori freehold land means land whose beneficial ownership has been determined by the Maori Land Court by freehold order.
- Maori freehold land in multiple ownership means Maori freehold land owned by more than five persons.
- Postponed rates means rates for which the requirement to pay is postponed.
- Remitted rates means rates for which the requirement to pay is remitted.

DRAFT

SCHEDULE OF DELETIONS NOT PART OF POLICY

~~1.1 — Rating of 50% Non Rateable Land — General Description~~

~~Council applies the rules of Part 2 of Schedule 1 of the Local Government (Rating) Act 2002 where the land is 50% non rateable. The council will rate these properties at 50% of the residential general rate (mandatory rates). This funding covers all services of council. The conditions and criteria for application are available on the council website.~~

~~Where there is multi-use on a property, an apportionment of values will be undertaken for rating purposes.~~

Comment: Repeats the legislation for 50% non-rateable and is not a remission.

~~1.2 — Commercial Land Use in a Rural Location Remissions~~

~~The objective of this policy is to enable remission of part of the rates to a property where a commercial activity is operated in a rural location but do not receive all the council core services. Conditions and Criteria are available on the council website.~~

Comment: replaced by new water, sewerage and refuse remission.

~~1.3 — Residential Properties not receiving all core Infrastructure Services Remissions~~

~~The objective of this policy is to enable remission of part of the rates to a property where it is used for residential purposes but do not receive all the council's core infrastructure services. Conditions and Criteria are available on the council website.~~

Comment: replaced by new water, sewerage and refuse remission.

DRAFT

10-YEAR PLAN ENGAGEMENT PLAN

Consultation on the 10-Year Plan includes the Revenue and Financing Policy and the Rates Remission and Postponement Policy, which will have a separate online submission form. There will be a separate but parallel consultation on the Development Contributions Policy.

Proposed methods for receiving feedback

Note: All these methods will be undertaken during the consultation period of 13 April - 15 May 2015. Formal hearings are not part of this process as alternative options for receiving verbal feedback are recommended.

The sessions are open to the public.

Written submission	Online submission form via website and hard copy submission forms.
Social media	Comments made on our Facebook page and on Twitter will be considered as feedback. For these to be considered as part of the consultation process the following hashtags need to be used: <ul style="list-style-type: none"> • Facebook.com/HamiltonCityCouncil using #Ham10YP • On Twitter using both @CouncilHamilton and #Ham10YP
Engagement sessions*	Sessions for members of the public to talk with Elected Members. Three sessions located in the central, west and east areas of the city.
Targeted engagement *	Invite only session with significantly affected/interested stakeholders and community organisations.
Maori engagement	An early separate engagement session with Waikato-Tainui and Te Rūnanga Ō Kirikiriroa will occur.

*Further details below

Engagement sessions

Overview: Engagement sessions for members of the public to speak with Elected Members. There will be a CE/Mayor presentation on the draft 10-Year Plan, with discussions tables for Elected Members to hear from members of the public. Staff members will attend to capture the general themes of feedback provided and dictaphones may also be used to capture conversations for later referencing and checking.

People will be able to provide feedback through written submission forms/ipads if desired at the session and this will be encouraged. Staff will assist.

Tea and coffee provided. People will be encouraged to register prior to the event.

Number of sessions: 2 x evening (6.30-8.30pm) and 1 x lunchtime (11.30 – 1.30pm)

Suggested locations: The Link Community Centre, Chapel Hill Community Church, Western Community Centre.

Staffing One staff member per table will be required to record the feedback provided, and another support staff member to oversee the process and to

assist people who need support to write a submission. Content expert(s) may also be required.

EM role: One Elected Member is required at each table to satisfy the requirements of section 83(1)(d) of the Local Government Act 2002. The recommendation is to have several elected members at each table. It would not be sufficient to have Elected Members at some tables, but not others, or circulating between tables. There is no requirement for all Elected Members to be present.

The role of the Elected Member is to listen to feedback, providing an equal opportunity for stakeholders to present their views to Council.

Elected members must take care to avoid predetermination in the course of the discussion and in any notes they make.

Targeted engagement

Overview: An invite only session, which will be split into two parts:

- Part 1 - Significantly affected/interested stakeholders (20 minutes per stakeholder)
- Part 2 - Community organisations (15 minutes per stakeholder)

Stakeholders are to be heard in an informal, tabled setting with Elected Members (not all are required to be present). The format will be a conversational environment with the purpose of receiving feedback, understanding the issues presented by the stakeholders and responding to questions. Each stakeholder will be given a time allocation and specified speaking time to enable equal opportunity.

Staff will endeavour to group attendees according to their interests.

Tea and coffee provided. Registrations are required prior to the event.

Number and times: 1 x all day session, depending on numbers.

Suggested locations: Wintec Events Room 1 or Grandstand Claudelands

Registrations Invitations will be sent out to stakeholders at the beginning of the consultation period.

Staffing: One staff member per table will be required to record the feedback provided, and another support staff member to oversee the process and to assist people who need support to write a submission. Content expert(s) may also be required.

EM role: To listen to feedback, providing an opportunity for stakeholders to present their views to the Council. All Elected Members will not be required to attend.

An initial list of stakeholders and community organisations has been drafted.

Submission and feedback report

Staff will collate feedback from these methods, which will be summarised into a report for Council consideration on the 4 June 2015.

Items for 10YP Website

- Hamilton's 10-Year Plan Consultation Document 2015-25
- Long-term Infrastructure Strategy 2015-45
- Revenue and Financing policy
- Rates Remissions and Postponement Policy
- Development Contributions Policy

Supporting Documents for 10-YP

Groups of Activities Statements

Background reports

Waikato Regional sports facilities plan
Opus report of sports facilities
Municipal Pool reports
Hamilton Plan
Financial Strategy

Financial information

10 Year Plan Significant Forecasting Assumptions
10 Year Plan Disclosure statement 2015-25
Prospective financial statements / Groups of Activity Impact Statements
Funding Impact Statement 2015-25

Fees and Charges 2015-2016

Asset sales list 2015-2025
Capital Projects List 2015-25
Council Controlled Organisations Statement

Rating Policy
Funding Needs Analysis

Other information

Online submission form / PDF submission form
Feedback session dates and details
Handy hints on making a submission
Q&A's
Link to Council's facebook and twitter pages

DEVELOPMENT CONTRIBUTIONS POLICY ENGAGEMENT PLAN

Proposed methods for receiving feedback

Note: All these methods will be undertaken during the consultation period of 13 April - 15 May 2015.

Written submission	Online submission form via website and hard copy submission forms.
Engagement sessions	At each of three engagement sessions for the 10-Year Plan there will be a table especially for discussion on the Development Contributions policy.
Information meeting*	Meeting to provide information on the Development Contributions policy and growth issues.
Targeted engagement*	Invite only session with significantly affected/ interested stakeholders in the development and growth community. <i>This is in addition to the targeted engagement session for the 10-Year Plan.</i>

*Further details below

Information meetings

Overview: Meeting at scheduled time to provide information on the draft Development Contributions policy and 30 Year infrastructure capex. The purpose is to explain the draft policy/growth issues and respond to questions from those attending. There will be an opportunity to provide feedback through hard copy submission forms and online via ipads.

All developers in Hamilton will be invited to attend the public meetings, although all members of the public will be welcome to attend.

Tea and coffee provided. No registrations required.

Number of sessions: 1 x late afternoon session (5-7pm)

Suggested locations: Chapel Hill Church, Western Community Centre, Grandstand Claudelands

Registrations: Not required.

Format: Stakeholders are greeted by senior staff members, who run through a PowerPoint presentation describing the draft DC policy. Staff members respond to questions from the attendees.

Staffing: One x senior staff member to present, one x content expert, one x support staff.

EM role: Not required, but welcome to attend.

Targeted engagement

Number and times: 1 x all day session, depending on numbers.

An additional Targeted Engagement session for stakeholders on the Development Contributions policy and growth issues will be held. Format is expected to be the same as detailed for the 10-Year Plan, although there will be no separate part for community organisations.

An initial list of stakeholders significantly affected/interested in the Development Contributions Policy/growth issues has been drafted.

Submission and feedback report

Staff will collate feedback from these methods, which will be summarised into a report for Council consideration on the 4 June 2015.

Items for Development Contributions website

- The Draft 2015/16 Development Contribution Policy
- The current 2013/14 Development Contribution Policy
- Guide to the draft Development Contributions Policy
- The Schedule of Assets
- Online submission form / pdf submission form

9 April 2015

Leon Pieterse
Director
Audit New Zealand
PO Box 1165
Auckland 1140

Dear Leon

Letter of Representation for the audit of Hamilton City Council's Long-Term Plan Consultation Document

This representation letter is given in connection with your audit, conducted on behalf of the Auditor-General, of Hamilton City Council's (the Council's) Long-Term Plan (LTP) Consultation Document for the ten years commencing 1 July 2015.

This representation letter is furnished to you in connection with your responsibility under the Local Government Act 2002 (the Act) to report on:

- the extent to which the Consultation Document gives effect to the purpose set out in section 93B of the Act; and
- the quality of information and assumptions underlying the forecast information provided in the Consultation Document.

We understand that your audit was carried out in accordance with the International Standard on Assurance Engagements 3000: *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand), and that you examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information*.

We also understand that your audit was (to the extent that you deemed appropriate) for the purposes of expressing an opinion as to whether the Consultation Document provides an effective basis for public participation in the Council's decisions about the proposed content of the 2015-25 long-term plan, and that the audit would not necessarily disclose any or all irregularities should any exist.

We acknowledge that actual results are likely to be different from the forecast information on which the Consultation Document is based since anticipated events frequently do not occur as expected and the variation may be material, and that you express no opinion as to whether the forecasts will be achieved.

We confirm, to the best of our knowledge and belief, the following representations:

General

- 1 The Council accepts that it is responsible for the preparation of a Consultation Document as set out in section 93B of the Act, that provides an effective basis for public participation in local authority decision-making processes relating to the content of the long-term plan by:
 - providing a fair presentation of the matters that are proposed for inclusion in the long-term plan, and presenting these in a way that:
 - explains the overall objectives of the proposals and how rates, debt and levels of service might be affected; and
 - can be readily understood by interested or affected people; and
 - identifying and explaining to the people of the district or region, significant and other important issues and choices facing the local authority and district or region, and the consequences of those choices; and
 - informing discussions between the local authority and its communities about the matters in the points above.
- 2 In complying with the requirements of the Act in relation to the preparation of the Consultation Document, we have acted in such a manner and included in the Consultation Document such detail as we consider on reasonable grounds to be appropriate.
- 3 The Consultation Document has been prepared using the best information currently available to the Council and accordingly the forecast information underlying the Consultation Document is our best forecast of anticipated events for the ten years commencing 1 July 2015.
- 4 The Consultation Document has been prepared and is consistent with Council's own policies and strategies and of other organisations where appropriate.
- 5 We believe the effects of uncorrected misstatements in the underlying information are immaterial, both individually and in the aggregate to the Consultation Document as a whole.

Underlying information and assumptions

- 6 The forecast information has been properly prepared on the basis of the underlying information and the assumptions adopted. The assumptions and underlying information are reasonable and supportable in the context of Council's position and have been based on the best information currently available to Council. The assumptions are consistent amongst themselves, consistent with the current strategies and plans of the Council and have been consistently applied.
- 7 All significant assumptions have been included in the preparation of the forecast information, and have been clearly identified in the underlying information on which the Consultation Document is based. Where significant assumptions have a high level of uncertainty that uncertainty has been stated and the potential effects of the uncertainty on the forecast financial information have been disclosed in the adopted underlying information and will be included in the long-term plan, when it is adopted.

- 8 The Consultation Document is based on the adopted underlying information which will form the basis of the long-term plan. The underlying information includes all the items of operating expenditure and capital projects the Council reasonably expects will be undertaken in the ten years covered by the plan, based on the best information currently available to the Council.
- 9 The forecast of capital expenditure and operating expenditure contained in the adopted underlying information that supports the Consultation Document are supported by, and consistent with, the underlying information in the asset management plans and the Infrastructure Strategy.
- 10 The records maintained by the Council were adequate for the preparation of the underlying information on which the Consultation Document is based.
- 11 We have made available to you all supporting documentation on the underlying information and assumptions used to prepare the Consultation Document.
- 12 All minutes of meetings of the Council and its sub-committees held to date have been made available to you for inspection, including summaries of recent meetings for which minutes have not yet been prepared or approved.

Performance framework

- 13 Forecast information and proposed performance measures provide an appropriate framework for the meaningful assessment of the actual levels of service. Proposed performance measures reflect the intended levels of service for those activities the Council has chosen to undertake. Performance measure estimates are based on the equivalent basis of reasonable and supportable assumptions and underlying information.

Systems and processes

- 14 The Council accepts that it is responsible for establishing and maintaining systems and processes designed to provide reasonable assurance as to the integrity and reliability of the forecast information on which the Consultation Document is based. The Council has maintained effective systems and processes and they operated to generate accurate and reliable forecast information.

Legislative compliance

- 15 The Council accepts that it is responsible for ensuring, that all applicable aspects of the Act which impact on the Consultation Document have been complied with. To the best of its knowledge the Council has complied with all legislative requirements in the preparation of the Consultation Document.
- 16 The Council has followed the decision-making provisions of Part 6 of the Act in making decisions about the content and options considered for inclusion and exclusion from the Consultation Document.
- 17 The Council intends to follow the special consultative procedures outlined in section 93A of the Act in relation to the Consultation Document. We acknowledge our responsibility to provide a Consultation Document which enables the consultation to be undertaken. In considering this we are satisfied the information provided can be readily understood by interested or affected people.

- 18 We have a significance and engagement policy that outlines the Council's approach to determining the significance of proposals and decisions in relation to issues, assets and other matters in accordance with section 76AA of the Act.
- 19 The Council has considered the balanced budget requirements outlined in section 100 of the Act, and is managing its revenue, expenses, assets, liabilities and general financial dealings prudently as required by sections 101 and 101A of the Act. We have made adequate provision to meet the expenditure needs of the Council identified in the underlying information that has formed the basis of the Consultation Document.
- 20 The Council has adopted the following policies which underlie the Consultation Document:
- A revenue and financing policy which complies with section 103 of the Act and has been prepared following consideration of the matters outlined in section 101(3) of the Act.
 - A liability management policy which complies with section 104 of the Act.
 - An investment policy which complies with section 105 of the Act.
 - A policy on development contributions or financial contributions which complies with section 106 of the Act.
 - A policy on remission and postponement of rates on Maori freehold land which complies with section 108 of the Act.
 - Any rates postponement policy adopted under section 110 or rates remission policy adopted under section 109 of the Act.
- These policies have formed the basis for the financial parameters used in the preparation of the Consultation Document.
- 21 We consider the underlying information and recommended direction inherent in the Consultation Document supports maintenance of financial prudence by the Council.

Generally Accepted Accounting Practice

- 22 The accounting policies applied to the forecast financial statements underlying the Consultation Document comply with generally accepted accounting practice and are those that the Council intends to use in the future for reporting historical financial statements. Any change in accounting policy from policies previously applied and reported in historical financial statements will be disclosed in the Consultation Document.
- 23 The estimated impact of the revaluation of service delivery assets has been incorporated into the underlying information on which the Consultation Document is based.
- 24 The underlying forecast financial information on which the Consultation Document based has been prepared in accordance with FRS-42.

- 25 The accounting policies and financial forecast information on which the Consultation document has been based have been prepared in accordance with PBE accounting standards.
- 26 The Council's assumption regarding future price changes on the forecast financial information on which the Consultation Document is based, is also based on best information currently available to the Council and is reasonable and supportable.

Publication of the Consultation Document and related audit report on the Council's web site

- 27 The Council accepts that it is responsible for the electronic presentation of the audited Consultation Document.
- 28 The electronic version of the audited Consultation Document and related audit report presented on the web site are the same as the final signed version of the audited Consultation Document and audit report.
- 29 We have clearly differentiated between audited and unaudited information in the construction of the Council's web site and understand the risk of potential misrepresentation in the absence of appropriate controls.
- 30 We have assessed the security controls over audited forecast information and the related audit report and are satisfied that procedures in place are adequate to ensure the integrity of the information provided.

These representations are made at your request, and to supplement information obtained by you from the records of the Council and to confirm information given to you orally.

Yours faithfully

Julie Hardaker

Mayor

Richard Briggs

Chief Executive