Hamilton City Council
Te kaunihera o Kirikiriroa

Notice of Meeting:

I hereby give notice that an ordinary Meeting of the Finance Committee will be held on:

Date:	**Tuesday 29 March 2022**
Time:	**9.30am**
Meeting Room:	**Audio Visual Link**
Venue:	**Municipal Building, Garden Place, Hamilton**

Lance Vervoort
Chief Executive

Finance Committee
Komiti Tahua
OPEN AGENDA

Membership		
Chairperson ***Heamana***	Cr R Pascoe	
Deputy Chairperson ***Heamana Tuarua***	Cr Maxine van Oosten	
Members	Mayor P Southgate Deputy Mayor G Taylor Cr M Bunting Cr M Gallagher Cr R Hamilton Cr M Donovan	Cr K Naidoo-Rauf Cr A O'Leary Cr S Thomson Cr E Wilson Cr D Macpherson Maangai J Kana
Quorum:	**A majority of members (including vacancies)**	
Meeting Frequency:	**Six weekly**	

Amy Viggers
Mana Whakahaere
Governance

22 March 2022

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Purpose:

The Finance Committee is responsible for:

1. Monitoring Council's financial strategy, and financial performance against the Long Term Plan and Annual Plan.
2. Determining financial matters within its delegations and Terms of Reference and making recommendations to Council on financial matters outside its authority.

In addition to the common delegations, the Finance Committee is delegated the following Terms of Reference and powers:

Terms of Reference:

1. To provide direction on Council's financial strategy and monitor performance against that strategy.
2. To monitor Council's financial performance against the Council's 10 Year Plan and the impact of the financial performance on services levels and rate payers' value.
3. To monitor deferred capital expenditure.
4. To develop and monitor policy related to the following matters:
   a) financial management;
   b) revenue generation; and
   c) procurement and tendering.
5. To monitor the probity of processes relating to policies developed by the Finance Committee.

The Committee is delegated the following powers to act:

- Approval of operating expenditure within the Long Term Plan or Annual Plan that exceeds the Chief Executive's delegation, excluding expenditure which:
  - contravenes the Council's Financial Strategy; or
  - significantly alters any level of service outlined in the applicable Long Term Plan or Annual Plan; or
  - impacts Council policy or practice, in which case the delegation is recommendatory only and the Committee may make a recommendation to the Council for approval.
- Approval of contractual and other arrangements for supply and services, and revenue generating contracts, which:
  - exceed the Chief Executive's delegations, but
  - exclude contracts or arrangements that are reserved for the Council or another Committee's approval.
- Approval to write-off outstanding accounts greater than $10,000 (in accordance with the Debtor Management Policy).

The Committee is delegated the following recommendatory powers:

- To set the direction of Council's Financial Strategy.
- The Committee may make recommendations to Council.
- The Committee may make recommendations to other Committees.

Recommendatory Oversight of Policies and Bylaws:

- *Funding Needs Analysis Policy*
- *Investment and Liability Management Policy*
- *Rates Remissions and Postponements Policy*
- *Rating Policy*
- *Revenue and Financing Policy*

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1 Apologies – *Tono aroha*

2 Confirmation of Agenda – *Whakatau raarangi take*

The Committee to confirm the agenda.

3 Declaration of Interest – *Tauaakii whaipaanga*

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest they might have.

4 Public Forum – *Aatea koorero*

As per Hamilton City Council's Standing Orders, a period of up to 30 minutes has been set aside for a public forum. Each speaker during the public forum section of this meeting may speak for five minutes or longer at the discretion of the Chair.

Please note that the public forum is to be confined to those items falling within the terms of the reference of this meeting.

Speakers will be put on a Public Forum speaking list on a first come first served basis in the Council Chamber prior to the start of the Meeting. A member of the Council Governance Team will be available to co-ordinate this. As many speakers as possible will be heard within the allocated time.

If you have any questions regarding Public Forum please contact Governance by telephoning 07 838 6727.

Item 5

Council Report

Committee: Finance Committee

Date: 29 March 2022

Author: Narelle Waite

Authoriser: Michelle Hawthorne

Position: Governance Advisor

Position: Governance and Assurance Manager

Report Name: Confirmation of the Finance Committee Open Minutes of 10 February 2022

Report Status	*Open*

Staff Recommendation - *Tuutohu-aa-kaimahi*

That the Finance Committee confirm the Open Minutes of the Finance Committee Meeting held on 10 February 2022 as a true and correct record.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Finance Committee Open Unconfirmed Minutes of 10 February 2022

Hamilton City Council
Te kaunihera o Kirikiriroa

Item 5

Attachment 1

Finance Committee
Komiti Tahua
OPEN MINUTES

Minutes of a meeting of the Finance Committee held in Council Chamber, Municipal Building, Garden Place, Hamilton and Audio-visual Link on Thursday 10 February 2022 at 9.30am.

PRESENT

Chairperson *Heamana*	Cr R Pascoe
Deputy Chairperson *Heamana Tuarua*	Cr M van Oosten (exclusively via Audio-visual Link)
Members	Mayor P Southgate Deputy Mayor G Taylor (exclusively via Audio-visual Link) Cr M Bunting (exclusively via Audio-visual Link) Cr M Gallagher Cr R Hamilton (exclusively via Audio-visual Link) Cr M Donovan Cr K Naidoo-Rauf Cr A O'Leary (exclusively via Audio-visual Link) Cr S Thomson Cr E Wilson Cr D Macpherson Maangai J Kana (exclusively via Audio-visual Link)
In Attendance	Lance Vervoort – Chief Executive David Bryant – General Manager People and Organisational Performance Sean Murray – General Manager Venues, Tourism and Major Events Chris Allen – General Manager Development Helen Paki – General Manager Community Eeva-Liisa Wright – General Manager Infrastructure Operations Tracey Musty – Financial Controller Kay Lindsay – Business Manager Growth Chris Barton – Capital Projects Manager Iain Anderson – Capital Financial Lead Stephen Pennruscoe – Libraries Director Rebecca Whitehead – Unit Director Community Services Anita Oliver – Facilities Unit Manager Vionne de Villiers – Contract Manager
Governance Staff	Amy Viggers – Governance Lead Narelle Waite and Tyler Gaukrodger – Governance Advisors

1. Apologies - *Tono aroha*

Resolved: (Cr Pascoe/Cr Wilson)

That the apologies for early departure from Crs Macpherson, Naidoo-Rauf and Donovan are accepted.

2. Confirmation of Agenda - *Whakatau raarangi take*

Resolved: (Cr Pascoe/Cr Wilson)

That the agenda is confirmed.

Cr Thomson joined the meeting (9.32am) during discussion of the above item. She was present when the matter was voted on.

3. Declarations of Interest - *Tauaakii whaipaanga*

No members of the Council declared a Conflict of Interest.

4. Public Forum - *AAtea koorero*

No members of the public wished to speak.

5. Confirmation of the Finance Committee Open Minutes of 14 December 2021

Resolved: (Cr Pascoe/Cr van Oosten)

That the Finance Committee confirm the Open Minutes of the Finance Committee Meeting held on 14 December 2021 as a true and correct record.

6. Capital Portfolio Monitoring Report

The Capital Financial Lead spoke to the report, noting the request to increase the scope of Contract 188/2019 to ensure project completion and timeliness, tracking of budget changes, forecasted deferrals for the 2021/22 financial year, Annual Plan workshop, reduction in outstanding capitalisations, and provided a verbal update on January results. Staff responded to questions from Members concerning Waka Kotahi subsidies, accuracy of the deferrals forecast, Te Awa Cycleway delays and completion date, the Tristram/Collingwood intersection project, validation of developer contract increase requests, the Annual Plan workshop, Covid-19 related cost escalation, and approved contract sums.

Staff Action: *Staff undertook to provide an update to Members on the progress of Te Awa Cycleway project's.*

Resolved: (Cr Pascoe/Maangai Kana)

That the Finance Committee:

a) receives the report; and

b) approves an increase of the scope of Contract 188/2019 with CB Civil to include Snell Drive Pump Station upgrade works to a value of $5.0m noting that no additional funding is required and that no increase to the current Approved Contract Sum of $29.0m is required.

Mayor Southgate joined the meeting (9.40am) during discussion of the above item. She was present when the matter was voted on.

7. Financial Performance & Strategy Report to 30 November 2021 *(Recommendation to the Council)*

The Financial Controller spoke to the report, noting the favourable accounting result concerning the revaluations and operations and maintenance costs, Covid-19 impact on an unfavourable

forecast for balancing the books and additional operational spend. She responded to questions from Members concerning modelling for the Annual Plan, operational spend and revenue under Covid-19 restrictions, balancing the books forecast deficit, and funding for increased contract costs.

Staff Action: *Staff undertook to prepare finance modelling of the Annual Plan project options for the Annual Plan workshop.*

Resolved: (Cr Pascoe/Cr van Oosten)

That the Finance Committee receives the report.

That the Finance Committee recommends that the Council:

a) approves the capital movement as identified in paragraph 30 of the 10 February 2022 Capital Portfolio Monitoring Report;

b) approves the significant forecast adjustments as set out in paragraphs 51 to 52 of the staff report; and

c) approves the revised Financial Strategy position for Debt to Revenue, Net Debt and Balancing the Books as set out in paragraphs 54 to 56 of the staff report.

8. Kōtui Library Management System Contract renewal

The Libraries Director and the Unit Director Community Services spoke to the report, noting the library management software, and the cost benefits of the Kōtui consortium. They responded to questions from Members concerning the system's capability to support a boundaryless library system, the budget's ability to cover expanding collections, capability to support remote access, cost effects of consortium membership changes, and Hamilton City Council's role in the consortium.

Resolved: (Cr Pascoe/Gallagher)

That the Finance Committee:

a) receives the report;

b) approves **Option 1** – Renewal of the Kōtui Library Management Service contract for a term of up to seven years (3 + 2 + 2), with a total value of $1,322,614; and

c) delegates authority to the Chief Executive to finalise and execute the contract.

9. Contract 15066 - HVAC & Plumbing - Cushman and Wakefield - Request to increase Approved Contract Sum

The Facilities Unit Manager and the Capital Financial Lead spoke to the staff recommendation. They responded to questions from Members concerning the contract length, contract sum and budget increase, upcoming tender for the new contract including recognition of covid-19 related air quality requirements, amalgamation of works and internal systems improvements.

Resolved: (Cr Wilson/Cr Hamilton)

That the Finance Committee:

a) receives the report;

b) approves an increase of the Approved Contract Sum of Contract 15066 by $6,180,000 to a total revised Approved Contract Sum of $14,180,000.

10. Resolution to Exclude the Public

Resolved: (Cr Wilson/Cr Gallagher)

Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Confirmation of the Finance Committee Public Excluded Minutes of 14 December 2021 C2. Report on overdue debtors as at 31 December 2021 and Debt write-offs 2021/22 C3. Information Services - Infor Limited Renewal C4. Information Services - Contract Renewals C5. Contract 859/2021 - Facilities Painting Contract	) Good reason to withhold) information exists under) Section 7 Local Government) Official Information and) Meetings Act 1987)	Section 48(1)(a)

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

Item C1.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C2.	to protect the privacy of natural persons to maintain the effective conduct of public affairs through protecting persons from improper pressure or harassment	Section 7 (2) (a) Section 7 (2) (f) (ii)
Item C3.	to enable Council to carry out negotiations	Section 7 (2) (i)
Item C4.	to enable Council to carry out negotiations	Section 7 (2) (i)
Item C5.	to enable Council to carry out commercial activities without disadvantage to enable Council to carry out negotiations	Section 7 (2) (h) Section 7 (2) (i)

The meeting moved to public excluded session at 10.53am.

The meeting was declared closed at 11.35am.

Council Report

Item 6

Committee: Finance Committee

Date: 29 March 2022

Author: Narelle Waite

Authoriser: Michelle Hawthorne

Position: Governance Advisor

Position: Governance and Assurance Manager

Report Name: Chair's Report

Report Status	*Open*

Recommendation - *Tuutohu*

That the Finance Committee receives the report.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Chair's Report Finance Committee - 29 March 2022

Attachment 2 - Extract Revenue 2022-23 from 2021-2031 Long Term Plan Table

Chair's report

29 March 2022

This report was written after receiving 2 staff reports on the Annual Plan but, before the Council meeting on March 17. From this meeting it is expected an agreed plan will go out to our residents as an "informing communication campaign".

Like its predecessor this Annual Plan is unnecessarily complex coming over the top of an LTP approved less than 9 months ago.

It is disappointing to see a proposed deficit of $2m in balancing our books ("everyday costs covering everyday revenue") signed off in June 2021 now skyrocketing to become a deficit 5 ½ times greater at $11m.

Some changes now may be expected to account for and fund the ongoing effects of Covid. But if so, should not costs be trimmed to reflect a market where restraint is needed?

The increased deficit is also being attributed to unexpected inflation. Current inflation predictions seem to fluctuate amongst credible economists from 2% up to 8% for the current year. This range makes accurate budgeting extremely difficult.

It should have been expected that inflationary pressures would flow on from Covid (with shortages in supply, supply delays, labour shortages, border closures and so forth.). The war in Europe has added immediate inflation on oil prices and additional supply issues will invariably follow on.

A cost often overlooked is the inflationary impact of central government decisions and the flow on costs of funding a growing and uncompetitive public service.

Council's funding model of reliance on property rates limits the opportunities for us to fund increasing costs.

Almost 60% of council revenue predicted for 2022/23 will come from rates. **See attached table.** Other significant income streams come from Development Contributions (8%) and Waka Kotahi (16%). Both these revenue streams have or will come under timing pressures reflecting the macroeconomic impact of inflation and economy pressures.

It follows every spending decision (Capital and Opex) this council makes must be recovered from rating our landowners.

This happens either in the years we spend with council increasing rates to fund costs, or we borrow the resulting deficit, incur interest on this loan, and then expect to recover both in future from operating surpluses.

Reliance on future operating surpluses seems illusory. In the 2018 LTP, Council expected a $7.7m surplus in 2022/23, and in 2015 a $19.1m surplus. Now our prediction is an $11m deficit.

Unless there are future surpluses debt will never be repaid, rather it will increase, leaving less funding for capital projects.

Procurement review

Work is progressing behind the scenes after the November workshop with Elected Members and some strong themes are emerging. The well-being framework will help refine possible opportunities and begin to give effect to some of Council's other strategies. The ongoing effects of the Covid Protection Framework and case outbreaks focus us on the 'health' of our local businesses. I'm keen to maximise access opportunities for local business. Among other things we must look inwardly to our practice, how easy we are to deal with, how do we engage with local small business partners & how might business owners bid for Council contracts?

The environment and our impact on emissions will play an increasingly important role, having procurement principals that enable us to transition to Net Zero Emissions by 2050 will position us well into the future. What do we want to see in the decision-making process?

Further workshopping of the Procurement Principals will help to refine a paper to be presented to our May Council meeting.

Councillor Rob Pascoe – Chair of Finance Committee

Chair Recommendation
That the Finance Committee receives the report.

Attachment
Extract Revenue 2022/23 from 2021-2031 Long Term Plan Table

Attachment 2

Item 6

Chair's Report Attachment

Extract Revenue 2022/23 from 2021-2031 LTP			
	2022/23		
	$000	%	
Rates	237,140	57%	
Fees & Charges	43,775	11%	
Subsidies & Grants	8,867	2%	
Interest & Other	18,978	5%	
Dev. Contributions	33,822	8%	
Capital Revenue - Waka Kotahi	66,621	16%	
Capital Revenue - Capital Contributions	5,040	1%	
Total exc Vested Assets	414,243		
Vested Assets	39,199		(Excluded no cash value)
Total	453,442		

Council Report

Item 7

Committee: Finance Committee **Date:** 29 March 2022

Author: Iain Anderson **Authoriser:** Chris Allen

Position: Capital Financial Lead **Position:** General Manager Development

Report Name: Capital Portfolio Monitoring Report

Report Status	*Open*

Purpose - *Take*

1. To inform the Finance Committee on the financial performance of the capital portfolio for the seven months ended 31 January 2022.

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Finance Committee receives the report.

Executive Summary - *Whakaraapopototanga matua*

3. This report is to be read in conjunction with the Financial Performance and Strategy Report to 31 January 2022.
4. This is the first year of the 2021-31 Long Term Plan (LTP). The LTP approved capital expenditure budget is $328.7m and the approved revenue budget is $101.6m
5. Since the LTP these budgets have been amended through changes approved by Council. The amended budget is referred to as the Forecast budget. The impact of the changes as at 30 November 2021 was expenditure had increased to $351.3m and the associated revenue decreased to $94.1m.
6. Additional changes since 30 November 2021 are a further $50.1m in deferrals and other changes of $7.2m. The impact of these changes has been reflected in the Financial Strategy position to 31 January 2022.
7. The deferrals of $50.1m reflects the position as at 31 January 2022. This takes the total deferrals for the year to $90.5m. As reported previously deferrals had been forecast at $90.0m for the entire year and was the amount used for the 2022/23 Annual Plan workshops. Staff have now revised the annual deferrals to $110m. This amount was used in the Financial Strategy modelling presented to Council 17 March 2022 Annual Plan meeting. The revenue associated with this level of deferrals is $4.2m.
8. The total actual capital expenditure for the seven months ended 31 January 2022 is $137.1m, while the associated actual capital revenue for the same period is $50.0m.
9. Capital work in progress (WIP) is $480.6m, within this amount is $126.9m of assets that are in service but have not yet been capitalised. To negate the impact on the operating result an estimate of the depreciation amount and been made and is reflected in the Annual Monitoring Report for the seven months ended 31 January 2022.

10. Organisational work continues to ensure all outstanding WIP is capitalised by the end 30 June 2022.
11. 14 projects across the portfolio have been flagged as having a risk(s). One has been classified red and all other classified as Orange. Since the previous report one project has returned to green and a further 10 projects have been identified as having risk. This brings the total number of projects to 14.
12. Each individual project and risk are listed in paragraphs 47-61.
13. Updates are included on the two portfolio risks identified in the previous Finance Committee report:
    i. shortage and cost escalation of construction materials;
    ii. increase in costs due to the ongoing COVID environment we are working in; and
    iii. increase in costs due to current global issues, including the Ukraine conflict.
14. The Waka Kotahi funding risk that has been reported previously has now been removed as the issue has been addressed through the 2022/23 Annual Plan.
15. Staff consider the matters to be of low significance and that the recommendations comply with Council's legal requirements.

Discussion - *Matapaki*

Programme Summary and Significant Highlights

16. The following definitions are relevant:
    i. Portfolio: refers to the total organisational capital work budget for 2020-21. As per the approved 2021-31 LTP the portfolio is $328.7m. This is subsequently modified through the Forecast, including deferrals from prior years;
    ii. Programme: refers to the nine programmes that are referred to in this report, which when added together equal the portfolio; and
    iii. Project: refers to the individual project under a particular programme. These projects may have funding from multiple activities and occur across multiple years.
17. **Attachment 1** contains an overview of the nine programmes. Since the previous LTP a new programme summary has been included for the Central City. Each overview contains a summary of the key achievements and a graphical representation of the financial performance. The nine programmes are:
    1) Central City,
    2) City Wide Community,
    3) City Wide Waters,
    4) Peacocke,
    5) Rotokauri,
    6) Rototuna,
    7) Ruakura,
    8) Transport Improvement, and
    9) Renewal and Compliance.

18. **Attachment 2** a summary schedule of the budget changes. It lists the type of budget change for both expenditure and revenue. The changes are grouped by each Finance Committee meeting.
19. **Attachment 3** contains a full schedule of the capital expenditure budgets. This schedule is presented using the external activities rather than the nine programmes. This detail relates to the summary table in paragraph 32.
20. **Attachment 4** contains a full schedule of the capital revenue budgets. This schedule mirrors the project detail in Attachment 2. This is a new attachment and is presented to give more visibility over the capital revenue budgets and changes. This detail relates to the summary table in paragraph 32.

Capital Expenditure Forecast Groups

21. For the purposes of this Capital Portfolio Monitoring report, there are three main types of capital budget movement that will impact on the forecasted total spend for this financial year. They are:
    i. ***Deferrals and Brought Forwards:*** These are approved budgets where a timing change has been identified. The timing change is either, a deferral, where the budget is moved out to a future year or a brought forward where the future budget is brought forward to the current year.
    ii. ***Capital Savings:*** these are permanent reductions in the budget. The savings are tied back to the Organisation savings targets established through the 2021-31 LTP; and
    iii. ***Other Changes:*** these are new budgets that either did not previously exist or is an amendment to an existing approved budget.
22. These three types apply to all programmes except the Renewals and Compliance Programme. This programme is managed as whole over the first 3 years (see paragraph 23).

Renewals and Compliance

23. This programme has been managed as a 3-year programme. This has proven to be successful in managing the renewals programme across a large and diverse range of assets. It has also allowed new projects to be accommodated within the financial envelope.
24. The approved budget for the 3-year programme from the 2021-31 LTP is $235.3m, there is $25.4m in associated capital revenue. Once deferrals for the prior years are included the total budget increases to $247.7m.

Capital Expenditure Actual

25. The actual capital expenditure for the seven months ended 31 January 2022 is $137.1m [$100.6m]. The amount in the brackets is the comparative from the previous financial year.

Capital Revenue Actual

26. The actual capital revenue for the five months ended 31 January 2022 is $50.0m [$39.2m]. The amount in the brackets is the comparative from the previous financial year.
27. Capital revenue provides a significant revenue stream for Council, for the 2021/22 financial year the annual forecast is $93.8m. The revenue received is directly related to asset creation.
28. Revenue is broadly categorised into two sources, NZTA Waka Kotahi subsidies and other Capital Contributions. Examples of other are, contributions received towards network connections, Government Grants such as Water Stimulus Funding or Te Awa Cycleway and Multi Party funding agreement like the Ruakura Spine Road.

29. The following table provides further detail on the revenue breakdown.

Breakdown of Capital Revenue
for the Year ending 30 June 2022

	As at 31 Jan 22	Annual Forecast	Annual Approved LTP	Annual Variance
NZTA Capital Subsidy	25,679	48,382	60,479	(12,097)
NZTA Renewal Subsidy	4,899	8,246	8,246	0
Contributions and Grants	19,461	37,141	32,863	4,278
	50,039	**93,769**	**101,588**	**(7,819)**

Capital Forecast

30. This section includes changes that are being recommended to the Approved 2021-31 LTP. Changes in this section are classified in the three groups described in paragraph 19.

31. The changes included here are reflected in the Financial Strategy results published in the Financial Performance and Strategy Report.

32. The following table summarises the budget changes It starts with the approved 2021-31 LTP and then shows the approved changes by meeting and by forecast group. A full table can be found in **Attachment 2**.

	Expenditure	Revenue
Opening Budget as at 1 July 2021	328,668	101,588
Opening Deferrals & b/fwds	51,463	(3,890)
Current Year Changes		
+/- Deferrals & b/fwds	(90,587)	(15,670)
+/- Savings	0	0
+/- Water Stimulus	6,353	4,603
+/- Changes	12,486	7,137
Forecast Budget as at 31 January 2022	308,383	93,769

33. The table above has been amended to include the work programme being funded by the Water Stimulus funding. This programme of work is funded through the central government contribution and was not part of the Approved 2021-31 LTP. This work programme is schedule for completion June 2022.

34. A detailed schedule of the expenditure and the revenue can be found in **Attachment 3 and 4**.

Capital Deferrals

35. For the seven months ended 31 January 2022 deferrals valued at $90.5m have been formally identified.

36. These budgets have been moved out of the 2021/22 financial year. Future scheduling of this work has been considered as a part of the 2022/23 Annual Plan.

37. As reported to the Finance Committee on 10 February 2022 the full value of deferrals was estimated at $90.0m. This was the amount used in financial modelling for the Annual Plan workshops held in mid-February 2022.

38. The level of deferrals are constantly reviewed based on actual progress to date. This results in changes to the final forecast as the year progresses and more certainty is known. Using the actual positions at 31 January 2022 the year end forecast has been revised upwards to $110m. This amount was used in the 2022/23 Annual Plan meeting on 17 March 2022.

Capital Savings

39. For the seven months ended 31 January 2022 no capital savings have been identified.

Capital Changes

40. The major changes as at 31 January 2022 are:

    i. increase in the budgets for the 3 waters connections. These activities are user pays and the value is determined by the market demand from developers.; and

    ii. changes approved by the Finance Committee 14 December 2021. These changes were unable to be reflected in the February report due to holiday break.

Work in Progress (WIP)

41. The total value of WIP for the five months ended 31 January 2022 is $480.6m, inclusive of vested assets.

42. The breakdown by status is:

    i. Current - $359.2m (74.7%): this is legitimate WIP and reflects the assets that cannot be capitalised until they are complete and in use; and

    ii. Outstanding $126.9m (25.3%): these are assets are in service, but the capitalisation process has not yet been completed. This group is treated with priority. Depreciation is applicable but not yet charged.

43. As reported previously, WIP is simply an accounting disclosure of capital expenditure. It reflects fixed assets that are not yet fully operational. Until they are complete and operational the expenditure remains classified as WIP. However, once the asset is fully operational it is required to be capitalised, it is at this point the depreciation begins.

44. The level of WIP at 31 January 2022 remains constant with the previous report. This indicates the overall balance is not increasing and the level of capitalisations is matching the new capital spend and vested assets.

45. The emphasis continues to be to reduce the outstanding amount. Specific resources are being brough in to not only assist with the backload but also to strengthen the capitalisation process and ensure Council is being fully compliant with accounting standards.

46. The direct financial impact is the depreciation expense is understated. To ensure that we do not understate an assessment of the depreciation value has been made and recorded as an expense on the Statement of Comprehensive Revenue and Expense.

Project Risks - update

47. Overall, 14 projects have been identified as having a significant risk profile. This is an increase of nine over the previous report. One is classified as red all others are orange. Red status indicates significant risk that will require Council decision. Orange status indicates significant risks that are being monitored and managed.

Central City River Crossing and Connection

48. This project was budgeted assuming Waka Kotahi NZTA subsidy. This funding was not approved through the National Land Transport Programme announcement. As per the recommendation from the 7 December 2021 Infrastructure Operation Committee, development of the project business case is planned to progress over the next 12 months, however further detailed design and construction of the project is deferred until 2024/25 financial year. Once plans for the business case works have been finalised it is anticipated this project will revert to 'on-track' in accordance with the revised timeframes.

Ward Street – Tristram to Anglesea

49. Timing Risk. This project was programmed for delivery in 2022 & 2023 in the LTP – noting also that the project is budgeted assuming Waka Kotahi NZTA financial assistance. This project is dependent on alignment with adjacent Tūāpapa development which is not currently planned for this three-year period. A report will be presented to an upcoming Infrastructure Operations Committee meeting to identify options and reset baselines for this project.

Ferrybank Park Enhancement – Municipal Pool Site

50. This project is currently in the construction procurement phase. There is a potential cost risk subject to market pricing, which will be further understood over the next month.

West Town Belt - Founders Theatre Site Upgrade

51. Timing risk. This project is subject to strategic decisions from Council regarding the future of the Founders Theatre site. Funding to deliver upgrade works is budgeted in the 2022/23 Financial year. Currently further scope development is on hold subject to strategic direction, which could subsequently impact timeframes for design, procurement and construction.

Alexandra Street Upgrade

52. This project is planned to support and align with development works in the CBD including the current Union Square development and give effect to the city centre urban design guidelines which are currently under development. This project requires further development and agreement of the scope, time and cost baselines to support subsequent delivery. Works to inform this are progressing.

Play spaces

53. This is timing risk. This project reflects the renewal and upgrades of playgrounds across the city. This type of project is dependent on specialist equipment/materials from abroad and with current supply chain delays due to COVID it is unlikely they will arrive as expected. Therefore, a deferral is a likely to be requested.

Sports Park Improvements

54. This is timing risk. This project delivers improved levels of serves and capacity at Sports parks through improved drainage, surfaces and floodlights. There is a dependency on specialist equipment/materials from abroad and with current supply chain delays due to COVID it is unlikely they will arrive as expected. Therefore, a deferral is a likely to be requested.

Wairere Drive Extension and Bridge over the Waikato River

55. Cost Risk. The current Peacocke Strategic Transport contract has an issue with high-cost escalation. This has been presented to the current Annual Plan deliberations for decisions.

Peacocke Road Urban Upgrade

56. This project is currently in the detailed design phase. There is a potential cost risk subject to market pricing at the time of tender, which will be further understood over the next 6 months.

Peacocke East/West Minor Arterial Road

57. This project is currently in the construction procurement phase. There is a potential cost risk subject to market pricing at the time of tender, which will be further understood over the next 6 months.

Te Wetini Drive Extension

58. Cost Risk. Council have entered into a commercial agreement with the developer in the area to deliver strategic transport and 3-waters services as a funding contributor. Construction risks have been realised on this project including identification of poor materials and high groundwater resulting in additional construction costs. There is a risk of additional costs to HCC subject to further understanding apportionment of costs - which will be further understood over the next month.

Rototuna Village Transport and Open Spaces

59. The extension of Turakina Rise and Bourn Brook Avenue is delayed due to a resource consent issue relating to an existing open drain. Works are still planned to progress on North City Road and other open space development areas, and staff are continuing to work with Waikato Regional Council on the resource consent approval.

Te Awa Cycleway Extension

60. Timing risk. The project is scheduled and forecast for completion in mid-2022, however staff continue to work closely with the contractor to monitor progress.

Wairere Drive – Cambridge to Cobham

61. Timing and Cost Risk. There are some quality issues on site that will delay the project and may result in additional costs. The extent of risk will be known by the next report to Finance Committee.

Portfolio Risks

Cost Escalation

62. This risk was first reported to Finance Committee on 24 August 2021, to recap:
    i. risk relating to construction material and supply chain pressures. The risk is caused by both the national and international demand for certain materials as well as significant delays and increased costs of international freight. The risk consequences are project delays and escalating cost; and
    ii. discussions with our contractors indicate recent shortages and/or significant cost escalations for certain products such as steel, concrete, pipes, fittings, bitumen, and glass to name a few.
63. In addition to these risks there is now the Ukraine conflict to consider which is having a global impact of costs. Given these uncertain times staff continue to monitor and will continue to report to this committee while these risks continue.
64. Staff have recommended budget increases within the capital programme for the upcoming financial year. In determining the applicable rate consideration was given to current trends, future predictions and the need to ensure the programme has adequate resilience without placing to much pressure on the financial strategy.
65. Council will have discussed this during the Annual Plan meeting that was held on 17 March 2022.
66. It should be noted that the allowance is an estimate, should this prove to be inadequate then staff would report the financial impacts back through the Finance Committee. At that time the actual impact would be known and the impact on the financial strategy could be understood.

67. For the current financial year any increases linked to cost escalation will be dealt with through the Forecast Process and brought to the Finance Committee for approval. To date two specific increases have been requested and approved. These are reflected in the approved changes.
    i. Rototuna Library - increase of $600K
    ii. Wairere Drive Interchange – increase of $1.7m
68. These increases are included in the forecast budget and reflected in the approved changes disclosed in paragraph 32.

COVID Contract Claims

69. The impacts that were approved by Finance Committee 14 December 2021 have been included in the forecast budgets and reflected in the approved changes disclosed in paragraph 32.
70. Currently Council is not aware of any further or additional claims. However, as we have now moved into the Omicron COVID environment there are likely to be significant impacts on productivity losses which will potentially affect both programme delivery and the budgets.
71. We are now seeing signs that contracts are being affected by unexpected absenteeism related to COVID and we can expect further contract claims that may result in unbudgeted costs.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

72. Staff confirm that matters and recommendations within this report comply with Council's legal and policy requirements.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

73. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental, and cultural wellbeing of communities in the present and for the future ('the 4 well-beings').
74. The subject matter of this report has been evaluated in terms of the 4 well-beings during the process of developing this report as outlined below.
75. The recommendations set out in this report are consistent with that purpose.

Social

76. Work is currently underway to understand social procurement opportunities across our portfolio, which involves enhanced recognition and valuing of social benefits through particularly our selection of contractors.

Economic

77. Delivery of our capital works portfolio is required for the city to continue to grow and generate employment and wealth.

Environmental

78. Across the capital portfolio, environmental consideration is integrated throughout the project life cycle, including through design, procurement, and construction.
79. In the procurement phase all physical works contracts include a component to incorporate environmental and sustainability considerations into tender evaluation, where contractor initiatives such as materials reuse, energy requirements, electric vehicle utilisation, carbon offsets etc. can be valued.
80. Across the portfolio several works projects and programmes are specifically focussed on enhancing Hamilton's natural environment or ensuring effects of city development are not at the detriment of the natural environment.

Cultural

81. Across the portfolio, engagement and partnership with iwi is continuing at a project level, and work is underway to further align and partner at programme and portfolio levels to identify opportunities for enhanced partnership and shared outcomes. This is particularly in regard to alignment with objectives of the Waikato Tainui Environmental Plan – Tai Tumu Tai Pari Tai Ao.

Risks - *Tuuraru*

82. There are no known risks associated with the recommendations in this report.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

Significance

83. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed the matters and recommendations in this report have a low level of significance.

Engagement

84. Community views and preferences are already known to the Council through the 2021-31 10-Year Plan.

85. Given the low level of significance determined, the engagement level is low, and no further engagement is required.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Programme Sheets

Attachment 2 - Budget Summary Table

Attachment 3 - Capital Expenditure Budget Detail

Attachment 4 - Capital Revenue Budget Detail

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Q3 - January 2022

CENTRAL CITY PROGRAMME CAPITAL REPORT

PROGRAMME UPDATE

Ahuahungia te pokapuu o teetehi taaone e arohaina ai e te tangata

Shaping a Central City where people love to be

Through delivering the Central City programme, we are investing in our Central City, opening it up to the Waikato River, encouraging people to live and work here, and making it easy to access and move around in. The outcome will be a Central City that is more inclusive, vibrant and prosperous.

The key goals for the 3 year capital programme are:

• Aligning with the development of Regional Theatre ensure connection between Victoria Street, the Theatre and the Waikato River through the development of Embassy Park and the Sapper Moore-Jones and Victoria Street theatre access. These improvements will make sure to the spaces are safe, accessible, and enjoyable for a wide range of users.

•The enhancement of the Ferrybank Park through the demolition of the municipal pool in readiness for site restoration and interpretation.

•The upgrade of the Founders Theatre site to create a better place for events, community activities and recreation for Hamiltonian and attract residents to housing in the central city.

•Begin upgrades to Alexandra Street to align with the new design guidelines for the central city

•Construction underway for the Central City River Crossing and Connections. The bridge would create a new way for people to walk, bike, scoot to and from the central city, as well as the other neighbourhoods across the river.

•Upgrade of the Tristram/Collingwood intersection.

•Updating of the front entrance of the Museum with airlock doors and upgrading of the foyer.

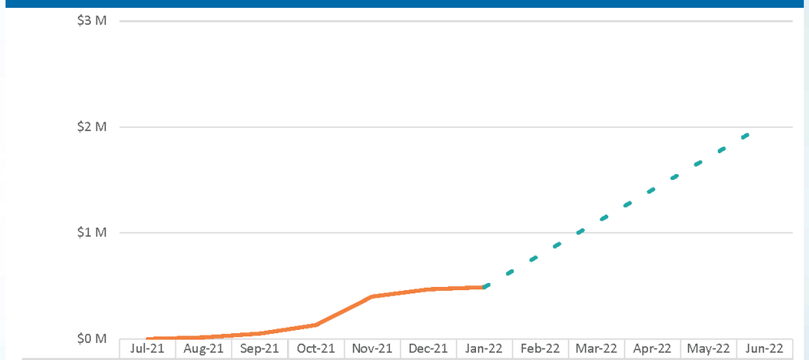
• The upgrades at Wellington Street Beach to add to the liveliness and attractiveness of the beach as well as promoting the Maaori heritage and identity.

The key capital programme milestones for 2021/22 include:

2021/22 Milestone	Performance
Tristram/Collingwood Intersection Upgrade complete.	▲ Following report to Infrastructure Operations Committee on 28 September 2021 and subsequent Elected Member Briefing on 26 November 2021, scope still to be confirmed via In Ops committee early 2022 (note previous meeting/briefing). Implementation timing subject to scope decision and alignment with ACC development.
Investigation, scope and design complete or underway for: • Embassy Park • Sapper Moore-Jones and Victoria Street • Alexandra Street • Museum Road Entrance • Wellington Street Beach	● On Track
Municipal Pool demolition and site restoration design underway.	● On Track
Central City River Crossing and Connections business case and Funding Strategy complete.	▲ Waka Kotahi co-funding not prioritised in NLTP. Revised timeline for business case development currently being confirmed.

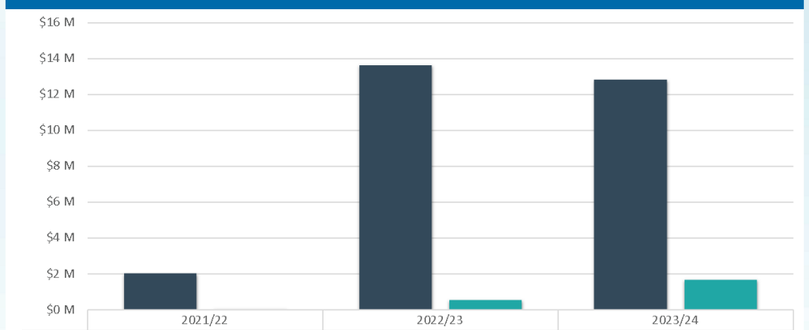
FINANCIAL PERFORMANCE

2021-22 Performance



	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Actual/Forecast	$0.0 M	$0.0 M	$0.1 M	$0.1 M	$0.4 M	$0.5 M	$0.5 M	$0.8 M	$1.1 M	$1.4 M	$1.7 M	$2.0 M

3 Year Forecasted Budget



	2021/22	2022/23	2023/24
Capex	$2.0 M	$13.6 M	$12.8 M
Revenue	$0.1 M	$0.5 M	$1.7 M

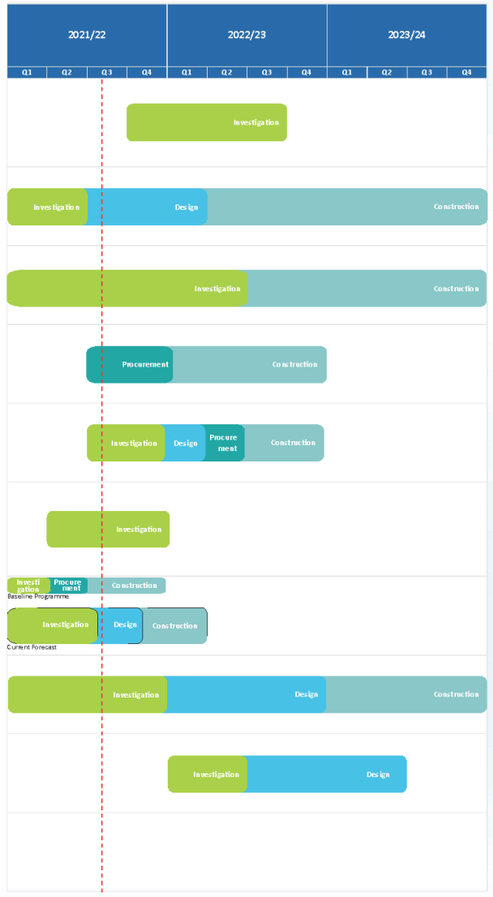
Central City Jetty

Hamilton City Council
Te kaunihera o Kirikiriroa

CENTRAL CITY PROGRAMME CAPITAL REPORT

KEY PROJECTS

Project Name	Project Description	Project Status	Total Project Budget	Actual Spend to Date	Forecast Total Cost
Central City River Crossing and Connections	*Hamilton Central City Growth will be supported by increased walking and biking connectivity, enhanced by new walking and cycling infrastructure. The bridge will support this as well as acting as a destination and centrepiece for wider riverside developments and supporting the long-held desire to face the central city towards the river. Revised timeline for business case development is currently being confirmed.*		$27.9 M	$0.0 M	tbc
Embassy Park (River Plan South End Precinct)	*To support the Waikato Regional Theatre development, we're making some improvements to the public spaces in the area. This will create a better connection between Victoria Street, the Theatre and the Waikato River.*		$5.1 M	$0.0 M	$5.1 M
Sapper Moore-Jones and Victoria St - Theatre Access & Pedestrian Environment	*In alignment with the Waikato Regional Theatre Development, we're making some improvements to vehicle and pedestrian access to the area. These improvements will make sure the spaces are safe and accessible to a wide range of users and make it a more enjoyable space to spend time in.*		$1.0 M	$0.0 M	$1.0 M
Ferrybank Park Enhancement - Municipal Pool Site	*Demolition of the pools in readiness for site restoration and interpretation. The conversion of the site into a park space will reconnect the community to the river, enhance our green space, and provide more space for play and recreation within the central city.*		$1.4 M	$0.2 M	$1.4 M
West Town Belt Implementation - Founders Theatre Site Upgrade	*The Founders Theatre site is a significant public green space in the central city. Enhancing central city green spaces is key to attracting residents to housing in the central city. The upgrade will create a better place for events, community activities and recreation for Hamiltonians.*		$4.0 M	$0.0 M	$4.0 M
Alexandra Street Upgrade	*Alexandra Street will be transformed to align with the new design guidelines for the central city. Upgrades will result in a street that celebrates place and safe movement of people. Alexandra Street upgrades will improve the central city walking and cycling experience, integrating movement and place to better reflect character and identity. Scope and timing of implementation to be confirmed in early 2022.*		$5.1 M	$0.0 M	$5.1 M
Tristram/Collingwood Intersection Upgrade	*Upgrade the walking and cycling network around the Tristram/Collingwood roundabout in alignment with development of the new ACC building to deliver a safer, more efficient transport network for all users.*		$3.2 M	$0.2 M	$3.2 M
Museum Road Entrance Upgrade	*Upgrading Waikato Museum so it is fit for the future; through updating the front entrance with airlock doors and upgrading the foyer to better maintain and protect art works and taonga we need to upgrade the road entrance.*		$3.8 M	$0.0 M	$3.8 M
River Plan - Wellington Street Beach	*The upgrades at Wellington Street Beach will add to the liveliness and attractiveness of the beach as well as promoting the Maaori heritage and identity. Protecting the water and soil quality also protects native vegetation and strengthens the natural environment along the Waikato River.*		$1.2 M	$0.0 M	$1.2 M
Ward Street - Tristram to Anglesea	*Develop Ward Street to be safe for people to move around. This is necessary to cater for the increasing number of pedestrian and cyclists moving along Ward Street and surrounding areas. Timing is expected to align with the Tūāpapa development which is not currently planned for this 3 year period. A report will come to an upcoming Infrastructure Operations Committee.*		$4.6 M	$0.1 M	$4.6 M



MAP

Project status

- Project is on track
- Project has significant risks that are being monitored and managed
- Project has significant risks that will require Council decision

Hamilton City Council
Te kaunihera o Kirikiriroa

Q3 - January 2022

CITY WIDE WATERS PROGRAMME CAPITAL REPORT

PROGRAMME UPDATE

He wai tonu ka whai ture, ka haapai hoki I te tupuranga

Ensuring the provision of essential water services that allow for future growth and compliance

The Citywide Waters programme ensures we can continue to keep up with new specifications, policy and standards implemented by government (compliance) and make sure our infrastructure can adapt to the pressures of growth (resilience) in our water supply, wastewater, and stormwater.

The key goals for the 3 year capital programme are to:

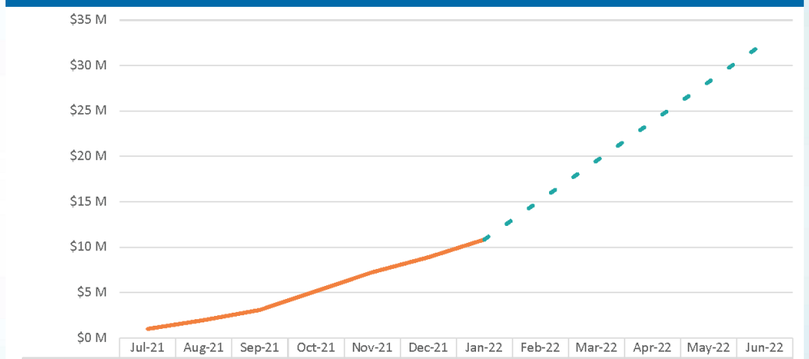
- Complete the Pukete Wastewater Treatment Plant 3b and 3c upgrades and to have commenced the design of the Pukete 4 upgrade.
- Complete the mid-section of the Western Interceptor duplication and to have commenced the investigation work to confirm the Upper Network reticulation.
- Designate Strategic Wastewater Bulk Storage sites and to have commenced construction of one.
- Upgrade of the Fitzroy Pump Station and Snell Drive Sewer Pump station diversion complete.
- Waiora 2 Water Treatment Plant upgrade including the wash water upgrade complete.
- Complete the Newcastle Demand Management Zone water project.
- Complete the Eastern Bulkmain resilience project.
- Progress the ICMP and Erosion Control programme.
- Work with active developers to upsize infrastructure if necessary.

The key capital programme milestones for 2021/22 include:

2021/22 Milestone	Performance
Pukete WWTP inlet work and bioreactor retrofit design completed.	Design contract awarded
Newcastle Demand Management Zone contract awarded and construction underway.	On Track
Waiora 2 capacity upgrade design complete, and construction underway.	On Track
Mangaonua stormwater erosion control and gully restoration works underway.	On Track
Snell Drive Wastewater Pump station upgrade complete.	On track for completion late 2022
Preferred options confirmed for Wastewater Bulk Storage sites.	On Track

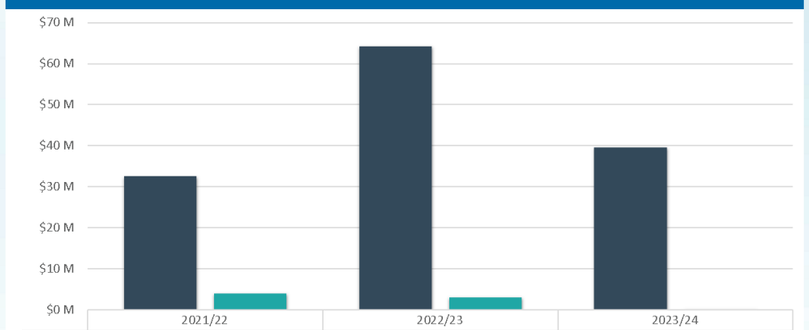
FINANCIAL PERFORMANCE

2021-22 Performance



	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Actual/Forecast	$1.0 M	$2.0 M	$3.1 M	$5.2 M	$7.2 M	$8.9 M	$10.8 M	$15.2 M	$19.5 M	$23.9 M	$28.2 M	$32.5 M

3 Year Forecasted Budget



	2021/22	2022/23	2023/24
Capex	$32.5 M	$64.3 M	$39.6 M
Revenue	$4.0 M	$3.0 M	$0.2 M

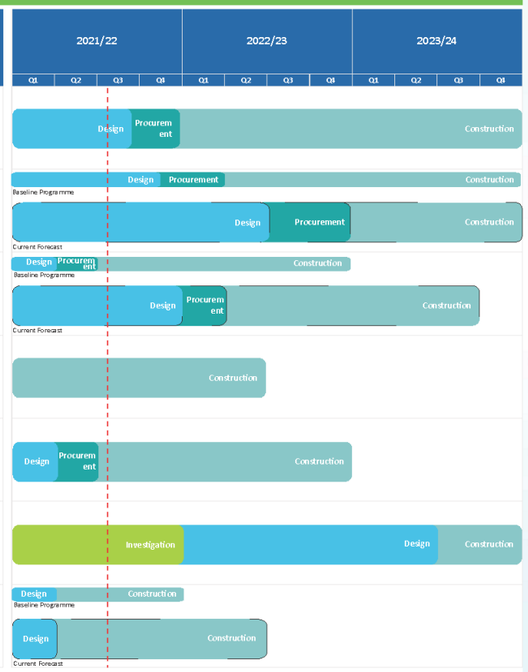
Snell Drive Wastewater Upgrade

Hamilton City Council
Te kaunihera o Kirikiriroa

CITY WIDE WATERS PROGRAMME CAPITAL REPORT

KEY PROJECTS

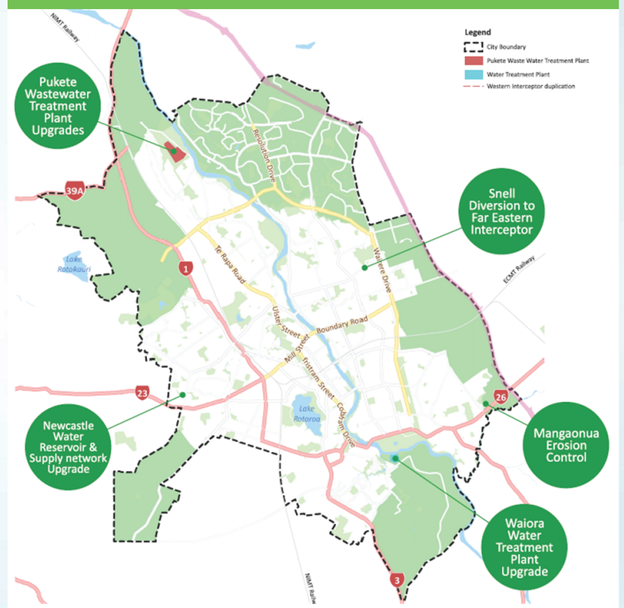
Project Name	Project Description	Project Status	Total Project Budget	Actual Spend to Date	Forecast Total Cost
Pukete 3 Wastewater Treatment Plant Capacity Upgrade - Bioreactor Retrofits	*Modification of the existing Bioreactors to promote a higher treatment perfomance and operational efficiency*		$3.5 M	$0.3 M	$3.5 M
Pukete 3 Wastewater Treatment Plant Capacity Upgrade - New Inlet works	*A new dedicated inlet screenings facility to replace the original inlet works*		$19.4 M	$0.1 M	$19.4 M
Waiora 2 Water Treatment Plant Capacity Upgrade	*Major capacity upgrade on the water treatment plant including an upgraded chemical facility and additional treatment process to increase the overall plant capacity by 30%.*		$39.6 M	$19.4 M	$39.6 M
Newcastle Water Reservoir and Supply Network Upgrade	*Installing new water pipes and upgrading the reservoir pump station to improve functionality, network operations and resilience.*		$16.8 M	$4.9 M	$16.8 M
Mangaonua Stormwater Erosion Control and Gully Restoration	*Part of the Ruakura Superhub development, including planting of over 100,000 native plants and creation of DOC style access tracks. Design, consenting and land access/procurement agreements are well advanced to enable construction commencement in early 2022.*		$4.3 M	$0.4 M	$4.3 M
Wastewater Bulk Storage	*Wastewater master plans have identified storage volumes and conceptual locations for a number of bulk storage facilities over the entire city. Work is underway for the first phase of storage facility feasibility assessment being the confirmation of location, form and designation.*		$41.0 M	$0.2 M	$41.0 M
Snell Diversion to Far Eastern Interceptor	*A strategic wastewater network capacity upgrade project to construct one Sewer Pump Station (SPS) at the Snell Drive reserve and also the installation of a new Pipeline (Rising Main and Gravity main).*		$7.5 M	$0.6 M	$7.5 M



Project status

- *Project is on track*
- *Project has significant risks that are being monitored and managed*
- *Project has significant risks that will require Council decision*

MAP



Hamilton City Council
Te kaunihera o Kirikiriroa

Q3 - January 2022

CITY WIDE COMMUNITY PROGRAMME CAPITAL REPORT

PROGRAMME UPDATE

Whakapai atu te mauri o ngaa waahi taangata me ngaa waahi wairua auaha

Improving the vibrancy of our social and creative spaces

Through delivering the Community programme, we are investing in places and spaces across our city, that can be enjoyed by all Hamiltonians and the people who visit us here. The outcome will be a city that's easy to live in and a fun city with lots to do.

The key goals for the 3 year capital programme are:

Completion of the Zoo Waiwhakareke Entry Precinct including:

- Stage 1A (Zoo entry building and Waiwhakareke connections)
- Stage 1B (Viewing Tower, Rongoa Walkway and Walkway Canopy)
- Stage 2 includes carparks for the Zoo and Waiwhakareke (bringing both sides of the precinct together with stormwater management and landscaping) and also includes the urbanisation of Brymer Road.

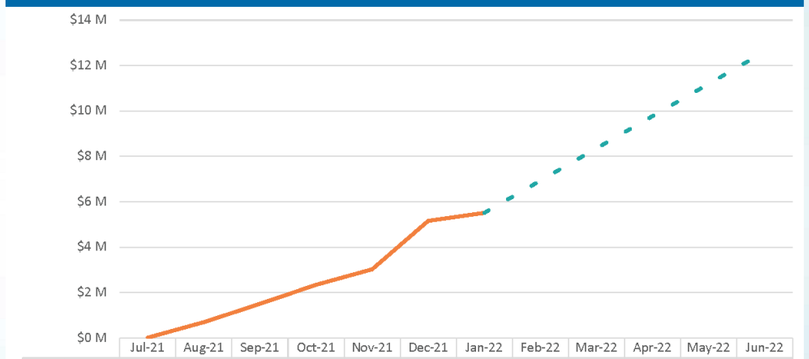
- Completion of the Savannah Accommodation project, at the Zoo.
- The ongoing development of the Hamilton Gardens including the Egyptian Garden, Palm Court, upgraded Visitor Arrival Centre and design of the Medieval Garden.
- Covering of the Lido Pool.
- Completion of the following:
  - 9 new or upgraded playgrounds
  - Sports park drainage and irrigation improvements at 3 parks
  - Sports park floodlighting and safety lighting improvements at 3 parks
  - Sports park toilet and changing room improvements at 3 parks
- Delivery of a purpose-built facility for Pukete Neighbourhood House to operate community outreach services.
- Commence the construction of gully connections to enable deliver of the Nature in the City Strategy and Implementation Plan.

The key capital programme milestones for 2021/22 include:

2021/22 Milestone	Performance
Stage 1A and 1B completion of Zoo Waiwhakareke Entry Precinct. Stage 2 construction started	Material Delays
Zoo Savannah Accommodation investigation complete	On Track
Egyptian Garden and Palm Court open	On Track
Hamilton Gardens Visitor Arrival Centre design complete	Covid disruptions
Lido Pool Cover investigation complete	On Track
Mahoe Park, Zoo and Melville Park playgrounds upgraded	Material Delays
Drainage and irrigation improvements at Flagstaff and Swarbrick parks completed	Weather and club season constraints
Floodlighting and safety lighting at Korikori Park and Porritt Stadium installed	Material Delays
Toilet and changing room improvements at Deanwell Park complete	Material Delays
Programme set up with scoping of works complete for Nature in the City	On Track
Pukete Neighbourhood House investigation complete	On Track

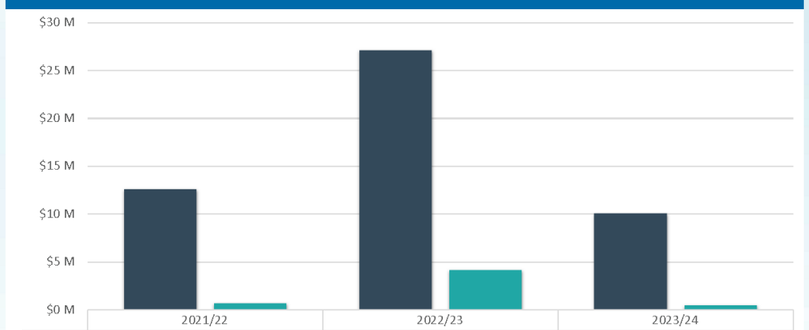
FINANCIAL PERFORMANCE

2021/22 Performance



	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Actual/Forecast	$0.0 M	$0.7 M	$1.5 M	$2.3 M	$3.0 M	$5.2 M	$5.5 M	$6.9 M	$8.4 M	$9.8 M	$11.2 M	$12.6 M

3 Year Forecasted Budget



	2021/22	2022/23	2023/24
Capex	$12.6 M	$27.1 M	$10.1 M
Revenue	$0.7 M	$4.2 M	$0.5 M

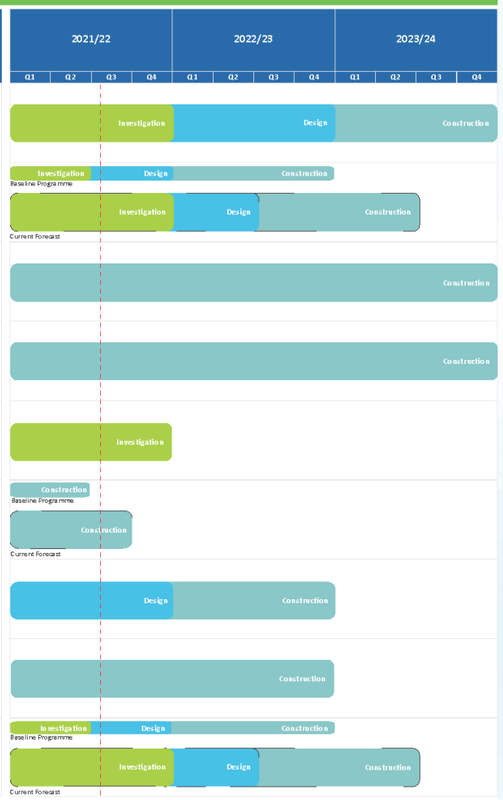
Zoo / Waiwhakareke Entry Precinct

Hamilton City Council
Te kaunihera o Kirikiriroa

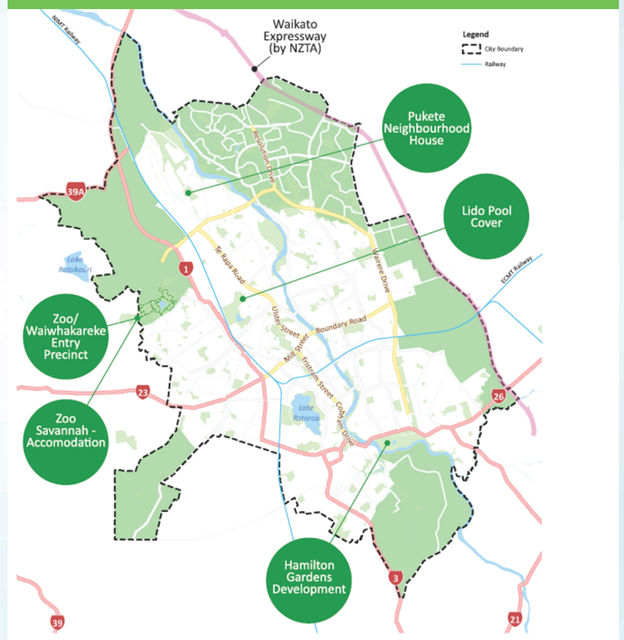
CITY WIDE COMMUNITY PROGRAMME CAPITAL REPORT

KEY PROJECTS

Project Name	Project Description	Project Status	Total Project Budget	Actual Spend to Date	Forecast Total Cost
Lido Pool Cover	*Construction of a building or semi-permanent cover over the existing Lido pool at Waterworld to enable pool usage in winter while also enabling summer open space swimming.*		$5.8 M	$0.0 M	$5.8 M
Pukete Neighbourhood House	*Building of a purpose built facility (attached to Te Rapa Sportsdrome) for Pukete Neighbourhood House (PNH) to operate community outreach services. This enables Te Rapa Sportsdrome to be fully utilised as a indoor sporting facility.*		$2.0 M	$0.0 M	$2.0 M
Play Spaces	*The renewal and upgrade of playgrounds across the City. Budget shown includes both playground upgrades and renewals. The budget shown is for 2021/22 to 2023/24. Amber due to a timing risk with getting specialist equipment/materials into NZ. The Zoo Playground is on track to be delivered this financial year.*		$2.2 M	$0.5 M	$2.2 M
Sports Park Improvements	*These projects will deliver improvements to drainage, sports field surfaces and flood lights to improve levels of service and increase capacity of Sports Parks. The budget shown is for 2021/22 to 2023/24. Amber due to a timing risk with getting specialist equipment/materials into NZ.*		$6.1 M	$0.2 M	$6.1 M
Nature in the City	*Undertake ecological restoration and development in the city's main gully systems and enrichment planting, improved access paths and land aquisition in selected Reserve. The restoration works include site preparation, native vegetation planting and ongoing maintenance. Timeline to be developed through the investigation phase.*		$19.3 M	$0.0 M	$19.3 M
Hamilton Gardens Development - Egyptian Garden and Palm Court	*The completion of the Egyptian Garden and Palm Court.*		$2.0 M	$1.5 M	$2.0 M
Hamilton Gardens Development - Visitor Arrival Centre	*The extension of the visitor arrival and retail space as well as planning and enabling works for future developments*		$3.2 M	$0.0 M	$3.2 M
Zoo Waiwhakareke Entry Precinct	*Creating a shared entry precinct with Hamilton Zoo and Waiwhakarke Natural Heritage Park. The project includes stage 1 (New Zoo Entry building and connection to Waiwhakareke) and stage 2 (New visitor car parks and Brymer Road urbanisation).*		$17.8 M	$7.7 M	$17.8 M
Zoo Savannah - Accommodation	*This project will deliver an accommodation option based on a safari-style experinece overlooking the Savannah exhibit where the giraffes and zebras gather. The project continues the redevelopment and revitalisation programme identified in the Zoo's Master Plan. Year 1 funding is allocated for investigation of options to be undertaken.*		$4.7 M	$0.0 M	$4.7 M



MAP



Project status

- *Project is on track*
- *Project has significant risks that are being monitored and managed*
- *Project has significant risks that will require Council decision*

Hamilton City Council
Te kaunihera o Kirikiriroa

Q3 - January 2022

PEACOCKE PROGRAMME CAPITAL REPORT

PROGRAMME UPDATE

Ko te whakakitenga moo te whenua Peacocke - Ko te aaheinga o te hanga he waahi ataahua, he waahi toiora ki Peacocke.

The vision for the Peacocke Programme is to enable the development of an attractive and sustainable community in the Peacocke Growth Cell.

Over the next 10 years, Peacocke is projected to deliver a third of Hamilton's medium-term housing needs and 26% of Hamilton's long-term housing needs. The Peacocke capital programme includes the delivery of the strategic network infrastructure, community facilities and infrastructure, and associated ecological protection and enhancement. $290.4M of the approximately $420M 10 year capital programme is funded through the Housing Infrastructure Fund interest-free loan, with most of the infrastructure planned for completion by 2025.

The key goals for the 3 year capital programme are:

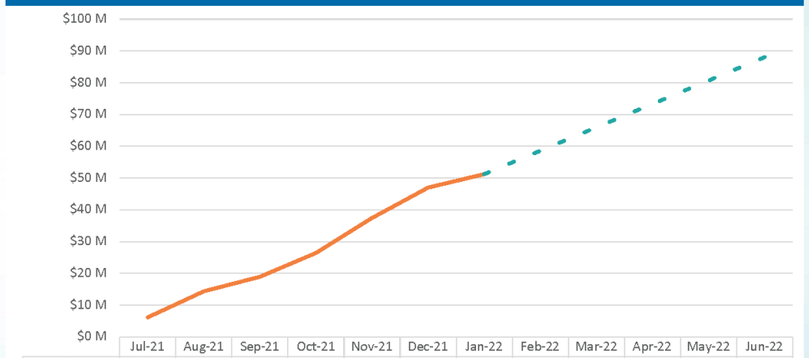
- Land acquisition for key wastewater and Southern Links transport projects
- Completing Notice of Requirement and Land acquisition for the northern sports park
- Implementation of key transport and wastewater for network infrastructure projects including:
    - Wairere Drive Extension and the northern part of the Peacocke Road Urban Upgrade (Completion 2023)
    - Peacocke Northern Transfer Main (Completion 2022)
    - Peacocke Main Transfer Pump Station (Completion 2023)
    - East-West Minor Arterial Road (Design under way – Construction 2022 - 2024)
    - Peacocke Road Urban Upgrade Southern Section (Design under way – Construction 2022 - 2024)
    - North-South Wastewater (Design under way – Construction 2022 - 2024)
- Approval of the Integrated Catchment Management Plan (ICMP) for Mangakootukutuku
- Implementation of environmental mitigation and enhancement associated with projects.
- To work with active developers to upsize infrastructure if necessary.

The key capital programme milestones for 2021/22 include:

2021/22 Milestone	Performance
Completion of the Northern Transfer Main project	On Track
Commence erection of the Waikato River Bridge superstructure	On Track
Commence construction of the Peacocke main transfer pump station	On Track
Complete design and commence procurement for Peacocke Road, the East-West minor arterial, and north-south strategic wastewater	On Track
Resolve the remaining property objection and commence Land Valuation Tribunal process	On Track

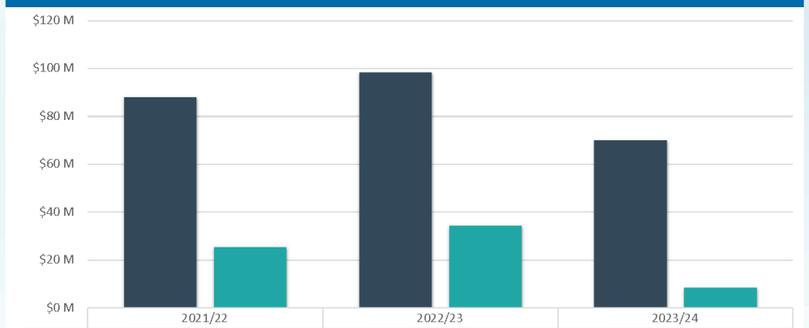
FINANCIAL PERFORMANCE

2021-22 Performance



	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Actual/Forecast	$6.2 M	$14.4 M	$18.9 M	$26.4 M	$37.4 M	$47.0 M	$51.2 M	$58.6 M	$66.0 M	$73.3 M	$80.7 M	$88.1 M

3 Year Forecasted Budget



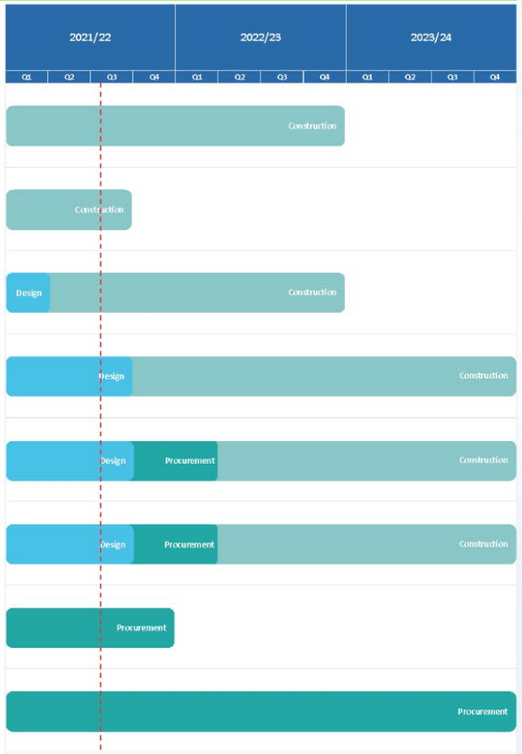
	2021/22	2022/23	2023/24
Capex	$88.1 M	$98.4 M	$70.0 M
Revenue	$25.4 M	$34.3 M	$8.4 M

Hamilton City Council
Te kaunihera o Kirikiriroa

PEACOCKE PROGRAMME CAPITAL REPORT

KEY PROJECTS

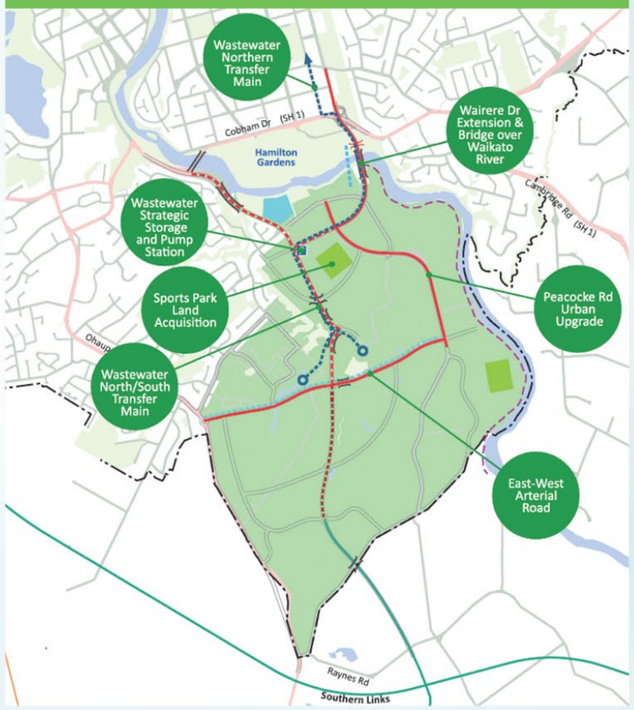
Project Name	Project Description	Project Status	Total Project Budget	Actual Spend to Date	Forecast Total Cost
Wairere Drive Extension and Bridge over Waikato River to Peacocke North-South Arterial including Peacocke Road Urban Upgrade (north)	*Construction of a new major arterial roading connection into Peacocke, including a bridge across the Waikato River and strategic utility connections. Budgets are HCC Peacocke Programme only and do not include third party works (e.g. private developer agreement). Unexpectedly high cost escalation is being decided on by Council through the Annual Plan.*		$140.3 M	$73.4 M	$140.3 M
Wastewater Northern Transfer Main (Peacocke to Far Eastern Interceptor at Crosby Road)	*Construction of approximately 7.5km of dual wastewater pressure pipelines to connect the Peacocke Strategic Wastewater pump station to the Far Eastern Interceptor (parts at and south of river being delivered as part of Wairere Drive Extension).*				
Peacocke Strategic WastewaterPumpstation (N4)	*Construction of a new major wastewater transfer pump station and associated storage, including connections to the existing wastewater network in Fitzroy to optimise early performance and relieve demand on the city's western network.*		$78.4 M	$35.0 M	$78.4 M
Peacocke North/South strategic wastewater	*Construction of approximately 2km of wastewater pressure pipelines to connect future development around the planned Peacocke East-West Arterial to the Peacocke Strategic Wastewater pump station including two bridges across gullies.*				
Peacocke Road Urban Upgrade (south)	*This will upgrade the existing rural Peacockes Road between the Wairere Drive Extension works and the East West Minor Arterial to appropriate urban road standards to support development in east and south Peacocke. Potentially higher than budgeted tender prices as a result of changes in standards, covid and high cost escalation.*		$7.3 M	$0.5 M	$7.3 M
Peacocke East/West Minor Arterial Road (Stage 2)	*This minor arterial road connection will link Peacockes Road in the east with Ohaupo Rd/State Highway 3 (SH3) in the west. Potentially higher than budgeted tender prices as a result of changes in standards, covid and high cost escalation.*		$43.9 M	$2.4 M	$43.9 M
Land Acquisition	*The purchase of land to allow for the construction of infrastructure. Peacocke Land*		$38.2 M	$18.7 M	$38.2 M
Sports Park Land Acquisition	*The land purchase and basic development of two sports parks in Peacocke.*		$37.5 M	$9.4 M	$37.5 M



Project status

- *Project is on track*
- *Project has significant risks that are being monitored and managed*
- *Project has significant risks that will require Council decision*

MAP



N4 Wet Well Excavation

Hamilton City Council
Te kaunihera o Kirikiriroa

Q3 - January 2022

ROTOKAURI-NORTHWEST PROGRAMME CAPITAL REPORT

PROGRAMME UPDATE

To ensure Hamiltonians enjoy a connected, vibrant, attractive and prosperous Rotokauri-Northwest community

The Rotokauri-Northwest growth cell refers to Rotokauri Stage 1, Rotokauri Stage 2 and Te Rapa North (including Te Awa Lakes). Rotokauri-Northwest neighbourbood will one day be home for up to 20,000 people.

The key goals for the 3-year capital programme are:

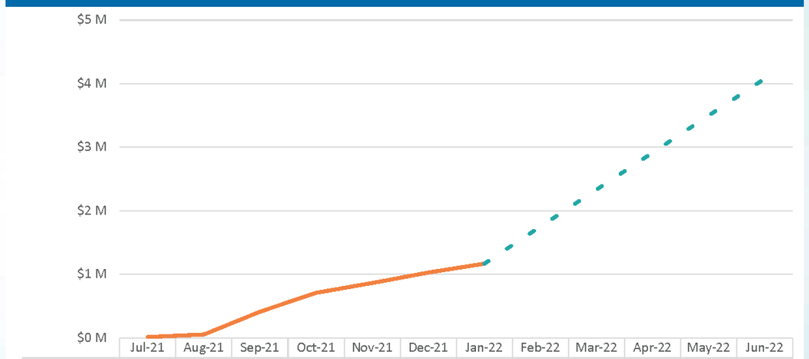
- To complete the designation and preliminary design of the the Rotokauri Transport arterial.
- To complete the preliminary design and consenting requirements of the Rotokauri Green Swale.
- To work with active developers to upsize infrastructure if necessary.

The key project milestones for 2021/22 include:

2021/22 Milestone	Performance
To have an approved business case for the transport arterials and to have lodged a designation.	On Track
To have lodged consent for the Rotokauri Green Swale.	On Track
Completion of the Te Wetini Drive extension which is developer lead.	On Track

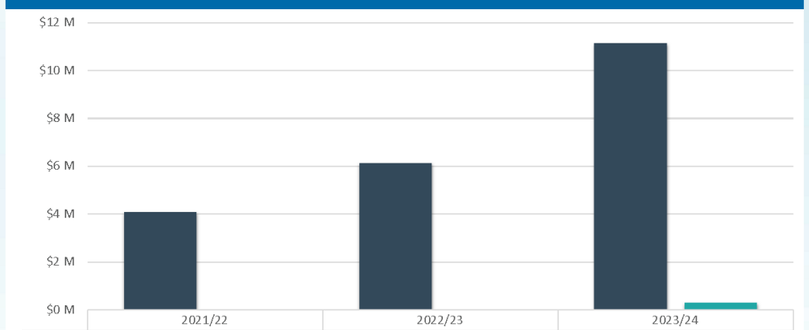
FINANCIAL PERFORMANCE

2021-22 Performance



	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Actual/Forecast	$0.0 M	$0.1 M	$0.4 M	$0.7 M	$0.9 M	$1.0 M	$1.2 M	$1.8 M	$2.3 M	$2.9 M	$3.5 M	$4.1 M

3 Year Forecasted Budget



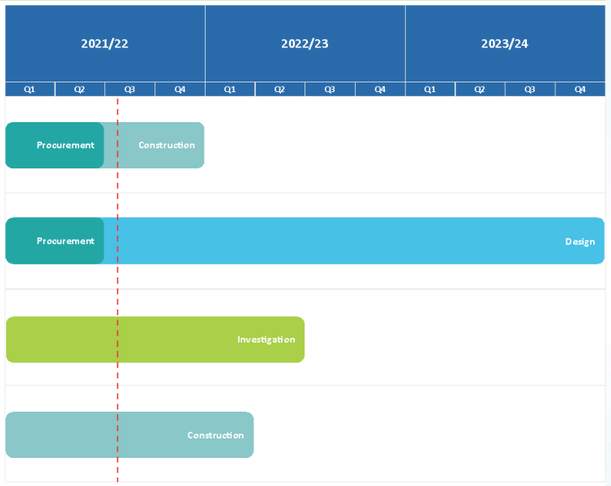
	2021/22	2022/23	2023/24
Capex	$4.1 M	$6.1 M	$11.1 M
Revenue	$0.0 M	$0.0 M	$0.3 M

Hamilton City Council
Te kaunihera o Kirikiriroa

ROTOKAURI-NORTHWEST PROGRAMME CAPITAL REPORT

KEY PROJECTS

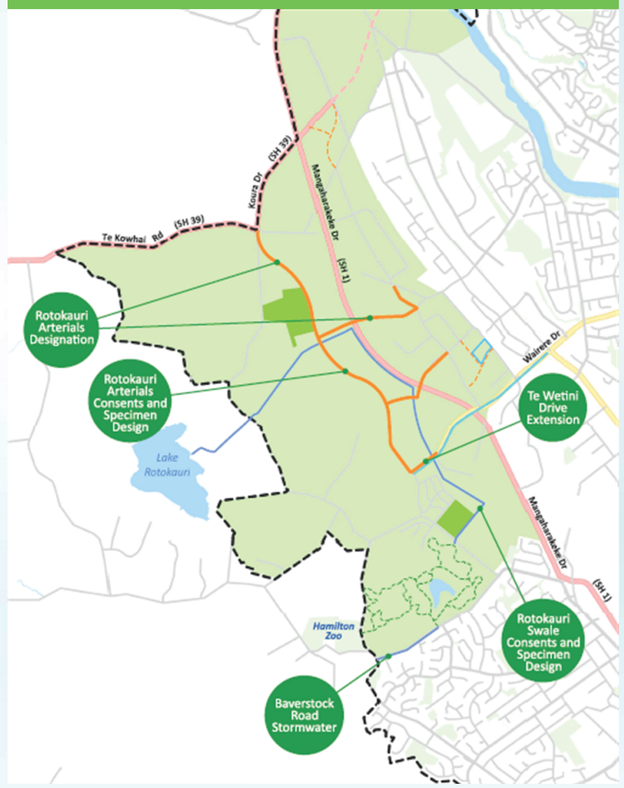
Project Name	Project Description	Project Status	Total Project Budget	Actual Spend to Date	Forecast Total Cost
Baverstock Rd Stormwater	*An aggregated wetland to treat and attenuate stormwater from existing and future development.*		$1.2 M	$0.0 M	$1.2 M
Rotokauri Swale Consent & Design	*Securing consents and Specimen Design for the Rotokauri Greenway Corridor*		$9.1 M	$0.2 M	$9.1 M
Rotokauri Roading Arterial	*Protecting land corridors required for future roading development and progressing design.*		$6.5 M	$3.0 M	$6.5 M
Te Wetini Dr Extension	*To extend Te Wetini Drive from Akoranga Road to the new Rotokauri north-south minor arterial.*		$1.2 M	$0.4 M	$1.2 M



Project status

- *Project is on track*
- *Project has significant risks that are being monitored and managed*
- *Project has significant risks that will require Council decision*

MAP



Hamilton City Council
Te kaunihera o Kirikiriroa

Q3 - January 2022

ROTOTUNA PROGRAMME CAPITAL REPORT

PROGRAMME UPDATE

Ko te aaheinga o te hanga he waahi ataahua, he waahi toiora ki Rototuna

Enabling the development of an attractive and sustainable community in the Rototuna growth area

Rototuna in the citiy's north-east is currently Hamilton's primary residential greenfield development area. With development of the area already well advanced and thousands of Hamiltonians calling this area home, the focus of our programme is to provide strategic infrastructure to support the final stages of development and to provide and enable development of facilities to support thriving and liveable communities.

The key goals for the 3 year capital programme are to:

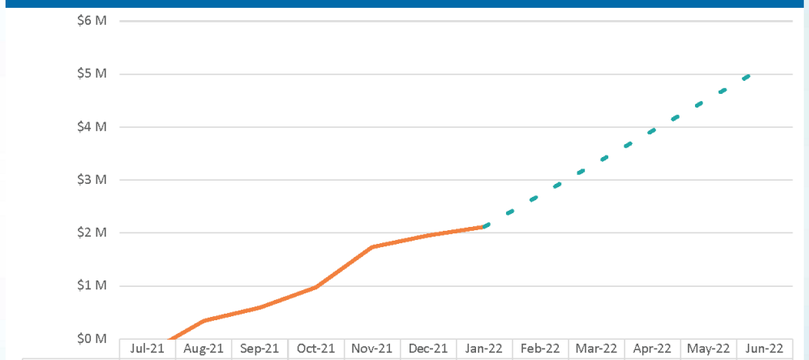
- Complete the Borman/Horsham Extension and urban upgrade project.
- Complete the Rototuna Village Community facility project including provision of the supporting infrastructure.
- Purchase of an additional neighbourhood reserve.
- To work with active developers to upsize infrastructure if necessary.

The key project milestones for 2021/22 include:

2021/22 Milestone	Performance
Contract is awarded for the Borman/Horsham Extension and urban upgrade project.	On Track
The library building is under construction.	On Track
The North City Road from Fergy Place to Bourn Brook Avenue upgrade project is under construction.	On Track
The neighbourhood reserve land acquisition is under contract.	On Track
Pragma North East Rototuna development has agreement for service provisions and development is in progress.	On Track

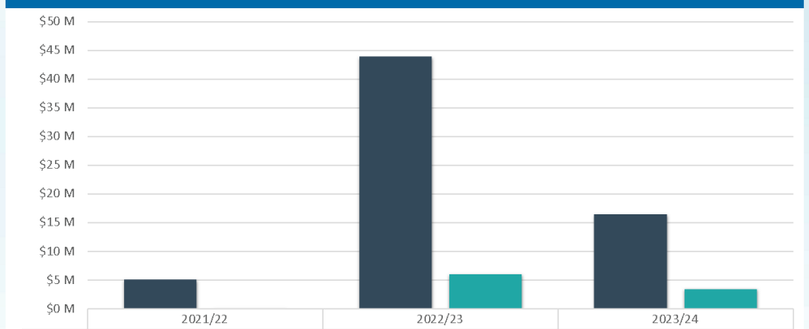
FINANCIAL PERFORMANCE

2021-22 Performance



	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Actual/Forecast	($0.3)M	$0.3 M	$0.6 M	$1.0 M	$1.7 M	$2.0 M	$2.1 M	$2.7 M	$3.3 M	$3.9 M	$4.5 M	$5.1 M

3 Year Forecasted Budget



	2021/22	2022/23	2023/24
Capex	$5.1 M	$43.9 M	$16.5 M
Revenue	$0.1 M	$6.0 M	$3.5 M

Hamilton City Council
Te kaunihera o Kirikiriroa

ROTOTUNA PROGRAMME CAPITAL REPORT

KEY PROJECTS

Project Name	Project Description	Project Status	Total Project Budget	Actual Spend to Date	Forecast Total Cost
Borman Horsham Urban Upgrade and Extension	*Design development for the extension of this key piece of road which will include associated urban upgrades and a new intersection at Horsham Downs Road.*		$23.7 M	$1.1 M	$23.7 M
Rototuna Village - Community Facilities (Library)	*Development of new library, community hub, play spaces, village square and carparks.*		$20.4 M	$1.9 M	$20.4 M
Rototuna Village Transport and Open Spaces	*Transport network upgrades through the Rototuna Village area including Turakina/Bourn Brook extensions. The extension of Turakina Rise is delayed as staff work with Waikato Regional Council on the resource consent approval.*		$12.6 M	$1.1 M	$12.6 M
Resolution Drive Extension	*The extension of Resolution Drive (north) to connect to the new Waikato Expressway. Waka Kotahi is constructing this as part of the Waikato Expressway. Waka Kotahi NZTA continue to signal scope changes and additional Council contributions.*		$10.4 M	$9.3 M	$10.4 M
Rototuna Parks and Reserves Upgrades	*Development of Hare Puke Park and Mangaiti Park into sports parks. Improving walking/cycling networks, playground and recreational space at Te Manatu Park.*		$2.6 M	$2.2 M	$2.6 M

MAP

Project status

- *Project is on track*
- *Project has significant risks that are being monitored and managed*
- *Project has significant risks that will require Council decision*

Resolution Drive Extension

Hamilton City Council
Te kaunihera o Kirikiriroa

Q3 - January 2022

RUAKURA PROGRAMME CAPITAL REPORT

PROGRAMME UPDATE

To ensure Hamiltonians enjoy a connected, vibrant, attractive and prosperous Ruakura community

Ruakura will become New Zealand's largest integrated development, which will be anchored by a 30ha inland port operation. Once developed, Ruakura will become home for up to 8000 Hamiltonians, and will deliver major economic, social, environmental, and cultural benefits to the Waikato and New Zealand.

Overall, programme activity across Ruakura is going well and delivery of key infrastructure for the area is progressing.

Staff continue to work in partnership with Tainui Group Holdings (TGH) and Central Government to enable the development of Ruakura and the Ruakura Superhub.

The key goals for the 3 year capital programme are:

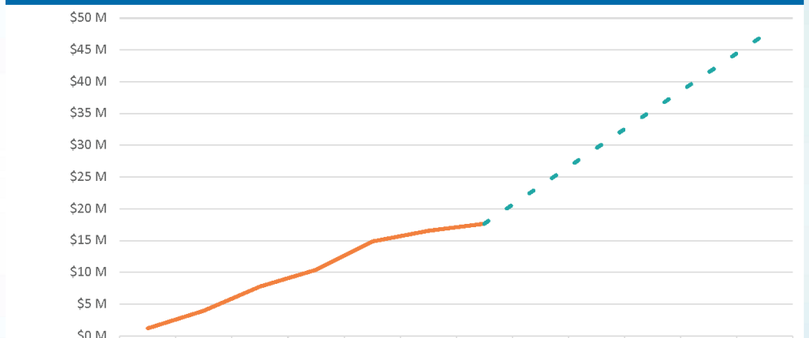
- To provide strategic transport, wastewater infrastructure and water infrastructure that allows the Ruakura Superhub to develop.
- To complete a business case and specimen design for the Ruakura Eastern Transport Corridor connecting the superhub to central and north Hamilton.
- To work with active developers to upsize infrastructure if necessary.

The key project milestones for 2021/22 include:

2021/22 Milestone	Performance
Completion of the Ruakura Road urban upgrade and the Ruakura Road West connection.	On Track
Completion of strategic wastewater and water infrastructure.	On Track
Works underway to protect the Mangaonua stream (see City Wide Waters Programme).	On Track
An agreement on the preferred concept for the Eastern Transport Corridor.	On Track

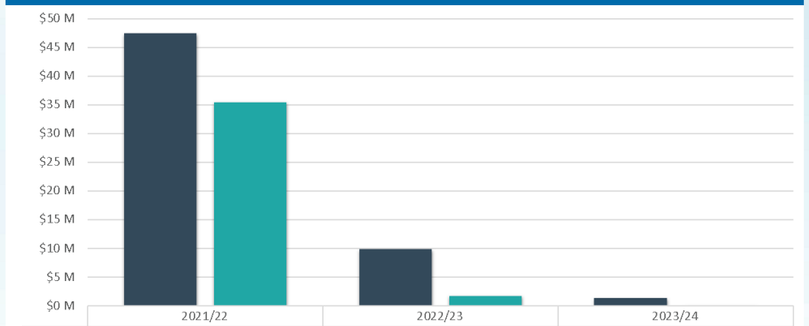
FINANCIAL PERFORMANCE

2021-22 Performance



	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Actual/Forecast	$1.2 M	$4.0 M	$7.8 M	$10.4 M	$14.9 M	$16.5 M	$17.7 M	$23.6 M	$29.6 M	$35.5 M	$41.5 M	$47.4 M

3 Year Forecasted Budget



	2021/22	2022/23	2023/24
Capex	$47.4 M	$9.8 M	$1.4 M
Revenue	$35.5 M	$1.8 M	$0.1 M

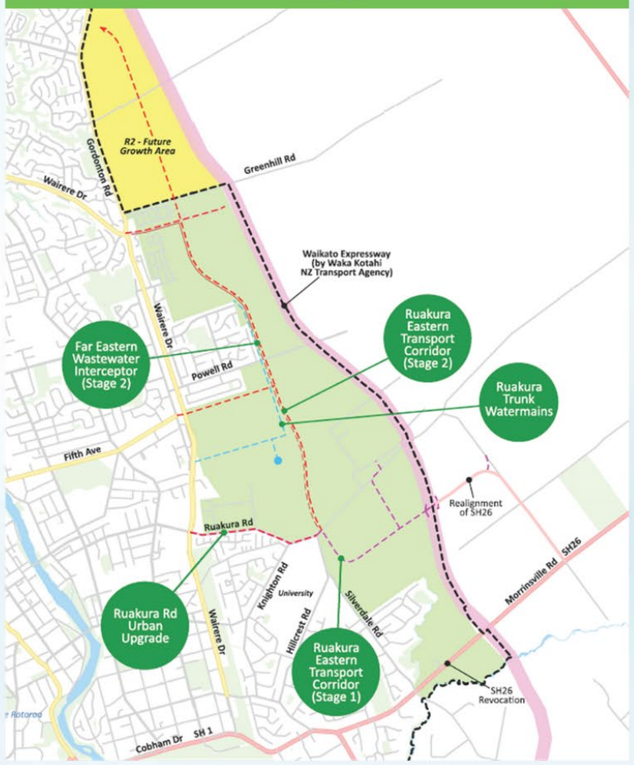
Hamilton City Council
Te kaunihera o Kirikiriroa

RUAKURA PROGRAMME CAPITAL REPORT

KEY PROJECTS

Project Name	Project Description	Project Status	Total Project Budget	Actual Spend to Date	Forecast Total Cost
Ruakura Road Urbanisation	*Urban upgrade (taking the road from rural to one which fits within an urban setting) of Ruakura Road from the Wairere Drive/Ruakura Road intersection and up to the Ruakura Road and Silverdale Road intersection. Additional funding secured from Crown Infrastructure Partners to complete project.*		$12.6 M	$8.5 M	$12.6 M
Ruakura Eastern Transport Corridor (Stage 1) - Expressway to Ruakura/Silverdale	*Jointly funded by HCC, TGL and PDU the construction of a new road from Silverdale Road/Ruakura Road intersection to the Waikato Expressway Ruakura Interchange to allow the development of the Ruakura Inland Port.*		$41.0 M	$16.3 M	$41.0 M
Ruakura Eastern Transport Corridor (Stage 2)	*Planning, investigation and design for the future extension of the eastern transport corridor through the Ruakura development area.*		$3.5 M	$0.0 M	$3.5 M
Far Eastern Interceptor Stage 2 (delivered by TGH)	*HCC contribution to new wastewater pipe to service development. Northern section has been completed. Deferral required for Southern Interceptor funding which will be delivered by Tainui Group Holdings. $1.3M of savings have been realised in previous financial years.*		$8.8 M	$2.5 M	$8.8 M
Ruakura Trunk Watermains	*Remaining strategic networks to service development areas - planned to be delivered by Tainui Group Holdings.*		$2.0 M	$0.0 M	$2.0 M

MAP



Project status

- *Project is on track*
- *Project has significant risks that are being monitored and managed*
- *Project has significant risks that will require Council decision*

Key Transport Connections

Hamilton City Council
Te kaunihera o Kirikiriroa

Q3 - January 2022

TRANSPORT IMPROVEMENT PROGRAMME CAPITAL REPORT

PROGRAMME UPDATE

Kia tika ano te hanga rori maa; Aahienga whakatupu, whakapai atu haumaru, me whakawhaanui atu ngaa koowhiringa waka

Delivering a balanced transport system through; Enabling growth, improving safety, and improving transport choice

A great transport system is vital to the success of a thriving urban city like Hamilton. This programme delivers on improving the wellbeing of Hamiltonians though a city that's easy to live in and where our people love to be. The focus of this programme is:

- Safety – Everyone experiences a safe and enjoyable journey
- Choice – Everyone has travel options for moving around the city

The key goals for the 3 year capital programme are to:

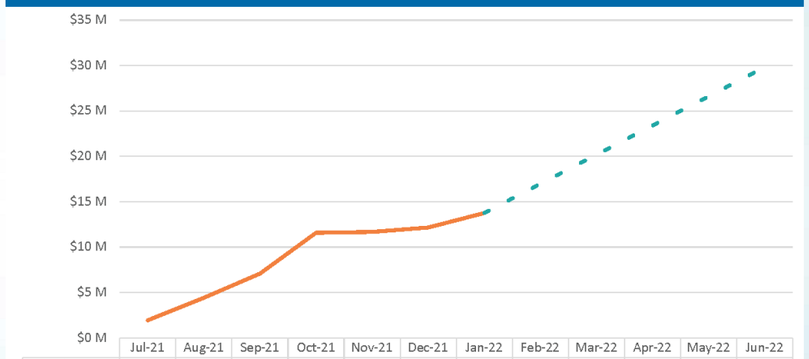
- Complete the Ring Road/Cobham Drive interchange.
- Complete the Te Awa River Ride.
- Complete the Transport Centre Rejuvenation project.
- Be well progressed on construction of the School Link project which is part of Eastern Pathways.
- Complete pre-implementation work on university link and be in a good position to request implementation funding.
- Complete the business case for Biking and Micromobility and commence delivery of priority works.
- Effectively deliver the low-cost low-risk works programmes to significantly improve safety of our intersections and networks across the city and to promote public transport, walking and cycling.

The key project milestones for 2021/22 include:

2021/22 Milestone	Performance
Completion of the Ring Road/Cobham drive interchange.	▲ Potential programme delays currently being worked through with contractor.
Construction underway for Transport Centre Rejuvenation.	● On Track
Design complete for School Link northern section and implementation funding approved.	● On Track
Improvements underway at Gordonton/Puketaha and Gordonton/Darjon intersections.	● On Track
Effective delivery of low-cost low-risk programmes in alignment with council priorities.	▲ Large programme approved by Waka Kotahi requiring additional scoping and design works to meet programme.
Completion of the Te Awa River Path.	● On Track

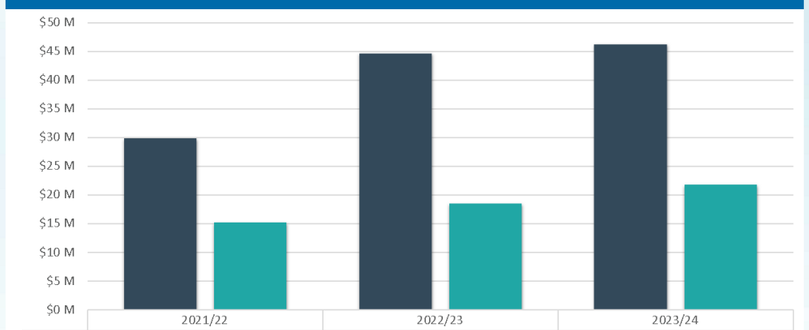
FINANCIAL PERFORMANCE

2021/22 Performance



	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Actual/Forecast	$1.9 M	$4.4 M	$7.1 M	$11.6 M	$11.7 M	$12.2 M	$13.8 M	$17.0 M	$20.2 M	$23.4 M	$26.6 M	$29.8 M

3 Year Forecasted Budget



	2021/22	2022/23	2023/24
Capex	$29.8 M	$44.7 M	$46.2 M
Revenue	$15.2 M	$18.5 M	$21.8 M

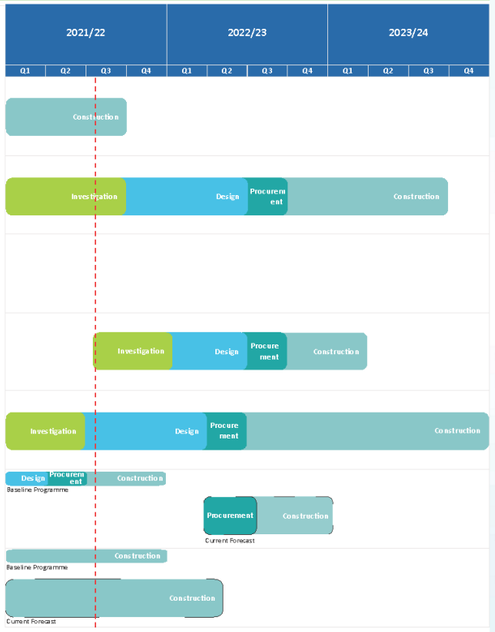
Te Awa Shared Path

Hamilton City Council
Te kaunihera o Kirikiriroa

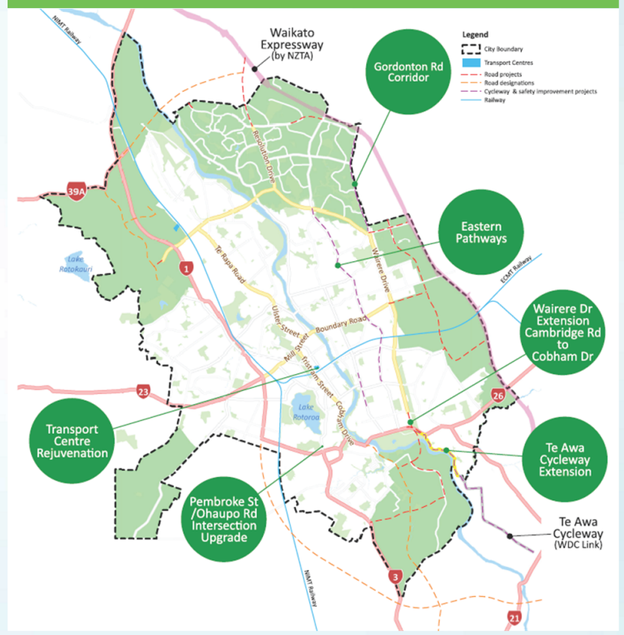
TRANSPORT IMPROVEMENT PROGRAMME CAPITAL REPORT

KEY PROJECTS

Project Name	Project Description	Project Status	Total Project Budget	Actual Spend to Date	Forecast Total Cost
Te Awa Cycleway Extension	*The completion of the Hamilton section of the Te Awa River Ride from Mangaonua Stream to Hamilton Gardens. This is amber due to risk of potential construction delays.*		$5.8 M	$3.6 M	$5.8 M
Transport Centre Rejuvenation	*Ongoing improvements to, and upgrades of, the Transport Centre will encourage public transport use and support the transition to Anglesea Street as a public transport priority corridor.*		$8.8 M	$0.4 M	$8.8 M
Biking & Micro-Mobility Citywide Programme	*Safer routes will offer biking and micro-mobility as alternate modes of transport as identified by the Biking and Micro-mobility Business Case. Budget was adjusted through the 7 December 2021 Infrastructure Operations Committee. Delivery programme is currently being delivered. The budget shown is for 2021/22 to 2023/24.*		$13.5 M	$0.0 M	$5.1 M
Pembroke/Ohaupo Intersection Upgrade	*Upgrade of Pembroke/Ohaupo Intersection for Public Transport priority.*		$4.2 M	$0.0 M	$4.2 M
Eastern Pathways	*The School link, University Link and connections to these routes. This project offers transport choice along these busy corridors by prioritising and creating good infrastructure for public transport, walking/cycling and micro-mobility.*		$34.6 M	$2.8 M	$34.6 M
Gordonton Road corridor (Wairere to Borman)	*Intersection improvements at Gordonton/Puketaha. Please note the Darjon/Gordonton intersection upgrade budget is currently included in the Low Cost Low Risk – Road to Zero programme and this will be combined with this project.*		$4.5 M	$0.3 M	$4.5 M
Wairere Drive Extension - Cambridge Road to Cobham Drive	*The final connection of the Hamilton Ring Road will see Cobham Drive raised to allow the four-laned Wairere Drive to pass underneath it. It will also include extensions of shared walking and biking paths. This is a large complex contract with a number of significant risks that need monitoring and managing.*		$63.0 M	$52.4 M	$63.0 M



MAP



Project status

- *Project is on track*
- *Project has significant risks that are being monitored and managed*
- *Project has significant risks that will require Council decision*

Hamilton City Council
Te kaunihera o Kirikiriroa

Q3 - January 2022

RENEWALS & COMPLIANCE PROGRAMME CAPITAL REPORT

PROGRAMME UPDATE

Ko te tiaki aa taatou hua hei tika moo toona whainga

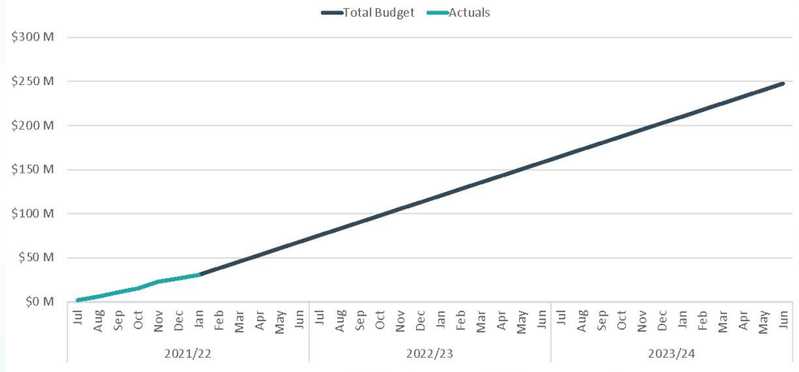
Looking after the assets we have and making sure they are fit for purpose

The Renewals and Compliance programme for the next 3 year period has begun. Significant staff effort is being put into organising the programme for the next three years and building on the successful delivery and processes that have already been established. Staff in each of the subprogramme areas are confirming scopes and delivery plans for the future renewals of the assets. Some multiyear contracts to help deliver ongoing renewal programmes are being tendered and procurement planning is progressing. These will be presented to Council for approval over the coming months.

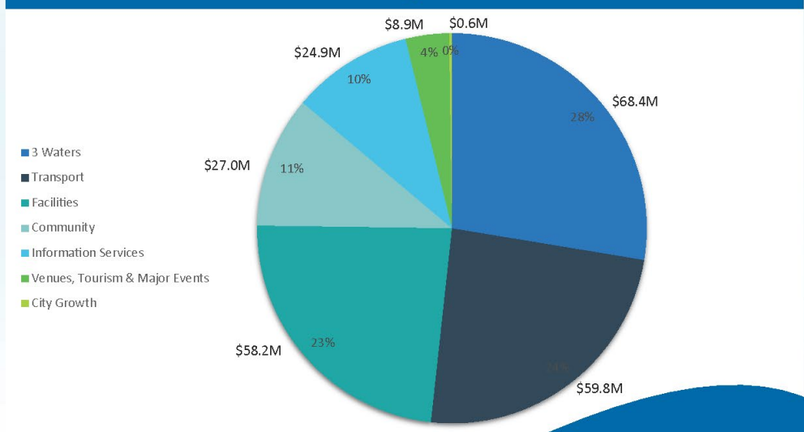
There were some renewals and compliance projects that had funding carried over from last financial year. Work on these projects is continuing and these projects will be completed over coming months.

FINANCIAL PERFORMANCE

Capital Expenditure Y1-Y3



Total Budget Y1-Y3



Hamilton City Council
Te kaunihera o Kirikiriroa

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Summary of Changes to the Capital Budget
for the 2021-22 Financial Year

Finance Committee Meeting Date	Opening	As at 1 Jul	As at 31 Aug	As at 31 Oct	As at 30 Nov	As at 31 Jan	
Expenditure in 000`s							**Total**
Approved Budget	328,668	333,533	386,235	386,235	386,835	351,295	328,668
Deferrals & b/fwds	0	51,463	0	0	(40,459)	(50,128)	(39,124)
Savings	0	0	0	0	0		0
Water Stimulus	4,865	1,238	0	0	0	250	6,353
Changes	0	0	0	600	4,919	6,967	12,486
Closing Expenditure Budget (Forecast)	**333,533**	**386,235**	**386,235**	**386,835**	**351,295**	**308,384**	**308,383**
Revenue in 000`s							**Total**
Approved Budget	101,588	101,588	97,698	98,867	98,867	94,070	101,588
Deferrals & b/fwds	0	(3,890)	0	0	(9,863)	(5,807)	(19,560)
Savings	0	0	0	0	0	0	0
Water Stimulus	0	0	0	0	4,353	250	4,603
Changes	0	0	1,168	0	713	5,257	7,137
Closing Revenue Budget (Forecast)	**101,588**	**97,698**	**98,867**	**98,867**	**94,070**	**93,769**	**93,769**

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LIST OF CAPITAL PROJECTS

For the 2021-22 Financial Year

CAPITAL EXPENDITURE

	Type	LTP 21/22	Revised Budget as at 31 August 2021	Revised Budget as at 31 October 2021	Revised Budget as at 30 November 2021	Deferrals and B/fwds	Approved Changes	Renewals & Compliance Movements	Savings	Revised Budget as at 31 January 2022
		$000	$000	$000	$000	$000	$000	$000	$000	$000
Community Services										
CE19017 - Rototuna Community Facilities	G - Growth	7,095	10,576	11,176	11,176	(9,574)	-	-	-	1,603
CE21044 - Libraries Development	LOS - Level of service	294	294	294	294	(294)	-	-	-	-
CE21046 - Aquatic Facilities Development	LOS - Level of service	1,048	1,048	1,048	1,048	(889)	-	-	-	159
CE10005 - Libraries Collection Purchases	R - Renewal	980	980	980	980	-	-	-	-	980
CE10006 - Library Operational Renewals	R - Renewal	171	171	171	171	-	-	-	-	171
CE10007 - Library Building Renewals	R - Renewal	3,047	3,217	3,217	3,217	-	-	-	-	3,217
Total Community Services		**12,635**	**16,287**	**16,887**	**16,887**	**(10,757)**	**-**	**-**	**-**	**6,130**
Overhead and support units										
CE21026 - Information Services Upgrades	LOS - Level of service	5,415	5,415	5,415	5,415	-	-	-	-	5,415
CE10053 - Tenancy Inducement Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
CE10151 - Strategic Property Renewals	R - Renewal	85	85	85	85	-	-	-	-	85
CE10152 - Network and Infrastructure	R - Renewal	-	-	-	-	-	-	-	-	-
CE10153 - Core Business Applications	R - Renewal	-	-	-	-	-	-	-	-	-
CE10158 - Fleet Vehicle Renewals	R - Renewal	1,944	2,013	2,013	2,013	-	-	-	-	2,013
CE15155 - Mobility and eServices	R - Renewal	-	-	-	-	-	-	-	-	-
CE19024 - IS Major Upgrades	R - Renewal	-	-	-	119	-	-	-	-	119
CE21014 - Corporate Building Renewals	R - Renewal	2,754	2,869	2,869	2,869	-	-	-	-	2,869
CE21025 - Information Services Renewals	R - Renewal	4,070	4,570	4,570	4,451	-	-	-	-	4,451
Total Overhead and support units		**14,268**	**14,952**	**14,952**	**14,952**	**-**	**-**	**-**	**-**	**14,952**
Parks and Recreation										
CE15033 - Land purchase future reserves	G - Growth	-	406	406	406	(406)	-	-	-	-
CE19007 - Peacocke Parks Development	G - Growth	1,190	2,116	2,116	2,116	-	-	-	-	2,116
CE19009 - Rototuna Parks Development	G - Growth	2,000	3,208	3,208	3,208	(2,000)	50		-	1,258
CE21007 - Cemeteries & Crematorium Development	G - Growth	70	70	70	70	-	-	-	-	70
CE17004 - River Plan	LOS - Level of service	1,132	1,132	1,132	1,132	(830)	-	-	-	302
CE21006 - Nature InCityGullyRestoration&Dvlpmt	LOS - Level of service	581	581	581	581	(400)	-	-	-	181
CE21008 - Indoor Recreation Development	LOS - Level of service	675	675	675	675	(650)	-	-	-	25
CE21010 - Parks and Recreation Development	LOS - Level of service	3,030	3,030	3,030	3,289	(1,556)	-	-	-	1,733
CE10001 - Aquatic Facilities Building Renewals	R - Renewal	2,042	2,042	2,042	2,230	(200)	-	-	-	2,030
CE10021 - Cemetery&Crematorium Building Renwls	R - Renewal	5	5	5	5	-	-	-	-	5
CE10030 - Parks and Recreation Building Renewals	R - Renewal	741	761	761	761	(182)	-	-	-	579
CE19070 - Community Facilities Building Renewals	R - Renewal	1,620	1,620	1,620	1,711	(268)	-	-	-	1,443
CE21001 - Nursery Renewals	R - Renewal	268	268	268	268	-	-	-	-	268
CE21003 - Parks and Recreation Renewals	R - Renewal	2,686	4,156	4,156	3,940	-	-	-	-	3,940
CE21004 - Cemeteries & Crematorium Renewals	R - Renewal	113	115	115	115	-	-	-	-	115
CE21005 - Aquatic Facilities Renewals	R - Renewal	410	485	485	485	-	-	-	-	485
Total Parks and Recreation		**16,562**	**20,669**	**20,669**	**20,991**	**(6,492)**	**50**	**-**	**-**	**14,548**
Rubbish and Recycling										
CE10054 - Closed Landfill Assets Renewals	R - Renewal	450	600	600	600	(330)	-	-	-	270
CE10056 - RTS & HOC Asset Renewals	R - Renewal	50	90	90	90	-	-	-	-	90
CE15055 - Closed Landfill Management	LOS - Level of service	50	50	50	50	-	-	-	-	50
CE19027 - Refuse Drop Off Points	LOS - Level of service	-	43	43	43	-	-	-	-	43
Total Rubbish and Recycling		**550**	**784**	**784**	**784**	**(330)**	**-**	**-**	**-**	**454**
Safety										
CE21013 - Animal Control Building Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
CE21015 - City Safe Renewals	R - Renewal	171	184	184	184	-	-	-	-	184
CE21016 - City Safe Upgrades	LOS - Level of service	-	-	-	-	-	-	-	-	-
Total Safety		**171**	**184**	**184**	**184**	**-**	**-**	**-**	**-**	**184**
Stormwater										
CE15059 - Rototuna Stormwater Infrastructure	G - Growth	57	2,155	2,155	1,057	(977)	-	-	-	80
CE15060 - Rotokauri SW Infrastructure S1	G - Growth	2,200	2,973	2,973	1,873	(1,530)	-	-	-	342
CE15062 - Peacocke Stormwater Infrastructure Stg 1	G - Growth	-	(6)	(6)	(6)	-	-	-	-	(6)
CE15063 - Peacocke SW Infrastructure Stage 2	G - Growth	4,826	11,382	11,382	11,382	-	-	-	-	11,382
CE15068 - Stormwater Customer Connections	G - Growth	25	25	25	25	-	325	-	-	350
CE15162 - Integrated Catchment Management Plan	G - Growth	1,151	1,180	1,180	1,180	-	-	-	-	1,180
CE21032 - Stormwater Infrastructure Upgrades	G - Growth	-	499	499	499	-	-	-	-	499
CE21066 - Ruakura stormwater Infastructure	G - Growth	3,000	2,936	2,936	1,436	(1,200)	-	-	-	236
CE15067 - Comprehensive SW Consent Imp	LOS - Level of service	79	100	100	100	-	-	-	-	100
CE19026 - Erosion Control Works	LOS - Level of service	1,434	1,351	1,351	1,351	-	-	-	-	1,351
CE21031 - Flood Management	LOS - Level of service	-	-	-	-	-	-	-	-	-
CE21062 - Stormwater Asset Upgrades	LOS - Level of service	50	50	50	50	-	-	-	-	50
CE10058 - Stormwater Asset Renewals	R - Renewal	569	581	581	581	(150)	-	-	-	431
Total Stormwater		**13,391**	**23,224**	**23,224**	**19,527**	**(3,857)**	**325**	**-**	**-**	**15,994**
Transport										
CE15087 - Transportation Upgrds Allow for Devlpmnt	G - Growth	219	419	419	419	-	-	-	-	419
CE15088 - Peacocke Transport Upgrds Devlp Stg 1	G - Growth	76	3,500	3,500	3,500	-	-	-	-	3,500
CE15089 - Peacocke Transport Upgrds Devlp Stg 2	G - Growth	51,098	36,284	36,284	36,284	-	-	-	-	36,284
CE15090 - Rotokauri Transport Upgrds&Devlop	G - Growth	6,667	8,842	8,842	8,842	(1,578)	-	-	-	7,263
CE15092 - Rototuna Trnsprtation Upgrds&Devlpmt	G - Growth	13,226	18,585	18,585	8,285	(5,774)	-	-	-	2,511
CE15093 - Ruakura Transport Upgrds&Develop	G - Growth	36,392	38,801	38,801	44,770	(250)	64	-	-	44,584
CE15096 - Cross City Connector	G - Growth	200	200	200	-	-	-	-	-	-
CE15097 - Northern City Crossing	G - Growth	-	-	-	-	-	-	-	-	-
CE19036 - Ring Road	G - Growth	15,947	13,669	13,669	13,669	-	2,223	-	-	15,892
CE19037 - Hamilton Transport Model	G - Growth	60	560	560	560	-	-	-	-	560
CE19038 - Rotokauri rail platform	G - Growth	-	322	322	322	-	-	-	-	322
CE19057 - Biking Plan Implementation	G - Growth	11,100	15,104	15,104	8,504	(1,770)	-	-	-	6,734
CE19058 – Public Transport Mode Shift	G - Growth	-	1,317	1,317	1,317	(181)	980	-	-	2,116
CE21052 - Peacocke Transportation Land	G - Growth	8,712	12,840	12,840	12,840	-	-	-	-	12,840
CE21055 - Terapa Transportation Upgrds&Develop	G - Growth	-	-	-	-	-	-	-	-	-
CE15095-Integrated Transport Initiatives D	G - Growth	-	-	-	100	-	-	-	-	100
CE19063-Intersection Capacity Upgrade Prgrm D	G - Growth	-			-	-	-	-	-	-
CE19052 - Intersection Upgrades	LOS - Level of service	4,950	5,200	5,200	3,800	(2,200)	-	-	-	1,600
CE19062 - Bridge Resilience Programme	LOS - Level of service	-	-	-	400	(400)	-	-	-	-
CE19064 - Transport Centre Rejuvenation	LOS - Level of service	4,600	4,600	4,600	500	(100)	-	-	-	400
CE21053 - Central City Transportation Improvements	LOS - Level of service	650	650	650	650	(600)	-	-	-	50
CE21057 - Ferrybank Walking & Cycling Bridge	LOS - Level of service	500	500	500	150	-	-	-	-	150
CE21058 - Transportation Safety Improvements	LOS - Level of service	8,100	8,100	8,100	1,000	600	-	-	-	1,600
CE21059 - Transportation Smart Improvements	LOS - Level of service	200	200	200	200	-	-	-	-	200
CE21060 - Public Transport Improvement	LOS - Level of service	700	795	795	795	-	-	-	-	795
CE15085-Minor Imprvmnts Transport Network D	LOS - Level of service	-	-	-	300	-	-	-	-	300
CE10070 - Parking Enforcement Renewals	R - Renewal	615	1,016	1,016	1,016	(585)	-	-	-	431
CE10071 - Parking Building Renewal	R - Renewal	-	-	-	-	-	-	-	-	-
CE10072 - Footpath and Street Furniture Renewals	R - Renewal	3,305	3,305	3,305	3,305	(50)	-	-	-	3,255
CE10074 - Drainage (Kerb & Channel) Renewal	R - Renewal	2,390	2,390	2,390	2,390	-	-	-	-	2,390
CE10075 - Road Base Renewals	R - Renewal	5,184	5,184	5,184	5,184	-	-	-	-	5,184
CE10076 - Road Resurfacing	R - Renewal	5,900	5,900	5,900	5,900	-	-	-	-	5,900
CE10077 - Bridge and Structures Renewals	R - Renewal	291	391	391	391	-	-	-	-	391
CE10078 - Retaining Wall & Structures Renewals	R - Renewal	90	90	90	90	-	-	-	-	90
CE10080 - Street lighting Renewals	R - Renewal	651	651	651	651	-	-	-	-	651
CE10081 - Traffic Equipment Renewals	R - Renewal	942	942	942	942	-	-	-	-	942
CE19055 - Upgrade City Directional Signage	R - Renewal	-	-	-	-	-	-	-	-	-
CE21012 - Transport Building Renewals	R - Renewal	20	20	20	20	-	-	-	-	20
Total Transport		**182,785**	**190,375**	**190,375**	**167,094**	**(12,888)**	**3,267**	**-**	**-**	**157,474**
Venues Tourism and Major Events										
CE21041 - VTME Security and H&S Prgrmes	LOS - Level of service	861	861	861	861	-	-	-	-	861
CE10047 - Waikato Stadium Property Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
CE21011 - VTME Building Renewals	R - Renewal	5,558	7,362	7,362	6,052	-	-	-	-	6,052
CE21042 - VTME Operational Renewals	R - Renewal	1,692	1,787	1,787	1,787	-	-	-	-	1,787
CE10041-Claudelands-Plant & Equipment	R - Renewal	-	-	-	1,310	-		-	-	1,310
Total Venues Tourism and Major Events		**8,111**	**10,010**	**10,010**	**10,010**	**-**	**-**	**-**	**-**	**10,010**

CAPITAL EXPENDITURE

	Type	LTP 21/22	Revised Budget as at 31 August 2021	Revised Budget as at 31 October 2021	Revised Budget as at 30 November 2021	Deferrals and B/fwds	Approved Changes	Renewals & Compliance Movements	Savings	Revised Budget as at 31 January 2022
		$000	$000	$000	$000	$000	$000	$000	$000	$000
Visitor Destinations										
CE19023 - Hamilton Gardens Development	LOS - Level of service	1,963	3,763	3,763	3,763	(2,153)	132	132	-	1,874
CE19028 - Collection Acquisition Fund	LOS - Level of service	42	142	142	142	-	-	-	-	142
CE21043 - Hamilton Zoo&Waiwhakareke Devlpment	LOS - Level of service	3,237	6,023	6,023	6,040	(875)	-	-	-	5,165
CE21045 - Museum Development	LOS - Level of service	504	504	504	504	(392)	-	-	-	112
CE21047 - Hamilton Gardens Themed Gardens	LOS - Level of service	400	400	400	400	-	-	-	-	400
CE10008 - Museum Operational Renewals	R - Renewal	74	368	368	368	-	-	-	-	368
CE10011 - Museum Building Renewals	R - Renewal	50	445	445	445	-	-	-	-	445
CE10017 - Hamilton Zoo Building Renewals	R - Renewal	1,675	1,675	1,675	1,888	-	-	-	-	1,888
CE10026 - Hamilton Gardens Renewals	R - Renewal	40	106	106	106	-	-	-	-	106
CE10028 - Hamilton Gardens Building Renewals	R - Renewal	132	132	132	132	-	(132)	(132)	-	(132)
CE21002 - Hamilton Zoo Operational Renewals	R - Renewal	2,317	2,810	2,810	2,537	(245)	-	-	-	2,293
Total Visitor Destinations		**10,434**	**16,368**	**16,368**	**16,325**	**(3,665)**	**-**	**-**	**-**	**12,660**
Wastewater										
CE15104 - Wastewater Pipe Upgrades	G - Growth	-	381	381	381	-	-	-	-	381
CE15105 - Rototuna WW Infrastructure	G - Growth	500	951	951	951	(882)	-	-	-	69
CE15106 - WW Network Upgrds to Allow Devlpmnt	G - Growth	-	104	104	104	-	-	-	-	104
CE15107 - Rotokauri WW Infrastructure	G - Growth	121	585	585	585	(457)	-	-	-	127
CE15109 - Peacocke WW Infrastructure Stage 1	G - Growth	-	214	214	2,114	-	-	-	-	2,114
CE15111 - Increase capacity of wastewater network	G - Growth	1,233	1,233	1,233	1,233	(1,033)	-	-	-	200
CE15117 - Upgrade WW Treatment Plant	G - Growth	1,700	1,700	1,700	1,700	(500)	-	-	-	1,200
CE15121 - WW Customer Connections to Network	G - Growth	75	75	75	75	-	1,925	-	-	2,000
CE15161 - Wastewater Master Plan	G - Growth	600	600	600	600	-	-	-	-	600
CE19040 - Peacocke WW Infrastructure Stg2	G - Growth	742	12,907	12,907	12,107	-	-	-	-	12,107
CE19041 - Incr capacity WW Far East Network	G - Growth	3,500	3,717	3,717	3,717	(1,500)	-	-	-	2,217
CE19042 - Peacocke Wastewater South Network	G - Growth	11,480	7,008	7,008	7,008	-	-	-	-	7,008
CE19043 - Incr capacity WW West Network	G - Growth	5,258	5,886	5,886	5,886	(124)	(2,363)	-	-	3,399
CE19044 - Increase capacity WW East Network	G - Growth	1,100	5,112	5,112	5,112	(1,475)	2,363	-	-	6,000
CE19050-Incrs capacity WW Central Network D	G - Growth	-	23	23	23	-	-	-	-	23
CE21073 - Subregional WW Treatment Plant	G - Growth	1,000	1,000	1,000	1,000	(800)	-	-	-	200
CE15103 - Wastewater Network Improvements	LOS - Level of service	1,304	1,409	1,409	1,409	(1,000)	-	-	-	409
CE15120 - Wastewater Treatment Plant Compliance	LOS - Level of service	490	551	551	601	-	-	-	-	601
CE10100 - Wastewater PS Asset Renewals	R - Renewal	1,063	1,063	1,063	1,013	-	-	-	-	1,013
CE10101 - Wastewater Asset Renewals	R - Renewal	5,000	5,002	5,002	5,002	-	-	-	-	5,002
CE10115 - WW Treatment Plant Asset Renewals	R - Renewal	3,029	3,793	3,793	3,793	(1,225)	-	-	-	2,568
CE15160 - Wastewater Model	R - Renewal	100	612	612	612	(130)	-	-	-	482
Total Wastewater		**38,296**	**53,925**	**53,925**	**55,025**	**(9,126)**	**1,925**	**-**	**-**	**47,824**
Water Supply										
CE15126 - Rototuna Upgrade or New Watermains	G - Growth	-	72	72	72	-	-	-	-	72
CE15127 - Water Pipe Upgrades	G - Growth	-	50	50	50	-	-	-	-	50
CE15128 - Rotokauri Upgrd&New Watermains Stg1	G - Growth	84	145	145	145	-	-	-	-	145
CE15130 - Peacocke Watermains Stage 1	G - Growth	-	-	-	-	-	-	-	-	-
CE15132 - Water ntwrk upgrdes to allow new develop	G - Growth	1,200	(164)	(164)	(164)	-	-	-	-	(164)
CE15134 - Wtr Dmnd Mngt-Pukete Reservoir Zone	G - Growth	-	-	-	-	-	-	-	-	-
CE15135 - Peacocke Water Distribution Mains Stg1	G - Growth	22	136	136	136	-	-	-	-	136
CE15137 - Wtr Dmnd Mgmt-NewcastleReservoirZn	G - Growth	10,000	10,048	10,048	8,548	-	-	-	-	8,548
CE15141 - Wtr Dmnd Mngt - Hillcrest Reservoir Zone	G - Growth	63	18	18	18	-	-	-	-	18
CE15144 - Upgrade Water Treatment Plant	G - Growth	14,000	13,384	13,384	5,132	(700)	-	-	-	4,432
CE15146 - Water Customer Connections	G - Growth	50	50	50	50	-	1,400	-	-	1,450
CE15148 - Ruakura Upgrade and New Watermains	G - Growth	200	200	200	200	-	-	-	-	200
CE15159 - Water Master Plan	G - Growth	183	183	183	183	-	-	-	-	183
CE19045 - Ruakura Reservoir & Assoc Bulk Mains	G - Growth	-	1,946	1,946	1,946	(1,500)	-	-	-	446
CE19046 - Peacocke Watermains Stage 2	G - Growth	242	573	573	573	-	-	-	-	573
CE21036 - RotokauriUpgrade&New Watermains Stg2	G - Growth	-	-	-	-	-	-	-	-	-
CE15133 - Water Network Improvements	LOS - Level of service	350	350	350	350	(200)	-	-	-	150
CE15139 - Water Treatment Plant Compliance Minor Upgrades	LOS - Level of service	425	439	439	439	(125)	-	-	-	314
CE10123 - Watermain Renewals	R - Renewal	2,525	2,725	2,725	2,725	-	-	-	-	2,725
CE10124 - Watermain Valves & Hydrants Renewals	R - Renewal	700	705	705	705	-	-	-	-	705
CE10138 - Treatment Plant & Reservoir Renewals	R - Renewal	1,283	2,126	2,126	2,126	(248)	-	-	-	1,878
CE10145 - Tools of Trade Renewals	R - Renewal	40	40	40	40	-	-	-	-	40
CE15158 - Water Model	R - Renewal	100	297	297	297	(240)	-	-	-	57
CE16004-Eastern Bulk Main Slip D	R - Renewal	-	30	30	30	-	-	-	-	30
Total Water Supply		**31,465**	**33,352**	**33,352**	**23,601**	**(3,013)**	**1,400**	**-**	**-**	**21,988**
R&C Balancing Account		**-**	**-**	**-**	**(188)**	**-**	**-**	**(188)**	**-**	**(188)**
Total (Excl Water Stimulus)		**328,668**	**380,132**	**380,732**	**345,192**	**(50,128)**	**6,967**	**(188)**	**-**	**302,031**
Water Stimulus										
CE21068 - Water Stimulus – Stormwater	G - Growth	715	423	423	423	-	-	-	-	423
	LOS - Level of service	37	49	49	49	-	-	-	-	49
	R - Renewal	1,686	1,982	1,982	1,982	-	-	-	-	1,982
CE21076 - Water Stimulus – Wastewater	G - Growth	1,041	847	847	847	-	-	-	-	847
	LOS - Level of service	37	49	49	49	-	250	-	-	299
	R - Renewal	183	495	495	495	-	-	-	-	495
CE21039 - Water Stimulus – Water Supply	G - Growth	389	1,848	1,848	1,848	-	-	-	-	1,848
	LOS - Level of service	411	203	203	203	-	-	-	-	203
	R - Renewal	367	208	208	208	-	-	-	-	208
Total Water Stimulus		**4,865**	**6,104**	**6,104**	**6,104**	**-**	**250**	**-**	**-**	**6,354**
Grand Total - Capital Program		**333,534**	**386,235**	**386,835**	**351,295**	**(50,128)**	**7,217**	**(188)**	**-**	**308,384**

LIST OF CAPITAL PROJECTS

For the 2021-22 Financial Year

CAPITAL REVENUE

	Type	LTP 21/22	Revised Budget as at 31 August 2021	Revised Budget as at 31 October 2021	Revised Budget as at 30 November 2021	Deferrals and B/fwds	Approved Changes	Renewals & Compliance Movements	Savings	Revised Budget as at 31 January 2022
		$000	$000	$000	$000	$000	$000	$000	$000	$000
Community Services										
CE19017 - Rototuna Community Facilities	G - Growth	-	-	-	-	-	-	-	-	-
CE21044 - Libraries Development	LOS - Level of service	(265)	(265)	(265)	(265)	265	-	-	-	-
CE21046 - Aquatic Facilities Development	LOS - Level of service	-	-	-	-	-	-	-	-	-
CE10005 - Libraries Collection Purchases	R - Renewal	-	-	-	-	-	-	-	-	-
CE10006 - Library Operational Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
CE10007 - Library Building Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
Total Community Services		**(265)**	**(265)**	**(265)**	**(265)**	**265**	**-**	**-**	**-**	**-**
Overhead and support units										
CE21026 - Information Services Upgrades	LOS - Level of service	-	-	-	-	-	-	-	-	-
CE10053 - Tenancy Inducement Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
CE10151 - Strategic Property Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
CE10152 - Network and Infrastructure	R - Renewal	-	-	-	-	-	-	-	-	-
CE10153 - Core Business Applications	R - Renewal	-	-	-	-	-	-	-	-	-
CE10158 - Fleet Vehicle Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
CE15155 - Mobility and eServices	R - Renewal	-	-	-	-	-	-	-	-	-
CE19024 - IS Major Upgrades	R - Renewal	-	-	-	-	-	-	-	-	-
CE21014 - Corporate Building Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
CE21025 - Information Services Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
Total Overhead and support units		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Parks and Recreation										
CE15033 - Land purchase future reserves	G - Growth	-	-	-	-	-	-	-	-	-
CE19007 - Peacocke Parks Development	G - Growth	-	-	-	-	-	-	-	-	-
CE19009 - Rototuna Parks Development	G - Growth	-	-	-	-	-	-	-	-	-
CE21007 - Cemeteries & Crematorium Development	G - Growth	-	-	-	-	-	-	-	-	-
CE17004 - River Plan	LOS - Level of service	-	-	-	-	-	-	-	-	-
CE21006 - Nature inCityGullyRestoration&Dvlpmt	LOS - Level of service	(125)	(125)	(125)	(125)	125	-	-	-	-
CE21008 - Indoor Recreation Development	LOS - Level of service	-	-	-	-	-	-	-	-	-
CE21010 - Parks and Recreation Development	LOS - Level of service	(73)	(73)	(73)	(73)	-	-	-	-	(73)
CE10001 - Aquatic Facilities Building Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
CE10021 - Cemetery&Crematorium Building Renwls	R - Renewal	-	-	-	-	-	-	-	-	-
CE10030 - Parks and Recreation Building Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
CE19070 - Community Facilities Building Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
CE21001 - Nursery Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
CE21003 - Parks and Recreation Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
CE21004 - Cemeteries & Crematorium Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
CE21005 - Aquatic Facilities Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
Total Parks and Recreation		**(198)**	**(198)**	**(198)**	**(198)**	**125**	**-**	**-**	**-**	**(73)**
Rubbish and Recycling										
CE10054 - Closed Landfill Assets Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
CE10056 - RTS & HOC Asset Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
CE15055 - Closed Landfill Management	LOS - Level of service	-	-	-	-	-	-	-	-	-
CE19027 - Refuse Drop Off Points	LOS - Level of service	-	-	-	-	-	-	-	-	-
Total Rubbish and Recycling		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Safety										
CE21013 - Animal Control Building Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
CE21015 - City Safe Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
CE21016 - City Safe Upgrades	LOS - Level of service	-	-	-	-	-	-	-	-	-
Total Safety		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Stormwater										
CE15059 - Rototuna Stormwater Infrastructure	G - Growth	-	-	-	-	-	-	-	-	-
CE15060 - Rotokauri SW Infrastructure S1	G - Growth	-	-	-	-	-	-	-	-	-
CE15062 - Peacocke Stormwater Infrastructure Stg 1	G - Growth	-	-	-	-	-	-	-	-	-
CE15063 - Peacocke SW Infrastructure Stage 2	G - Growth	-	-	-	-	-	-	-	-	-
CE15068 - Stormwater Customer Connections	G - Growth	(25)	(25)	(25)	(25)	-	(325)	-	-	(350)
CE15162 - Integrated Catchment Management Plan	G - Growth	-	-	-	-	-	-	-	-	-
CE21032 - Stormwater Infrastructure Upgrades	G - Growth	-	-	-	-	-	-	-	-	-
CE21066 - Ruakura stormwater infastructure	G - Growth	(2,000)	(2,000)	(2,000)	(2,000)	1,825	-	-	-	(175)
CE15067 - Comprehensive SW Consent Imp	LOS - Level of service	-	-	-	-	-	-	-	-	-
CE19026 - Erosion Control Works	LOS - Level of service	-	-	-	-	-	-	-	-	-
CE21031 - Flood Management	LOS - Level of service	-	-	-	-	-	-	-	-	-
CE21062 - Stormwater Asset Upgrades	LOS - Level of service	-	-	-	-	-	-	-	-	-
CE10058 - Stormwater Asset Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
Total Stormwater		**(2,025)**	**(2,025)**	**(2,025)**	**(2,025)**	**1,825**	**(325)**	**-**	**-**	**(525)**
Transport										
CE15087 - Transportation Upgrds Allow for Devlpmnt	G - Growth	-	-	-	-	-	-	-	-	-
CE15088 - Peacocke Transport Upgrds Devlp Stg 1	G - Growth	(39)	(39)	(39)	(1,236)	-	-	-	-	(1,236)
CE15089 - Peacocke Transport Upgrds Devlp Stg 2	G - Growth	(24,530)	(23,110)	(23,110)	(13,473)	-	-	-	-	(13,473)
CE15090 - Rotokauri Transport Upgrds&Devlop	G - Growth	-	-	-	-	-	-	-	-	-
CE15092 - Rototuna Trnsprtation Upgrds&Devlpmt	G - Growth	(4,000)	(1,530)	(1,530)	(2,550)	2,359	-	-	-	(191)
CE15093 - Ruakura Transport Upgrds&Develop	G - Growth	(32,087)	(33,255)	(33,255)	(35,486)	-	-	-	-	(35,486)
CE15096 - Cross City Connector	G - Growth	(102)	(102)	(102)	-	-	-	-	-	-
CE15097 - Northern City Crossing	G - Growth	-	-	-	-	-	-	-	-	-
CE19036 - Ring Road	G - Growth	(10,366)	(10,366)	(10,366)	(7,419)	-	(1,607)	-	-	(9,026)
CE19037 - Hamilton Transport Model	G - Growth	(31)	(31)	(31)	(286)	-	-	-	-	(286)
CE19038 - Rotokauri rail platform	G - Growth	-	-	-	(114)	-	-	-	-	(114)
CE19057 - Biking Plan Implementation	G - Growth	(5,661)	(5,661)	(5,661)	(3,880)	87	-	-	-	(3,793)
CE19058 – Public Transport Mode Shift	G - Growth	-	-	-	-	-	-	-	-	-
CE21052 - Peacocke Transportation Land	G - Growth	(4,443)	(4,443)	(4,443)	(10,965)	-	-	-	-	(10,965)
CE21055 - Terapa Transportation Upgrds&Develop	G - Growth	-	-	-	-	-	-	-	-	-
CE15095-Integrated Transport Initiatives D	G - Growth	-	-	-	-	-	-	-	-	-
CE19063-Intersection Capacity Upgrade Prgrm D	G - Growth	-	-	-	-	-	-	-	-	-
CE19052 - Intersection Upgrades	LOS - Level of service	(918)	(918)	(918)	(332)	102	-	-	-	(230)
CE19062 - Bridge Resilience Programme	LOS - Level of service	-	-	-	(203)	203	-	-	-	-
CE19064 - Transport Centre Rejuvenation	LOS - Level of service	(2,346)	(2,346)	(2,346)	(829)	626	-	-	-	(204)
CE21053 - Central City Transportation Improvements	LOS - Level of service	-	-	-	-	-	-	-	-	-
CE21057 - Ferrybank Walking & Cycling Bridge	LOS - Level of service	(195)	(195)	(195)	-	-	-	-	-	-
CE21058 - Transportation Safety Improvements	LOS - Level of service	(4,131)	(4,131)	(4,131)	(714)	(306)	-	-	-	(1,020)
CE21059 - Transportation Smart Improvements	LOS - Level of service	(102)	(102)	(102)	(102)	-	-	-	-	(102)
CE21060 - Public Transport Improvement	LOS - Level of service	(357)	(357)	(357)	(396)	-	-	-	-	(396)
CE15085-Minor Imprvmnts Transport Network D	LOS - Level of service	-	-	-	-	-	-	-	-	-
CE10070 - Parking Enforcement Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
CE10071 - Parking Building Renewal	R - Renewal	-	-	-	-	-	-	-	-	-
CE10072 - Footpath and Street Furniture Renewals	R - Renewal	(1,580)	(1,580)	(1,580)	(1,580)	50	-	-	-	(1,530)
CE10074 - Drainage (Kerb & Channel) Renewal	R - Renewal	(1,129)	(1,129)	(1,129)	(1,129)	-	-	-	-	(1,129)
CE10075 - Road Base Renewals	R - Renewal	(2,443)	(2,443)	(2,443)	(2,443)	-	-	-	-	(2,443)
CE10076 - Road Resurfacing	R - Renewal	(2,211)	(2,211)	(2,211)	(2,211)	-	-	-	-	(2,211)
CE10077 - Bridge and Structures Renewals	R - Renewal	(137)	(137)	(137)	(137)	-	-	-	-	(137)
CE10078 - Retaining Wall & Structures Renewals	R - Renewal	(43)	(43)	(43)	(43)	-	-	-	-	(43)
CE10080 - Street lighting Renewals	R - Renewal	(308)	(308)	(308)	(308)	-	-	-	-	(308)
CE10081 - Traffic Equipment Renewals	R - Renewal	(445)	(445)	(445)	(445)	-	-	-	-	(445)
CE19055 - Upgrade City Directional Signage	R - Renewal	-	-	-	-	-	-	-	-	-
CE21012 - Transport Building Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
Total Transport		**(97,603)**	**(94,882)**	**(94,882)**	**(86,282)**	**3,120**	**(1,607)**	**-**	**-**	**(84,768)**
Venues Tourism and Major Events										
CE21041 - VTME Security and H&S Prgrmes	LOS - Level of service	-	-	-	-	-	-	-	-	-
CE10047 - Waikato Stadium Property Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
CE21011 - VTME Building Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
CE21042 - VTME Operational Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
CE10041-Claudelands-Plant & Equipment	R - Renewal	-	-	-	-		-	-	-	-
Total Venues Tourism and Major Events		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Visitor Destinations										
CE19023 - Hamilton Gardens Development	LOS - Level of service	(400)	(400)	(400)	(400)	400	-	-	-	-
CE19028 - Collection Acquisition Fund	LOS - Level of service	-	-	-	-	-	-	-	-	-
CE21043 - Hamilton Zoo&Waiwhakareke Devlpment	LOS - Level of service	(900)	(900)	(900)	(630)	-	-	-	-	(630)
CE21045 - Museum Development	LOS - Level of service	(72)	(72)	(72)	(72)	72	-	-	-	-
CE21047 - Hamilton Gardens Themed Gardens	LOS - Level of service	-	-	-	-	-	-	-	-	-
CE10008 - Museum Operational Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
CE10011 - Museum Building Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
CE10017 - Hamilton Zoo Building Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
CE10026 - Hamilton Gardens Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
CE10028 - Hamilton Gardens Building Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
CE21002 - Hamilton Zoo Operational Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
Total Visitor Destinations		**(1,372)**	**(1,372)**	**(1,372)**	**(1,102)**	**472**	**-**	**-**	**-**	**(630)**
Wastewater										
CE15104 - Wastewater Pipe Upgrades	G - Growth	-	-	-	-	-	-	-	-	-
CE15105 - Rototuna WW Infrastructure	G - Growth	-	-	-	-	-	-	-	-	-
CE15106 - WW Network Upgrds to Allow Devlpmnt	G - Growth	-	-	-	-	-	-	-	-	-
CE15107 - Rotokauri WW Infrastructure	G - Growth	-	-	-	-	-	-	-	-	-
CE15109 - Peacocke WW Infrastructure Stage 1	G - Growth	-	-	-	-	-	-	-	-	-
CE15111 - Increase capacity of wastewater network	G - Growth	-	-	-	-	-	-	-	-	-
CE15117 - Upgrade WW Treatment Plant	G - Growth	-	-	-	-	-	-	-	-	-
CE15121 - WW Customer Connections to Network	G - Growth	(75)	(75)	(75)	(75)	-	(1,925)	-	-	(2,000)
CE15161 - Wastewater Master Plan	G - Growth	-	-	-	-	-	-	-	-	-
CE19040 - Peacocke WW Infrastructure Stg2	G - Growth	-	-	-	280	-	-	-	-	280
CE19041 - Incr capacity WW Far East Network	G - Growth	-	-	-	-	-	-	-	-	-
CE19042 - Peacocke Wastewater South Network	G - Growth	-	-	-	-	-	-	-	-	-
CE19043 - Incr capacity WW West Network	G - Growth	-	-	-	-	-	-	-	-	-
CE19044 - Increase capacity WW East Network	G - Growth	-	-	-	-	-	-	-	-	-
CE19050-Incrs capacity WW Central Network D	G - Growth	-	-	-	-	-	-	-	-	-
CE21073 - Subregional WW Treatment Plant	G - Growth	-	-	-	-	-	-	-	-	-
CE15103 - Wastewater Network Improvements	LOS - Level of service	-	-	-	-	-	-	-	-	-
CE15120 - Wastewater Treatment Plant Compliance	LOS - Level of service	-	-	-	-	-	-	-	-	-
CE10100 - Wastewater PS Asset Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
CE10101 - Wastewater Asset Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
CE10115 - WW Treatment Plant Asset Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
CE15160 - Wastewater Model	R - Renewal	-	-	-	-	-	-	-	-	-
Total Wastewater		**(75)**	**(75)**	**(75)**	**205**	**-**	**(1,925)**	**-**	**-**	**(1,720)**
Water Supply										
CE15126 - Rototuna Upgrade or New Watermains	G - Growth	-	-	-	-	-	-	-	-	-
CE15127 - Water Pipe Upgrades	G - Growth	-	-	-	-	-	-	-	-	-
CE15128 - Rotokauri Upgrd&New Watermains Stg1	G - Growth	-	-	-	-	-	-	-	-	-
CE15130 - Peacocke Watermains Stage 1	G - Growth	-	-	-	-	-	-	-	-	-
CE15132 - Water ntwrk upgrdes to allow new develop	G - Growth	-	-	-	-	-	-	-	-	-
CE15134 - Wtr Dmnd Mngt-Pukete Reservoir Zone	G - Growth	-	-	-	-	-	-	-	-	-
CE15135 - Peacocke Water Distribution Mains Stg1	G - Growth	-	-	-	-	-	-	-	-	-
CE15137 - Wtr Dmnd Mgmt-NewcastleReservoirZn	G - Growth	-	-	-	-	-	-	-	-	-
CE15141 - Wtr Dmnd Mngt - Hillcrest Reservoir Zone	G - Growth	-	-	-	-	-	-	-	-	-
CE15144 - Upgrade Water Treatment Plant	G - Growth	-	-	-	-	-	-	-	-	-
CE15146 - Water Customer Connections	G - Growth	(50)	(50)	(50)	(50)	-	(1,400)	-	-	(1,450)
CE15148 - Ruakura Upgrade and New Watermains	G - Growth	-	-	-	-	-	-	-	-	-
CE15159 - Water Master Plan	G - Growth	-	-	-	-	-	-	-	-	-
CE19045 - Ruakura Reservoir & Assoc Bulk Mains	G - Growth	-	-	-	-	-	-	-	-	-
CE19046 - Peacocke Watermains Stage 2	G - Growth	-	-	-	-	-	-	-	-	-
CE21036 - RotokauriUpgrade&New Watermains Stg2	G - Growth	-	-	-	-	-	-	-	-	-
CE15133 - Water Network Improvements	LOS - Level of service	-	-	-	-	-	-	-	-	-
CE15139 - Water Treatment Plant Compliance Minor Upgrades	LOS - Level of service	-	-	-	-	-	-	-	-	-
CE10123 - Watermain Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
CE10124 - Watermain Valves & Hydrants Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
CE10138 - Treatment Plant & Reservoir Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
CE10145 - Tools of Trade Renewals	R - Renewal	-	-	-	-	-	-	-	-	-
CE15158 - Water Model	R - Renewal	-	-	-	-	-	-	-	-	-
CE16004-Eastern Bulk Main Slip D	R - Renewal	-	-	-	-	-	-	-	-	-
Total Water Supply		**(50)**	**(50)**	**(50)**	**(50)**	**-**	**(1,400)**	**-**	**-**	**(1,450)**
R&C Balancing Account		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (Excl Water Stimulus)		**(101,588)**	**(98,867)**	**(98,867)**	**(89,716)**	**5,807**	**(5,257)**	**-**	**-**	**(89,165)**
Water Stimulus										
CE21068 - Water Stimulus – Stormwater	G - Growth	-	-	-	(945)	-	-	-	-	(945)
	LOS - Level of service	-	-	-	-	-	-	-	-	-
	R - Renewal	-	-	-	(1,686)	-	-	-	-	(1,686)
CE21076 - Water Stimulus – Wastewater	G - Growth	-	-	-	(729)	-	(250)	-	-	(979)
	LOS - Level of service	-	-	-	-	-	-	-	-	-
	R - Renewal	-	-	-	-	-	-	-	-	-
CE21039 - Water Stimulus – Water Supply	G - Growth	-	-	-	-	-	-	-	-	-
	LOS - Level of service	-	-	-	(444)	-	-	-	-	(444)
	R - Renewal	-	-	-	(550)	-	-	-	-	(550)
Total Water Stimulus		**-**	**-**	**-**	**(4,353)**	**-**	**(250)**	**-**	**-**	**(4,603)**
Grand Total - Capital Program		**(101,588)**	**(98,867)**	**(98,867)**	**(94,070)**	**5,807**	**(5,507)**	**-**	**-**	**(93,769)**

Council Report

Item 8

Committee: Finance Committee **Date:** 29 March 2022

Author: Tracey Musty **Authoriser:** David Bryant

Position: Financial Controller **Position:** General Manager People and Organisational Performance

Report Name: Financial Performance & Strategy Report to 31 January 2022

Report Status	*Open*

Purpose - *Take*

1. To inform the Finance Committee on Council's financial performance and strategy for the seven months ended 31 January 2022.
2. To seek a recommendation from the Finance Committee that the Council approves the significant forecast adjustments as set out in this Report and the capital movement as set out in the Capital Portfolio Monitoring Report.

Staff Recommendation - *Tuutohu-aa-kaimahi* *(Recommendation to the Council)*

3. That the Finance Committee receives the report.
4. That the Finance Committee recommends that the Council:
   a) approves the capital movement as identified in paragraph 32 of the 29 March 2022 Capital Portfolio Monitoring Report;
   b) approves the significant forecast adjustments as set out in paragraphs 55 to 56 of this report; and
   c) approves the revised Financial Strategy position for Debt to Revenue, Net Debt and Balancing the Books as set out in paragraphs 58 to 60 of this report.

Executive Summary - *Whakaraapopototanga matua*

5. This report is to be read in conjunction with the 29 March 2022 Capital Portfolio Monitoring Report.
6. The 31 January 2022 financial results show a favourable variance of $5.9m against the year-to-date (YTD) budget, and a favourable variance in the balancing the books result of $7.4m against the YTD budget.
7. There is an unfavourable result in fees and charges, which is mainly as a result of covid-19 restrictions on opening of venues, visitor attractions and tourism activities. This unfavourable variance is offset by favourable variances in the building and resource consent activities.
8. Subsidies and Grants are favourable to budget due to unbudgeted revenue received from Central Government grant funding for the Water Reform Stimulus programme and offsets additional operating expenditure including Professional Costs.

9. Capital revenue is unfavourable to budget due to capital projects not progressing as fast as anticipated in the first half of the financial year.

10. Expenditure is tracking favourable to YTD budget. Personnel costs have a favourable variance to YTD budget due to vacancies. Recruitment for new positions identified in the 2021-31 Long-Term Plan and replacement positions is progressing.

11. Depreciation is unfavourable to YTD budget due to revaluation of building assets at 30 June 2021 and a revision of the asset data.

12. Finance costs are favourable to YTD budget as closing debt for the 2020/21 financial year was lower than budgeted.

13. Forecast changes include:

    i. a reduction in revenue in Growth, Community Services activities and Visitor Destinations;

    ii. a reduction in income (external funding shortfall) for the Zoo Waiwhakareke Entry Precinct as discussed at previous Council meeting;

    iii. a reduction in the Waikato Theatre Grant due to rephasing of payments into future years;

    iv. a reduction in finance costs as a result of lower closing debt for the 2020/21 financial year; and

    v. an increase in depreciation due to the revaluation of Council building assets at 30 June 2021.

14. The impact of forecasting changes made, since the adoption of the 2021-31 Long Term Plan, is reflected in the Financial Strategy measures:

    i. debt to revenue is 163% and favourable against a budget of 193%;

    ii. net debt is $609m and favourable against a budget of $731m; and

    iii. balancing the books is ($9.2m) and unfavourable against a budget of ($3.9m).

15. Council's treasury position is favourable. The counterparty credit limit is breached at 31 January 2022 due to the timing of funds being held on call for the Municipal Endowment Fund investment strategy. Council is compliant as at 28 February 2022. Council remains compliant with all other treasury policy measures **Attachment 3**.

16. Council's fixed rate hedging at 31 January 2022 is 48%. Council is well hedged after executing its deferral strategy in 2020.

17. Council saw a gain of $22m on the revaluation of swaps at 31 January 2022. This is not a cash gain, but rather an accounting/book entry and reflects the market swap rate movement as reflected in **Attachment 3**.

18. Staff consider the matters in this report have low significance and that the recommendations comply with Council's legal requirements.

Discussion - *Matapaki*

Operating Results

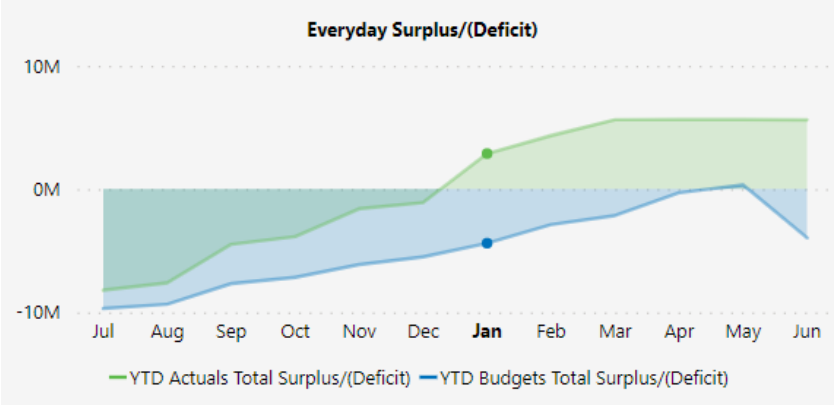
The accounting and balancing the books result

19. The Statement of Comprehensive Revenue and Expense discloses the accounting result in accordance with accounting standards.

20. The YTD accounting and balancing the books result for the period ended 31 January 2022 is as follows:

Surplus/(Deficit) Result	YTD Actual	YTD Budget	YTD Variance
Accounting Surplus/(Deficit)	$87.5m	$81.6m	$5.9m ✓
Balancing the books	$3.0m	($4.4m)	$7.4m ✓

21. The Balancing the Books result for January 2022 shows a favourable YTD variance of $7.4m.



22. The annual accounting and balancing the books result has been adjusted to reflect the forecasting adjustments as follows:

Surplus/(Deficit) Result	Annual Forecast	Annual Revised Budget	YTD Variance
Accounting Surplus/(Deficit)	$158.9m	$82.6m	$76.3m ✓
Balancing the books	($9.2m)	($3.9m)	($5.3m) ✗

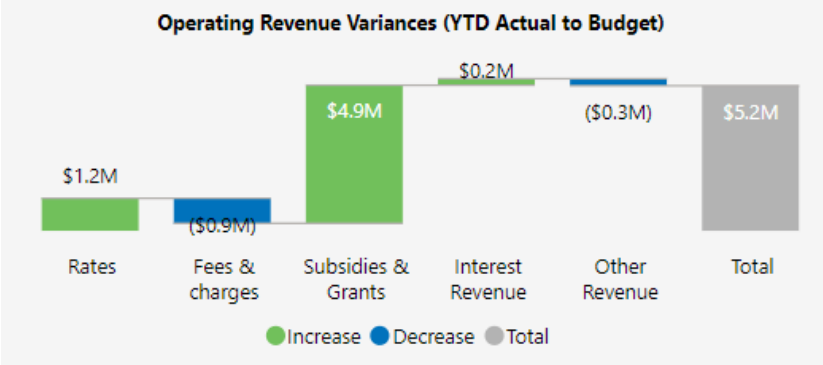
Understanding material variances

23. The Statement of Comprehensive Revenue and Expense is contained in **Attachment 1**.

24. Individual Everyday Revenue and Expense statements for each of Council's activities are contained in **Attachment 2**.

Operating Revenue

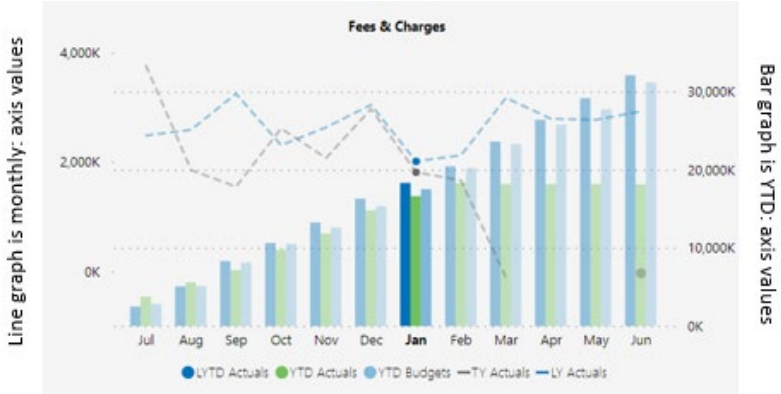
25. Total Operating Revenue is $5.2m favourable to the YTD budget.



26. Rates income exceeds YTD budget by $1.2m due to higher than anticipated growth resulting from additional subdivision and building consents for the 2021/22 financial year.

27. Subsidies & Grants contributed the largest share of the favourable variance in Operating Revenue and exceeds YTD budget by $4.9m. This is due to the allocation of Central Government grant funding to operational activities and offsets expenditure on the Water Reform Stimulus programme.

28. Fees & user charges provided $0.9m towards the unfavourable variance. It is important to note that the unfavourable result is due to decreased event activity in Venues, Tourism and Major Events, Visitors Attractions and Community Services of $1.7m and unfavourable variances in off-street parking income of $0.3m due to covid-19. This is offset by a favourable budget variance from building consents and planning guidance activities.



The bar chart compares Last Year to Date Actuals (LYTD Actuals), Year to Date Actuals (YTD Actuals) and Year to Date Budgets (YTD Budgets). These values are reflected on the vertical axis to the right-hand side. The line chart above compares This Year Actuals (TY Actuals) and Last Year Actuals (LY Actuals) at each month. These values are reflected on the vertical axis to the left-hand side.

29. Other Revenue is unfavourable by $0.3m. The unfavourable variance is largely due to Infringement & Fines revenue tracking below the YTD budget due to Waka Kotahi NZTA responding to covid-19 restrictions and suspending the requirement of vehicle registrations. This impacted the issuing of infringements to 30 November 2021.

30. Operational revenue forecasts include:

    i. adjustments for revenue expectations in the Visitor Destinations, Community Services and Venues activities. Other areas are forecasting to achieve the annual budget by year-end; and

    ii. allocation of Central Government grant funding for the delivery of the Water Reform Stimulus Programme.

31. Material variance explanations can be found in the activity statements (**Attachment 2**).

Capital Revenue

32. Total Capital Revenue is $7.8m unfavourable to the YTD budget.

33. Development Contributions are unfavourable to budget by $4.6m which is due to a slowdown in infill development applications, near completion of the Rotokauri industrial cell and no new large residential subdivision sought title in the last few months.

34. Capital subsidies and contributions is below budget by $8.3m. Projects attracting Waka Kotahi NZTA subsidies have progressed slower than anticipated and resulted in an unfavourable variance to budget of $9.5m. These unfavourable variances are partly offset by capital contributions towards the Ruakura Road upgrades and the allocation of unbudgeted Central Government grant funding to offset expenditure on the capital works within the Water Reform Stimulus programme.

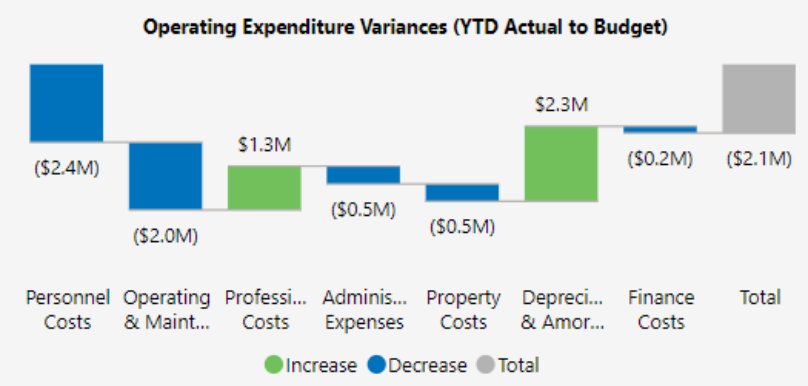
35. Vested assets are below YTD budget by $7.7m.

36. The addition of vested assets increases the operating & maintenance and depreciation costs for Council. Through the 2021-31 Long-Term Plan increased funding was made available for maintenance on new vested assets for infrastructural activities. The nature of vested infrastructure assets are that they have a long useful life and generally do not require significant maintenance in the first ten years of operation.

Asset class	YTD Actual $000	Annual Budget $000	Life Range (Years)	Estimated Annual Depreciation $000
Wastewater	1,260	3,312	15-100	16
Stormwater	874	4,800	30-100	11
Water Supply	576	1,790	50-80	7
Roading	2,557	24,589	12-140	51
Parks and Recreation	23	-		-
Land – Under Roads	7,150	-		-
Total	**12,440**	**34,491**		**85**

Operating Expenditure

37. Total Operating Expenditure is favourable to YTD budget by $2.1m.



38. Personnel Costs are favourable to YTD budget by $2.4m. This is due to delays in the recruitment for new positions identified in the 2021-31 Long-Term Plan and replacement for current roles.

39. The favourable variance in Operating & Maintenance costs are mainly due to the impact of covid-19 restrictions on events and visitor attraction costs, infrastructure maintenance and reduced services such as kerbside food waste collections.

40. Depreciation is unfavourable to the YTD budget by $2.3m due to the revaluation for building assets at 30 June 2021 and a revision of the asset data.

41. Operational expenditure forecasts include:

    i. professional services costs adjustment to offset the allocation of Central Government grant funding for the delivery of the Water Reform Stimulus Programme;

ii. administration cost adjustment of $9m due to the postponement of Council's contribution towards the Waikato Regional Theatre to the 2021/22 financial year;

iii. finance costs reflect the result of Council's favourable opening borrowing position; and

iv. depreciation expense adjustments of $3.6m as a result of the revaluation of Council buildings as mentioned above.

42. The Annual Approved Budget is reflecting budget changes approved by Council during this financial year and includes:

i. Waikato Metro Spatial Plan budget of $582k brought forward from 2020/21;

ii. Waiwhakareke Predator Proof Fence Feasibility Study budget of $65k brought back from year 4 in the 2021-31 Long-Term Plan; and

iii. an increase in the disposal of wastewater sludge operational budget of $376k.

43. Please refer to the activity statements (**Attachment 2**) for material variance explanations.

Gains and Losses

44. The YTD adjustment on non-cash revaluation of Council's Financial borrowing instruments resulted in a $22m gain. See **Attachment 3** for swap interest rate movement.

45. The YTD loss on disposal of assets is $2.7m.

46. Gains and Losses forecasts include:

- Loss on sale adjustment for the vesting of the Ring Road and Resolution drive to Waka Kotahi NZ when the projects will be completed in the 2022/23 financial year.

Treasury Management

47. Council's compliance with its treasury policy measures at 31 January 2022 is as follows:

Counterparty credit risk	max	$75m per bank	Not achieved	✗
Liquidity ratio	min	110%	123%	✓
Funding maturity	0 - 3 years	15% - 60%	43%	✓
	3 - 7 years	25% - 85%	38%	✓
	7 years +	0% - 60%	19%	✓
Fixed rate debt maturity	all years	Within annual parameters	Achieved	✓

48. Our Treasury Management Policy sets out counterparty credit limits which are spread amongst several counterparties to avoid concentrations of credit exposure. At 31 January 2022 Council breached the limit with the BNZ. This is due to the timing of the Municipal Endowment Funds being held on call. These funds are to be invested in a combination of term deposit and mixed funds. Council is compliant at 28 February 2022.

Interest Rate Risk Management

49. The movement on interest rate swaps relates to valuations completed at a point in time. These are based on Council's total external debt and the difference between current market interest rates and the fixed rates that Council has locked in. They are unrealised because on maturity of each interest rate swap contract no interest gain or loss eventuates.

50. At 31 January 2022 Council's fixed rate hedging is 48%. This falls within our debt interest rate policy parameters which requires a minimum fixed rate of 40% and a maximum fixed rate of 95%.

51. Council's gross cost of funds over a 12-month rolling average is 2.4%.

Financial Strategy

52. Any changes in significant forecasting assumptions will result in changes to the Financial Strategy outcomes. These assumptions will be considered and, if necessary, adjusted in each Annual Plan.

Significant Forecasting Adjustments

53. Significant forecasting adjustments since the 10 February 2022 Finance Committee meeting, outlined below, as compared to the 2021-31 Long-Term Plan budget.

54. Numbers in brackets represent an adverse outcome.

55. Capital revenue, capital savings, re-phasing, and delay deferrals from 2021/22 to future years as detailed in the Capital Portfolio Monitoring Report, paragraph 30.

Capital Adjustments – Financial Strategy Impact										
$000	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Balancing the Books	2,139	2,139	2,139	2,139	2,139	2,139	2,139	2,139	2,139	2,139
Net Debt	101,541	105,609	119,897	124,433	128,219	132,045	135,547	138,977	143,837	148,115

56. Adjustments to operating revenue and expenditure as detailed in **Attachment 4**.

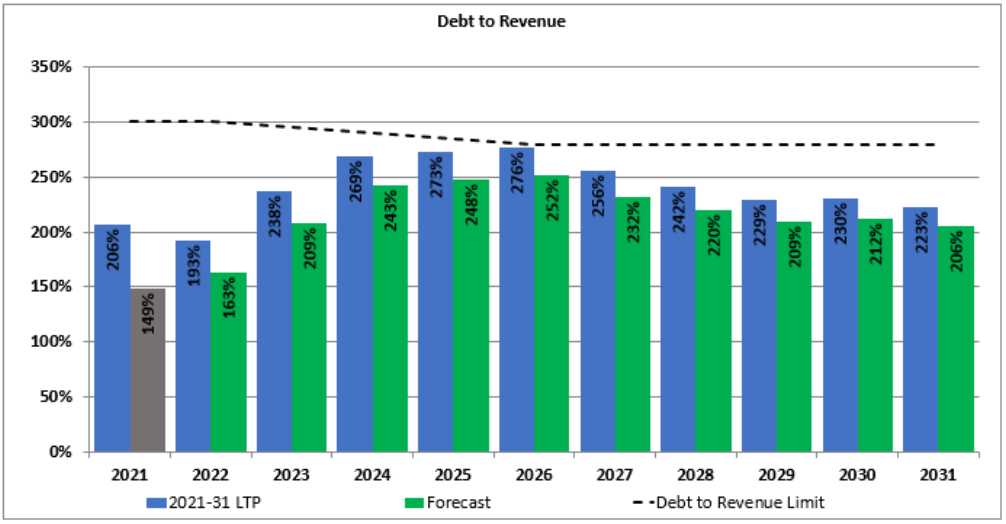
Operating Adjustments – Financial Strategy Impact										
$000	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Balancing the Books	(3,469)	(8,415)	(9,847)	(8,114)	(8,186)	(8,486)	(8,740)	(9,378)	(8,351)	(9,231)
Net Debt	(1,615)	(5,247)	(8,285)	(13,332)	(18,439)	(22,586)	(27,830)	(33,040)	(38,371)	(43,776)

Financial Strategy Graphs

57. The following graphs show the 2021-31 Long Term Plan budgets and the total of all the significant forecast adjustments as set out in paragraph 55 and 56. These significant forecast adjustments are subject to decision by the Finance Committee or Council.

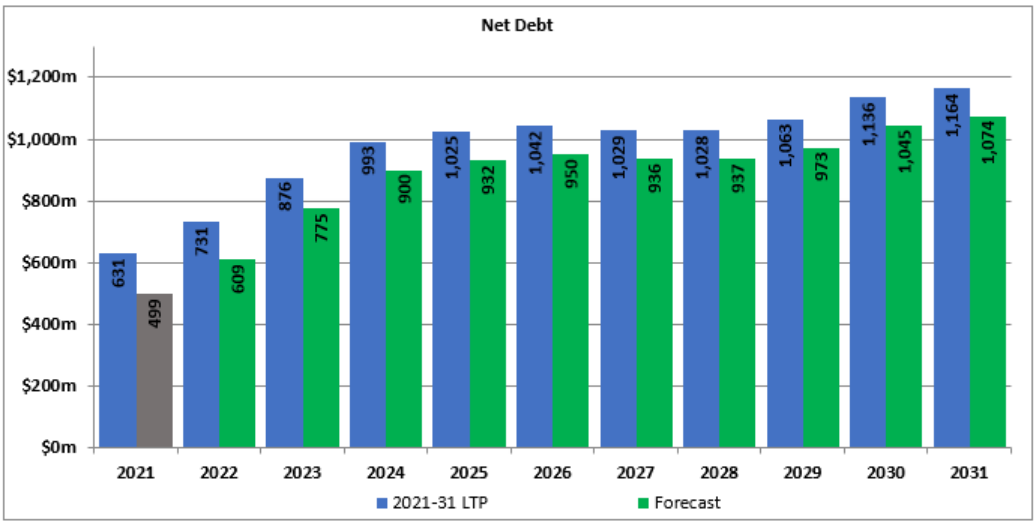
Debt to Revenue

58. The Debt to Revenue graph includes all adjustments identified in this report and shows that debt to revenue of 163% is favourable against the 2021-31 Long-Term Plan budget of 193%.



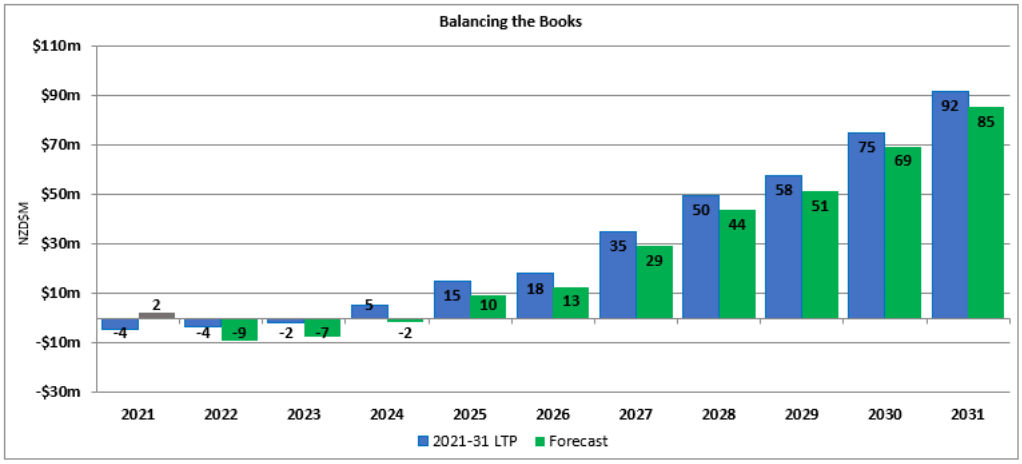
Net Debt

59. The Net Debt graph shows a decrease in net debt against the 2021-31 Long-Term Plan. Net debt for 2021/22 is forecast at $609m.



Balancing the Books

60. The forecast 2021/22 balancing the books result is ($9.2m) and is unfavourable against a budget of ($3.9m).



Emerging Issues

61. The Capital Portfolio Monitoring Report lists emerging issues that could impact the capital portfolio and consequently debt and the balancing the books result across the remainder of the Long-Term Plan.

Legal and Policy Considerations - Whaiwhakaaro-aa-ture

62. Staff confirm that matters in this report complies with Council's legal and policy requirements.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

63. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').

64. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report.

65. The recommendations set out in this report are consistent with that purpose.

66. Economic wellbeing is managed through the efficient monitoring of Council's financial results. Diligent management of Council's budget and regular review of forecasts is required to ensure Council is operating effectively and policy compliance is met.

67. The environmental, social and cultural wellbeings are not directly impacted by the annual monitoring report. However, the efficient review and management of Council's financial position supports the wider business in their delivery of key objectives that enhance these wellbeings.

Risks - *Tuuraru*

68. There are no known risks associated with the decisions of this report.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

Significance

69. Having considered the Significance and Engagement Policy, staff have assessed that the matters in this report have low significance.

Engagement

70. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Statement of Comprehensive Revenue and Expenses 31 January 2022

Attachment 2 - Council Activities 31 January 2022

Attachment 3 - Treasury Position 31 January 2022

Attachment 4 - Register of Significant Forecast Adjustments 31 January 2022

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

Attachment 1

FOR THE MONTH ENDED 31 JANUARY 2022

$000 Last Year YTD		$000 YTD Actual	$000 YTD Budget (Approved)	$000 YTD Variance Fav/(Unfav)	$000 Annual Approved Budget	$000 % Annual Budget Spent	$000 Annual Forecast	$000 Annual Variance Fav/(Unfav)
	Operating Revenue							
112,264	Rates	125,541	124,381	1,160	221,714	57%	221,573	(141)
24,648	Fees & Charges	21,824	22,716	(892)	40,723	54%	36,894	(3,829)
4,101	Subsidies & Grants	10,182	5,260	4,923	8,664	118%	13,893	5,229
709	Interest Revenue	409	176	232	302	135%	302	
4,449	Other Revenue	4,343	4,595	(252)	14,780	29%	14,798	18
146,170	**TOTAL OPERATING REVENUE**	**162,300**	**157,128**	**5,172**	**286,184**	**57%**	**287,461**	**1,277**
	Capital Revenue							
17,569	Development Contributions	13,737	18,408	(4,672)	31,622	43%	31,622	
31,042	Capital Revenue	50,039	58,367	(8,328)	101,588	49%	93,769	(7,819)
21,170	Vested Assets	12,440	20,122	(7,682)	34,491	36%	34,491	
69,781	**TOTAL CAPITAL REVENUE**	**76,216**	**96,898**	**(20,682)**	**167,701**	**45%**	**159,882**	**(7,819)**
215,951	**TOTAL REVENUE**	**238,516**	**254,026**	**(15,510)**	**453,885**	**53%**	**447,343**	**(6,543)**
	Expenditure							
49,336	Personnel Costs	54,831	57,186	2,355	96,813	57%	96,501	313
32,668	Operating & Maintenance Costs	33,671	35,718	2,047	69,146	49%	68,816	330
7,229	Professional Costs	10,344	9,019	(1,325)	17,092	61%	22,109	(5,017)
8,419	Administration Expenses	9,303	9,841	538	24,263	38%	15,119	9,144
5,991	Property Costs	6,450	6,973	523	11,824	55%	11,932	(108)
7,568	Finance Costs	9,410	9,611	201	16,270	58%	14,870	1,400
41,021	Depreciation & Amortisation Expense	46,332	44,067	(2,265)	75,534	61%	79,166	(3,632)
152,232	**TOTAL EXPENDITURE**	**170,341**	**172,415**	**2,074**	**310,942**	**55%**	**308,513**	**2,429**
63,720	**OPERATING SURPLUS/(DEFICIT)**	**68,175**	**81,611**	**(13,436)**	**142,943**	**48%**	**138,830**	**(4,113)**
	Gains and Losses							
9,556	Net gain/(loss) on revaluation of interest rate swaps	21,985		21,985			21,985	21,985
	Gain on fair value of investment properties				756	0%	756	
(1,333)	Property, plant and equipment net gain/(loss)	(2,674)		(2,674)	(61,103)	4%	(2,673)	58,430
8,224	**TOTAL GAINS AND LOSSES**	**19,310**		**19,310**	**(60,347)**	**(32%)**	**20,068**	**80,414**
71,944	**TOTAL SURPLUS/(DEFICIT)**	**87,485**	**81,611**	**5,875**	**82,596**	**106%**	**158,897**	**76,301**

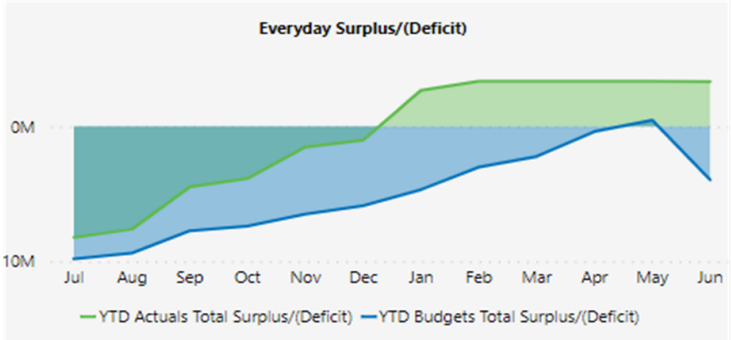
Refer to Activity Statements for variances against budget.

BALANCING THE BOOKS RESULT

FOR THE MONTH ENDED 31 JANUARY 2022

$000		$000	$000	$000	$000	$000	$000	$000
YTD 2019/20		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
71,944	**Surplus/(Deficit)**	**87,485**	**81,611**	**5,875**	**82,596**	**106%**	**158,897**	**76,301**
	Remove capital revenue							
(21,170)	Vested assets	(12,440)	(20,122)	7,682	(34,491)	36%	(34,491)	
(12,975)	Part of Development and Financial contributions	(7,281)	(11,965)	4,685	(20,554)	35%	(20,554)	
(19,409)	Capital Subsidy (excluding subsidy on transport renewals)	(25,679)	(35,212)	9,534	(60,479)	42%	(52,660)	7,819
(6,139)	Other Capital Contributions & Grants	(19,461)	(18,345)	(1,116)	(32,863)	59%	(32,863)	
(681)	Other items not considered everyday operating revenue	(630)	(630)		(8,084)	8%	(8,084)	
	Remove (gains)/losses							
(8,224)	All Gains/(Losses)	(19,310)		(19,310)	60,347	(32%)	(20,068)	(80,414)
	Remove other expenses							
160	Other items not considered everyday operating expenses	278	280	(2)	9,585	3%	585	(9,000)
3,506	**EVERYDAY SURPLUS/(DEFICIT)**	**2,963**	**(4,384)**	**7,347**	**(3,944)**	**(75%)**	**(9,238)**	**(5,294)**

Balancing the Books result below shows the cumulative change in the position. It illustrates the consistent favourable balancing the books result with the YTD Actuals showing a surplus of $3m against a YTD Budgeted deficit of $4.4m in January 2022.



Attachment 2

COUNCIL

FOR THE MONTH ENDED 31 JANUARY 2022

$000 Last Year YTD		$000 YTD Actual	$000 YTD Budget (Approved)	$000 YTD Variance Fav/(Unfav)	$000 Annual Approved Budget	$000 % Annual Budget Spent	$000 Annual Forecast	$000 Annual Variance Fav/(Unfav)
	Everyday Revenue							
112,264	Rates**	125,541	124,381	1,160	221,714	57%	221,573	(141)
24,648	Fees & Charges	21,824	22,716	(892)	40,723	54%	36,894	(3,829)
4,101	Subsidies & Grants	10,182	5,260	4,923	8,664	118%	13,893	5,229
709	Interest Revenue	409	176	232	302	135%	302	
4,449	Other Revenue	4,343	4,595	(252)	14,780	29%	14,798	18
146,170	**Total Everyday Revenue**	**162,300**	**157,128**	**5,172**	**286,184**	**57%**	**287,461**	**1,277**
	Everyday Expenditure							
49,336	Personnel Costs	54,831	57,186	2,355	96,813	57%	96,501	313
32,668	Operating & Maintenance Costs	33,671	35,718	2,047	69,146	49%	68,816	330
7,229	Professional Costs	10,344	9,019	(1,325)	17,092	61%	22,109	(5,017)
8,419	Administration Expenses	9,303	9,841	538	24,263	38%	15,119	9,144
5,991	Property Costs	6,450	6,973	523	11,824	55%	11,932	(108)
7,568	Finance Costs**	9,410	9,611	201	16,270	58%	14,870	1,400
41,021	Depreciation & Amortisation Expense**	46,332	44,067	(2,265)	75,534	61%	79,166	(3,632)
(8,224)	Gains & Losses	(19,310)		19,310	60,347	(32%)	(20,068)	80,414
144,008	**Total Everyday Expenditure**	**151,030**	**172,415**	**21,385**	**371,289**	**41%**	**288,445**	**82,844**
2,162	**Everyday Surplus/(Deficit)***	**11,269**	**(15,287)**	**26,556**	**(85,105)**	**(13%)**	**(984)**	**84,120**
	Capital Revenue							
17,569	Development Contributions**	13,737	18,408	(4,672)	31,622	43%	31,622	
31,042	Capital Revenue**	50,039	58,367	(8,328)	101,588	49%	93,769	(7,819)
21,170	Vested Assets**	12,440	20,122	(7,682)	34,491	36%	34,491	
69,781	**Total Capital Revenue**	**76,216**	**96,898**	**(20,682)**	**167,701**	**45%**	**159,882**	**(7,819)**
71,944	**Operating Surplus/(Deficit)**	**87,485**	**81,611**	**5,875**	**82,596**	**106%**	**158,897**	**76,301**

Material variances as explained below:

Rates: $1,160k favourable.**

The favourable result is due to the higher than budgeted growth projection in number of rateable properties.

Finance Costs: $201k favourable.**

Overall finance cost (interest expense) for Council is favourable. This is due to an improved starting position for the year as a result of lower closing debt for the 2020/21 financial year.

Depreciation & Amortisation Expense: ($2,265k) unfavourable.**

The unfavourable result is due to the revaluation of building and transportation assets.

Development Contributions: ($4,672k) unfavourable.**

Large developments do not pay required DC's in a smooth, linear fashion, but in large amounts when development milestones are met. This is why the quantum of DC's will vary significantly quarter by quarter.

Vested Assets: ($7,682k) unfavourable.**

Vested assets are tracking below budget. Forecast to meet budget at financial year end.

The comments below explain the material variance between annual approved budget and annual forecast.

Finance Costs: $1,400k favourable.**

Council's finance cost (interest expense) has been reforecast due to an improved debt starting position for the year.

Depreciation & Amortisation Expense: ($3,632k) unfavourable.**

The unfavourable forecast result is due to the revaluation of Council building assets.

Capital Revenue: ($7,819) unfavourable**

Capital deferrals have resulted in a revised forecast.

GOVERNANCE

Governance and Public Affairs | Partnership with Maaori

FOR THE MONTH ENDED 31 JANUARY 2022

$000 Last Year YTD		$000 YTD Actual	$000 YTD Budget (Approved)	$000 YTD Variance Fav/(Unfav)	$000 Annual Approved Budget	$000 % Annual Budget Spent	$000 Annual Forecast	$000 Annual Variance Fav/(Unfav)
	Everyday Revenue							
1,693	Rates**	1,728	1,719	9	3,068	56%	3,068	
5	Fees & Charges							
	Subsidies & Grants							
	Interest Revenue							
	Other Revenue							
1,697	**Total Everyday Revenue**	**1,728**	**1,719**	**9**	**3,068**	**56%**	**3,068**	
	Everyday Expenditure							
249	Personnel Costs	280	395	115	679	41%	679	
15	Operating & Maintenance Costs		16	16	28	0%	28	
230	Professional Costs	287	324	37	724	40%	724	
965	Administration Expenses	984	995	11	1,709	58%	1,709	
	Property Costs							
	Finance Costs**							
	Depreciation & Amortisation Expense**							
	Gains & Losses							
1,459	**Total Everyday Expenditure**	**1,551**	**1,730**	**179**	**3,140**	**49%**	**3,140**	
239	**Everyday Surplus/(Deficit)***	**177**	**(12)**	**189**	**(72)**	**(247%)**	**(72)**	
239	**Operating Surplus/(Deficit)**	**177**	**(12)**	**189**	**(72)**	**(247%)**	**(72)**	

** Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations*

*** Rates Revenue, Finance Costs, Depreciation & Amortisation Expenses, Development Contribution, Capital Revenue and Vested Assets variances are explained in the Council activity statements*

Material variances as explained below:

Personnel Costs: $115k favourable.

The favourable variance is due to staff vacancies and the length of time to recruit in the current market. Key vacancies within Partnership with Maaori have now been filled.

The comments below explain the material variance between annual approved budget and annual forecast.

No significant variances to report.

Attachment 2

VISITOR DESTINATIONS

Hamilton Gardens | Waikato Museum | Hamilton Zoo

FOR THE MONTH ENDED 31 JANUARY 2022

$000 Last Year YTD		$000 YTD Actual	$000 YTD Budget (Approved)	$000 YTD Variance Fav/(Unfav)	$000 Annual Approved Budget	$000 % Annual Budget Spent	$000 Annual Forecast	$000 Annual Variance Fav/(Unfav)
	Everyday Revenue							
9,199	Rates**	8,699	8,612	88	15,381	57%	15,381	
2,025	Fees & Charges	1,177	1,539	(362)	2,644	45%	1,744	(900)
48	Subsidies & Grants	80	51	29	87	92%	87	
6	Interest Revenue	11	2	9	3	397%	3	
73	Other Revenue	63	53	11	99	64%	77	(21)
11,351	**Total Everyday Revenue**	**10,030**	**10,255**	**(225)**	**18,212**	**55%**	**17,291**	**(921)**
	Everyday Expenditure							
4,962	Personnel Costs	4,995	5,161	166	9,060	55%	9,060	
1,501	Operating & Maintenance Costs	1,461	1,615	154	3,642	40%	3,572	70
193	Professional Costs	123	138	15	269	46%	269	
248	Administration Expenses	213	304	91	629	34%	629	
244	Property Costs	265	329	64	569	47%	569	
66	Finance Costs**	216	155	(61)	265	81%	265	
1,319	Depreciation & Amortisation Expense**	1,508	1,568	60	2,687	56%	2,877	(190)
3	Gains & Losses	1		(1)				
8,535	**Total Everyday Expenditure**	**8,781**	**9,270**	**488**	**17,122**	**51%**	**17,243**	**(120)**
2,816	**Everyday Surplus/(Deficit)***	**1,249**	**986**	**263**	**1,090**	**115%**	**48**	**(1,042)**
	Capital Revenue							
29	Capital Revenue**	5	91	(85)	1,372		630	(742)
29	**Total Capital Revenue**	**5**	**91**	**(85)**	**1,372**	**0%**	**630**	**(742)**
2,845	**Operating Surplus/(Deficit)**	**1,254**	**1,077**	**178**	**2,462**	**51%**	**678**	**(1,784)**

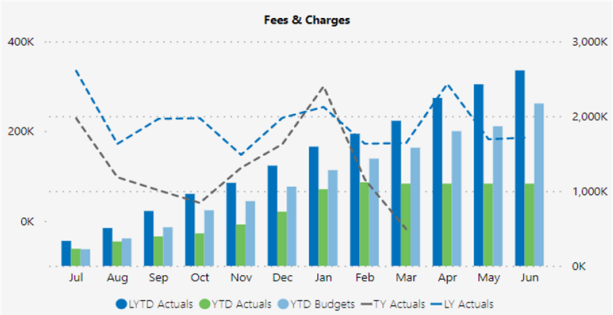
** Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations*

*** Rates Revenue, Finance Costs, Depreciation & Amortisation Expenses, Development Contribution, Capital Revenue and Vested Assets variances are explained in the Council activity statements*

Material variances as explained below:

Fees & Charges: ($362k) unfavourable.

The impact of covid-19 alert level closures and restrictions have resulted in reduced Fees & Charges to date for Visitor Attractions.



Personnel Costs: $166k favourable.

The favourable variance to date is due to staff vacancies and the length of time to recruit for specialised positions in the current market.

Operating & Maintenance Costs: $154k favourable.

The covid-19 alert level restrictions have delayed works being carried out to date. These are being monitored and any deferrals will be identified as savings.

The comments below explain the material variance between annual approved budget and annual forecast.

Fees & Charges: ($900k) unfavourable.

The covid-19 alert level closures and restrictions have resulted in lost Fees & Charges for Visitor Attractions which are not expected to be fully recovered. Further impact is expected for the rest of the financial year with an estimated $900k reduction to budget.

Capital Revenue: ($742k) unfavourable.

This relates to the external funding shortfall for the Zoo-Waiwhakareke Entry Precinct stage 1B. Council resolved to fund this shortfall and the corresponding external revenue target will be reallocated to 2026/27 for the zoo animal enclosure.

Attachment 2

VENUES, TOURISM AND MAJOR EVENTS

Claudelands | FMG Stadium Waikato | Seddon Park | Tourism and Events Funding

FOR THE MONTH ENDED 31 JANUARY 2022

$000 Last Year YTD		$000 YTD Actual	$000 YTD Budget (Approved)	$000 YTD Variance Fav/(Unfav)	$000 Annual Approved Budget	$000 % Annual Budget Spent	$000 Annual Forecast	$000 Annual Variance Fav/(Unfav)
	Everyday Revenue							
11,549	Rates**	10,629	10,516	112	18,787	57%	18,787	
2,543	Fees & Charges	1,964	2,657	(693)	5,166	38%	3,855	(1,311)
	Subsidies & Grants							
69	Interest Revenue	19	17	2	29	66%	29	
429	Other Revenue	451	428	23	734	61%	773	39
14,591	**Total Everyday Revenue**	**13,063**	**13,619**	**(556)**	**24,717**	**53%**	**23,445**	**(1,272)**
	Everyday Expenditure							
3,117	Personnel Costs	3,219	3,724	505	6,401	50%	5,921	480
2,457	Operating & Maintenance Costs	2,180	2,481	302	5,290	41%	5,012	278
50	Professional Costs	78	118	39	240	33%	240	
1,063	Administration Expenses	1,192	1,293	101	10,951	11%	1,951	9,000
643	Property Costs	674	788	114	1,348	50%	1,348	
727	Finance Costs**	506	970	464	1,663	30%	1,663	
3,154	Depreciation & Amortisation Expense**	4,160	3,453	(708)	5,918	70%	7,153	(1,235)
217	Gains & Losses	12		(12)			12	(12)
11,429	**Total Everyday Expenditure**	**12,021**	**12,827**	**806**	**31,812**	**38%**	**23,301**	**8,511**
3,161	**Everyday Surplus/(Deficit)***	**1,042**	**792**	**250**	**(7,095)**	**(15%)**	**144**	**7,239**
	Capital Revenue							
59	Capital Revenue**							
59	**Total Capital Revenue**							
3,221	**Operating Surplus/(Deficit)**	**1,042**	**792**	**250**	**(7,095)**	**(15%)**	**144**	**7,239**

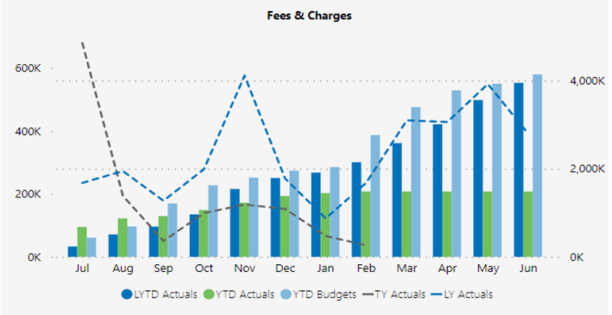
** Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations*

*** Rates Revenue, Finance Costs, Depreciation & Amortisation Expenses, Development Contribution, Capital Revenue and Vested Assets variances are explained in the Council activity statements*

Material variances as explained below:

Fees & Charges: $693k unfavourable.

The impact of covid-19 alert level changes has resulted in reduced Fees & Charges to date for Claudelands, FMG Stadium Waikato and Seddon Park as these venues have very limited access.



Personnel Costs: $505k favourable.

Personnel costs are favourable due to careful management during the venue closure period and timing of events. Events are being rescheduled, so expecting personnel costs to track more towards budgets set for the February to June 2022 period.

Operating & Maintenance Costs: $302k favourable.

Within Operating & Maintenance; Cost of Sales is favourable by $114k, this is a reflection of reduced Fees and Charges.

The favourable variance of $188k in repairs and maintenance is due to the maintenance programme being delayed. The work programme is expected to be completed by the end of the financial year (covid-19 permitting).

Administration Expenses: $101k favourable.

Careful management of general office costs, along with advertising and marketing over the period.

Property Costs: $114k favourable.

Utilities costs favourable due to limited utilisation of venues over current covid-19 period.

The comments below explain the material variance between annual approved budget and annual forecast.

Fees & Charges: ($1,311k) unfavourable.

Based on current modelling, the impact of venue closures and red settings, we will continue be unfavourable to the end of the financial year.

Personnel Costs $480k favourable

Underspend in personnel due to covid-19 impact. Expect to maintain to budget for February to June 2022 with current event programme

Operating & Maintenance Costs: $278k favourable

This favourable variance is a reflection of current modelling of fees & charges.

Administration Costs: $9,000k favourable

The favourable variance is due to the postponement of Council's contribution towards the Waikato Regional Theatre.

Attachment 2

COMMUNITY SERVICES

Libraries | Community Development | Arts Promotion | Aquatics | Theatres

FOR THE MONTH ENDED 31 JANUARY 2022

$000 Last Year YTD		$000 YTD Actual	$000 YTD Budget (Approved)	$000 YTD Variance Fav/(Unfav)	$000 Annual Approved Budget	$000 % Annual Budget Spent	$000 Annual Forecast	$000 Annual Variance Fav/(Unfav)
	Everyday Revenue							
10,092	Rates**	11,016	10,886	130	19,454	57%	19,454	
1,975	Fees & Charges	1,088	2,025	(937)	3,330	33%	2,362	(967)
7	Subsidies & Grants	134	1	132	2	6668%	242	240
4	Interest Revenue	13	1	12	2	805%	2	
2	Other Revenue	(1)	10	(10)	16	(4%)	16	
12,080	**Total Everyday Revenue**	**12,250**	**12,922**	**(673)**	**22,803**	**54%**	**22,076**	**(727)**
	Everyday Expenditure							
5,435	Personnel Costs	5,969	5,666	(303)	9,486	63%	9,771	(285)
1,865	Operating & Maintenance Costs	969	1,033	63	2,132	45%	2,152	(20)
300	Professional Costs	215	227	11	338	64%	338	
1,490	Administration Expenses	1,469	1,537	68	2,587	57%	2,455	132
467	Property Costs	539	535	(4)	918	59%	1,026	(108)
41	Finance Costs**	254	163	(91)	279	91%	279	
2,232	Depreciation & Amortisation Expense**	2,699	2,395	(304)	4,105	66%	4,838	(733)
44	Gains & Losses	31		(31)			31	(31)
11,874	**Total Everyday Expenditure**	**12,145**	**11,555**	**(590)**	**19,846**	**61%**	**20,891**	**(1,045)**
206	**Everyday Surplus/(Deficit)***	**105**	**1,368**	**(1,263)**	**2,958**	**4%**	**1,185**	**(1,772)**
	Capital Revenue							
	Capital Revenue**		88	(88)	265	0%		(265)
	Total Capital Revenue		**88**	**(88)**	**265**	**0%**		**(265)**
206	**Operating Surplus/(Deficit)**	**105**	**1,456**	**(1,351)**	**3,223**	**3%**	**1,185**	**(2,037)**

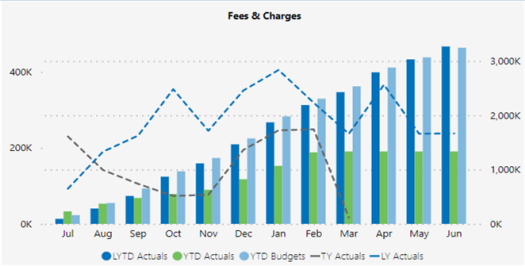
** Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations*

*** Rates Revenue, Finance Costs, Depreciation & Amortisation Expenses, Development Contribution, Capital Revenue and Vested Assets variances are explained in the Council activity statements*

Material variances as explained below:

Fees & Charges: ($937k) unfavourable.

The impact of covid-19 alert level closures and restrictions have resulted in reduced Fees & Charges to date with the main impact to Aquatics of $860k.



Subsidies & Grants: $132k favourable.

Contributions received from the The Department of Internal Affairs for the New Zealand Libraries Partnership Programme costs.

Personnel Costs: ($303k) unfavourable.

Unbudgeted Libraries Partnership Programme costs of $123k have been funded and are offset in Grants revenue.

The unfavourable variance is due to unbudgeted costs of $110k associated with a resource realignment to improve safety and assurance outcomes in Aquatics. The remaining unfavourable budget comprises a deficit in holiday pay calculations and an increase in safety roles at Aquatics. These factors are being managed and offset across the Community Personnel budget and through other operational lines.

The comments below explain the material variance between annual approved budget and annual forecast.

Fees & Charges: ($967k) unfavourable.

The covid-19 alert level closures and restrictions have resulted in lost Fees & Charges for Aquatics and Libraries which are not expected to be recovered. Aquatics are expecting further covid-19 related impacts and will continue to adjust forecast as more certainty is available. Libraries project fees will continue to be 30% down for the rest of the year with an impact of $60k. The Hamilton City Council/Waikato District Council Libraries Agreement was renegotiated with an increase of $46k per year effective November 2021, therefore an offset of $31k additional fees have been forecasted for the current year.

Subsidies & Grants: $240k favourable.

Contributions forecasted include $240k from The Department of Internal Affairs for the New Zealand Libraries Partnership Programme costs.

Personnel Costs: ($285k) unfavourable.

The unfavourable variance is due to $210k unbudgeted New Zealand Libraries Partnership Programme costs which are offset by unbudgeted funding in Grants income. Unbudgeted costs ($110k) associated with resource realignment in Aquatics and lower than usual level of vacancies/ turnover.

Operating & Maintenance Costs: ($20k) unfavourable.

Unbudgeted New Zealand Libraries Partnership Programme costs fo $20k which are offset by unbudgeted funding in Grants income.

Administration Expenses: $132k favourable.

The New Zealand Libraries Partnership Programme is covering $125k of software licences for Kotui, APNK, and Epic.

Property Costs: ($108k) unfavourable.

Aquatics are expecting increased gas costs as projected by the Energy Consultant based on updated gas pricing from 1 October 2021.

Attachment 2

PARKS AND RECREATION

Community Parks | Natural Areas | Streetscapes | Sports Parks | Playgrounds | Cemeteries and Crematorium | Indoor Recreation

FOR THE MONTH ENDED 31 JANUARY 2022

$000 Last Year YTD		$000 YTD Actual	$000 YTD Budget (Approved)	$000 YTD Variance Fav/(Unfav)	$000 Annual Approved Budget	$000 % Annual Budget Spent	$000 Annual Forecast	$000 Annual Variance Fav/(Unfav)
	Everyday Revenue							
13,000	Rates**	14,108	13,987	121	24,982	56%	24,982	
3,514	Fees & Charges	2,733	2,764	(31)	4,864	56%	4,864	
6	Subsidies & Grants	7	4	3	7	102%	7	
77	Interest Revenue	32	19	13	33	98%	33	
91	Other Revenue	188	88	100	179	105%	179	
16,687	**Total Everyday Revenue**	**17,068**	**16,863**	**206**	**30,065**	**57%**	**30,065**	
	Everyday Expenditure							
5,866	Personnel Costs	6,065	6,011	(55)	10,771	56%	10,771	
3,950	Operating & Maintenance Costs	2,756	2,665	(91)	6,891	40%	6,891	
407	Professional Costs	185	187	2	1,755	11%	1,755	
281	Administration Expenses	257	270	13	405	63%	405	
214	Property Costs	231	306	75	526	44%	526	
816	Finance Costs**	768	1,122	353	1,923	40%	1,923	
2,881	Depreciation & Amortisation Expense**	3,174	3,145	(29)	5,391	59%	5,669	(278)
438	Gains & Losses	238		(238)			238	(238)
14,853	**Total Everyday Expenditure**	**13,675**	**13,706**	**31**	**27,661**	**49%**	**28,177**	**(516)**
1,834	**Everyday Surplus/(Deficit)***	**3,393**	**3,157**	**236**	**2,404**	**141%**	**1,888**	**(516)**
	Capital Revenue							
852	Development Contributions**	890	439	451	821	108%	821	
70	Capital Revenue**	13	66	(53)	198	6%	73	(125)
1,835	Vested Assets**	23		23				
2,757	**Total Capital Revenue**	**925**	**505**	**420**	**1,019**	**91%**	**894**	**(125)**
4,591	**Operating Surplus/(Deficit)**	**4,318**	**3,662**	**657**	**3,422**	**126%**	**2,782**	**(641)**

** Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations*

*** Rates Revenue, Finance Costs, Depreciation & Amortisation Expenses, Development Contribution, Capital Revenue and Vested Assets variances are explained in the Council activity statements*

Material variances as explained below:

Gains & Losses: ($238k) unfavourable.

The unfavourable variance is due to the write-off of the Stadium Bowling Club site and grounds assets, and other various open space assets.

The comments below explain the material variance between annual approved budget and annual forecast.

Gains & Losses: ($238k) unfavourable.

The unfavourable variance is due to the write-off of the Stadium Bowling Club site and grounds assets, and other various open space assets.

Attachment 2

SAFETY

Animal Education and Control | Environmental Health | Alcohol Licensing | Public Safety | Civil Defence

FOR THE MONTH ENDED 31 JANUARY 2022

$000 YTD 2019/20		$000 YTD Actual	$000 YTD Budget (Approved)	$000 YTD Variance Fav/(Unfav)	$000 Annual Approved Budget	$000 % Annual Budget Spent	$000 Annual Forecast	$000 Annual Variance Fav/(Unfav)
	Everyday Revenue							
2,267	Rates**	2,631	2,623	8	4,680	56%	4,680	
1,651	Fees & Charges	1,598	1,555	44	2,090	76%	2,104	14
29	Subsidies & Grants	29	31	(1)	53	56%	53	
	Interest Revenue							
26	Other Revenue	44	18	26	31	144%	31	
3,973	**Total Everyday Revenue**	**4,302**	**4,226**	**76**	**6,853**	**63%**	**6,867**	**14**
	Everyday Expenditure							
2,421	Personnel Costs	2,618	2,781	163	4,751	55%	4,634	118
603	Operating & Maintenance Costs	764	742	(23)	1,355	56%	1,403	(48)
62	Professional Costs	87	85	(2)	146	60%	174	(28)
188	Administration Expenses	193	240	47	341	57%	329	12
10	Property Costs	12	15	3	26	47%	26	
	Finance Costs**		1	1	2	5%	2	
49	Depreciation & Amortisation Expense**	59	52	(7)	89	67%	65	24
	Gains & Losses							
3,334	**Total Everyday Expenditure**	**3,734**	**3,917**	**183**	**6,711**	**56%**	**6,633**	**78**
639	**Everyday Surplus/(Deficit)***	**569**	**310**	**259**	**142**	**400%**	**234**	**92**
	Capital Revenue							
	Capital Revenue**							
	Total Capital Revenue							
639	**Operating Surplus/(Deficit)**	**569**	**310**	**259**	**142**	**400%**	**234**	**92**

** Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations*

*** Rates Revenue, Finance Costs, Depreciation & Amortisation Expenses, Development Contribution, Capital Revenue and Vested Assets variances are explained in the Council activity statements*

Material variances as explained below:

Personnel Costs: $163k favourable.

The favourable variance is due to staff vacancies and the length of time to recruit in the current market. Most of the vacant positions have now been filled.

GROWTH

City Planning | Planning Guidance | Building Control

FOR THE MONTH ENDED 31 JANUARY 2022

$000 Last Year YTD		$000 YTD Actual	$000 YTD Budget (Approved)	$000 YTD Variance Fav/(Unfav)	$000 Annual Approved Budget	$000 % Annual Budget Spent	$000 Annual Forecast	$000 Annual Variance Fav/(Unfav)
	Everyday Revenue							
3,374	Rates**	6,476	6,439	38	11,396	57%	11,396	
6,530	Fees & Charges	7,422	5,685	1,736	10,410	71%	9,745	(665)
70	Subsidies & Grants							
26	Interest Revenue	4	6	(3)	11	36%	11	
1	Other Revenue							
10,001	**Total Everyday Revenue**	**13,902**	**12,130**	**1,772**	**21,817**	**64%**	**21,152**	**(665)**
	Everyday Expenditure							
5,263	Personnel Costs	6,066	6,669	603	11,327	54%	11,327	
101	Operating & Maintenance Costs	150	233	83	400	37%	400	
1,854	Professional Costs	2,971	3,038	66	4,807	62%	4,807	
621	Administration Expenses	465	695	229	1,353	34%	1,353	
31	Property Costs	43	50	7	86	50%	86	
273	Finance Costs**	127	341	214	585	22%	585	
3	Depreciation & Amortisation Expense**	3	3		5	52%	5	
	Gains & Losses							
8,146	**Total Everyday Expenditure**	**9,825**	**11,028**	**1,204**	**18,563**	**53%**	**18,563**	
1,854	**Everyday Surplus/(Deficit)***	**4,078**	**1,102**	**2,976**	**3,255**	**125%**	**2,590**	**(665)**
	Capital Revenue							
	Capital Revenue**							
	Total Capital Revenue							
1,854	**Operating Surplus/(Deficit)**	**4,078**	**1,102**	**2,976**	**3,255**	**125%**	**2,590**	**(665)**

** Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations*

*** Rates Revenue, Finance Costs, Depreciation & Amortisation Expenses, Development Contribution, Capital Revenue and Vested Assets variances are explained in the Council activity statements*

Material variances as explained below:

Fees & Charges: $1,736k favourable.

The majority of this is due to higher than budgeted levels of activity in the Building Control unit. In the first half of the financial year there was a mix of a larger number of consents than usual, along with some high value consents. Revenue from building has been difficult to predict since the covid-19 lockdowns, with the additional uncertainty around product supply. It is unclear when a level of certainty and predictability will return to this market. There is also slightly more revenue than budgeted for in Planning Guidance as resource consent numbers are up.

Personnel Costs: $603k favourable.

There are 5 vacancies in the Building Control unit. Additionally, in City Planning there were positions budgeted for in the District Plan budget that have instead been filled by consultants. Therefore some of this variance is offset in professional costs.

Administration Expenses: $229k favourable.

Provision for a Building Control claim was released when the claim was paid out in September 2021. The claim paid out was $50k less than what was provided. The additional variance is made up of small underspends across all units.

The comments below explain the material variance between annual approved budget and annual forecast.

Fees & Charges: $665k unfavourable.

Correcting revenue which will not be received. The spend associated with this has been repurposed to the Hamilton Urban Growth Strategy review work.

Attachment 2

WATER SUPPLY

Water Treatment | Water Storage | Water Distribution

FOR THE MONTH ENDED 31 JANUARY 2022

$000 Last Year YTD		$000 YTD Actual	$000 YTD Budget (Approved)	$000 YTD Variance Fav/(Unfav)	$000 Annual Approved Budget	$000 % Annual Budget Spent	$000 Annual Forecast	$000 Annual Variance Fav/(Unfav)
	Everyday Revenue							
16,164	Rates**	12,004	12,206	(202)	21,616	56%	21,475	(141)
(30)	Fees & Charges	(77)	(94)	16	(160)	48%	(160)	
	Subsidies & Grants	1,936	2	1,933	4	48390%	2,170	2,166
180	Interest Revenue	75	35	40	60	126%	60	
	Other Revenue							
16,314	**Total Everyday Revenue**	**13,938**	**12,150**	**1,788**	**21,520**	**65%**	**23,544**	**2,025**
	Everyday Expenditure							
1,685	Personnel Costs	2,701	2,735	34	4,388	62%	4,388	
1,450	Operating & Maintenance Costs	2,209	2,185	(24)	4,502	49%	4,502	
330	Professional Costs	802	603	(199)	1,099	73%	3,265	(2,166)
46	Administration Expenses	27	36	8	66	42%	66	
1,168	Property Costs	1,204	1,343	139	2,268	53%	2,268	
1,484	Finance Costs**	1,126	2,145	1,019	3,581	31%	2,581	1,000
4,825	Depreciation & Amortisation Expense**	4,611	4,871	259	8,349	55%	8,349	
195	Gains & Losses	546		(546)			546	(546)
11,184	**Total Everyday Expenditure**	**13,227**	**13,917**	**690**	**24,253**	**55%**	**25,965**	**(1,712)**
5,131	**Everyday Surplus/(Deficit)***	**711**	**(1,768)**	**2,478**	**(2,733)**	**(26%)**	**(2,421)**	**312**
	Capital Revenue							
4,200	Development Contributions**	3,001	2,982	19	5,111	59%	5,111	
606	Capital Revenue**	2,275	29	2,246	50	4549%	2,444	2,394
728	Vested Assets**	576	1,044	(468)	1,790	32%	1,790	
5,534	**Total Capital Revenue**	**5,852**	**4,055**	**1,797**	**6,951**	**84%**	**9,344**	**2,394**
10,665	**Operating Surplus/(Deficit)**	**6,562**	**2,287**	**4,275**	**4,217**	**156%**	**6,923**	**2,706**

** Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations*

*** Rates Revenue, Finance Costs, Depreciation & Amortisation Expenses, Development Contribution, Capital Revenue and Vested Assets variances are explained in the Council activity statements*

Material variances as explained below:

Rates: ($202k) unfavourable.**

Water by Meter revenue is unfavourable due to a lower than anticipated level of water use year to date.

Subsidies & Grants: $1,933k favourable.

The favourable variance is due to the allocation of Central Government grant funding to the activity for the delivery of the Water Reform Stimulus Programme. This offsets operational expenditure incurred for approved projects and costs, including professional services costs and operating & maintenance costs.

Professional Costs: ($199k) unfavourable.

The unfavourable variance is due to Water Reform Stimulus Programme projects underway and is 100% offset by funds received from the Central Government Water Reform Stimulus grant funding. (See Subsidies & Grants above)

Property Costs: $139k favourable.

The favourable variance is largely due to insurance costs being less than budget.

Gains & Losses: ($546k) unfavourable.

Unfavourable variance is due to the disposal of various assets.

Capital Revenue: $2,246k favourable.**

Contributions toward new connections exceed budget due to increased applications. This revenue will offset capital installation costs. Allocation of Central Government grant funding to offset Water Reform Stimulus Programme capital expenditure for this activity also contributes to the favourable variance.

The comments below explain the material variance between annual approved budget and annual forecast.

Subsidies & Grants: $2,166k favourable

Allocation of Central Government grant funding to the activity for the delivery of the Water Reform Stimulus Programme. This funding offsets operational expenditure incurred for approved projects and costs, including professional costs.

Professional Costs: ($2,166k) unfavourable

Expenditure relating to delivery of the Water Reform Stimulus projects which is offset by funds received from the Central Government Water Reform Stimulus grant funding.

Attachment 2

WASTEWATER

Wastewater Collection | Wastewater Treatment | Wastewater Disposal

FOR THE MONTH ENDED 31 JANUARY 2022

$000 Last Year YTD		$000 YTD Actual	$000 YTD Budget (Approved)	$000 YTD Variance Fav/(Unfav)	$000 Annual Approved Budget	$000 % Annual Budget Spent	$000 Annual Forecast	$000 Annual Variance Fav/(Unfav)
	Everyday Revenue							
17,197	Rates**	16,989	16,395	594	29,183	58%	29,183	
3,278	Fees & Charges	2,844	3,437	(593)	6,836	42%	6,836	
	Subsidies & Grants	2,184	5	2,180	8	27304%	2,279	2,271
158	Interest Revenue	64	39	25	67	95%	67	
	Other Revenue							
20,633	**Total Everyday Revenue**	**22,081**	**19,876**	**2,206**	**36,094**	**61%**	**38,365**	**2,271**
	Everyday Expenditure							
3,328	Personnel Costs	3,832	4,701	870	7,752	49%	7,752	
3,590	Operating & Maintenance Costs	4,262	4,202	(60)	7,997	53%	7,997	
1,200	Professional Costs	1,657	618	(1,039)	1,055	157%	3,326	(2,271)
92	Administration Expenses	84	100	16	197	43%	197	
1,175	Property Costs	1,371	1,375	4	2,389	57%	2,389	
1,672	Finance Costs**	1,540	2,426	886	3,917	39%	3,517	400
6,756	Depreciation & Amortisation Expense**	7,715	7,536	(179)	12,917	60%	12,917	
148	Gains & Losses	1,428		(1,428)			1,428	(1,428)
17,961	**Total Everyday Expenditure**	**21,888**	**20,958**	**(930)**	**36,224**	**60%**	**39,524**	**(3,299)**
2,673	**Everyday Surplus/(Deficit)***	**193**	**(1,082)**	**1,275**	**(130)**	**(148%)**	**(1,158)**	**(1,028)**
	Capital Revenue							
6,129	Development Contributions**	4,739	5,323	(584)	9,123	52%	9,123	
1,011	Capital Revenue**	2,618	475	2,144	813	322%	3,437	2,624
1,359	Vested Assets**	1,260	1,932	(672)	3,312	38%	3,312	
8,498	**Total Capital Revenue**	**8,617**	**7,729**	**888**	**13,249**	**65%**	**15,873**	**2,624**
11,171	**Operating Surplus/(Deficit)**	**8,810**	**6,647**	**2,163**	**13,118**	**67%**	**14,714**	**1,596**

** Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations*

*** Rates Revenue, Finance Costs, Depreciation & Amortisation Expenses, Development Contribution, Capital Revenue and Vested Assets variances are explained in the Council activity statements*

Material variances as explained below:

Fees & Charges: ($593k) unfavourable.

Fees & Charges are unfavourable due to recoveries from water shared services being less than budget which was also offset by lower expenditure.

Subsidies & Grants: $2,180k favourable.

The favourable variance is due to the allocation of Central Government grant funding to the activity for the delivery of the Water Reform Stimulus Programme. This offsets operational expenditure incurred for approved projects and costs, including professional services costs and operating & maintenance costs.

Personnel Costs: $870k favourable.

The favourable variance is mainly due to short term staff vacancies.

Professional Costs: ($1,039k) unfavourable.

The unfavourable variance is due to Water Reform Stimulus Programme projects underway and is 100% offset by funds received from the Central Government Water Reform Stimulus grant funding. (See Subsidies & Grants above)

Gains & Losses: ($1,428k) unfavourable.

Unfavourable variance is due to the disposal of various assets.

Capital Revenue: $2,144k favourable.**

Contributions toward new connections exceed budget due to increased applications. This revenue will offset capital installation costs. Allocation of Central Government grant funding to offset Water Reform Stimulus capital expenditure for this activity also contributes to the favourable variance.

The comments below explain the material variance between annual approved budget and annual forecast.

Subsidies & Grants: $2,271k favourable

Allocation of Central Government grant funding to the activity for the delivery of the Water Reform Stimulus Programme. This funding offsets operational expenditure incurred for approved projects and costs, including professional costs.

Professional Costs: ($2,271k) unfavourable

Expenditure relating to delivery of the Water Reform Stimulus projects which is offset by funds received from the Central Government Water Reform Stimulus grant funding.

Attachment 2

STORMWATER

Stormwater Network

FOR THE MONTH ENDED 31 JANUARY 2022

$000 Last Year YTD		$000 YTD Actual	$000 YTD Budget (Approved)	$000 YTD Variance Fav/(Unfav)	$000 Annual Approved Budget	$000 % Annual Budget Spent	$000 Annual Forecast	$000 Annual Variance Fav/(Unfav)
	Everyday Revenue							
3,864	Rates**	10,037	9,976	61	17,722	57%	17,722	
219	Fees & Charges	204	151	53	258	79%	258	
	Subsidies & Grants	334	2	331	4	8339%	556	552
43	Interest Revenue	20	11	9	18	106%	18	
	Other Revenue							
4,126	**Total Everyday Revenue**	**10,594**	**10,140**	**454**	**18,003**	**59%**	**18,555**	**552**
	Everyday Expenditure							
1,131	Personnel Costs	1,308	1,382	73	2,215	59%	2,215	
342	Operating & Maintenance Costs	346	278	(68)	390	89%	390	
81	Professional Costs	544	337	(208)	583	93%	1,135	(552)
26	Administration Expenses	17	23	6	40	41%	40	
374	Property Costs	444	348	(96)	466	95%	466	
457	Finance Costs**	462	676	214	1,129	41%	1,129	
5,547	Depreciation & Amortisation Expense**	6,040	5,742	(298)	9,842	61%	10,319	(477)
63	Gains & Losses	282		(282)			282	(282)
8,020	**Total Everyday Expenditure**	**9,443**	**8,785**	**(659)**	**14,665**	**64%**	**15,976**	**(1,311)**
(3,893)	**Everyday Surplus/(Deficit)***	**1,151**	**1,355**	**(205)**	**3,339**	**34%**	**2,579**	**(759)**
	Capital Revenue							
1,522	Development Contributions**	1,123	2,876	(1,752)	4,929	23%	4,929	
234	Capital Revenue**	1,284	1,181	103	2,025	63%	3,155	1,130
4,711	Vested Assets**	874	2,800	(1,926)	4,800	18%	4,800	
6,468	**Total Capital Revenue**	**3,281**	**6,857**	**(3,576)**	**11,754**	**28%**	**12,885**	**1,130**
2,574	**Operating Surplus/(Deficit)**	**4,432**	**8,213**	**(3,781)**	**15,093**	**29%**	**15,464**	**371**

** Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations*

*** Rates Revenue, Finance Costs, Depreciation & Amortisation Expenses, Development Contribution, Capital Revenue and Vested Assets variances are explained in the Council activity statements*

Material variances as explained below:

Subsidies & Grants: $331k favourable.

The favourable variance is due to the allocation of Central Government grant funding to the activity for the delivery of the Water Reform Stimulus Programme. This offsets operational expenditure incurred for approved projects and costs, including professional services costs and operating & maintenance costs.

Professional Costs: ($208k) unfavourable.

The unfavourable variance is due to Water Reform Stimulus Programme projects underway and is 100% offset by funds received from the Central Government Water Reform Stimulus grant funding. (See Subsidies & Grants above)

Gains & Losses: ($282k) unfavourable.

Unfavourable variance is due to the disposal of various assets.

The comments below explain the material variance between annual approved budget and annual forecast.

Subsidies & Grants: $552k favourable

Allocation of Central Government grant funding to the activity for the delivery of the Water Reform Stimulus Programme. This funding offsets operational expenditure incurred for approved projects and costs, including professional costs.

Professional Costs: ($552k) unfavourable

Expenditure relating to delivery of the Water Reform Stimulus projects which is offset by funds received from the Central Government Water Reform Stimulus grant funding.

Attachment 2

TRANSPORT

Transport Network | Transport Centre | Parking Management

FOR THE MONTH ENDED 31 JANUARY 2022

$000 Last Year YTD		$000 YTD Actual	$000 YTD Budget (Approved)	$000 YTD Variance Fav/(Unfav)	$000 Annual Approved Budget	$000 % Annual Budget Spent	$000 Annual Forecast	$000 Annual Variance Fav/(Unfav)
	Everyday Revenue							
19,965	Rates**	26,668	26,404	264	47,166	57%	47,166	
2,331	Fees & Charges	2,279	2,327	(48)	4,179	55%	4,179	
3,564	Subsidies & Grants	4,909	4,682	227	7,858	62%	7,858	
183	Interest Revenue	193	45	147	78	247%	78	
1,401	Other Revenue	1,474	1,785	(311)	2,929	50%	2,929	
27,444	**Total Everyday Revenue**	**35,522**	**35,244**	**279**	**62,210**	**57%**	**62,210**	
	Everyday Expenditure							
2,695	Personnel Costs	3,586	4,042	456	6,361	56%	6,361	
7,869	Operating & Maintenance Costs	9,328	10,758	1,429	19,423	48%	19,423	
353	Professional Costs	2,089	1,366	(724)	2,391	87%	2,391	
475	Administration Expenses	593	478	(115)	724	82%	724	
1,256	Property Costs	1,214	1,366	152	2,327	52%	2,327	
1,936	Finance Costs**	4,040	1,702	(2,338)	2,844	142%	2,844	
10,748	Depreciation & Amortisation Expense**	12,524	11,989	(535)	20,550	61%	21,462	(912)
(12)	Gains & Losses			()	61,103	0%		61,103
25,319	**Total Everyday Expenditure**	**33,375**	**31,699**	**(1,676)**	**115,724**	**29%**	**55,533**	**60,191**
2,125	**Everyday Surplus/(Deficit)***	**2,147**	**3,545**	**(1,397)**	**(53,513)**	**(4%)**	**6,678**	**60,191**
	Capital Revenue							
4,866	Development Contributions**	3,985	6,790	(2,805)	11,638	34%	11,638	
29,033	Capital Revenue**	43,844	56,437	(12,593)	96,865	45%	84,029	(12,835)
12,538	Vested Assets**	9,707	14,345	(4,638)	24,589	39%	24,589	
46,437	**Total Capital Revenue**	**57,536**	**77,572**	**(20,036)**	**133,092**	**43%**	**120,257**	**(12,835)**
48,562	**Operating Surplus/(Deficit)**	**59,683**	**81,117**	**(21,434)**	**79,579**	**75%**	**126,935**	**47,356**

** Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations*

*** Rates Revenue, Finance Costs, Depreciation & Amortisation Expenses, Development Contribution, Capital Revenue and Vested Assets variances are explained in the Council activity statements*

Material variances as explained below:

Subsidies & Grants: $227k favourable.

Operational subsidies received from Waka Kotahi NZTA is favourable due to funds allocated for public transport infrastructure studies. This offsets the unfavourability of professional costs

Other Revenue: ($311k) unfavourable.

The unfavourable result is due to Waka Kotahi NZTA temporarily suspending the requirement of valid vehicle registrations which resulted in the suspension of issuing infringements until 30 November 2021 due to Government imposed Covid-19 restrictions

Personnel Costs: $456k favourable.

The favourable variance is mainly due to short term staff vacancies which are expected to be filled within the 3rd quarter of the financial year.

Operating & Maintenance Costs: $1,429k favourable.

The favourable variance is due to maintenance work put on hold during covid-19 lockdowns. Work will continue and budgets will be fully spent by the end of the financial year.

Professional Costs: ($724k) unfavourable.

The unfavourable result is due to costs associated with development of the Metro Spatial Plan and public transport infrastructure studies being completed on key bus routes in the city. Costs are mostly offset by favourable variances in Subsidies & Grants.

Property Costs: $152k favourable.

The favourable variance is largely due to insurance costs being less than budget.

Administration Expenses: ($115k) unfavourable.

The unfavourable result is mainly due to software licence costs which are offset by a Waka Kotahi NZTA Operating Subsidy

Capital Revenue: ($12,593k) unfavourable.**

Revenue from subsidies are tracking below budget as we work through the approval processes for capital projects funding from Waka Kotahi NZTA.

The comments below explain the material variance between annual approved budget and annual forecast.

Gains & Losses: ($61,103k) favourable.

Completion of the Ring Road and Resolution Drive to occur in 2021/22 and will be vested to Waka Kotahi NZTA in the 2021/22 financial year.

Attachment 2

RUBBISH AND RECYCLING

Refuse Collection | Waste Minimisation | Landfill Site Management

FOR THE MONTH ENDED 31 JANUARY 2022

$000 Last Year YTD		$000 YTD Actual	$000 YTD Budget (Approved)	$000 YTD Variance Fav/(Unfav)	$000 Annual Approved Budget	$000 % Annual Budget Spent	$000 Annual Forecast	$000 Annual Variance Fav/(Unfav)
	Everyday Revenue							
4,035	Rates**	4,726	4,795	(69)	8,581	55%	8,581	
(60)	Fees & Charges	(31)	(45)	14	(71)	43%	(71)	
377	Subsidies & Grants	570	482	88	642	89%	642	
3	Interest Revenue	1	1		1	72%	1	
223	Other Revenue	251	259	(8)	444	56%	444	
4,579	**Total Everyday Revenue**	**5,516**	**5,492**	**25**	**9,597**	**57%**	**9,597**	
	Everyday Expenditure							
946	Personnel Costs	571	536	(35)	918	62%	918	
4,627	Operating & Maintenance Costs	3,870	4,555	685	7,811	50%	7,761	50
220	Professional Costs	146	198	52	391	37%	391	
(5)	Administration Expenses	2	6	3	(1,100)	(0%)	(1,100)	
23	Property Costs	25	44	19	72	34%	72	
36	Finance Costs**	27	49	22	216	12%	216	
327	Depreciation & Amortisation Expense**	283	327	44	560	51%	390	170
	Gains & Losses							
6,175	**Total Everyday Expenditure**	**4,923**	**5,714**	**791**	**8,867**	**56%**	**8,647**	**220**
(1,596)	**Everyday Surplus/(Deficit)***	**594**	**(222)**	**816**	**731**	**81%**	**951**	**220**
	Capital Revenue							
	Capital Revenue**							
	Total Capital Revenue							
(1,596)	**Operating Surplus/(Deficit)**	**594**	**(222)**	**816**	**731**	**81%**	**951**	**220**

** Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations*

*** Rates Revenue, Finance Costs, Depreciation & Amortisation Expenses, Development Contribution, Capital Revenue and Vested Assets variances are explained in the Council activity statements*

Material variances as explained below:

Operating & Maintenance Costs: $685k favourable.

The favourable result is due to kerbside refuse tonnage being lower than anticipated, food waste kerbside collection service not proceeding during covid-19 restrictions and lower bin maintenance costs.

The comments below explain the material variance between annual approved budget and annual forecast.

Operating & Maintenance Costs: $50k favourable

The favourable variance is due to a Council resolution to develop a future management plan for the closed Horotiu Landfill. $50k was budgeted however due to covid-19, the ability of City Waters to develop this work has been compromised and the project was postponed to 2022/23.

OVERHEADS

CE's Office | Corporate | Strategy and Communications | Strategic Property

FOR THE MONTH ENDED 31 JANUARY 2022

$000 Last Year YTD		$000 YTD Actual	$000 YTD Budget (Approved)	$000 YTD Variance Fav/(Unfav)	$000 Annual Approved Budget	$000 % Annual Budget Spent	$000 Annual Forecast	$000 Annual Variance Fav/(Unfav)
	Everyday Revenue							
(136)	Rates**	(170)	(176)	6	(302)	56%	(302)	
666	Fees & Charges	587	714	(127)	1,178	50%	1,178	
	Subsidies & Grants							
	Interest Revenue	9		9				
1,458	Other Revenue	1,180	1,260	(81)	2,160	55%	2,160	
1,988	**Total Everyday Revenue**	**1,606**	**1,799**	**(193)**	**3,036**	**53%**	**3,036**	
	Everyday Expenditure							
12,159	Personnel Costs	13,534	13,297	(237)	22,704	60%	22,704	
4,298	Operating & Maintenance Costs	5,375	5,438	63	9,977	54%	9,977	
1,945	Professional Costs	1,150	1,834	685	3,394	34%	3,394	
2,972	Administration Expenses	3,877	3,993	115	7,051	55%	7,051	
382	Property Costs	426	472	46	829	51%	829	
16	Finance Costs**	100	121	21	207	48%	207	
3,182	Depreciation & Amortisation Expense**	3,553	3,352	(201)	5,746	62%	5,746	
236	Gains & Losses	137		(137)	(756)	(18%)	(620)	(137)
25,191	**Total Everyday Expenditure**	**28,151**	**28,507**	**356**	**49,151**	**57%**	**49,288**	**(137)**
(23,202)	**Everyday Surplus/(Deficit)***	**(26,545)**	**(26,709)**	**163**	**(46,115)**	**58%**	**(46,251)**	**(137)**
(23,202)	**Operating Surplus/(Deficit)**	**(26,545)**	**(26,709)**	**163**	**(46,115)**	**58%**	**(46,251)**	**(137)**

** Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations*

*** Rates Revenue, Finance Costs, Depreciation & Amortisation Expenses, Development Contribution, Capital Revenue and Vested Assets variances are explained in the Council activity statements*

Material variances as explained below:

Personnel Costs: ($237k) unfavourable.

Personnel costs are unfavourable due to expenditure on externally contracted staff to cover vacancies, deliver organisation wide projects and projects within the facilities management team.

Professional Costs: $685k favourable.

Professional costs are favourable due to the use of internal resources to complete projects.

Administration Expenses: $115k favourable.

Administration expenses are favourable due to reduced spending in various areas as a result of covid-19.

The comments below explain the material variance between annual approved budget and annual forecast.

No significant variances to report.

Attachment 2

GENERAL

FOR THE MONTH ENDED 31 JANUARY 2022

$000 Last Year YTD		$000 YTD Actual	$000 YTD Budget (Approved)	$000 YTD Variance Fav/(Unfav)	$000 Annual Approved Budget	$000 % Annual Budget Spent	$000 Annual Forecast	$000 Annual Variance Fav/(Unfav)
	Everyday Revenue							
()	Rates**							
	Fees & Charges							
	Subsidies & Grants							
(41)	Interest Revenue	(31)		(31)				
746	Other Revenue	694	694	()	8,188	8%	8,188	
706	**Total Everyday Revenue**	**662**	**694**	**(32)**	**8,188**	**8%**	**8,188**	
	Everyday Expenditure							
	Personnel Costs			()				
	Operating & Maintenance Costs		(403)	(403)	(691)	0%	(691)	
	Professional Costs		(58)	(58)	(100)	0%	(100)	
	Administration Expenses		(403)	(403)	(691)	0%	(691)	
	Property Costs							
45	Finance Costs**	245	(260)	(504)	(341)	(72%)	(341)	
	Depreciation & Amortisation Expense**		(365)	(365)	(625)	0%	(625)	
(9,556)	Gains & Losses	(21,985)		21,985			(21,985)	21,985
(9,511)	**Total Everyday Expenditure**	**(21,740)**	**(1,489)**	**20,250**	**(2,448)**	**888%**	**(24,433)**	**21,985**
10,217	**Everyday Surplus/(Deficit)***	**22,402**	**2,183**	**20,219**	**10,636**	**211%**	**32,621**	**21,985**
10,217	**Operating Surplus/(Deficit)**	**22,402**	**2,183**	**20,219**	**10,636**	**211%**	**32,621**	**21,985**

** Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations*

*** Rates Revenue, Finance Costs, Depreciation & Amortisation Expenses, Development Contribution, Capital Revenue and Vested Assets variances are explained in the Council activity statements*

Material variances as explained below:

Gains & Losses: $21,985k favourable.

Movement in market interest rates have resulted in a gain in the fair value of interest rate swaps.

Note: negative budgets

The negative budgets are due to Chief Executive savings target which is set to the whole organisation. This nets out across the Council.

TREASURY REPORT

Attachment 3

Year to date 31 January 2022

Investment and Cash Position

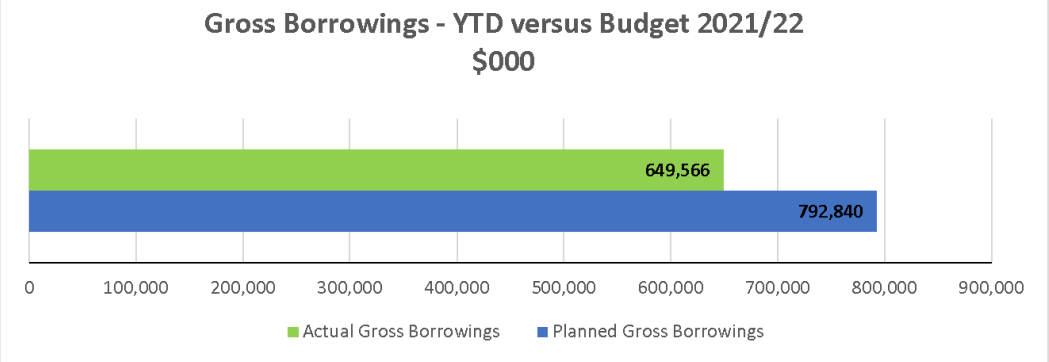
Treasury cash investments consist of:

Cash Investments	Actual $000 Jan-22	Budget $000 Jun-22	Variance $000 Fav/ (Unfav)
Cash on call	52,000	not apportioned	not apportioned
Term deposit	50,000	not apportioned	not apportioned
Closing bank balances	6,280	not apportioned	not apportioned
LGFA borrower notes	10,880	not apportioned	not apportioned
Total cash investments	**119,160**	**61,526**	**57,634**

The Council's investments are managed on a regular basis, with sufficient minimum immediate cash reserves maintained. To best manage funding gaps, Council's financial investment maturities are matched with Council's forecast cash flow requirements.

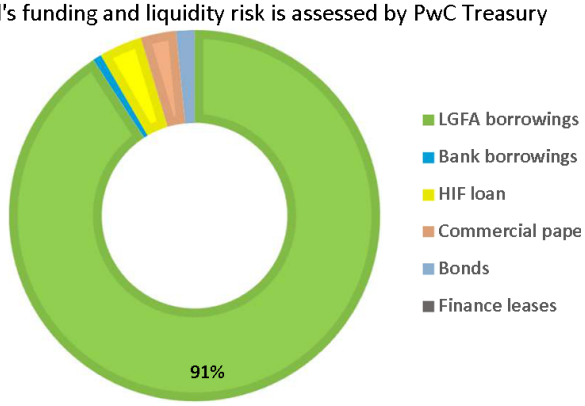
Borrowing Position

Council borrowings is the external portion of debt held with the Local Government Funding Agency (LGFA), banks, Ministry of Business, Innovation and Employment and finance lease liabilities.



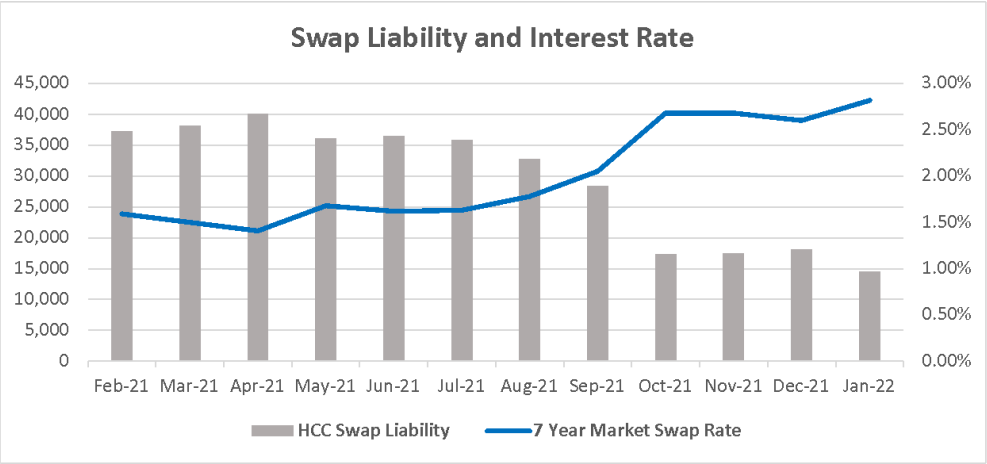
Borrowing debt has increased by $30 million since last reported at Finance Committee. This is in line with Council's funding and liquidity strategy. Council's funding and liquidity risk is assessed by PwC Treasury Advisors prior to all borrowing activity.

The LGFA remains Council's most favoured and low cost source of funding.



Interest Rates

Council manages interest rate risk to reduce uncertainty relating to interest rate fluctuations through fixing of interest costs. The exposure to interest rate risk is managed and mitigated through the risk control limits as set out in the Investment and Liability Management Policy.



There is an inverse relationship between Council's swap liability and the market swap interest rate. As the market swap interest rate increases Council's swap liability decreases and a gain is then recognised on the interest rate swap. Conversely, a decrease in the market swap interest rate results in an increase in Council's swap liability and a loss is then recognised on the interest rate swap.

Register of Significant Forecast Changes

$000's
BB= Balancing the books impact
ND = Net Debt impact
Numbers in brackets have an adverse impact.

Date	Change		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
5-Oct-21	Capital Deferrals	BB	-	-	-	-	-	-	-	-	-	-
		ND	(5,060)	(5,060)	(5,060)	(5,060)	(5,060)	(5,060)	(5,060)	(5,060)	(5,060)	(5,060)
	Operational Adjustments	BB	1,762	874	800	841	868	827	755	764	794	749
		ND	1,762	2,636	3,436	4,278	5,146	5,972	6,727	7,491	8,285	9,034
	Revised Budget Adjustments	BB	(647)	-	-	65	-	-	0	0	0	0
		ND	(647)	(647)	(647)	(582)	(582)	(582)	(582)	(582)	(582)	(582)
14-Dec-21	Capital Deferrals	BB	0	-	0	-	-	-	0	0	0	0
		ND	(600)	(600)	(600)	(600)	(600)	(600)	(600)	(600)	(600)	(600)
	Operational Adjustments	BB	(3,814)	(23)	(61)	(82)	(103)	(115)	(122)	(138)	(159)	(164)
		ND	1,239	(1,784)	(1,845)	(1,927)	(2,029)	(2,145)	(2,266)	(2,404)	(2,563)	(2,728)
	Revised Budget Adjustments	BB	(376)	-	0	-	-	-	0	0	0	0
		ND	(376)	(376)	(376)	(376)	(376)	(376)	(376)	(376)	(376)	(376)
10-Feb-22	Capital Deferrals	BB	0	-	0	-	-	-	0	0	0	0
		ND	27,515	7,276	(12,963)	(12,963)	(12,963)	(12,963)	(12,963)	(12,963)	(12,963)	(12,963)
	Operational Adjustments	BB	(985)	-	0	-	-	-	0	0	0	0
		ND	(985)	(985)	(985)	(985)	(985)	(985)	(985)	(985)	(985)	(985)
10-Feb-22	Capital Deferrals	BB	2,139	2,139	2,139	2,139	2,139	2,139	2,139	2,139	2,139	2,139
		ND	101,541	105,609	119,897	124,433	128,219	132,045	135,547	138,977	143,837	148,115
	Operational Adjustments	BB	(3,469)	(8,415)	(9,847)	(8,114)	(8,186)	(8,486)	(8,740)	(9,378)	(8,351)	(9,231)
		ND	(1,615)	(5,247)	(8,285)	(13,332)	(18,439)	(22,586)	(27,830)	(33,040)	(38,371)	(43,776)
Total Cumulative Impact on Balancing the Books			**(5,390)**	**(5,425)**	**(6,969)**	**(5,151)**	**(5,281)**	**(5,636)**	**(5,968)**	**(6,613)**	**(5,577)**	**(6,507)**
Total Cumulative Impact on Net Debt			**122,774**	**100,822**	**92,572**	**92,886**	**92,330**	**92,721**	**91,612**	**90,458**	**90,622**	**90,080**

Item 8

Attachment 4

Item 9

Council Report

Committee: Finance Committee **Date:** 29 March 2022

Author: Katy Nudd **Authoriser:** Sean Hickey

Position: Business Planning Analyst **Position:** General Manager Strategy and Communications

Report Name: Non-Financial Service Performance Report

Report Status	*Open*

Purpose - *Take*

1. To inform the Finance Committee of the Non-Financial Service Performance results for the six months between July 2021 - December 2021 as related to year one of the 2021-31 10-Year Plan.

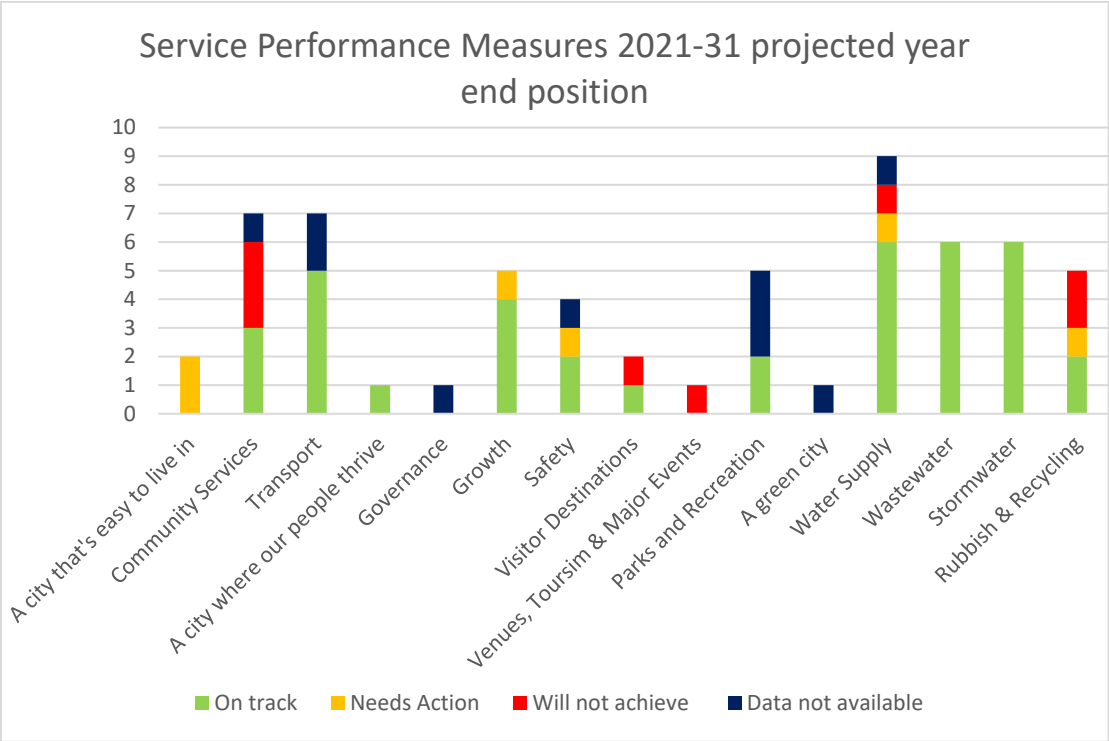
Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Finance Committee:
   a) receives the report
   b) notes that the next six-monthly update will be presented as part of the 2021/22 Annual Report.

Executive Summary - *Whakaraapopototanga matua*

3. The Service Performance Measures (KPIs) set in the 2021-31 Long-Term Plan are reported against for three years.
4. The report is structured by Priority as set-out in the 2021-31 Long Term Plan.
5. This report is to update Council on the results for the first six months of year one (July 2021 – December 2021).
6. Each measure is assigned a status and commentary in relation to current performance year-to-date, and status and commentary for its expected year-end position. Status options include, 'on track' (green), 'needs action' (yellow), 'off track' (red), and 'data not available' (blue).
7. A summary of the projected year end position by activity is shown below:
   i. 38 measures are on track;
   ii. 6 measures need corrective action;
   iii. 8 measures will not be achieved; and
   iv. 10 measures have no data available at this point.

8. A summary of the projected year end position of each Long-Term Plan Activity by category is shown in the graph below:



9. COVID-19 Restrictions has had an impact on Council's ability to meet all stated levels of service.

10. This impact is expected to continue as the spread of COVID-19 and in particular Omicron continues. This is reflected by the Service Performance Measures tagged with a not achieved (red) and needs action (amber) status.

11. Annual and bi-annual Services Performance Measures are reflected by a data not available (black) status.

12. Due to future timings of the report and expected impacts of COVID-19 we will not bring a further update to the Finance Committee. The final year-end report will be included as part of the 2021/22 Annual report.

13. Staff consider the matters in this report have low significance in accordance to the Significance and Engagement Policy and that the recommendations comply with the Council's legal requirements.

Background - *Koorero whaimaarama*

14. The non-financial Service Performance Measures are set as part of the Long-Term Plan process and are Council's way of monitoring our funded levels of service and reporting them to the community. Targets are set as part of this process, the targets in the 2021-31 Long-Term Plan were set in early 2021. The year end results and progress towards targets will be part of the Annual Report and subject to audit by Audit New Zealand.

15. Historically updates have been presented to the Finance Committee quarterly, however due to operational challenges imposed by COVID-19 restrictions this has moved to six monthly.

Discussion - *Matapaki*

16. There are 62 service performance measures contained in the 2021-31 Long-Term Plan.

17. The structure of the report has been set to provide an overview of each Priority, the activities contained in that Priority and the community focused service performance measures, key highlights for each activity are also presented.

18. The priority *'a central city where our people love to be'*, does not have a separate set of Council Activities or Service Performance statements, as they are already reflected in our citywide activity statements and service performance measures.

19. There has been multiple COVID-19 restrictions imposed since 1 July 2021 they include:

    i. COVID Alert Level 4: 17–31 August 2021

    ii. COVID Alert Level 3: 1–7 September 2021

    iii. COVID Alert Level 2: 8 September 2021 – 3 October 2021

    iv. COVID Alert Level 3: 4–27 October 2021

    v. COVID Alert Level 3 Step 1: 28 October 2021 – 2 November 2021

    vi. COVID Alert Level 3 Step 2: 3-9 November 2021

    vii. COVID Alert Level 3 Step 1: 10-15 November 2021

    viii. COVID Alert Level 2: 16 November 2021 – 1 December 2021

    ix. COVID Protection Framework Orange: 2 December 2021 – 22 January 2022

    x. COVID Protection Framework Red: 23 January 2022 – Current

20. The COVID-19 restrictions have impacted on Council and the ability for some activities to achieve the targets set for each service performance measure.

21. Staff have identified eight measures that will not achieve the year-end target. Those measure that will not achieve target are:

    i. The number of physical and online issues by Hamilton City Libraries each year.

    ii. The number of physical and online visits to Hamilton Libraries each year.

    iii. The number of visits to Council owned aquatic facilities each year.

    iv. The number of people attending events at the Stadia (FMG Stadium Waikato and Seddon Park) and Claudelands.

    v. Total number of visits to Hamilton Zoo/WNHP, Waikato Museum, and Hamilton Gardens.

    vi. The median attendance time for non-urgent call-outs from the time that the Council receives notification of the fault or unplanned interruption to the time that service personnel reach the site.

    vii. The number of valid missed collections of kerbside rubbish, food waste and recycling.

    viii. The number of valid missed collections of kerbside rubbish, food waste and recycling not resolved by the end of the business day following the initial report.

22. Another six service performance measures require corrective action to achieve target.

    i. Percentage of residents who are proud of how Hamilton looks and feels.

    ii. Percentage of residents who think Hamilton is a great place to live.

    iii. The percentage of graffiti removed within two working days.

    iv. Average processing days for building consents.

    v. The median resolution time of non-urgent call-outs from the time that the Council receives notification of the fault or unplanned interruption to the time that service personnel confirm resolution of the fault or interruption.

vi. The amount of waste received at Council-operated waste facilities that is diverted from landfill.

23. Ten Services Performance Measures are annual or bi-annual measures. We do not currently have data for the 2021/22 year.

24. Further information on the Service Performance Measures is available in **Attachment 1**.

Financial Considerations - *Whaiwhakaaro Puutea*

25. This is a regular operating activity funded through the Long-Term Plan.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

26. Staff confirm that the Non-Financial Service Performance Report, complies with Council's legal and policy requirements.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

27. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').

28. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report as outlined below.

29. The recommendations set out in this report are consistent with that purpose.

30. To understand where Council should focus its attention, we asked the community what will improve their wellbeing. Based on their feedback, Council has set five priorities for Hamilton Kirikiriroa.

31. These priorities help guide Council in its decision-making (including about how much we should be spending and where that spending is needed) in order to get the best wellbeing outcomes for Hamiltonians now, and in the future. The five priorities are:

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

32. During the Long Term Plan process Council's activities were grouped under the priority they most strongly align to. The priority *a central city where our people love to be*, does not have a separate set of Council Activities or Service Performance statements, as they are already reflected in our citywide activity statements and service performance measures.

Social

33. **Social wellbeing** is defined as the capacity of individuals, their families, whaanau, iwi, hapuu and a range of communities to set goals and achieve them.

Economic

34. **Economic wellbeing** is defined as the capacity of the economy to generate employment and wealth necessary for present and future financial security

Environmental

35. **Environmental wellbeing** is defined as the capacity of the natural environment to support, in a sustainable way, the activities that constitute community life.

Cultural

36. **Cultural wellbeing** is defined as the capacity of communities to retain, interpret and express their shared beliefs, values, customs, behaviours, and identities.

Risks - *Tuuraru*

37. There are no known risks associated with this matter.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

Significance

38. Having considered content of the Significance and Engagement Policy, staff have assessed that the report has a low of significance.

Engagement

39. Considering the medium level of significance determined, the engagement level is low. No engagement is required.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Mid-Year update Non-Financial Service Performance year one 2021-31 Long-Term Plan

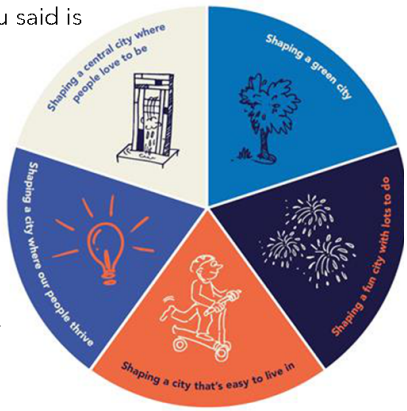
Our vision for Hamilton

Kirikiriroa ka hua. Ka puaawai. Ka ora

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

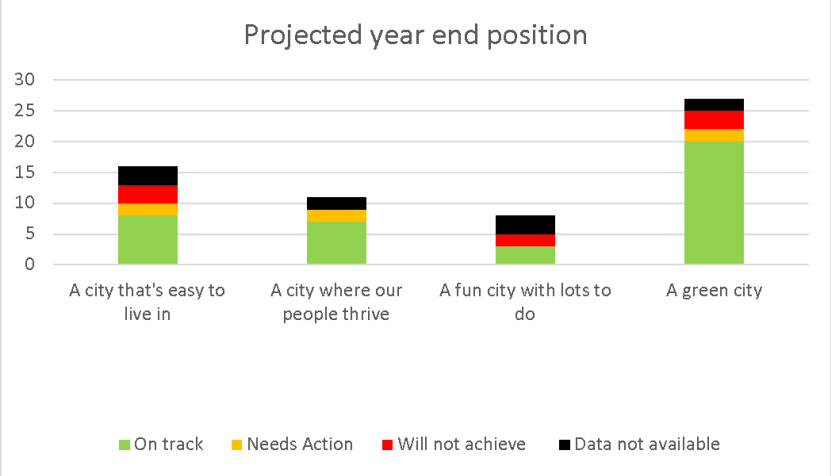
We've used your feedback to create five long-term priorities for Hamilton Kirikiriroa over the next decade. These priorities reflect what you said is important to you, your family and your neighbourhood.
The five priorities for our city are:

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



The priority 'a central city where people love to be' does not have a separate set of Council Activities or Service Performance Statements, as they are already reflected in our citywide activity statements and service performance measures.

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



A city that's easy to live in

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

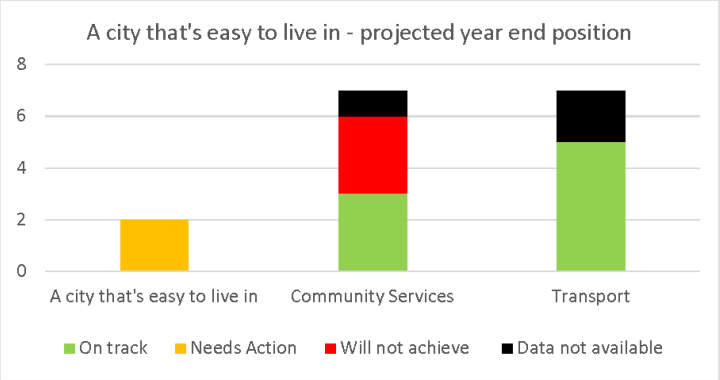
As we continue to evolve into a metropolitan centre, we have the game-changing opportunity to become a 20-minute city. A 20-minute city is about creating liveable neighbourhoods with local access to amenity that is important to residents. It's also about linking existing destinations, facilities, places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

We want our children to be able to cycle safely to school and for people of all ages and abilities to easily access different neighbourhoods, from one side of the Waikato River to the other – by whatever transport option we choose. By investing in cyclepaths and accessways, and utilising our beautiful gully network, we will create a city that our people can easily enjoy and explore. But we'll also need improvements in public transport – so we're working with partners like Waikato Regional Council to get better bus services.

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

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

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



SERVICE PERFORMANCE MEASURES

KEY: On track | Needs action | Off track | No data

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

Measure	2021/22 target	YTD result	Forecast year-end position
Percentage of residents who think Hamilton is a great place to live.	At least 79%	77%	
Percentage of residents who are proud of how Hamilton looks and feels.	At least 60%	50%	

What's behind the results

We ask our communities these questions in our two-yearly Quality of Life Survey, a survey of metro councils to gain an understanding of communities' perception of their quality of life. People's views change within the two-year cycle and to understand, on a more frequent basis, Council has commissioned Nielsen (who undertook the last Quality of Life Survey) to run a series of pulse surveys. The pulse survey asks these questions on six monthly basis (December & June).

The December 2021 survey has shown a slight overall decrease in those who believe Hamilton is a great place to live. Overall, we have seen an increase in those who feel neutral. Those who strongly agree Hamilton is a great place to live has increased from 22% in August 2021 to 29%. The number who strongly disagree that Hamilton is a great place to live has decreased – giving that increase in neutral sentiment. Positive sentiment towards Hamilton continues to increase with age, with those 65+ more likely to agree.

Those who have pride in Hamilton has remained unchanged since the August 2021 pulse survey but has decreased from the 2020 Quality of Life Survey undertaken in November 2020. Beautiful scenery, clean and tidy and the Waikato River/river walks continue to be sources of pride for residents. There has also been an increase in those who like that Hamilton is a big city but has a small-town feel. Road/street plantings poorly maintained, untidy rubbish and looking rundown continue to be reasons for not having pride in Hamilton.

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

Community Services

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

Service Performance Measures

KEY: On track | Needs action | Off track | No data

You can expect: Our libraries and aquatic facilities provide quality customer experiences.

Measure	2021/22 target	YTD result	Forecast year-end position
The percentage of library customers surveyed who are satisfied with their overall experience.	At least 85%	94%	
What's behind the results			
The overall satisfaction with our Libraries is above target. The easy-to-use online system and friendly Libraries staff are the strongest themes in the feedback. People have also been acknowledging the politeness of the staff at the front doors who have been checking vaccine passes. This result is very pleasing considering COVID-19 restrictions and the closure of the Central Library during the passenger lift renewal project.			

Measure	2021/22 target	YTD result	Forecast year-end position
The percentage of aquatic facilities customers surveyed who are satisfied with their overall experience.	At least 83%	86%	
What's behind the results			
The overall satisfaction with our aquatic facilities is above target. Highest customer satisfaction comments have been around service received from staff at reception and instructors/trainers, and accessibility of facilities at the pools.			

Comments from dissatisfied customers are mainly around central government requirement to require vaccine passes for all visitors at the pools.

There has been a focus on improving processes and roster patterns to better meet our community's needs. The expectation is for this work to continue and customer satisfaction result to improve further.

You can expect: Our libraries and aquatic facilities are well used.

Measure	2021/22 target	YTD result	Forecast year-end result
The number of physical and online issues by Hamilton City Libraries each year.	1% increase on previous year (1,039,690 2020/21)	483,743	
The number of physical and online visits to Hamilton Libraries each year.	1% increase on previous year (1,212,242 2020/21)	534,789	

What's behind the results

With all Libraries closed under COVID-19 Alert Level 3 and 4, and capacity restrictions in place at Level 2, physical access was restricted – physical visits are down over 30%. The Central Library reopened on 22 November 2021 after the completion of the first phase of the replacement of the passenger lift. This work commenced in September 2021 under Alert Level 2 and could not proceed while Hamilton was in Alert Level 3. A pop-up library operated on the ground floor for a month while work progressed. Online visits are growing and corresponding spikes in usage are seen during lockdowns. Vaccine passes were introduced to all libraries from 14 December 2021 in line with the Council decision.

Our physical and online issues are down approximately 20% when compared to 2020/21, yet as seen during other restricted periods, online issues increased. The 'Click & Collect' service relaunched in October 2021 with feedback being very positive via social media and directly to library staff, and around 25,000 books have been issued via the service.

Fluctuations in Alert Levels and changes within the COVID-19 Protection Framework will impact on physical visits with Libraries closing. Continued fluctuations in visits are anticipated as COVID-19 restrictions and safety precautions change.

Measure	2021/22 target	YTD result	Forecast year-end result
The number of visits to Council owned aquatic facilities each year.	At least 500,000 visits each year	75,618	

What's behind the results

Waterworld closed for two weeks in July 2021 to enable several large maintenance and renewal projects to occur, including roof renewal, bleacher handrail installation, hydrotherapy pool liner replacement, diver tower staircase and dive pool filter renewals. Although alternative solutions had been found to maintain programme delivery, the disruption and pool closures has resulted in lower attendances. COVID-19 Alert Levels 3 and 4 has heavily impacted on visitor numbers. The aquatic facilities reopened at Level 2 on 4 November 2021. Vaccine pass requirements were introduced from 3 December 2021 in line with central government rules.

Visitor numbers were low in November after reopening at Level 2, however visits in December more than doubled as people got familiar with the requirements under Orange as well as the beginning of summer holidays.

Fluctuations in Alert Levels and changes with-in the COVID-19 Protection Framework will impact on visitations to our aquatic facilities. Continued fluctuations in visits are anticipated as COVID-19 restrictions and safety precautions change.

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

Measure	2021/22 target	YTD result	Forecast year-end result
The value of services leveraged for every $1 of community grant funding provided.	At least $3.00 worth of services leveraged for every $1 provided	$20.98	
The percentage of community stakeholders surveyed who are satisfied with community and social development outcomes.	At least 80%	Annual measure - the survey will be undertaken in April 2022.	

What's behind the results

Through the Community Assistance Policy, the ratio of services leveraged for each $1 of Council grant funding allocated is currently $20.98.

- The Community Assistance Policy funding programme has allocated $1,204,590 of Council funds so far in 2021/22 to deliver $25,284,786 of community projects through the following grants:
- The Community Event Fund has allocated $61,590 to 16 towards $555,450 of event costs.
- The Creative Partnership Fund has allocated $45,000 towards $254,497 of project costs.
- The Multi-Year Community Grant has allocated $1,098,000 to 28 groups with a combined project cost of $24,474,839.

QUARTERLY HIGHLIGHTS

COVID-19 Alert Levels 3 and 4 meant that the Libraries were closed, and staff shifted to working from home. The Libraries Team have become quite agile in their ability to move into 'lockdown mode' and support customers remotely. Members of the St Andrews Library team helped the Salvation Army packaging food, and one team member was seconded to Civil Defence.

Libraries staff were delighted to be inundated with Click and Collect orders. The massive amounts of positive feedback still being received around the service and selection choices has been truly heart-warming.

The Heritage and Archives team were involved in the 40th Anniversary of the Springbok Protest. The Libraries staff worked alongside the Museum staff to

collect stories of people involved. The Libraries team also captured images and video of the Springbok Protest 40th Anniversary.

Auaha/Makerspace continues to grow via word of mouth and this recent growth was further supported by the school holidays in July 2021. Staff had a stall at the Bridge City Beat Down festival which also generated visits and boosted its profile. The Whakaahu/Innovation Team have enabled most of their programmes in a digital format. This virtual programming is proving to be popular. To support access, the team received a $7,000 grant from the NZLPP fund to create take-home packs for online participation.

Hamilton City Council has been accepted into the Welcoming Communities programme alongside 14 other Councils. A community advisory group has been formed to help guide the development of a Welcoming Plan that will see the city become more inclusive and hospitable for newcomers: recent migrants, former refugees, and international students. Immigration New Zealand has granted an additional $10,000 to support activities within the plan over the coming 18-months.

During the 2020 COVID-19 restrictions, a network of youth organisations in the region began to regularly connect online. This led them to discover that the youth sector was looking for opportunities to collaborate and develop capability as well as receive well-being support. Te Aka Matua is a community-led kaupapa that is being driven by key leaders within the youth sector including Council. This co-design group are currently working through data collected from a sector hui held in August 2021 as well as a weekend retreat held earlier in April 2021. They are in the process of developing an action plan that will be implemented next year, with the focus on building capacity and capability of youth workers, youth leaders, youth mentors and youth practitioners.

The Community and Social Development Team have provided targeted support within the community to assist with the efforts of the Waikato District Health Board (DHB) to vaccinate as many of our community as possible. Through strong community relationships, staff have been able to support groups to work alongside the DHB and other providers in adapting vaccinations services to suit specific suburbs. This has been particularly valuable in the Glenview and Fairfield neighbourhoods. There have been a variety of vaccination events and regular clinics that our team continue to help support and promote through sharing event and clinic information, providing equipment, traffic management and connecting the groups with other agencies that could support their efforts.

Council is part of the Waikato Kai Collective, facilitating the network of emergency food providers. The response to the COVID-19 lockdown saw the establishment of a food production hub that created over 4,000 additional food packs to meet the emergency needs of our community. Council supported this with staff assistance and liaised with funders to make it happen. The Kai Collective, through the Community and Social Development Team and the Hamilton City Salvation Army, have made three successful requests for additional funding from the Ministry of Social Development totalling $115,000. Local funders within Waikato have also supported additional food parcels. This resulted in over 6,000 additional food parcels being distributed across the

Collective. Council supported the production of these food parcels with over 500 hours of staff time.

During the July school holidays Waterworld was closed to complete physical works projects for the renewal of the 45-year-old original roof at the front of the building, install accessibility handrails across the grandstand seating, renew tiles in the 25m pool, replace the pool liner in the hydrotherapy pool and begin the replacement of the dive pool filter and compliance upgrade of the dive tower. The dive tower was completed just before Christmas 2021 and is now fully compliant and safe for use. Waikato Diving were eager to return to their training in preparation for 2022 events. The dive pool filtration was commissioned and showed an immediate water quality improvement.
With the New Zealand and Australia travel bubble closing, and flying to Australia to train no longer an option, Hamilton Pools was approached by Paralympics New Zealand to utilise the 50m pool at Waterworld over a 10-day period for the athletes going to the Tokyo Paralympics. Hamilton Pools worked together with other bookings and customers to ensure the pool stayed at the long course 50m length, rather than the usual two 25m length configuration. Hamilton Aquatics coach Mat Wolfe and Para Swimmers Sophie Pascoe, Nikita Howarth, Jesse Reynolds and Tupou Neiufi trained daily at Waterworld going on to achieve outstanding results with 5 medals between them and placings at the final heats.

The new Hamilton Pools web site www.hamiltonpools.co.nz went live in October 2021. The first stage of the much-improved site is easier to navigate and more visually appealing than the previous site. It will be an improved experience for our customers and will ensure the most frequently asked questions can be found quickly. This will reduce the need to call Waterworld and Gallagher Aquatic Centre, which often results in a large volume of phone calls and wait times. The next stage will further improve the site to include information on the Partner Pool Programme, fun at the pools in the school holidays and Te Reo translations.

Transport

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

Service Performance Measures

KEY: On track | Needs action | Off track | No data

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

Measure	2021/22 target	YTD result	Forecast year-end result
Travel times are predictable during peak hours.	A variation of no more than 25%	19%	

What's behind the results

This measure demonstrates the predictability of travel times for all vehicle types (buses, business and private vehicles) on our transport network during weekday peak hours. The travel time is based on the latest quarter's average travel times during peak hours, with an allowable fluctuation range of up to 19%. For example, if the normal average vehicle travel time for a measured journey is 30 minutes you can predict that even on a particularly busy day the maximum travel time should not exceed 38 minutes (25% fluctuation).

Data collected, during COVID-19 Alert Level 3 and 4 has been excluded due to travel restrictions during this period which would have distorted the result significantly. Inclusion of that data would not provide an accurate representation of performance of the transport network.

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

Measure	2021/22 target	YTD result	Forecast year-end result
The increase in active mode trips on Hamilton's network.	Establish baseline	272,912 trips	

What's behind the results

We are working towards a green city that enables people to move safely, quickly and easily around Hamilton. We aim to do this by building safe and connected active transport networks that promote sustainable transport choices.

The total trip count is currently taken from 18 counters around the city; this will be expanded over time. The data being collected for 2021/22 will enable us to establish a baseline to calculate the growth in active mode trips from 2022/23.

The total number of trips excludes the period during COVID-19 Alert Level 3 and 4 as this is considered an extreme event for Hamilton which dramatically changes day to day travel behaviour.

You can expect: You can expect the transport network to be safe to use.

Measure	2021/22 target	YTD result	Forecast year-end result
The change from the previous financial year in the number of fatal and serious injury crashes on the local road network.	Decrease from previous year (44 2020/21)	14	

What's behind the results

Safety is a top priority as we create the future transport system for Hamilton. We have a safety vision goal (Vision Zero) that states there will be a decreasing trend of serious injuries and no deaths on our transport system through to 2028/29. We aim to achieve this by delivering projects that improve the safety of facilities and intersections for people walking and biking. The measure is an indication of the impact of safety improvements on reducing death and serious harm on Hamilton roads.

The interim result for the period between July 2021 and December 2021 shows there has been one fatal and 13 serious injury crashes during the year to date. 11 serious injury crashes occurred on Hamilton's local road network, while one fatal crash and two serious crashes occurred at an intersection with a state highway - where Waka Kotahi is the controlling authority.

During the last six months of 2021, traffic volumes on the roads have varied due to restrictions on movement under COVID-19 Alert Level 3 and 4. The reported result is a decrease on the 22 crashes (18 crashes on local roads and four crashes on state highways) that occurred during the same time last year.

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

Measure	2021/22 target	YTD result
The average quality of ride on Hamilton's sealed local road network, measured by smooth travel exposure.	At least 80% smooth travel exposure	Annual measure - data is expected in June 2022.

What's behind the results

The data is gathered from the Smooth Travel Exposure Report that is undertaken in April each year. It includes both urban and rural sealed roads. The 2021/22 assessment is expected to be completed in April 2022.

Measure	2021/22 target	YTD result	Forecast year-end result
The percentage of the sealed road local network (by length) that is resurfaced each financial year.	At least 3.5%	0.80%	

What's behind the results

The majority of the resurfacing programme for 2021/22 has yet to be started with programmed asphalt and chipsealing commencing in January 2022.

There were nine asphalt sites completed between July and December 2021 measuring 28,089m2 in total. Based on the programme of work for the rest of the year, the target of 3.5% is expected to be achieved.

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

Measure	2021/22 target	YTD result
The percentage of qualifying footpaths within Hamilton which meet the level of service standard of less than 5 faults per 100m section.	At least 85%	Annual measure - data is expected in June 2022.
What's behind the results		
We aim to provide footpaths that are well maintained. Our target is at least 85% of footpaths have less than five faults identified per 100m. We record faults with different priority levels for actions, ranging from monitoring-only (to check for further deterioration) to immediate repair.		

You can expect: customer service requests to be responded to promptly.

Measure	2021/22 target	YTD result	Forecast year-end result
The percentage of customer service requests relating to roads and footpaths which are responded to within five working days.	At least 96%	99%	
What's behind the results			
Of the 2,667 service requests received between July 2021-December 2021, we responded to 2,645 within five working days. The number of requests during this period has been impacted by COVID-19 Alert Level 3 and Alert Level 4.			

QUARTERLY HIGHLIGHTS

How we move around Hamilton is changing and with the high forecast growth for our city, congestion will become significantly worse in the future unless we plan and prepare for change. People riding bikes and other forms of micro-mobility currently make up a very small proportion of total travel in Hamilton and we want to increase this number. In addressing this challenge, staff are delivering several projects that support active modes and public transport including cycle rest rails installed on Victoria Street and Grey Street, the completion of Victoria Street right turn facility for cyclists onto Claudelands Road, completion of Anzac Parade cycle safety work, and commencement of Bryce Street bus infrastructure and accessibility improvements.

Projects to support public transport use, cycling, and walking have been completed at the Anglesea Street/Liverpool Street intersection and at Bryce Street near the Transport Centre. Comet and Meteor public transport route studies were also completed, with 'Rototuna to Central City' and 'Waikato Hospital area' studies now underway. The Comet and Meteor studies have identified specific network issues and infrastructure opportunities to help improve service reliability and attract more patrons. The Hamilton Public Transport Centre rejuvenation plans have been tendered and construction is scheduled to commence in late 2022.

In December, the Eastern Pathways School Link & Connections Programme Business Case was presented to Waka Kotahi NZ Transport Agency's Board resulting in further funding being approved. The programme will deliver mode choices to numerous schools and communities in the area, as well as making the transport network safer for all road users.

We continue to look for initiatives to improve the experience of road users. We installed two Radar units at the Wairere/Pukete intersection to trial new technology for traffic signals. If successful, the technology may be used to replace traditional "inductance" vehicle sensors installed in the road, which are difficult to maintain. A "Mode Share" model of the CBD has also been developed. This uses data from each travel mode (cars, buses, cyclists, and pedestrians) to provide the estimated percentage of journeys by mode on each road in the CBD. This information is useful to understand how people move around the road network and enables more informed decision making.

The SMART-Ops team (Smart Mobility and Real-time Operations) completed a communication network upgrade to all traffic signals and traffic cameras in Hamilton. This is providing increased security, resilience, and monitoring capabilities - including monitoring transport trends and providing regular reports throughout the COVID-19 alert levels to internal and external partners.

We have recently begun working alongside a global data supplier called "Near" to access crowd sourced travel data in Hamilton, such as visitor insights to our tourist destinations. This travel data is complementary to the pedestrian, cyclist, and scooter data we collect with our recently installed "Pathway" counters that collect data using small camera sensors attached to streetlights; resulting in reliable and greater pathway usage information at a fraction of the cost of the systems used previously. With access to this information, we will be able to make decisions backed by real time data, analyse how changes impact usage, monitor patterns in foot traffic in front of businesses, and much more.

We had a strong start to our education programme with staff and partners reaching out to the community young and old with road safety, cycling and travel planning initiatives and programmes. Unfortunately, due to restrictions under the Delta variant of COVID-19, we were forced to cancel or postpone all subsequent activities planned. We have since delivered two bike maintenance sessions and three adult training courses alongside a "Safer Road for All" digital speed campaign, coinciding with the "National Speed" campaign. Work has continued with Council's workplace travel plan, engaging with senior management and designing a workplace travel plan module aimed to educate staff on travel options.

Consultation on the first tranche of 'all day paid on-street parking' (previously referred to as Commuter Parking) was delayed due to COVID-19 restrictions. The first letters were delivered to adjacent businesses and residents in late December 2021. The results of this consultation, along with recommendations for locations and charges will be presented to the March 2022 Traffic Panel committee meeting. A public survey of mobility parking in the city was also undertaken in late 2021. This survey will support planning in the future on how we may best support some of our more vulnerable people and their needs for appropriate parking facilities in the city.

A city where our people thrive

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

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

Young people are now coming to our city (and in some cases, returning home) to find good jobs, buy homes, raise families, and become part of our community. This, along with more than 160 ethnic groups making up our city, adds a valuable diversity to Hamilton which brings opportunities and benefits for all Hamiltonians.

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

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

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

Governance

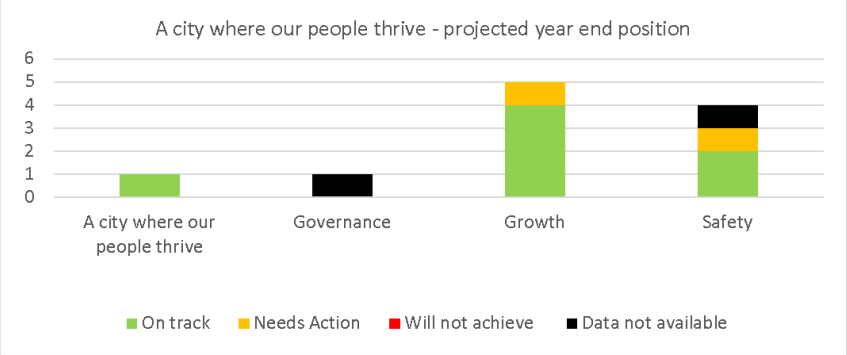
- Governance and public affairs
- Partnership with Maaori

Safety

- Public safety
- Animal education and control
- Environmental health and alcohol licensing
- Civil Defence

Growth

- City planning
- Planning guidance
- Building control



SERVICE PERFORMANCE MEASURES

KEY: On track | Needs action | Off track | No data

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

Measure	2021/22 target	YTD result	Forecast year-end result
The percentage of residents who believe we make decisions that are in the best interests of the city.	At least 32%	43%	
What's behind the results			
Confidence in Council decision making has improved. Those who have confidence have trust in Council's reputation to do what is best for the city, believe Council do a great job/they agree with their decisions, and they see improvements being made in the city Those who disagree believe that ratepayer's· money is not being spent wisely, there are issues with roading developments/strategies and don't believe Council consider the needs/wants of the people of Hamilton.			

Governance

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

Service performance measures

KEY: On track | Needs action | Off track | No data

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

Measure	2021/22 target	YTD result
Percentage of Hamilton voter turnout for local government elections.	No result expected until 2022/23	The local election will be held in October 2022
What's behind the results		
The 2022 Local Elections will feature Single Transferable vote and Maaori Wards for the first time. This is expected to impact on voter turnout.		

QUARTERLY HIGHLIGHTS

Following the decision to establish Maaori Wards, a Wider Representation Review process commenced with Council's initial proposal being approved for public consultation in August 2021. The consultation process occurred during COVID-19 Alert Levels 3 and 4 but resulted in around 500 submissions which was a great result. Wider Representation Review submissions were heard, with a final proposal adopted by the Council and submitted to the Local Government Commission. Five appeals to the final proposal and process followed by Council were received during the objection period. These appeals have been sent to the Local Government Commission and a Hearing is to take place in early 2022.

During this period the Governance team also conducted a By-election for the vacant East Ward Councillor position left by the late Cr Margaret Forsyth. The By-election came with a number of COIVD-19 related challenges for the team, including an extension of the voting period. The By-election resulted in Cr Mark Donovan being elected as East Ward Councillor on 25 August 2021.

The team also commenced work to develop an organisational governance decision making framework with the goal of improving the capability and equipping the organisation with knowledge and understanding of how they can contribute to and influence good decision making, as well as commencing the development of the 2022 Elections.

For the calendar year, 24 Council meetings, 66 Committee meetings and 24 Briefings had been enabled and supported by the team.

Safety

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

Service Performance Measures

KEY: On track | Needs action | Off track | No data

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

Measure	2021/22 target	YTD result	Forecast year-end result
The percentage of urgent dog control requests responded to within 60 minutes.	At least 95%	99%	
What's behind the results			
There were 100 urgent requests for dog control between July 2021-December 2021and all but one of these calls were responded to within 60 minutes. This includes the time Hamilton was in COVID-19 Alert Levels 3 and 4. For the same period last year we responded to over 220 urgent dog control requests. It was great to see a reduction in the number of urgent requests.			

Measure	2021/22 target	YTD result	Forecast year-end result
The percentage of graffiti removed within two working days.	At least 95%	85%	
What's behind the results			
Between July 2021-December 2021 we received 3632 requests for graffiti removal with 3240 removed within two working days. Tagbusters removed over 25,300- square metres of graffiti. For the same period last year, 22,163 square metres of graffiti was removed. The movement in COVID-19 Alert Levels has impacted on Tagbuster's ability to remove graffiti within two working days. During COVID-19 Alert Levels 3 and 4 only emergency removal of highly offensive graffiti was undertaken.			

Measure	2021/22 target	YTD result	Forecast year-end result
The percentage of complaints about excessive noise responded to within 30 minutes.	At least 95%	95%	
What's behind the results			
Between July 2021-December 2021, 2659 complaints of excessive noise were received, with 2561 responded to within 30 minutes. For the same period last year, we received 3020 complaints and responded to 2832 within 30 minutes. It is thought that COVID-19 Alert Level 3 and 4 reduced the number of noise complaints.			

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

Measure	2021/22 target	YTD result
The percentage of central city users surveyed who feel very safe or reasonably safe in the central city during daytime.	At least 80%	Annual measure - the survey will be undertaken in May 2022.
What's behind the results		
This measure indicates the community's perception of safety during the day.		

QUARTERLY HIGHLIGHTS

A successful Civil Defence response was initiated on 17 August when Hamilton entered COVID-19 Alert Level 4 and continued through Level 3. It involved providing practical support to COVID-19 testing centres and packing and delivering food parcels in support of local foodbanks. A total of 19 HCC staff were involved in the local and regional response.

All Food Safety officers have completed the Continuing Professional Development requirements; this was commended by the MPI Senior Verification Advisor - as many Councils are struggling to have staff complete this training.

The Animal Control Team received a fantastic compliment from the New Zealand Police relating to the Dog pilot programme run with Police, Oranga Tamariki and Animal Control. The programme involved bringing young people to Animal Control to interact with animals that too have suffered trauma and has been viewed as being an invaluable experience. Police have been complimentary around the insight the young people get into the work Animal Control do and why they do it and has been of benefit in breaking down barriers.

Growth

Growth is about planning that supports growth of the city through both infill and new suburbs and the wider region in a boundaryless way, while ensuring Hamilton's unique environment is protected.

We want to meet our regulatory requirements to ensure building activity in the city supports safe, sustainable housing and commercial solutions in response to Hamilton's growing population. We want to ensure developers, large and small, have accurate advice and information to help them through the regulatory processes.

Service Performance Measures

KEY: On track | Needs action | Off track | No data

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

Measure	2021/22 target	YTD result	Forecast year-end result
There will be at least three years capacity of residential zoned land supplied with development infrastructure in the city.	At least three years	3.50 years	
What's behind the results			
It is estimated that there is currently 3.5 years of capacity for residential zoned land that has development infrastructure in place. There continues to be high demand for both infill redevelopment and greenfield development in Hamilton. Additional capacity is expected to become available in the future. Council is continuing to work through the implications of the NPS-UD the Enabling Housing Supply Amendment Bill and how this will translate to changes to the District Plan. Work is currently underway to identify areas for future intensification within existing urban areas while the Hamilton Urban Growth Strategy (HUGS) is looking at future greenfield growth. The District Plan change will enable a wider range of dwelling types and increase the redevelopment potential (potential infill capacity) in existing suburbs. In addition, Council has two proposals for funding form the Infrastructure Acceleration Fund that have			

progressed to the RFP stage. If successful in the next stages, they could enable the acceleration of existing greenfield growth in Rototuna North and support increased infill development within the CBD.

Note that this is not a measure of sections for sale. This indicator measures the capacity of developer ready land around the city. Developers decide when and how they develop and release that land to the market. Most developments in Hamilton are sold as house and land packages through established building companies.

Measure	2021/22 target	YTD result	Forecast year-end result
There will be at least three years capacity of business zoned land supplied with development infrastructure in the city.	At least three years	3.10 years	

What's behind the results

It is estimated there is currently 3.1 years of capacity for industrial land zoned and supplied with development infrastructure in place. While this is marginally above the threshold of 3 years capacity it remains important to continue to bring onstream additional industrial land to meet demand. A plentiful supply of retail and commercial land remains in place.

Staff are working on a change to the District Plan (and determining the infrastructure servicing requirement) to enable further land for industrial development in the Te Rapa North area of the city. The supply of commercial and industrial land remains part of the greater Hamilton Metropolitan Spatial Plan work as part of the Hamilton – Auckland Corridor Plan as well as part of the Future Proof Strategy.

Development of the Ruakura inland port and surrounding logistics and industrial precinct has been accelerated by central government funding. The funding from the Provincial Growth Fund and "shovel ready" projects is anticipated to bring forward the opening of the first stage to mid-2022. This will provide additional development ready industrial land.

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

Measure	2021/22 target	YTD result	Forecast year-end result
Average processing days for building consents.	18 working days	17.70 days	
What's behind the results			
We granted1156 Building Consents, a slight decrease on the 1172 granted for the same time last year. It's great to see consent numbers remain steady given the uncertainty around COVID-19 and the impact it's had on delays in receiving product materials across the country. The industry continues to adjust to the requirements for material changes and the team continue to work with our customers to keep up with demand and assist with avoiding any further delays to construction within the city. With high volumes of consents coming through and continued resourcing challenges, we anticipate the average processing timeframe to push out slightly.			

Measure	2021/22 target	YTD result	Forecast year-end result
Average processing days for Code of Compliance certificates.	18 working days	13.5 days	
What's behind the results			
Between July 2021 – December 2021we have seen 714 Code Compliance Certificates issued. A change in process has created some great efficiencies in issuing CCCs which is reflected the reduction in average processing days between July 2021 and December 2021. The number of applications received remains lower than normal as industry restraints continue and we have seen an increase in the number of Certificate of Public Use applications received in December as businesses are wanting to open prior to final sign off.			

Measure	2021/22 target	YTD result	Forecast year-end result
Average processing days for non-notified land use and subdivision resource consents.	20 working days	19 days	
What's behind the results			
We continue to see high numbers of consent applications with 625 applications processed between July 2021- December 2021.This is nearly a 65% increase on the 380 we received for the same period last year. We are now consistently recording over 100 resource consent applications per month with the overall trend for applications to increase year on year. Overall, the Planning Guidance Unit has seen an increase across all areas that we measure - including duty planner enquiries, pre application meetings, number of applications, granted consents, miscellaneous application and 223/224 certificates. This is important as the Planning Guidance Unit also reviews and assesses all building consents for compliance with the District Plan and represents a significant workload in addition to the processing of resource consent applications. This is expected to continue to increase year on year.			

QUARTERLY HIGHLIGHTS

It has been a busy six months for the city with the impact of COVID-19 doing little to slow Hamilton's growth.

Resource consent was granted to Kainga Ora for the housing development on Endeavour Avenue. Preparation for this development is expected to start early 2022. A total of five superlot applications and nine duplex applications with concurrent subdivisions were approved in Stage One of the Peacocke Area in September. The superlot applications approved two-storey terraced apartment buildings that vary from three to seven units for each superlot. This represents a major development in the Peacocke Growth cell.

The Peacocke Plan Change (Plan Change 5) was publicly notified on 24 September 2021, with submissions having closed in November 2021. The first stage of the Te Awa Lakes development was approved. This enabled the earthworks and infrastructure to get underway. Further submissions and land use consents are currently being processed.

Elected Members unanimously supported lodging six detailed Infrastructure Acceleration Fund (IAF) Expressions of Interest for IAF funding.

A central city where people love to be

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

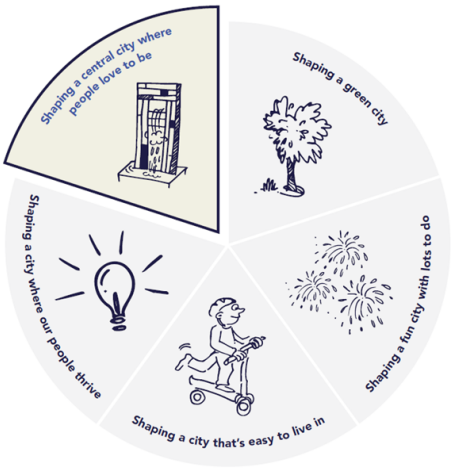
Our central city should be accessible via different transport modes and enjoy easy access to the nearby Waikato River which is celebrated and treasured for the city taonga (treasure) it is. Our restaurants and bars will offer Hamiltonians choice and entertainment, and draw people from outside of Hamilton who know that a visit to central Hamilton is a trip well worth making. Our central city should support a thriving visual arts and performance scene through our iconic local theatres and bring the area around our Waikato Regional Theatre alive, further linking our city to the stunning Waikato River.

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

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

This priority does not have a separate set of Council Activities or Service Performance statements, as they are already reflected in our citywide activity statements and service performance measures.

All our activities (such as safety and transport) contribute to creating a central city where people love to be, and we have a number of exciting plans for the central city over the next 10 years. We'll continue to invest in our central city by focusing on opening it up to the Waikato River, encouraging people to live and work in the central city and make it easy to access and move around in. We'll also continue supporting and providing funding for central city activations such as the Hamilton Central Business Association events programme and the annual Christmas parade and Christmas tree installation.



A fun city with lots to do

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

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

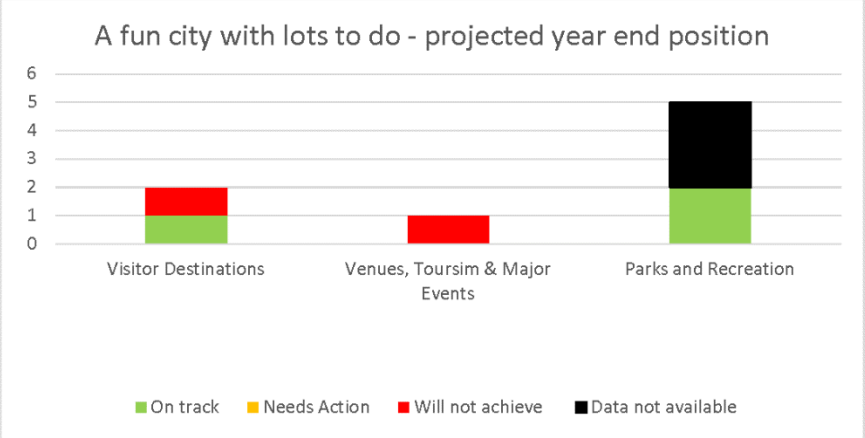
We want to build on our growing reputation for hosting outstanding events; events that bring economic benefit, that Hamiltonians love, and that bring people from all over New Zealand to our city. But small events also have a role in the life of our city. We're keen to support more arts and cultural events and make sure we have the right indoor and outdoor facilities in place to support local community sports events that people of all ages can get involved in. All of these things add to the sense of community we all value about Hamilton.

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

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

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

- Venues, tourism and major events
  - Globox Arena, FMG Stadium Waikato and Seddon Park
  - Tourism and events funding
- Visitor destinations
  - Hamilton Zoo & Waiwhakareke Natural Heritage Park
  - Hamilton Gardens
  - Waikato Museum & i-Site
- Parks and recreation
  - Parks
  - Cemeteries
  - Indoor recreation/Community facilities.



Item 9

Attachment 1

Venues, Tourism and Major Events

We want to continue to deliver events that support local business opportunities, stimulate our economy, and promote our city.

Venues, Tourism and Major Events is about showcasing and leveraging Hamilton's event venues, visitor attractions and services.

Service Performance Measures

KEY: On track | Needs action | Off track | No data

You can expect: We provide stadia (FMG Stadium Waikato and Seddon Park) and Claudelands to host events. The measure indicates the utilisation of stadia and Claudelands.

Measure	2021/22 target	YTD result	Forecast year-end result
The number of people attending events at the Stadia (FMG Stadium Waikato and Seddon Park) and Claudelands.	375,000	98,440	
What's behind the results			
Due to the Waikato (including Hamilton) spending the majority of the time in COVID-19 Alert Level 3 and 4, step 1 and step 2 during this reporting period, only a small number of events took place. We remain conservative around any further impacts of COVID-19 and the market which also remains cautious. We do not expect to achieve the above target with a full year forecast of 330,000 attendees at year end.			

QUARTERLY HIGHLIGHTS

The business focus for has been to rapidly reschedule events to new dates where possible working closely with clients and venue partners to secure new dates for existing bookings. H3 executed a workplan to be able to re-open venues under the Government's COVID-19 Protection Framework, also known as the traffic lights. The immediate objective was to become fully operable under the framework. Our venues became a 100% vaccinated event space unlocking more freedoms and offering the stability required to plan for the return of event business. Operating in this way is essential for providing certainty

for business and clients, as it means we will be able to continue to operate under each level, with restrictions as required, instead of needing future venue closures. From 1 December 2021, all people visiting H3 venues and office locations are required to be fully vaccinated and must be able to supply proof of vaccination. This was extended to staff, clients, customers, key partners and contractors.

From July through to the August 2021 lockdown period, 78,641 people attended events at our venues. Claudelands had 51,357 people attend events and our Stadia welcomed 27,284 patrons. A small example of the events held included: Tonga vs Samoa and All Blacks vs Fiji, L.A.B in concert, Magic vs Steel Netball, Tainui Secondary Schools Kapa Haka Festival plus numerous meetings, conferences, functions and private or non-ticketed events.

From 1 October to 31 December 2021, 19,799 people attended events at our venues. Claudelands had 13,840 people attend events and our Stadia welcomed 5,959 patrons. A small example of the events held included: Hamilton and Cambridge Farmers Markets, Hotel California Eagles Experience, Ford Trophy cricket, Hamilton Collectables Market, Super Smash Cricket, numerous sports trainings and a number of end of year corporate functions and virtually hosted business events.

Hamilton City Council provides funding for the promotion of Hamilton via its major event sponsorship fund. The fund focuses on larger event opportunities where exposure will reach well beyond Hamilton, delivering high profile coverage and where it will attract significant numbers of visitors, plus deliver community participation.

Four sponsored events took place in Hamilton supported by Council as a funding partner:

- Matariki ki Waikato 2021(July)
- NZ National Badminton Championships 2021 (July)
- Tainui Secondary Schools Kapa Haka Festival 2021 (July)
- Boon Hamilton Street Art Festival 2022 – the event organiser altered their event format to be able to operate safely and undertook a "virtual" event for public to view the artist's work progressing online.

Several other sponsored events had to change implement changes to navigate the COVID-19 lockdown landscape and new policy framework requirements:

- The Achilles Hope and Possibility Marathon (Nov 2021) advised that due to COVID-19 restrictions, their event planned had not been able to progress in 2021 and were assessing their options to hold something in 2022.
- Round The Bridges (Nov 2021) advised they were postponing to 26 February 2022 due to COVID-19
- The 95th Aoteoroa Maori Tennis Championships (27-31 Dec 2021) was cancelled due to COVID-19 thus forfeiting their sponsorship for 2021/2022.

Visitor Destinations

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

Service Performance Measures

KEY: On track | Needs action | Off track | No data

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

Measure	2021/22 target	YTD result	Forecast year-end result
Total number of visits to Hamilton Zoo/WNHP, Waikato Museum, and Hamilton Gardens (enclosed gardens only).	Increase on previous year (810,671* 2020/21)	206,648	

What's behind the results

COVID-19 Alert Levels and restrictions continued to significantly impact on visitation numbers with all sites closed at COVID-19 Alert Level 4 and 3.1 and capacity restrictions in place at levels 3.2 and 2. The October school holidays and Labour Day weekend both fell within lockdown, meaning our venues missed out on these traditional peak visitation periods. The consequences of prolonged closures are clear with combined year to date visitor numbers down 44%.

The switch to the traffic light system has allowed a return to near-normal capacities but we have not experienced the same bounce back that we did following lockdowns in 2020. Aucklanders were unable to cross the boundary, which cut off a major source of inter-regional visitors. A small number of local patrons have also been unable to return to our sites because they have chosen not to be vaccinated. School groups taking part in educator-led programmes contribute substantially to visitor numbers at the Zoo and Museum, and by the time they were able to return the end of term was nearing and most took a cautious approach by staying away.

Through our remotely delivered education sessions we estimate that close to 3,000 additional students were reached, although this figure has not been included in the visitation results.

- Between July 2021- December 2021 the Waikato Museum had 26,320 visitors, a 51% decrease compared to the 54,019 seen during the same period last year.
- Between July 2021- December 2021 Hamilton Gardens had 104,266 visitors, a 54% decrease compared to the 224,698 seen during the same period last year.
- Between July 2021- December 2021 Hamilton Zoo had 76,062 visitors, a 13% decrease compared to the 87,304 seen during the same period last year. It is important to note that the 2021 figure for visitation at Hamilton's Zoo now includes visitors to Waiwhakareke Natural Heritage Park, and the 2020 comparison does not.

There appears to be more hesitancy this time to visit locations where there may be large numbers of people and to get out and explore in general. We anticipate that this will continue with the ongoing uncertainty. While summer is likely to be our strongest quarter as usual, we expect visitor numbers to remain below normal levels and do not expect to achieve the target this year.

Measure	2021/22 target	YTD result	Forecast year-end result
The number of new unique experiences.	At least 10 each year across the three visitor destinations.	7	

What's behind the results

The have been a number of new experiences for visitors to see and do at our visitor destinations.

The Waikato Museum showcased distinctive garments designed by Waikato woman Jeanine Clarkin (Ngaati Hako, Ngaati Paaoa, Ngaati Ranginui, Ngaati Raukawa)representative of her earlier influences, major events, and current fashion collections. Realising her childhood dream to be a fashion designer, Clarkin's creativity over the decades has resulted in her international status within the indigenous fashion community. From founding her first streetwear label in 1994 to dressing celebrities (such as Keisha Castle-Hughes and Cliff Curtis) for the red carpet, Clarkin's Maaori identity has been a common thread establishing her as a fashion activist. This exhibition is proving a drawcard.

In late 2021 three significant new exhibitions were enjoyed by visitors to the museum: the National Contemporary Art Award 2021 – which this year also included a virtual tour and People's Choice online voting, the Kiingi Tuheitia Portraiture Award – the Museum is honoured to be the first venue to host this travelling exhibition showcasing emerging Maaori artists, and Thanks from Iso – a curated collection of stories and messages from MIQ accompanied by 14 original artworks by Ruby Jones.

The Zoo partnered with Stihl & Pauly B Artist, who created an amazing animal themed mural at the zoo with a water blaster. The work has generated a lot of positive engagement, especially on Facebook. Visitors were able to enjoy the brand-new Porcupine enclosure when the Zoo reopened its doors to the public after the latest lockdown. In the past, Ingozi the porcupine was often difficult to see; being a nocturnal animal she was usually out the back of her enclosure sleeping. The new house lets her get plenty of sleep while still allowing the public to view this gorgeous animal at all times of the day. Also attracting visitors were the five ring-tailed lemur babies who arrived just after re-opening September.

Opening just in time for the summer holidays, the new Tuatara House is comprised of six habitats providing a mixture of environments for the Zoo's three tuatara, from deep forest to bushy, manuka scrub and coastal/beach. The house was made possible by a donation from the family of the late Christine Margaret Woolford who was a much-loved Zoo Host volunteer for 15years.

QUARTERLY HIGHLIGHTS

The changes in COVID-19 Alert Levels and the introduction of the Protection Framework (traffic lights) had a major impact on operations across all Visitor Destinations. There was a huge amount of work required to ensure readiness and the transition from Alert Levels to the new Protection Framework was smooth for the public thanks to the hard work of the team.

In November, Waikato Museum welcomed Liz Cotton as their new Director. Liz comes from the Waitangi Treaty Grounds, where she was Head of Planning and Operations. She has previously held roles such as Head of Human History at Tamaki Paenga Hira/Auckland War Memorial Museum and Senior Advisor at the Ministry for Culture and Heritage.

Waikato Museum exhibitions proving popular include 1981, the Springbok Protest exhibition. Libraries Archives staff supported the preparation of this exhibition. The Hamilton County Bluegrass Band which includes sharing stories or connections to band members or the band's groupies, and exhibition featuring a new selection of works from the Barry Hopkins Collection opened in November, along with an interactive children's exhibition from Te Papa focussed on the colossal squid.

After being cancelled in 2020, the 2021 National Contemporary Art Award exhibition was opened only three weeks later than planned with Caryline Boreham's video work Palmolive the winning work.

Hamilton Gardens welcomed Lucy Ryan as the new Director in early August. Ryan brings with her more than 15 years of experience in the museum sector developing a strong understanding of visitor attractions and delivering memorable customer experiences.

Work on the updated Hamilton Gardens Visitor Arrival Centre is underway with Edwards White Architects working on concept designs. Hamilton Garden's Café owners Craig and Jenny Fraser committed to donating $75,000 towards the upcoming upgrade of the café to improve the front entrance and enhance outdoor dining.

The development of the Zoo Waiwhakareke Entry Precinct reached its first milestone with the opening of the new building - retail space, toilets, offices, café kiosk and reception. The public café and playground are on track to open early in 2022 followed by the completion of the Waiwhakareke boardwalk and entrance. Other development highlights include the reopening of the Weka Walk and chimp house gallery, upgrades to the tamarin and pygmy marmoset areas, continued progress on the new Nyala exhibit and eel pond.

Animal babies continue to be a favourite amongst Zoo visitors. The Zoo welcomed a number of ring-tailed lemur babies, a baby zebra, baby bison and parrot hatchling, and they also celebrated baby spider monkey Belize integrating with her troop after being hand-reared for several months.

A lowlight in July 2021 was the passing of Sally, Hamilton City's much-loved chimpanzee. Sally's death was mourned by staff and community with more than 700 comments posted in response to the announcement on Facebook. Many of these comments shared pictures or memories of special moments of connection between visitors and Sally. In her 50 years Sally made connections with so many people which have been invaluable to her species.

Two Zebra were successfully transferred to Australia in November 2021 – animal transfers are a significant undertaking in any circumstances and particularly challenging during a pandemic. Staff undertook a huge amount of work behind the scenes to make this happen.

The Zoo's school holiday programme was revamped for July 2021 to provide visitors with fresh reasons to visit each day of the holidays. The Programme which included competitions, face painting, meet a superhero, story time/crafts with library, biscuit decorating/Breeze promo. It also promotes the benefit of an annual pass – access to visit one or more of the days to keep kids entertained at minimal cost. The Museum's school holiday programme was fully booked in July 2021.

During COVID-19 Alert Levels 3 and 4 ZOOM Education sessions started. It began as simple call out to teachers during lockdown, offering to help connect with students. Word travelled fast and the Zoo's educator was swamped with requests for bookings in no time. These sessions continue to be a hit with teachers and will become a permanent initiative allowing us to overcome the cost and distance barriers and maximise our reach to aakonga all around the Waikato and beyond. Our Museum educators are now also providing Zoom sessions, and the feedback received for both sites has been glowing.

In December 2021, the Visitor Destinations Unit submitted a response to the

Ministry of Education for the supply of educational programmes under the Government's new Enriching Local Curriculums (ELC) framework. The proposal presented a compelling offering, leveraging experience and resources across the Hamilton Zoo, Waikato Museum and Hamilton Gardens. The outcome of the evaluation process is expected to be announced in March 2022, with successful applicants receiving funding to support programmes from 1 July 2022 – 31 Dec 2025.

Parks and Recreation

Parks and Recreation is about ensuring access to a wide range of recreational and leisure activities and attractive outdoor spaces for all Hamiltonians to enjoy. We want to provide activities and spaces that enhance the quality of life

for our residents and visitors and keep Hamilton beautiful. We want to preserve indigenous flora and fauna, natural ecosystems, and landscapes and to protect our lakes and rivers and meet our legal obligations for the preservation and management of reserve land.

Service Performance Measures

KEY: On track | Needs action | Off track | No data

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

Measure	2021/22 target	YTD result
Percentage of households that have access to a neighbourhood park or open space within 500 metres walking distance.	Maintain or increase on previous year (82.7% 2020/21)	Annual measure - data is expected in June 2022.
What's behind the results		
Each year we calculate the percentage of households that have access to a neighbourhood park or open space within 500 metres walking distance by GIS spatial mapping.		

Measure	2021/22 target	YTD result
The percentage of Parks Survey respondents who are satisfied with the way they get to our city's parks	Maintain or increase on previous year (due to COVID-19 restrictions no prior result available 2020/21 survey did not take place)	Annual measures - the survey will be undertaken in March 2022.
The percentage of Parks Survey respondents who agree the facilities in our parks and open spaces are easily accessible.	Maintain or increase on previous year (due to COVID-19 restrictions no prior result available 2020/21 survey did not take place)	
What's behind the results		
The Parks survey is due to take place in March 2022 with results expected in June 2022		

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

Measure	2021/22 target	YTD result	Forecast year-end result
Provide a range of opportunities each year for the community to learn about, care for and restore nature.	At least two opportunities provided each year	2	
What's behind the results			
COVID-19 Alert Level restrictions throughout the first half of this year have impacted on our community event planning. Regular community planting events were disrupted including the regular maintenance events at AJ Seeley Gully. The regular session at AJ Seeley Gully recommenced on 22 November 2021 with a total of five sessions held before 31 December 2021. These sessions are usually attended by a core group of 10 people, an additional 30 people from other community groups attending several sessions increasing. In December 2021, the Natural Areas team organised a special event to educate and inspire volunteers. This event was a long-tailed bat walk and informational talk. It was well received and attended by 40 people from a range of community groups who volunteer at Hamilton gully restoration sites.			

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

Measure	2021/22 target	YTD result	Forecast year-end result
The number of cremations carried out at Hamilton Park Cemetery.	At least 1350	677	
What's behind the results			
With various changes to the COVID-19 Alert Levels and frameworks, Cemeteries and Crematorium staff worked hard to ensure funeral directors had plenty of support throughout. This included the Cemeteries & Crematorium Manager making herself available to provide additional assistance with bookings or issues, with a focus on making it easy for funeral directors to do business with Hamilton Park.			

QUARTERLY HIGHLIGHTS

Whist COVID-19 Alert Level changes have impacted some projects, staff have been agile, responsive, and resilient to the challenges presented. The team continued to deliver under tight operational constraints and maintained our parks assets (the grass doesn't stops growing in spring), which allowed us to continue to provide good quality open spaces needed for our community's wellbeing during lockdown. Staff collaborated well with our contractors to ensure they could continue to work within the government guidelines. The team responded to community needs, such as coordinating with the DHB to enable pop-up testing and vaccine stations at various Council facilities.

In September 2021, Trust Waikato granted Council $1m towards the install of LED floodlighting facilities at five large parks across the city, tackling our 81-hour-per-week shortfall in field capacity. The floodlighting will be installed at sports fields across Gower Park, Korikori Park, Galloway Park, Porritt Stadium, and Ashurst Park.

We are progressing well on our planning to ensure the city's facilities are at the agreed standard for the FIFA Women's World Cup. Staff have been working closely with stakeholders to confirm minimum requirements as well as exploring legacy improvement opportunities with provision the of unisex changing room facilities and field improvements.

Facilities on Council parks and open spaces suitable for community groups continue to be in high demand. Construction began in late November 2021 on the front section of Fairfield Hall which was fire-damaged in 2019. The entire project is expected to take about six months and at completion will provide new fit for purpose facilities for the local community.

The Nature in the city programme management plan has been completed. Five new natural areas rangers, and a new community restoration advisor has been appointed. Recruitment is currently underway for a dedicated programme

Attachment 1

Item 9

manager for Nature in the City. Planning work has begun for the first restoration project at Donny Park and an event is planned for mid-2022 to celebrate this first project as the first plants to go in the ground.

A green city

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

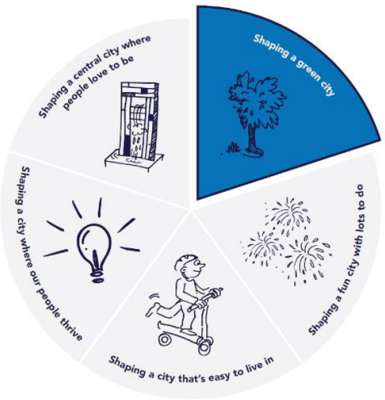
We embrace our individual and collective roles as kaitiaki (caretakers) of our land, water, and air. Together, we honour, enhance, and protect taonga (treasures) like the Waikato River, and our city's extensive and unique gully system.

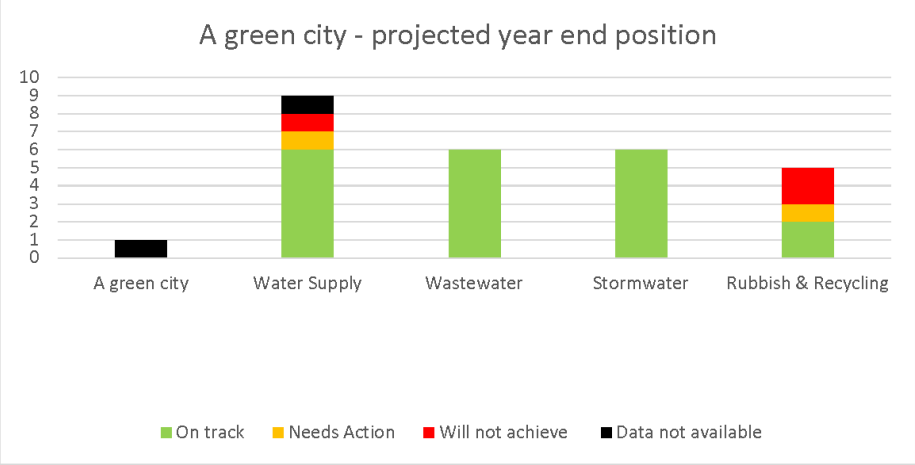
We are proud of our green, clean city and we're taking a thoughtful and city-wide partnership approach between businesses, organisations, and community groups to tackle how our city responds to climate change.

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

To deliver a green city we invest in the following:

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





SERVICE PERFORMANCE MEASURES

KEY: On track | Needs action | Off track | No data

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

Measure	2021/22 target	YTD result
Reduction in greenhouse emissions footprint for Hamilton City Council	Decrease in greenhouse emissions per head of population from previous year	Annual measure - the annual stock take will take place in July 2022 with a result expected in August 2022 for the 2021/22 year.

What's behind the results

Since the start of the financial year 2021/22, we have seen reductions in energy use across the organisation. Our energy use is from electricity and natural gas.

For the five months July 2021 to November 2021, compared to the same period the year before (July – November 2020), electricity use reduced by 4.4%, saving 66 tCO2e. For this same period, natural gas use reduced by 58%, saving 557tCO2e.

The largest electricity savings were:

- Wastewater Treatment Plant – due to new efficient air blowers
- Claudelands Event Centre – due to the impacts of COVID-19 restrictions
- Streetlights – due to LED upgrades
- Waterworld – due to the impacts of COVID-19 restrictions; and
- Municipal Building – due to a new efficient air conditioning system and the impacts of COVID-19 restrictions.

The largest natural gas reductions were:

1. Wastewater Treatment Plant – due to the gas engine no longer being used for peak load management
2. Waterworld – due to the impacts of COVID-19 restrictions; and
3. Nursery – due to an alternative process for heating.

As shown, the impacts of COVID-19 are contributing to our emissions reduction results. In 2019/20 our corporate emissions reduced by more than expected due to COVID-19 restrictions, but this reduction was not sustained in 2020/21. We will need to continue to work on projects that sustain the emissions reductions we are witnessing and stop our emissions from rebounding once restrictions are lifted again.

Water Supply

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

Service Performance Measures

KEY: On track | Needs action | Off track | No data

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

Measure	2021/22 target	YTD result	Forecast year-end result
The extent to which the Council's water supply complies with Part 4 of the drinking-water standards for bacteria compliance criteria.	a) Achieve compliance	On Track	
The extent to which the Council's water supply complies with Part 5 of the drinking-water standards for protozoa compliance criteria.	b) Achieve compliance	On Track	
What's behind the results			
Based on an internal assessment of Waiora Treatment Plant data and Laboratory DWSNZ monitoring results, Hamilton City Council met the requirements of the Drinking Water Standards for bacterial compliance and Drinking Water Standards for protozoa compliance. Based on internal assessment, Hamilton City Council is on track to achieve annual compliance with the Drinking Water Standards for period 1 July 2021-30			

June 2022. Annual compliance is expected to be formally assessed by the new regulator, Taumata Arowai, after 30 June 2022.

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

Measure	2021/22 target	YTD result
The percentage of real water loss from the water network infrastructure in the city.	No more than 16%	Annual measure - data is expected in June 2022
What's behind the results		
This measure is undertaken annually and reported in June/July. It covers the preceding April-March period and is undertaken using the standard NZ Benchloss guidelines and methodology. The percentage water loss measure estimates how much water is lost to leakage throughout the network.		

You can expect: We will work with the community to sustainably manage the supply and use of water.

Measure	2021/22 target	YTD result	Forecast year-end result
The average use of drinking water per Hamilton resident, per day.	No more than 400 litres per resident, per day	322 litres per resident, per day	
What's behind the results			
We provide a sustainable water supply, and this is achieved through water conservation campaigns that educate the community on sustainable water use and efficient management of the water network. This measure indicates the success of these campaigns and programmes of work. The average daily water use was slightly lower than the 333 litres being used in average in 2020/21. Water consumption is typically higher during the warmer months of the year, so increased water conservation campaigns began to run in November 2021. Further water restrictions are likely for the remainder of the summer following the move to Water Alert Level 2 on 15 December 2021. We will continue to implement Water Supply Zones and Distinct Metered Areas to better monitor water consumption as well as target water conservation measures and leak detection investigations.			

Quarterly result: -

Q1	Q2	Q3	Q4	Average YTD
304 litres per resident, per day	340 litres per resident, per day			322 litres per resident, per day

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

Measure	2021/22 target	YTD result	Forecast year-end result
The total number of complaints received about drinking water clarity, taste, odour, pressure, flow or continuity of supply and Council's response to any of these issues.	No more than 5 complaints per 1,000 connections	2.7 per 1,000 connections	

What's behind the results

A total of 163 complaints were received between July 2021 - December 2021. Of the complaints received, 101 complaints related to 'loss of water' or 'low pressure' and 25 complaints related to the discolouration and/or clarity of the water supply including odour and taste of the supply. The remaining 37 complaints were general complaints relating to issues such as water leaks.

The target is on track to be met, but work will continue in the development of systems and processes to ensure that our customers continue to be supplied with a clean, safe water supply.

Quarterly result:

Q1	Q2	Q3	Q4	Cumulative YTD
1.5‰ per 1,000 connections	1.2‰ per 1,000 connections			2.7‰ per 1,000 connections

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

Measure	2021/22 target	YTD result	Forecast year-end result
The median attendance time for urgent call-outs from the time that the Council receives notification of the fault or unplanned interruption to the time that service personnel reach the site.	No more than 60 minutes	44 minutes	
The median resolution time of urgent call-outs from the time that the Council receives notification of the fault or unplanned interruption to the time that service personnel confirm resolution of the fault or interruption.	No more than 5 hours	2 hours	
The median attendance time for non-urgent call-outs from the time that the Council receives notification of the fault or unplanned interruption to the time that service personnel reach the site.	No more than 5 days	10 days	
The median resolution time of non-urgent call-outs from the time that the Council receives notification of the fault or unplanned interruption to the time that service personnel confirm resolution of the fault or interruption.	No more than 10 days	10 days	

What's behind the results
Households and businesses rely heavily on water so it's important that we provide a timely response when something goes wrong. These measures indicate how quickly we respond to issues with the water supply and resolve the problem. A call-out to a household or business with no water supply is classified as urgent. Call-outs for other water supply matters, where water is still being delivered, are classified as non-urgent. COVID-19 restrictions returned, with Hamilton moving into Alert Level 4 and Alert Level 3 from 17 August 2021 to 7 September 2021 and again from 3 October 2021 to 11 November 2021. Throughout this time Staff have continued to maintain a timely response and resolution to urgent water supply complaints for our community. With a median attendance time of 10 working days for non-urgent call-out between July 2021-December 2021 we are not on track to the meet the year-end target of five working days. Non-urgent work has received a lower priority attendance response because of resource availability and allocation under COVID-19 restrictions. Staff have prioritised urgent faults over non-urgent reactive maintenance to ensure the immediate needs of the community are met. The median resolution time for non-urgent call-outs between July 2021 – December 2021 was 10 working days. This reflects the increased attendance times due to working restrictions under the COVID-19 alert level framework. Further actions are required to ensure we meet the year-end target of 10 working days. Staff are reviewing current working restrictions to determine whether non-urgent call-outs can be responded to sooner, implementing more regular reporting and looking into the use of contractors

	Q1	Q2	Q3	Q4	Median YTD
Urgent					
Attendance	39 minutes	53 minutes			**44 minutes**
Resolution	2 hours	2 hours			**2 hours**
Non-urgent					
Attendance	14 days	9 days			**10 days**
Resolution	11 days	10 days			**10 days**

QUARTERLY HIGHLIGHTS

We have continued our focus on the sustainability and resilience of our water supply for the people of Hamilton.

Despite the challenges for staff with the ongoing impacts of COVID-19 restrictions, including supply chain and contractor constrains, all parties are working together seamlessly, to ensure works are completed on time and under budget. Staff have managed to adapt and remain resilient through such uncertain times and continue to make good progress in ensuring Hamiltonians receive a reliable, high quality and safe treated water supply.

The Water Services Act 2021 came into effect on the 21 September 2021. This Act is part of a wider suite of statutory reform specifically related to the Three Waters reform. The Act establishes drinking water standards and regulates all persons and organisations that supply drinking water. This saw introduction of Infrastructure Data, which is a web-based system of integrated data management modules that allows Council to collect, combine and analyse existing data relating to infrastructure performance. The initial focus of this system is the Drinking Water Standards Compliance reporting.

In November 2021, Taumata Arowai began its role and powers as the new independent water services regulator for New Zealand replacing the previous responsibilities of the Ministry of Health and District Health Boards. The establishment of Taumata Arowai as an independent regulator for drinking water and new legislation in the form of the Water Services Act 2021 are integral parts of the Government's Three Waters Reform Programme. Staff have been working with Taumata Arowai to establish relationships and to ensure that Hamilton City Council is prepared for the expected changes that will be implemented over the next to two years.

Smart Water launched its annual campaign in November 2021. This year, we started the Smart Water campaign before summer kicked off, as the weather outlook over this period was hotter and drier than usual. After evaluating previous campaigns' feedback, this year Smart Water adopted an educational approach. To ease transition and increase compliance through periods of water restrictions, the campaign informed Hamiltonians ahead of time of pending changes to water alert levels. This year's campaign included pre-restriction road and pedestrian path signage with "save wai" and "save water," tying into the overarching slogan, "We save wai in the Waikato". Other campaign tactics included sharing water saving tips and ideas across radio and print advertising, digital and social marketing, Google Ads, media releases, Our Hamilton stories, and website updates.

In early December 2021, water consumption across the city began to increase and as a result, Council moved into level 2 of the Smart Water alerts on the 15 December 2021. Restrictions are focused on outdoor water use.

The Operations Team at the Waiora Water Treatment Plant led the successful decommissioning strategy of the old Alum chemical tanks in collaboration with senior leadership and WorkSafe stakeholders. As part of our continued commitment to improve the performance of the water reticulation network, the Maeroa Reservoir also received service upgrades to the roof, pump and outlet valves. The Maeroa Reservoir is critical to the city water supply to maintain the level of service, especially during summer peak demand periods. All works were completed in December 2021.

Wastewater

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

Service Performance Measures

KEY: On track | Needs action | Off track | No data

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

Measure	2021/22 target	YTD result	Forecast year-end result
The number of overflows in dry weather.	No more than 4 overflows per 1,000 connections	0.7‰ per 1,000 connections	

What's behind the results

The number of dry weather overflows recorded between July 2021 and December 2021 was 42. This is an increase on the 32 overflows from the same period last year. Of the 42 network overflows that occurred, 15 were attributed to fat and rag blockages, 12 were attributed to full gully traps and blocked manholes, six were attributed to blockages caused by tree roots and nine did not have a clear and obvious cause.

Quarterly result:

Q1	Q2	Q3	Q4	Cumulative YTD
0.6‰ per 1,000 connections	0.1‰ per 1,000 connections			0.7‰ per 1,000 connections

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

Measure	2021/22 target	YTD result	Forecast year-end result
The total number of complaints received about sewage odour, system faults or blockages and responses to issues raised with Council's wastewater system.	No more than 20 complaints per 1,000 connections	8‰ per 1,000 connections	

What's behind the results

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 wastewater infrastructure.

We received a total of 467 complaints between July and December 2021. This is slighter higher then then 379 received for the same period last year. Of the complaints received, 340 complaints related to overflows and blockages within the reticulated network. There were a further 17 complaints for odour, 68 general customer complaints and 47 complaints relating to a variety of matters such as missing manhole lids, odour, vermin, and spills.

Quarterly result:

Q1	Q2	Q3	Q4	Cumulative YTD
4‰ per 1,000 connections	3‰ per 1,000 connections			8‰ per 1,000 connections

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

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

What's behind the results

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

On 9 September 2021, Waikato Regional Council, as the consenting authority, filed charges in the District Court under section 15(1)(a) of the Resource Management Act against Hamilton City Council in relation to an authorised wastewater discharge into a tributary of Te Awa o Katapaki stream from the wastewater network in Delia Court. Hamilton City Council has entered a guilty plea and a restorative justice outcome is being pursued. Sentencing is set for 7 June 2022. Any outcome will be reflected after the sentencing.

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

Measure	2021/22 target	YTD result	Forecast year-end result
The median attendance time for call-outs from the time that the Council receives notification of the fault or unplanned interruption to the time that service personnel reach the site.	No more than 60 minutes	48 minutes	
The median resolution time for call-outs from the time that the Council receives notification of the fault or unplanned interruption to the time that service personnel confirm resolution of the fault or interruption.	No more than 5 hours	2 hours	

What's behind the results

This measure indicates how quickly we attend to issues when there is a problem with the wastewater system, and how quickly we resolve the problem. The response time for a wastewater call-out is defined as the time from notification of the blockage or fault up to when time staff arrived on site, reflecting what is important to our customers.

COVID-19 restrictions returned, with Hamilton moving into Alert Level 4 and Alert Level 3 from 17 August 2021 to 7 September 2021 and again from 3 October 2021 to 11 November 2021. However, staff have continued to maintain a timely response and resolution to urgent wastewater supply complaints for our community.

Quarterly result:

	Q1	Q2	Q3	Q4	Median YTD
Attendance	47 minutes	68 minutes			48 minutes
Resolution	2 hours	2 hours			2 hours

QUARTERLY HIGHLIGHTS

We have continued to focus on the resilience and reliability of our wastewater network, as well as investing in network capacity to meet the city's ongoing growth.

The Pukete Wastewater Treatment Plant operations team implemented improved business processes relating to major shut down procedures and introduced new ways of resolving technical challenges working toward continued resilience of the treatment plant. As part of improving our compliance programme, the Struvite Control system was brought online at the Pukete Wastewater Treatment Plant in December 2021. This system is designed to help prevent blockages at the Plant. This system will help eliminate any unauthorised discharges to the Waikato River due to blockages in the wastewater plant infrastructure.

Health and safety improvements continued to be rolled out with a focus on hazardous processes relating to chlorine gas. We also led the assessment of our most hazardous chemical storage facility and achieved a 90% result against the required standards. We saw a 100% achievement rate for all 23 plant staff across 10 compliance course requirements.

Staff have also been reviewing an alternative application which monitors trade waste that is bought into Wastewater Treatment Plant. This application is an online tool that provides real time data to the Wastewater Treatment Plant operators about the types of waste approved tanker waste drivers are disposing of at the Plant. This review ensures the plant is kept safe from any unknown contaminants that may disrupt the performance of the Treatment Plant's bioprocess.

Stormwater

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

Service Performance Measures

KEY: On track | Needs action | Off track | No data

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

Measure	2021/22 target	YTD result	Forecast year-end result
The number of flooding events[1] that occur within the city.	No more than 1 flooding event	0	
For each flooding event, the number of habitable floors affected.	No more than 1 per 1,000 properties	0.00‰ per 1,000 properties	
What's behind the results			
This measure indicates the number of times the design or performance of the stormwater system has affected habitable buildings. There were no reported flooding events that resulted in stormwater entering a habitable building.			

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

Measure	2021/22 target	YTD result	Forecast year-end result
The number of abatement notices related to the	No more than 1	0	

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

management of the stormwater system.	abatement action		
The number of infringement notices, enforcement orders and convictions related to the management of the stormwater system.	0 infringement, enforcement or conviction actions	0	

What's behind the results

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

No infringement notices, enforcement orders, conviction actions or abatement notices relating to the management of the stormwater system or were issued against Council.

You can expect: A timely response if there is a problem with the stormwater system or flooding of a habitable building.

Measure	2021/22 target	YTD result	Forecast year-end result
The median response time, from the time that we receive notification to the time that our service personnel reach the site of the flooding event.	No more than 60 minutes	0 minutes	

What's behind the results

This measure indicates how fast we respond when there is an issue with the stormwater system. It measures situations where water from the stormwater system enters a habitable floor of a building.

There were no reported flooding events that resulted in stormwater entering a habitable building.

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

Measure	2021/22 target	YTD result	Forecast year-end result
The number of complaints received about the performance of the stormwater system.	No more than 10 complaints per 1,000 properties connected	5‰ per 1,000 properties	

What's behind the results

A total of 331 complaints in relation to the performance of the storm water system were received between July 2021 and December 2021.

This is a decrease on the 362 complaints received during the same time last year. Analysis of the complaints received shows the majority (326) relate to blocked/damaged catchpits and kerbside channels along with general surface flooding.

MetService shows 177.6mm of rainfall occurred in September 2021, which is higher than the historical average of 80.6mm rainfall for the month of September. 55.8mm of that rainfall occurred on the 23 September 2021. Events of this nature place significant pressure on the stormwater network and result in a higher than usual volume of complaints. Despite this we are currently on track to achieve the annual target.

Quarterly result:

Q1	Q2	Q3	Q4	Cumulative YTD
3‰ per 1,000 properties connected	2‰ per 1,000 properties connected			5‰ per 1,000 properties connected

QUARTERLY HIGHLIGHTS

Resilience, sustainability and compliance of our stormwater network continues to be an area of focus.

As part of our Comprehensive Stormwater Discharge Resource Consent (CSDC), we are assessed annually by the Waikato Regional Council. In September 2021, we received the assessment report from Waikato Regional Council. The audit covers the period from 1 April 2020 to 31 March 2021 in accordance with Condition 39 of the CSDC. This report examines the level of compliance of Hamilton City Council with the conditions of the CSDC which authorises the diversion and discharge of urban stormwater, and use of discharge structures, within Hamilton Urban Area. Waikato Regional Council were of the view that the

authorised stormwater activities are being undertaken in 'partial compliance' with the CSDC. This is due to several 'medium priority non-compliances' and outstanding actions from previous compliance assessments. All outstanding actions requested by Waikato Regional Council were submitted to the consenting authority by the 30 November 2021. Staff continue to focus on improving the monitoring and compliance of the storm water network and its associated infrastructure.

The Hamilton Stormwater Bylaw 2021 came into effect from 1 October 2021. The team continue to work through the implementation strategy of the Bylaw with targeted education to pool owners and sediment control responsibilities with developers and contractors.

Teams across Hamilton City Council have also collaborated to investigate the inflow of copper and zinc to Lake Rotoroa with the ultimate goal of improving the water quality into this receiving environment. Scoping and preliminary investigations have been completed, with testing of the proposed framework due to be commence in early 2022.

Rubbish and Recycling

Rubbish and Recycling is about protecting the health of Hamiltonians and the environment by providing a reliable kerbside rubbish and recycling collection service and promoting waste minimisation and resource recovery. We want to encourage and support waste reduction, reuse and recycling through education programmes, and the right infrastructure and services.

Service Performance Measures

KEY: On track | Needs action | Off track | No data

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

Measure	2021/22 target	YTD result	Forecast year-end result
The percentage of waste recovered for recycling through the kerbside collection.	At least 45%	52%	
What's behind the results			
52% of waste was recovered for recycling through the kerbside collection between July 2021 and December 2021. Although recycling and food waste were not able to be processed during the two weeks of COVID-19 Alert Level 4 in August 2021, we maintained our high diversion rates by safely operating our kerbside services under Alert Level 2 and Alert Level 3.			

Measure	2021/22 target	YTD result	Forecast year-end result
The amount of waste received at Council-operated waste facilities that is diverted from landfill.	At least 16,000 tonnes per annum.	6,446 tonnes	

What's behind the results

The figures for diversion from the Refuse Transfer Station and the Hamilton Organic Centre were lower than expected due to COVID-19 Alert Level 4 and 3 restrictions. Only 573 tonnes of waste were diverted in August 2021, which is reflective of the additional restrictions required under COVID-19 Alert Level 4.

52% of waste was recovered for recycling through the kerbside collection between July 2021 and December 2021. Although recycling and food waste were not able to be processed during the two weeks of COVID-19 Alert Level 4 in August 2021, we maintained our high diversion rates by safely operating our kerbside services under Alert Level 2 and Alert Level 3.

It will be challenging to meet the year-end target of 16,000 tonnes of waste diverted from landfill. Recent upgrades at the Refuse Transfer Station resulted in 1,283 tonnes of waste diverted in December 2021 - the highest monthly diversion tonnage for 2021/22. Additional recycling streams and better signage to help achieve the targeted diversion have also commenced. Continued upgrades at the Refuse Transfer Station are planned over the next six months include looking at upgrading the reuse store and infrastructure around recycling drop off points.

Measure	2021/22 target	YTD result	Forecast year-end result
The percentage of waste recovered for recycling through HCC owned facilities.	At least 30%	46%	

What's behind the results

This is a new performance measure to demonstrate the progress at Council facilities with waste recovery for recycling.

The diversion of waste from Council owned facilities has been consistent between July and December 2021 at 46%, which is comfortably above the targeted rate of at least 30%. The figures reported do not currently include cardboard recycling due to the service being performed by a different contractor than the rest of the refuse and recycling services. Work is being undertaken to ensure that these cardboard figures can be reported on in the future.

You can expect: We will collect your rubbish and recycling.

Measure	2021/22 target	YTD result	Forecast year-end result
The number of valid missed collections of kerbside rubbish, food waste and recycling	0 months with greater than 110	6 months of greater than 110 missed collections	

What's behind the results

The past six months have seen missed collections come down to an average of 329 per month. This is a significant improvement from the start of the service when 2,591 missed collections were reported for September 2020. The overall trend for missed collections has been downwards since the start of the service, but we are still above the target of 110 missed collections per month. To put the result in context, between July 2021 – December 2021, there has been 1,974 missed collections out of 2,312,2385 bins emptied, or a 99.92% clearance rate of bins emptied. While the target will not be met for 2021/22, the community are receiving a high level of service for kerbside collection.

Further work is being undertaken with EnviroWaste Services Limited to bring the number of missed collections closer to the 110 per month target. Additional refinement of the kerbside collection runs are being investigated and incentives for drivers are also under consideration.

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

Measure	2021/22 target	YTD result	Forecast year-end result
The number of valid missed collections of kerbside rubbish, food waste and recycling not resolved by the end of the business day following the initial report.	0 months with greater than six	3 months with greater than six	

What's behind the results

Between July 2021 – December 2021 an average of 46 missed collections per month have not been resolved/collected by the close of the next business day following the missed collection being reported.

Analysis of the missed collections have shown the vast majority were resolved just outside the resolution timeframe. This is primarily due to the contractor working to a 48-hour timeframe rather than close of the next business day. A secondary issue is the delay in entering missed collection data by the contractor, which means that sometimes collections resolved within timeframe are shown as

missing the target. Work has been undertaken with EnviroWaste Services Limited to ensure that all missed collections are rectified within the required timeframe in the future and that data entry on resolution timeframes is more robust.

Further work is being undertaken with EnviroWaste Services Limited to reduce the number of missed collections resolved outside the required timeframe. We expect to see improved performance for the rest of 2021/22.

QUARTERLY HIGHLIGHTS

Due to COVID-19 Alert Level changes there were some impacts to the rubbish and recycling performance measures. However, overall, the diversion rates continue to remain at a high level.

In July 2021 we held two workshops on construction and demolition waste management. We plan to hold more events to address the many challenges in this area. We continue to work collaboratively with Waikato Regional Council and local businesses who are already practicing waste minimisation behaviours. We plan to use these as case studies for other businesses, and to trial ways we can help them to divert more waste from site.

The Waste Management and Minimisation Bylaw 2019 requires all new properties and developments to have a waste plan that includes storage space for rubbish and recycling bins, and access for collection vehicles. We are currently developing resources to make it easier for developers to produce a waste plan, including a new online waste calculator. This will allow for more new properties and developments to receive Council's rubbish and recycling service, encouraging the diversion of waste to landfill. Our Fight the Landfill website has been updated with resources and details of local businesses who may be able to assist with developing a site waste plan and reducing waste on site.

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

Council has been sharing with community groups the compost, dubbed 'Tronpost' made from the 5.7 million tonnes of Hamilton's food waste collected in the first 12 months of the new service. To date, Tronpost has been provided to groups such as Progress to Health for their community garden at Caro Park and to Te Papanui Enderley Community Centre for the development of raised garden beds. We will continue to share the compost with community groups throughout 2021/22, along with promoting the use of the food scraps bins to lift our bin presentation rates and increase the amount of waste diverted from landfill.

Council Report

Item 10

Committee: Finance Committee **Date:** 29 March 2022

Author: Justin Wittstock **Authoriser:** David Bryant

Position: Financial Accountant **Position:** General Manager People and Organisational Performance

Report Name: New Zealand Local Government Funding Agency - Half Year Report 31 December 2021 and Statement of Intent 2022/23

Report Status	*Open*

Purpose - *Take*

1. To inform the Finance Committee of the New Zealand Local Government Funding Agency (LGFA) half year report to 31 December 2021.
2. To seek approval from the Finance Committee on the LGFA Statement of Intent (SOI) for 2022/23.
3. Andrew Michl, Senior Manager at the LGFA, will provide a verbal update at the Finance Committee meeting.

Staff Recommendation - *Tuutohu-aa-kaimahi*

4. That the Finance Committee:
    a) receives the half year report; and
    b) approves the New Zealand Local Government Funding Agency draft Statement of Intent 2022/23.

Executive Summary - *Whakaraapopototanga matua*

5. The half year report shows that the LGFA has performed favourably against the primary objectives, as set out in detail, on pages 8 to 13 of **Attachment 1**.
6. As at 31 December 2021, the LGFA have met eight out of ten performance targets**,** with the exceptions being:

Performance Measure	**Result to 31 December 2021**
Achieve 80% market share of all Council borrowing in New Zealand	79%
Review each participating Borrower's financial position, its headroom under LGFA policies and arrange to meet each participating Borrower at least annually	Council meetings to total 74 over year. Financial position and headroom review completed

7. The half year report shows the LGFA to be profitable and cashflow positive.

8. The draft Statement of Intent 2022/23 reaffirms the direction of business and financial projections.

9. Staff consider the matters in this report to have a low significance and that the recommendations comply with the Council's legal requirements.

Background - *Koorero whaimaarama*

10. The LGFA governance structure comprises the New Zealand Government (20%) and thirty Councils (80%), the LGFA Shareholders Council and the LGFA Board of Directors.

11. Hamilton City Council remains compliant with all LGFA Financial Covenants.

Discussion - *Matapaki*

Half Year Report

12. LGFA continued to increase lending to council and CCO borrowers. By 31 December 2021, LGFA had a market value of loans outstanding of $13.51 billion, with $1.64 billion lent over the six-month period. Two new council members were added bringing the number of member councils to seventy-four.

13. LGFA continued to innovate with new products. The first loan to a CCO was undertaken and the first Green, Social and Sustainable (GSS) loans were entered into.

14. Sustainability is becoming increasingly important with assistance provided to the sector in managing climate change and encouraging sustainable outcomes. A Sustainability Committee has been appointed to advise the board and management as part of this initiative.

15. LGFA's financial strength was enhanced with Net Operating Profit for the period of $5.94 million. LGFA has $16.36 billion of assets and Shareholder Equity of $99.82 million as at 31 December 2021.

Statement of Intent 2022/23

16. The SOI sets out the intentions and expectations of the LGFA for the years 2023, 2024 and 2025. This is set out in **Attachment 2**.

17. The LGFA's focus on delivering strong results for both Council borrowers and shareholders has been reaffirmed.

18. Key points to note on the draft SOI are:

    i. financial performance targets are forecast to remain strong with an increase of net operating gains of $9.9 million, $11.7 million and $10 million for the next three years;

    ii. Council members based their borrowing projections on the assumption that the Three Waters reforms were not progressing, LGFA have therefore made the same assumption in its forecasts. Forecasts for 2023/24 and 2024/25 may change depending on how councils change their borrowing behaviour in response to these reforms;

    iii. LGFA's forecasts for council loans outstanding in 2023 and 2024 are in line with the forecast in last year's SOI; and

    iv. the SOI performance targets are the same as in the prior year SOI except where targets relating to improving sustainability outcomes and climate change objectives have been included.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

19. Staff confirm that recommendation complies with the Council's legal and policy requirements.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

20. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').

21. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report.

22. The recommendations set out in this report are consistent with that purpose.

23. The LGFA's activity relates strongly to the economic wellbeing by delivery of key objectives to provide cost effective financing solutions for its Council membership base, as well as assisting the local government sector with significant matters such as Covid-19 response and the proposed Three Waters Reform Programme.

24. There are no environmental, social or cultural wellbeing implications identified in the development of this report.

Risks - *Tuuraru*

25. There are no known risks associated with the decisions required for this matter.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

Significance

26. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendation(s) in this report has/have a low level of significance.

Engagement

27. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments - *Ngaa taapirihanga*

Attachment 1 - LGFA Half Year Report 31 December 2021

Attachment 2 - LGFA Statement of Intent 2022/23

HALF YEAR REPORT

31 December 2021

Benefiting communities through delivering efficient financing for local government.

Ka whiwhi painga ngā hapori mā te whakarato pūtea tōtika ki ngā kaunihera.

LGFA

New Zealand Local Government Funding Agency

Te Pūtea Kāwanatanga ā-rohe

Planting day at Tōtara Reserve with Awahou school, Horizons Regional Council

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Rārangi tauwaea

LGFA acknowledge the assistance of the Department of Internal Affairs translation service for our Te Reo translations.

Message from the Chair and Chief Executive

He karere mai i te Toihau me te Tumuaki

For the six-months ended 31 December 2021

The six-month period to December was another strong period for LGFA in delivering value to council members and our investor base while meeting our financial targets. A key highlight was our first Green, Social and Sustainable loans to councils as part of our focus on fostering sustainability across the local government sector.

We are pleased to record another period of positive performance by the company for the six-month period to 31 December 2021 and to highlight the following developments.

Strong Financial and Operational Performance

LGFA's total interest income for the six-month period of $185.89 million was a 2.4% decrease over the 2019-20 comparable period result of $190.38 million, while net operating profit of $5.94 million for the six-month period was a 0.3% increase on the 2019-20 comparable period result of $5.92 million.

Both net interest income and operating profit were slightly ahead of the Statement of Intent (SOI) forecast. We are adopting a prudent approach to our funding by borrowing a greater amount than we are lending to councils and for a longer term. This is having a modest drag on profitability despite the growth in the balance sheet but is a more conservative approach to balance sheet management.

Expenses have been managed below the SOI budget over the past six months. Lower fees paid due to a reduced limit of the New Zealand Debt Management committed credit facility and lower travel and accommodation costs relative to forecast were positive contributions. These savings were offset by higher legal and NZX costs associated with increased council lending and LGFA bond issuance.

LGFA bonds are an attractive investment for investors while delivering savings in borrowing costs for members. Over the last six months, we have launched Green, Social and Sustainable (GSS) lending to councils and approved our first Council-Controlled Organisation (CCO) borrower.

The financial strength of LGFA was reaffirmed by Fitch Ratings who maintained our domestic currency credit rating at 'AA+' in October 2021 while our 'AAA' rating from S&P Global Ratings remains the same as the New Zealand Government.

Borrowing activity

LGFA is the largest issuer of New Zealand dollar (NZD) securities after the New Zealand Government and our bonds are amongst the largest and most liquid NZD debt instruments available for investors. It is pleasing to note increased activity in the secondary market in our bonds.

LGFA issued $2.06 billion of bonds over the past six months and outstandings now total $15.94 billion (including $1.20 billion of treasury stock) across 12 maturities from 2022 to 2037. The average term of our bond issuance during the six-month period at 7.7 years was longer than the prior year period. The debut of new May 2028 and May 2035 bond maturities by syndication helped fill in the gaps between our existing bonds and provided investors with more investment opportunities. It also reduced our mismatch exposure between bond issuance and council lending.

It is also pleasing to observe the increased participation by offshore investors over the past six months as NZD-denominated investments have become relatively more attractive for investors as the Reserve Bank commenced monetary policy tightening. We estimate that offshore investors hold 29.7% of LGFA bonds on issue compared to 21.6% a year ago. Domestic institutional and retail investors hold 32.4%, domestic banks hold 26.7% and the Reserve Bank holds 11.3%.

The performance of LGFA bonds over the past six months has been mixed with LGFA bond spreads to New Zealand Government Bonds moving wider while LGFA bond spreads to swap have tightened slightly, except in the very long end of the curve. Outright yields rose between 53 basis points (bps) (2037 maturity) and 127 bps (2024 maturity) over the six-month period.

Lending to the sector

LGFA was established in December 2011 to provide long-dated borrowing, certainty of access to markets and to reduce the borrowing costs for the local government sector. The original 31 shareholders including the Crown remain as shareholders. Over the past six months, we added two councils and our first CCO as members, with Southland District and Otago Regional Councils joining as guarantors and Invercargill City Holdings Ltd joining as our first CCO. Total membership is now 74 out of the 78 councils in New Zealand.

Long-dated lending to council and CCO members over the six-month period was $1.64 billion provided to 46 councils as they refinanced their April 2022 loans and increased their borrowing to finance infrastructure projects. Our estimated market share of total council borrowing of 79% was slightly lower than forecast but remained high on an historical basis. The average tenor of long-dated borrowing by councils of 5.8 years over the six-month period was in line with prior periods.

Short-dated lending for terms less than 12 months continues to be supported by councils and as at 31 December 2021, LGFA had $382 million of short-term loans outstanding to 31 council and CCO members.

The impact from COVID-19 and Three Waters Reform Program on the sector and LGFA

The local government sector continues to face unprecedented and uncertain change having to deal with climate-related events, COVID-19, the Central Government-led initiatives relating to the Three Waters Reform Programme and Future for Local Government Review.

LGFA is assisting on an as required basis, both Central Government and our council members as they work through the Three Waters Reform Programme as required. The Government's proposed Three Water Reform Programme would be the largest change to the local authority sector in 30 years.

LGFA is also assisting the local government sector led initiative in developing a Ratepayer Financing Scheme that may provide some financial relief to ratepayers.

New products and initiatives

We undertook our first loan to a CCO in July 2021 and are looking to approve our second CCO member in the next six months.

We launched our GSS lending product in October 2021 and are pleased to have made our first GSS loans to Wellington City and Greater Wellington Regional Councils in December 2021.

Increasing focus on sustainability

Sustainability plays an important part within the local government sector and at LGFA. We have undertaken several initiatives over the past year, including:

- Appointment of a Head of Sustainability.
- Establishment of a Sustainability Committee that advises the LGFA Board and management team on sustainability issues.
- Achievement of CarbonZero certification from Toitū Envirocare and we have committed to reducing our carbon emissions.
- Launched our GSS lending product that offers a lower borrowing margin for councils with eligible

projects. We have pre-approved borrowing for eligible projects of $407 million and have made loans to date of $43 million.

Acknowledgments

LGFA's work cannot be implemented without the support of our staff, directors, shareholders and members, New Zealand Debt Management (NZDM), the Reserve Bank and central and local government, all whose efforts should be acknowledged. We also would like to acknowledge the support of financial institutions, intermediaries and investors. We believe LGFA's future remains positive and look forward to working with all stakeholders in the next six months.

Craig Stobo
Chair

Mark Butcher
Chief Executive

Wetlands in Queen Elizabeth Park, Kāpiti Coast, Greater Wellington Regional Council

Performance against objectives

Ko ngāwhakatutukitanga ki ngā whāinga

The statement of service performance details LGFA's performance for the first half of the year against the objectives and targets set out in the LGFA Statement of Intent 2021-22 (SOI)

2021-22 Performance objectives

The SOI sets out two primary performance objectives and eight additional objectives for the year ended 30 June 2022.

Primary objectives

LGFA will optimise the debt funding terms and conditions for Participating Borrowers. Among other things, this includes:

- Providing interest cost savings relative to alternative sources of financing;
- Offering flexible short and long-term lending products that meet Participating Borrowers' borrowing requirements;
- Delivering operational best practice and efficiency for its lending services;
- Ensuring certainty of access to debt markets, subject always to operating in accordance with sound business practice.

LGFA will ensure its asset book remains at a high standard by ensuring it understands each Participating Borrower's financial position, as well as general issues confronting the local government sector. Amongst other things, LGFA will:

- Proactively monitor and review each Participating Borrower's financial position, including its financial headroom under LGFA policies;
- Analyse finances at the Council group level where appropriate and report to shareholders;
- Endeavour to meet each Participating Borrower annually, including meeting with elected officials as required, or if requested; and
- Take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.

Additional objectives

LGFA has the following eight measurable and achievable additional objectives which complement the primary objectives. Performance against these objectives is reported annually.

LGFA will:

1. Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency.
2. Provide at least 80% of aggregate long-term debt funding to the local government sector[1].
3. Achieve the financial forecasts for net interest income and operating expenses, including provision for a shareholder dividend payment in accordance with the approved dividend policy.
4. Meet or exceed the Performance Targets.
5. Comply with the Health and Safety at Work Act 2015.
6. Comply with the Shareholder Foundation Policies and the Board-approved Treasury Policy at all times.
7. Assist the local government sector with significant matters such as COVID -19 response and the proposed Three Waters Reform Programme.
8. Improve sustainability outcomes within LGFA and assist the local government sector in achieving their sustainability and climate change objectives.

Performance against primary objectives

This section sets out LGFA's performance for the six months ended 31 December 2021 against the two primary objectives set out in the SOI.

LGFA will optimise the debt funding terms and conditions for Participating Borrowers. Among other things, this includes:

Providing interest cost savings relative to alternative sources of financing

LGFA continues to borrow at very competitive spreads compared to the AAA rated Sovereign, Supranational and Agencies (SSA) issuers who borrow in the New Zealand debt capital markets, the domestic banks and Kainga Ora, our closest peer issuer.

Secondary market spread to swap (basis points)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2033	2035	2037
LGFA (AAA)	(4)	(1)	(1)	3	10	13	23	25	28	31	42	51	59
Kainga Ora (AAA)		5		11	16		25		33			47	
Asian Development Bank (AAA)		1	2	7	13		23			33			
IADB (AAA)		0	1	10	15		27						
International Finance Corp		1	5	10	14	18							
KBN (AAA)		3	8	14					39				
Rentenbank (AAA)	0	1	6	12									
World Bank (AAA)	2	1	1	8	12	18	23		33				
Nordic Investment Bank (AAA)		1		10									
ANZ (AA-)		25	31										
BNZ (AA-)		17		39	55								
Westpac Bank (AA-)	11	23	40	43	53								
SSA Average	1	1	4	10	14	18	24	31	36	33			
Bank Average	11	22	36	41	54								

1. This includes Auckland Council borrowing both in its own name and through LGFA and recognising that the amount of borrowing by Auckland Council from LGFA is restricted by the Foundation Policy covenants.

In the 2021 stakeholder survey, our members responded with a 99% satisfaction rating for LGFA in adding value to their borrowing requirements.

Offering flexible short and long-term lending products that meet Participating Borrowers' borrowing requirements;

Both short and long-term borrowing have been well supported by member councils and CCOs:

- Over the six months ended 31 December 2021, 46 members (45 councils, 1 CCO) borrowed $1.64 million in 125 new long-term loans, across 46 maturity dates ranging between 2022 and 2036.
- As at 31 December 2021 there were $382 million of short-term loans outstanding to 31 members (30 councils, 1 CCO) with loan terms ranging between one month and 12 months.
- As at 31 December 2021, nine councils had entered into Standby facilities with LGFA totalling $522 million.

Delivering operational best practice and efficiency for its lending services;

Over the six months, LGFA operations successfully settled 833 new trades and 5,600 cash flows totalling in excess of $31 billion.

In the 2021 stakeholder survey, our members responded with a 96% satisfaction rating for the LGFA settlement process.

Ensuring certainty of access to debt markets, subject always to operating in accordance with sound business practice.

For LGFA to provide certainty of access to markets for our borrowers, we need to have a vibrant primary and secondary market in LGFA bonds. The primary market is the new issuance market, and we measure strength through participation by investors at our tenders through bid-coverage ratios and successful issuance yield ranges. The secondary market is the trading of LGFA bonds following issuance and a high turnover implies a healthy market.

Activity in LGFA bonds in both the primary market (tender or syndicated issuance) and secondary market (between banks and investors) during the six month period remained at high levels, with primary issuance totalling $2.055 billion and secondary market turnover of $4.45 billion. In addition, we successfully launched two new bond maturities, May 2028 and May 2035, by syndication, reducing the gap between existing LGFA bond maturities.

LGFA maintains an Australian Medium-Term Notes Programme which, to date, has not been used but which provides LGFA with additional flexibility if there is a market disrupting event in the future.

LGFA will ensure its asset book remains at a high standard by ensuring it understands each Participating Borrower's financial position, as well as general issues confronting the local government sector. Amongst other things, LGFA will:

Proactively monitor and review each Participating Borrower's financial position, including its financial headroom under LGFA policies;

LGFA reviews all councils' financial statements on an annual basis and the agendas and management reports on an ongoing basis for councils on the LGFA borrower watch-list. This year, we reviewed councils 2021-2031 Long-Term Plans and liaised directly with councils' where we had issues or queries arising from these.

We have received compliance certificates from all Participating Borrowers, and all remain compliant as at 30 June 2021. There are 14 councils who, due to COVID-19 delays in finalising the audit process, have provided outcomes based on unaudited financial statements. LGFA has reviewed these financial statements and there were no issues of concern.

Analyse finances at the Council group level where appropriate and report to shareholders;

No council has yet requested to be measured on a group basis.

Endeavour to meet each Participating Borrower annually, including meeting with elected officials as required, or if requested;

Over the six months, LGFA met with 15 councils which is lower than planned due to COVID-19 travel restrictions over the period. Travel permitting, we aim to increase visits in the first half of 2022, with virtual meetings replacing in-person meetings as required.

Take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.

Over the six months, LGFA met with representatives from Central Government on the proposed Three Waters reforms and provided feedback regarding financing of the proposed entities.

LGFA sponsored the Taituarā Funding and Rating Forum and presented on 'Financial Risks in the Local Government Environment' to a forum of Council Audit and Risk Committee Chairs organised by OAG.

LGFA continues to assist the sector and their advisers in offering to provide support for solutions to off-balance sheet financing for councils. LGFA continues to provide technical expertise to the proposed Ratepayer Financing Scheme (RFS).

Additional objectives

LGFA has the following eight measurable and achievable additional objectives which complement the primary objective. Performance against these objectives is reported annually. LGFA will:

Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency.

On an annual basis, S&P Global Ratings and Fitch Ratings meet with LGFA and review our credit ratings.

- **S&P Global Ratings** upgraded our long-term local currency credit rating to AAA and our long-term foreign currency credit rating to AA+ on 22 February 2021. Both ratings are the same as the New Zealand Government.
- **Fitch Ratings** affirmed both our local currency credit rating of AA+ (stable) and foreign currency credit rating of AA, positive outlook. 1 November 2021.

Provide at least 80% of aggregate long-term debt funding to the local government sector[2].

LGFA's estimated market share for the rolling twelve-month period to 31 December 2021 was 79%[3]. Adjusted for Auckland Council borrowing, this increases to 84%. This market share compares to a historical average of 75% and remains high compared to our global peers.

Achieve the financial forecasts for net interest income and operating expenses, including provision for a shareholder dividend payment in accordance with the approved dividend policy.

The following table summaries income, expenses and operating result for the six months ended 31 December 2021 against the financial forecasts outlined in our 2021-2022 Statement of Intent.

$000s	Unaudited result to 31 December 2021	Variance to SOI budget
Net interest income	9,178	+267
Other operating income	526	+26
Total operating income	9,704	+293
Operating expenses	3,769	+88
Net operating profit	5,935	+381

The Net interest income (NII) includes the unrealised mark-to-market movement for fixed rate swaps that are not designated effective for hedge accounting purposes. These swaps reduce exposure to fixed rate loans transacted outside of the normal tender process and reduce mismatches between borrowing and on-lending terms on our balance sheet. The unrealised loss increases as interest rates fall but turns to a profit if interest rates rise. Due to a rise in interest rates since June 2021, the year-to-date unrealised gain was $1.03 million.

Operating expenses for the six-month period were $88k below budget. This variance is the consequence of:

- Issuance and on-lending costs (excluding AIL) at $1.308 million were $46k below budget. A lower NZDM Liquidity Facility fee was offset by higher legal expenses and NZX fees due to the additional amount of bond issuance.
- Operating costs at $2.135 million were $48k below budget due to lower operating overhead, travel and IT costs offset by higher personnel costs relative to budget.
- Approved Issuer Levy (AIL) payments of $325k were in line with budget. We pay AIL on behalf of offshore investors at the time of semi-annual coupon payment for a small number of LGFA bond maturities.

Meet or exceed the Performance Targets.

As at 31 December 2021, we forecast we are on track to achieve eight out of the 10 performance targets by 30 June 2022.

Comply with the Health and Safety at Work Act 2015.

LGFA has a Health and Safety Staff Committee which is chaired by the Risk and Compliance Manager and reports to the LGFA Board on a regular basis. There were no Health and Safety incidents during the six months.

Over the Covid lockdown period, Auckland and Wellington based staff worked from home as required and we have adopted safety protocols to minimise risks to staff on returning to our offices. All staff, directors and visitors are required to hold a valid vaccine passport before entering LGFA offices.

2. This includes Auckland Council borrowing both in its own name and through LGFA and recognising that the amount of borrowing by Auckland Council from LGFA is restricted by the Foundation Policy covenants.

3. Source: PwC Local Government Debt Report

Comply with the Shareholder Foundation Policies and the Board-approved Treasury Policy at all times.

There were no compliance breaches during the six month period.

Assist the local government sector with significant matters such as COVID -19 response and the proposed Three Waters Reform Programme.

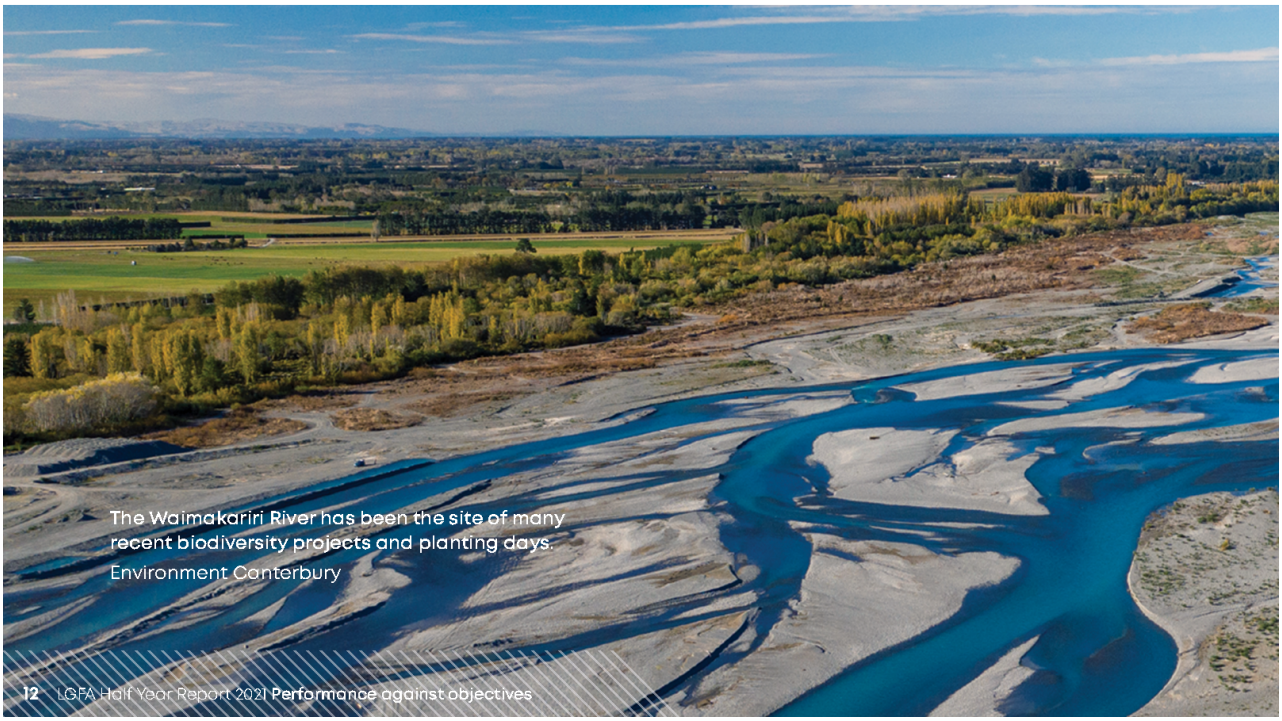
Over the six months, LGFA:

- Contributed expertise to the Ratepayer Financing Scheme project that, if successful, could offer temporary financial relief to ratepayers via rates postponement.
- Provided a Standby Facility product that will provide greater certainty of access to emergency funding for councils at a lower cost than going to traditional bank providers. This has been well supported by councils with $522 million of standbys written with nine councils.
- Outlined its views on the proposed Three Waters Reform for the Shareholders Council and this was distributed to all council members.

Improve sustainability outcomes within LGFA and assist the local government sector in achieving their sustainability and climate change objectives.

LGFA has:

- Appointed a Head of Sustainability.
- Achieved Carbon zero certification from Toitū Envirocare.
- Established a Sustainability Committee, comprising:
  - Three LGFA staff members and
  - Four external members - Alison Howard, Chris Thurston, David Woods and Erica Miles.
- Launched a GSS lending programme for council and CCO members. Projects that meet one of 16 green or social lending categories are now eligible for a discounted loan margin. As at December 2021, Wellington City (WCC) and Greater Wellington Regional (GWRC) Councils have borrowed under this programme
  - WCC financed the construction of 'Takina', the Wellington Convention and Exhibition Centre.
  - GWRC financed the flood protection work on the RiverLink project in the Hutt Valley.



The Waimakariri River has been the site of many recent biodiversity projects and planting days.
Environment Canterbury

Performance Targets

Performance measure	Result for the six month period to 31 December 2021	Outcome
LGFA net interest income for the period to June 2022 will be greater than $19.1 million	$9.7m	✓
Annual issuance and operating expenses (excluding AIL) will be less than $7.2 million	$3.4m	✓
Total nominal lending (short and long term) to participating councils to be at least $13,294 million	$13.513 million	✓
Conduct an annual survey of councils and achieve 85% satisfaction score as to the value added by LGFA to council borrowing activities	August 2021 survey outcome of 99.2%	✓
Meet all lending requests from PLAs	100%	✓
Achieve 80% market share of all council borrowing in New Zealand	79%	✗
Review each Participating Borrower's financial position, its headroom under LGFA policies and arrange to meet each Participating Borrower at least annually	Council meetings to total 74 over year. Financial position and headroom review completed.	✗
No breaches of Treasury Policy, any regulatory or legislative requirements including the Health and Safety at Work Act 2015	No breaches	✓
Successfully refinance of existing loans to councils and LGFA bond maturities as they fall due	100%	✓
Maintain a credit rating equal to the New Zealand Government rating where both entities are rated by the same credit rating entity	AA+/AAA	✓

Financial statements

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Statement of comprehensive income

For the six months ended 31 December 2021 in $000s

	Note	Unaudited six months ended 31 December 2021	Unaudited six months ended 31 December 2020
Interest income		185,886	190,375
Interest expense		176,709	180,523
Net interest income	4	**9,178**	**9,852**
Other operating income	5	526	5
Total operating income		**9,704**	**9,857**
Operating expenses	6	3,769	3,938
Net operating profit		**5,935**	**5,918**
Total comprehensive income		**5,935**	**5,918**

Statement of changes in equity

For the six months ended 31 December 2021 in $000s

	Note	Share capital	Retained earnings	Total equity
Equity as at 1 July 2020		**25,000**	**58,616**	**83,616**
Net operating profit			12,007	12,007
Total comprehensive income for the year			12,007	12,007
Transactions with owners			-	-
Dividend paid on 4 September 2020			(879)	(879)
Equity as at 1 July 2021		**25,000**	**69,744**	**94,744**
Net operating profit			5,935	5,935
Total comprehensive income for the half year			5,935	5,935
Transactions with owners			-	-
Dividend paid on 3 September 2021			(857)	(857)
Unaudited closing balance as at 31 December 2021	17	**25,000**	**74,822**	**99,822**

These statements are to be read in conjunction with the notes to the financial statements.

The Board of Directors of the New Zealand Local Government Funding Agency Limited authorised these statements for issue on 28 February 2022.

Craig Stobo, Director
Board Chair

Linda Robertson, Director
Chair, Audit and Risk Committee

Statement of financial position

As at 31 December 2021 in $000s

	Note	Unaudited as at 31 December 2021	Audited as at 30 June 2021
Assets			
Financial assets			
Receivables		42	43,587
Cash and bank balances		374,236	391,835
Marketable securities		1,385,022	768,453
Deposits		841,628	654,961
Derivatives in gain		246,072	559,635
Loans	8	13,513,127	12,065,668
Non-financial assets			
Prepayments		1,002	683
Other assets	9	218	345
Total assets		**16,361,346**	**14,485,167**
Equity			
Share capital	16	25,000	25,000
Retained earnings		68,887	69,744
Total comprehensive income for the period		5,935	-
Total equity		**99,822**	**94,744**
Liabilities			
Financial liabilities			
Payables and provisions	10	93,014	40,900
Bills	11	534,258	609,624
Bond repurchases	12	225,850	110,220
Derivatives in loss		415,046	187,098
Bonds	13	14,732,861	13,217,759
Borrower notes	14	259,934	224,281
Non-financial liabilities			
Other liabilities	15	561	539
Total liabilities		**16,261,524**	**14,390,422**
Total equity and liabilities		**16,361,346**	**14,485,167**

Statement of cash flows

For the six months ended 31 December 2021 in $000s

	Note	Unaudited six months ended 31 December 2021	Unaudited six months ended 31 December 2020
Cash Flow from Operating Activities			
Cash applied to loans	8	(1,427,636)	(1,420,594)
Interest paid on bonds issued		(215,363)	(212,221)
Interest paid on bills issued		(1,591)	(1,149)
Interest paid on borrower notes		(212)	(137)
Interest paid on bond repurchases		(254)	(599)
Interest received from loans		76,952	77,156
Interest received from cash & cash equivalents		1,031	377
Interest received from marketable securities		5,624	5,376
Interest received from deposits		2,206	2,978
Net interest on derivatives		136,753	139,963
Cash proceeds from provision of standby facilities		526	-
Payments to suppliers and employees		(3,927)	(4,172)
Net cash flow from operating activities	18	**(1,425,888)**	**(1,413,023)**
Cash flow from investing activities			
Purchase of marketable securities		(594,958)	(27,701)
Purchase of deposits		(185,743)	(140,161)
Purchase of plant and equipment		-	-
Net cash flow from investing activities		**(780,701)**	**(167,862)**
Cash flow from financing activities			
Cash proceeds from bonds issued	13	2,096,802	2,026,534
Cash proceeds from bills issued		(75,367)	(34,910)
Cash proceeds from bond repurchases		158,143	(165,546)
Cash proceeds from borrower notes		35,509	37,876
Dividends paid		(857)	(878)
Cash applied to derivatives		(25,240)	(124,161)
Net cash flow from financing activities		**2,188,991**	**1,738,914**
Net (decrease) / increase in cash		**(17,599)**	**158,029**
Cash, Cash Equivalents and at beginning of year		391,835	165,826
Cash and cash equivalents at end of half year		**374,236**	**323,854**

Notes to the financial statements

1. Reporting entity

The New Zealand Local Government Funding Agency Limited (LGFA) is a company registered under the Companies Act 1993 and is subject to the requirements of the Local Government Act 2002.

LGFA is controlled by participating local authorities and is a council-controlled organisation as defined under section 6 of the Local Government Act 2002. LGFA is a limited liability company incorporated and domiciled in New Zealand.

The primary objective of LGFA is to optimise the debt funding terms and conditions for participating borrowers.

The registered address of LGFA is Level 8, City Chambers, 142 Featherston Street, Wellington Central, Wellington 6011.

These financial statements were authorised for issue by the Directors on 28 February 2022.

2. Statement of compliance

The interim financial statements are for the six months ended 31 December 2021 and are to be read in conjunction with the annual report for the year ended 30 June 2021.

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and in compliance with NZ IAS 34 Interim Financial Reporting.

3. Basis of preparation

Measurement base

The financial statements have been prepared on a historical cost basis modified by the revaluation of certain assets and liabilities.

The financial statements are prepared on an accrual basis.

Functional and presentation currency

The financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless separately identified. The functional currency of LGFA is New Zealand dollars.

Foreign currency conversions

Transactions denominated in foreign currency are translated into New Zealand dollars using exchange rates applied on the trade date of the transaction.

Changes in accounting policies

There have been no changes to accounting policies.

Early adoption standards and interpretations

LGFA has not early adopted any standards.

Standards not yet adopted

LGFA does not consider any standards or interpretations in issue but not yet effective to have a significant impact on its financial statements.

Financial instruments

Financial assets

Financial assets, other than derivatives, are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents include cash on hand, bank accounts and deposits with an original maturity of no more than three months.

Purchases and sales of all financial assets are accounted for at trade date.

At each balance date, an expected credit loss assessment is performed for all financial assets and is calculated as either:

- Credit losses that may arise from default events that are possible within the next 12 months, where no significant increase in credit risk has arisen since acquisition of the asset, or
- Credit losses that may arise from default events that are possible over the expected life of the financial asset, where a significant increase in credit risk has arisen since acquisition of the asset.

Impairment losses on financial assets will ordinarily be recognised on initial recognition as a 12-month expected loss allowance and move to a lifetime expected loss allowance if there is a significant deterioration in credit risk since acquisition.

Financial liabilities

Financial liabilities, other than derivatives, are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Derivatives

Derivative financial instruments are recognised both initially and subsequently at fair value. They are reported as either assets or liabilities depending on whether the derivative is in a net gain or net loss position respectively.

Fair value hedge

Where a derivative qualifies as a hedge of the exposure to changes in fair value of an asset or liability (fair value hedge) any gain or loss on the derivative is recognised in profit and loss together with any changes in the fair value of the hedged asset or liability.

The carrying amount of the hedged item is adjusted by the fair value gain or loss on the hedged item in respect of the risk being hedged. Effective parts of the hedge are recognised in the same area of profit and loss as the hedged item.

Other assets

Property, plant and equipment

Items of property, plant and equipment are initially recorded at cost.

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant and equipment, less any estimated residual value, over its remaining useful life.

Intangible assets

Intangible assets comprise software and project costs incurred for the implementation of the treasury management system. Capitalised computer software costs are amortised on a straight-line basis over the estimated useful life of the software (three to seven years). Costs associated with maintaining computer software are recognised as expenses.

Other liabilities

Employee entitlements

Employee entitlements to salaries and wages, annual leave and other similar benefits are recognised in the profit and loss when they accrue to employees.

Revenue

Interest income

Interest income is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this rate to the principal outstanding to determine interest income each period.

Expenses

Expenses are recognised in the period to which they relate.

Interest expense

Interest expense is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense each period.

Income tax

LGFA is exempt from income tax under Section 14 of the Local Government Borrowing Act 2011.

Goods and services tax

All items in the financial statements are presented exclusive of goods and service tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Segment reporting

LGFA operates in one segment being funding of participating borrowers in New Zealand.

Judgements and estimations

The preparation of these financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts. For example, the fair value of financial instruments depends critically on judgements regarding future cash flows, including inflation assumptions and the risk-free discount rate.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and these estimates and underlying assumptions are reviewed on an ongoing basis. Where these judgements significantly affect the amounts recognised in the financial statements they are described in the following notes.

The financial statements as at 31 December 2021 include estimates and judgements of the

potential impact of COVID-19 and the Three Waters Reform Programme on LGFA's financial position and performance. Whilst there has been no material impact on the estimates and judgements at the date these financial statements are authorised, it is noted that there is significant uncertainty with regards to the medium and long-term effects of COVID-19, as well as the outcome of Three Waters Reform Programme on the local government sector.

Revenue and expenditure

4. Net interest income

in $000s	Unaudited six months ended 31 December 2021	Unaudited six months ended 31 December 2020
Interest income		
Cash and cash equivalents	1,036	385
Marketable securities	4,259	1,911
Deposits	3,129	3,493
Derivatives	90,015	107,810
Loans	87,447	76,776
Fair value hedge ineffectiveness	-	-
Total interest income	**185,886**	**190,375**
Interest expense		
Bills	1,591	1,149
Bond repurchase transactions	319	325
Lease liability	5	9
Bonds	173,439	177,963
Borrower notes	1,355	1,077
Total interest expense	**176,709**	**180,523**
Net interest income	**9,178**	**9,852**

5. Other operating income

As at 31 December 2021, LGFA had provided credit standby facilities totalling $522 million to selected councils. As at balance date, there were no drawdowns outstanding under the facilities.

in $000s	Unaudited six months ended 31 December 2021	Unaudited six months ended 31 December 2020
Standby facilities fee income	526	5
Total other operating income	**526**	**5**

6. Operating expenses

in $000s	Unaudited six months ended 31 December 2021	Unaudited six months ended 31 December 2020
Issuance and on-lending expenses		
Approved issuer levy	325	593
Rating agency fees	324	311
NZDMO facility fee	250	308
Legal fees - issuance	225	294
NZX	390	340
Trustee fees	51	50
Regulatory, registry, other fees	68	97
	1,633	**1,993**
Other operating expenses		
Information technology	399	367
Consultants	95	16
Directors fees	212	200
Insurance	43	42
Legal fees	51	95
Other expenses	136	159
Auditors' remuneration		
Statutory audit	55	54
Advisory services	-	-
Personnel	1,145	1,012
	2,135	**1,945**
Total operating expenses	**3,769**	**3,938**

7. Hedge accounting

LGFA is exposed to interest rate risk from its borrowing, lending and investment activities and uses interest rate swaps to manage this risk. For hedge accounting purposes, LGFA has designated these swaps in fair value relationships to its fixed rate borrowings, loans and investments.

The following table shows the gain or loss on the hedging instrument and the hedged item attributable to the hedged risk for fair value hedge relationships.

in $000s	Unaudited gain/(loss) for the six months ended 31 December 2021	Unaudited gain/(loss) for the six months ended 31 December 2020
Hedging instruments – interest rate swaps	520,010	635,001
Hedged items attributable to the hedged risk	(520,010)	(635,001)
Ineffectiveness recognised in profit or loss from fair value hedges	-	-

The gains or losses on the hedging instrument (interest rate swaps) and the hedged item (bonds, loans and investments) are mapped to the same fair value account. For this reason, the statement of comprehensive income will only report any ineffectiveness arising from the fair value hedge.

8. Loans

in $000s	Unaudited as at 31 December 2021		Audited as at 30 June 2021	
	Short-term loans	Loans	Short-term loans	Loans
Ashburton District Council	10,021	60,757	10,011	60,723
Auckland Council	-	3,381,550	-	3,303,915
Bay of Plenty Regional Council	25,477	161,153	25,428	155,995
Buller District Council	-	20,007	-	20,005
Canterbury Regional Council	4,008	62,189	4,003	59,133
Carterton District Council	4,013	12,752	-	-
Central Hawkes Bay District Council	2,011	20,108	-	20,107
Christchurch City Council	2,003	2,083,566	14,533	1,951,017
Clutha District Council	2,005	20,061	2,004	16,042
Far North District Council	-	71,810	-	51,702
Gisborne District Council	-	80,946	-	68,774
Gore District Council	6,016	26,585	6,011	26,563
Greater Wellington Regional Council	-	540,335	-	450,945
Grey District Council	3,993	21,670	3,995	21,642
Hamilton City Council	-	591,533	-	481,019
Hastings District Council	-	228,619	-	205,357
Hauraki District Council	-	48,139	-	44,101
Hawkes Bay Regional Council	-	29,939	-	18,868
Horizons Regional Council	11,992	42,228	11,991	37,194
Horowhenua District Council	16,014	118,260	16,000	92,178
Hurunui District Council	8,018	30,081	8,002	30,062
Hutt City Council	-	261,416	-	201,225
Invercargill City Council	-	68,677	-	68,666
Invercargill City Holdings Ltd	29,937	60,054	-	-
Kaikoura District Council	-	5,016	-	5,014
Kaipara District Council	-	44,132	-	44,088
Kapiti Coast District Council	-	250,572	-	230,366
Manawatu District Council	11,546	74,153	11,522	72,681
Marlborough District Council	30,243	87,179	30,226	73,136
Masterton District Council	-	56,650	-	48,609
Matamata-Piako District Council	-	30,097	-	26,567
Nelson City Council	-	105,255	-	90,146
New Plymouth District Council	-	181,117	-	169,999
Northland Regional Council	-	14,148	-	14,147
Opotiki District Council	-	8,590	-	8,600
Otorohanga District Council	-	-	-	-

in $000s	Unaudited as at 31 December 2021		Audited as at 30 June 2021	
	Short-term loans[1]	Loans	Short-term loans	Loans
Palmerston North City Council	-	177,476	-	152,314
Porirua City Council	-	156,927	-	141,794
Queenstown Lakes District Council	50,113	210,612	25,030	130,333
Rangitikei District Council	-	3,020	-	3,020
Rotorua District Council	12,850	245,204	12,823	215,034
Ruapehu District Council	8,010	21,497	8,005	21,474
Selwyn District Council	-	65,180	-	60,129
South Taranaki District Council	-	95,284	-	95,210
South Waikato District Council	13,975	20,046	8,987	15,030
Southland District Council	19,996	16,819	-	-
South Wairarapa District Council	-	24,526	-	24,520
Stratford District Council	-	22,273	-	22,271
Taranaki Regional Council	1,993	8,528	4,999	-
Tararua District Council	-	46,135	-	44,100
Tasman District Council	24,065	176,151	27,037	152,035
Taupo District Council	-	135,302	-	125,177
Tauranga City Council	-	657,330	-	516,688
Thames-Coromandel District Council	-	73,216	-	61,145
Timaru District Council	22,571	117,402	22,529	117,181
Upper Hutt City Council	2,999	74,225	-	65,153
Waikato District Council	4,983	90,277	-	80,189
Waikato Regional Council	-	32,098	-	32,082
Waimakariri District Council	-	170,642	-	170,506
Waipa District Council	24,533	105,282	8,000	90,123
Wairoa District Council	-	8,042	-	8,041
Waitaki District Council (WD)	2,497	17,542	2,498	12,523
Waitomo District Council	7,011	24,052	4,003	30,045
Wellington City Council	-	1,009,389	-	792,505
West Coast Regional Council	2,003	6,611	2,001	6,610
Western Bay Of Plenty District Council	-	70,209	-	70,154
Westland District Council	-	24,880	-	21,858
Whakatane District Council	-	82,265	-	77,203
Whanganui District Council	7,513	100,362	7,507	94,289
Whangarei District Council	9,986	162,416	9,993	162,296
Fair value hedge adjustment	-	(19,835)	-	(1,091)
	382,396	**13,130,731**	**287,140**	**11,778,528**

1. As at 31 December 2021, $1,751 million of loans are due to mature within 12 months. This comprises all short-term loans and $1,369 million of loans.

9. Other assets

in $000s	Unaudited as at 31 December 2021	Audited as at 30 June 2021
Intangible assets[1]	79	154
Right-of-use lease asset	139	190
Total other assets	**218**	**345**

1. Intangible assets comprise acquired and internally developed software costs incurred on the implementation of LGFA's treasury management system.

10. Payables and provisions

in $000s	Unaudited as at 31 December 2021	Audited as at 30 June 2021
Loans to be advanced	68,000	40,000
Unsettled investments	24,000	-
Trade creditors	576	658
Credit provision	265	193
Other provisions	172	49
Total receivables	**93,014**	**40,900**

11. Bills

Unaudited as at 31 December 2021 in $000's	Face value	Unamortised premium	Accrued interest	Total
12 January 2022	70,000	-	(10)	69,990
18 January 2022	55,000	-	(17)	54,983
3 February 2022	25,000	-	(18)	24,982
9 February 2022	80,000	-	(70)	79,930
1 March 2022	50,000	-	(72)	49,928
11 March 2022	70,000	-	(107)	69,893
15 March 2022	50,000	-	(88)	49,912
21 March 2022	27,000	-	(54)	26,946
7 April 2022	65,000	-	(142)	64,858
13 May 2022	43,000	-	(164)	42,836
	535,000	**-**	**(742)**	**534,258**

Audited as at 30 June 2021 in $000's	Face value	Unamortised premium	Accrued interest	Total
7 July 2021	20,000	-	(1)	19,999
15 July 2021	110,000	-	(13)	109,987
5 August 2021	25,000	-	(8)	24,992
11 August 2021	80,000	-	(29)	79,971
10 September 2021	75,000	-	(46)	74,954
17 September 2021	150,000	-	(95)	149,905
6 October 2021	20,000	-	(20)	19,980
14 October 2021	55,000	-	(57)	54,943
10 November 2021	50,000	-	(73)	49,927
8 December 2021	25,000	-	(34)	24,966
	610,000	**-**	**(376)**	**609,624**

12. Treasury stock and bond repurchases

Periodically, LGFA subscribes for LGFA bonds as part of its tender process and holds these bonds as treasury stock. LGFA bonds held by LGFA as treasury stock are derecognised at the time of issue and no liability is recognised in the statement of financial position. As at 31 December 2021, $1,200 million of LFGA bonds had been subscribed as treasury stock.

LGFA makes these treasury stock bonds available to banks authorised as its tender counterparties to borrow under short-term repurchase transactions. The objective of the bond lending facility is to assist with improving secondary market liquidity in LGFA bonds. Bonds lent to counterparties are disclosed as a separate stock lending liability on the face of the statement of financial position.

As at 31 December 2021, bond repurchase transactions comprised:

in $000s	Unaudited as at 31 December 2021	Audited as at 30 June 2021
14 April 2022	15,163	-
15 April 2023	84,569	32,887
15 April 2024	10,033	-
15 April 2025	20,244	-
15 April 2026	3,826	-
15 April 2027	60,371	-
15 May 2028	4,852	-
20 April 2029	10,963	33,810
15 May 2031	9,505	-
14 April 2033	6,324	38,957
15 May 2035	-	-
15 April 2037	-	4,566
	225,850	**110,220**

13. Bonds

Bonds on issue do not include $1,200 million face value of issued LGFA bonds subscribed by LGFA and held as treasury stock. Refer Note 12: Treasury stock and bond repurchase transactions.

Unaudited as at 31 December 2021 in $000's	Face Value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
Fixed interest bonds					
14 April 2022	1,605,000	5,592	9,579		
15 April 2023	1,750,000	38,281	20,625		
15 April 2024	1,648,000	14,928	7,946		
15 April 2025	1,619,000	(13,109)	9,541		
15 April 2026	1,390,000	3,296	4,468		
15 April 2027	1,631,000	90,026	15,728		
15 May 2028	700,000	(5,440)	2,045		
20 April 2029	1,272,000	(13,369)	3,826		
15 May 2031	730,000	(4,336)	2,133		
14 April 2033	1,260,000	46,048	9,571		
15 May 2035	400,000	2,234	1,558		
15 April 2037	730,000	(13,169)	3,129		
Total fixed interest	**14,735,000**	**150,984**	**90,148**	**(373,638)**	**14,602,493**
Floating rate notes					
14 October 2022	130,000	(20)	388	-	130,368
Total	**14,865,000**	**150,964**	**90,536**	**(373,638)**	**14,732,861**

Audited as at 30 June 2021 in $000's	Face Value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
Fixed interest bonds					
14 April 2022	1,605,000	15,527	9,406		
15 April 2023	1,660,000	46,296	19,208		
15 April 2024	1,528,000	17,466	7,233		
15 April 2025	1,469,000	(20,190)	8,499		
15 April 2026	1,240,000	6,911	3,913		
15 April 2027	1,486,000	82,140	14,068		
20 April 2029	1,172,000	(10,512)	3,458		
15 May 2031	650,000	(4,966)	1,868		
14 April 2033	1,170,000	37,817	8,727		
15 April 2037	700,000	(8,443)	2,945		
Total fixed interest	**12,680,000**	**162,045**	**79,326**	**166,138**	**13,087,509**
Floating rate notes					
14 October 2022	130,000	(33)	283	-	130,250
Total	**12,810,000**	**162,012**	**79,610**	**166,138**	**13,217,759**

14. Borrower notes

Borrower notes are subordinated debt instruments which are required to be held by each local authority that borrows from LGFA in an amount equal to a fixed percentage of the aggregate borrowings by that local authority. The fixed percentage is 2.5% for loans issued from 1 July 2020. Prior to this date, the fixed percentage was 1.6%.

LGFA may convert borrower notes into redeemable shares if it has made calls for all unpaid capital to be paid in full and the LGFA Board determines it is still at risk of imminent default.

15. Other liabilities

in $000s	Unaudited as at 31 December 2021	Audited as at 30 June 2020
Lease liability	139	190
Accruals	422	349
Total receivables	**561**	**539**

Capital and dividends

16. Share capital

As at 31 December 2021, LGFA had 45 million ordinary shares on issue, 20 million of which remain uncalled.

All ordinary shares rank equally with one vote attached to each ordinary share. Ordinary shares have a face value of $1 per share.

17. Shareholder information

Registered holders of equity securities	As at 31 December 2021		As at 30 June 2021	
New Zealand Government	5,000,000	11.1%	5,000,000	11.1%
Auckland Council	3,731,960	8.3%	3,731,960	8.3%
Christchurch City Council	3,731,960	8.3%	3,731,960	8.3%
Hamilton City Council	3,731,960	8.3%	3,731,960	8.3%
Bay of Plenty Regional Council	3,731,958	8.3%	3,731,958	8.3%
Greater Wellington Regional Council	3,731,958	8.3%	3,731,958	8.3%
Tasman District Council	3,731,958	8.3%	3,731,958	8.3%
Tauranga City Council	3,731,958	8.3%	3,731,958	8.3%
Wellington City Council	3,731,958	8.3%	3,731,958	8.3%
Western Bay of Plenty District Council	3,731,958	8.3%	3,731,958	8.3%
Whangarei District Council	1,492,784	3.3%	1,492,784	3.3%
Hastings District Council	746,392	1.7%	746,392	1.7%
Marlborough District Council	400,000	0.9%	400,000	0.9%
Selwyn District Council	373,196	0.8%	373,196	0.8%
Gisborne District Council	200,000	0.4%	200,000	0.4%
Hauraki District Council	200,000	0.4%	200,000	0.4%
Horowhenua District Council	200,000	0.4%	200,000	0.4%
Hutt City Council	200,000	0.4%	200,000	0.4%
Kapiti Coast District Council	200,000	0.4%	200,000	0.4%
Manawatu District Council	200,000	0.4%	200,000	0.4%
Masterton District Council	200,000	0.4%	200,000	0.4%
New Plymouth District Council	200,000	0.4%	200,000	0.4%
Otorohanga District Council	200,000	0.4%	200,000	0.4%
Palmerston North City Council	200,000	0.4%	200,000	0.4%
South Taranaki District Council	200,000	0.4%	200,000	0.4%
Taupo District Council	200,000	0.4%	200,000	0.4%
Thames - Coromandel District Council	200,000	0.4%	200,000	0.4%
Waimakariri District Council	200,000	0.4%	200,000	0.4%
Waipa District Council	200,000	0.4%	200,000	0.4%
Whakatane District Council	200,000	0.4%	200,000	0.4%
Whanganui District Council	200,000	0.4%	200,000	0.4%
	45,000,000	**100%**	**45,000,000**	**100%**

Other Notes

18. Reconciliation of net profit to net cash flow from operating activities

in $000s	Unaudited six months ended 31 December 2021	Unaudited six months ended 31 December 2020
Net profit/(loss) for the period	5,935	5,918
Cash applied to loans	(1,427,636)	(1,420,594)
Non-cash adjustments		
Amortisation and depreciation	(3,955)	1,937
Working capital movements		
Net change in trade debtors and receivables	13	149
Net change in prepayments	(319)	(321)
Net change in accruals	73	(113)
Net Cash From Operating Activities	**(1,425,888)**	**(1,413,023)**

19. Related parties

Identity of related parties

LGFA is related to the local authorities set out in the Shareholder Information in note 16.

LGFA operates under an annual Statement of Intent that sets out the intentions and expectations for LGFA's operations and lending to participating borrowers.

Shareholding local authorities, and non-shareholder local authorities who borrow more than $20 million, are required to enter into a guarantee when they join or participate in LGFA. The guarantee is in respect of the payment obligations of other guaranteeing local authorities to the LGFA (cross guarantee) and of the LGFA itself.

Related party transactions

LGFA was established for the purpose of raising funds from the market to lend to participating borrowers. The lending to individual councils is disclosed in note 8, and interest income recognised on this lending is shown in the statement of comprehensive income.

The purchase of LGFA borrower notes by participating borrowers. Refer note 14.

The Treasury (New Zealand Debt Management) provides LGFA with a committed credit facility and is LGFA's derivatives counterparty.

Directory

Rārangi tauwaea

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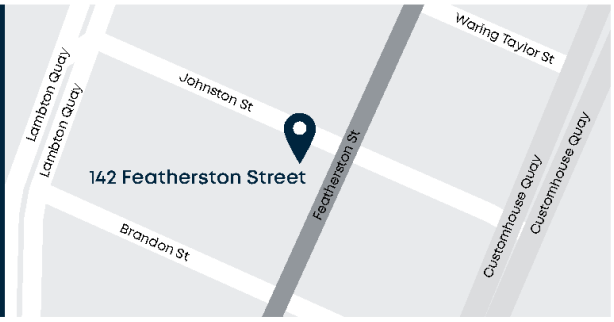

Auckland
Level 5
Walker Wayland Centre
53 Fort Street
Auckland 1010

LGFA

New Zealand Local Government Funding Agency

Te Pūtea Kāwanatanga ā-rohe

Item 10

Attachment 1

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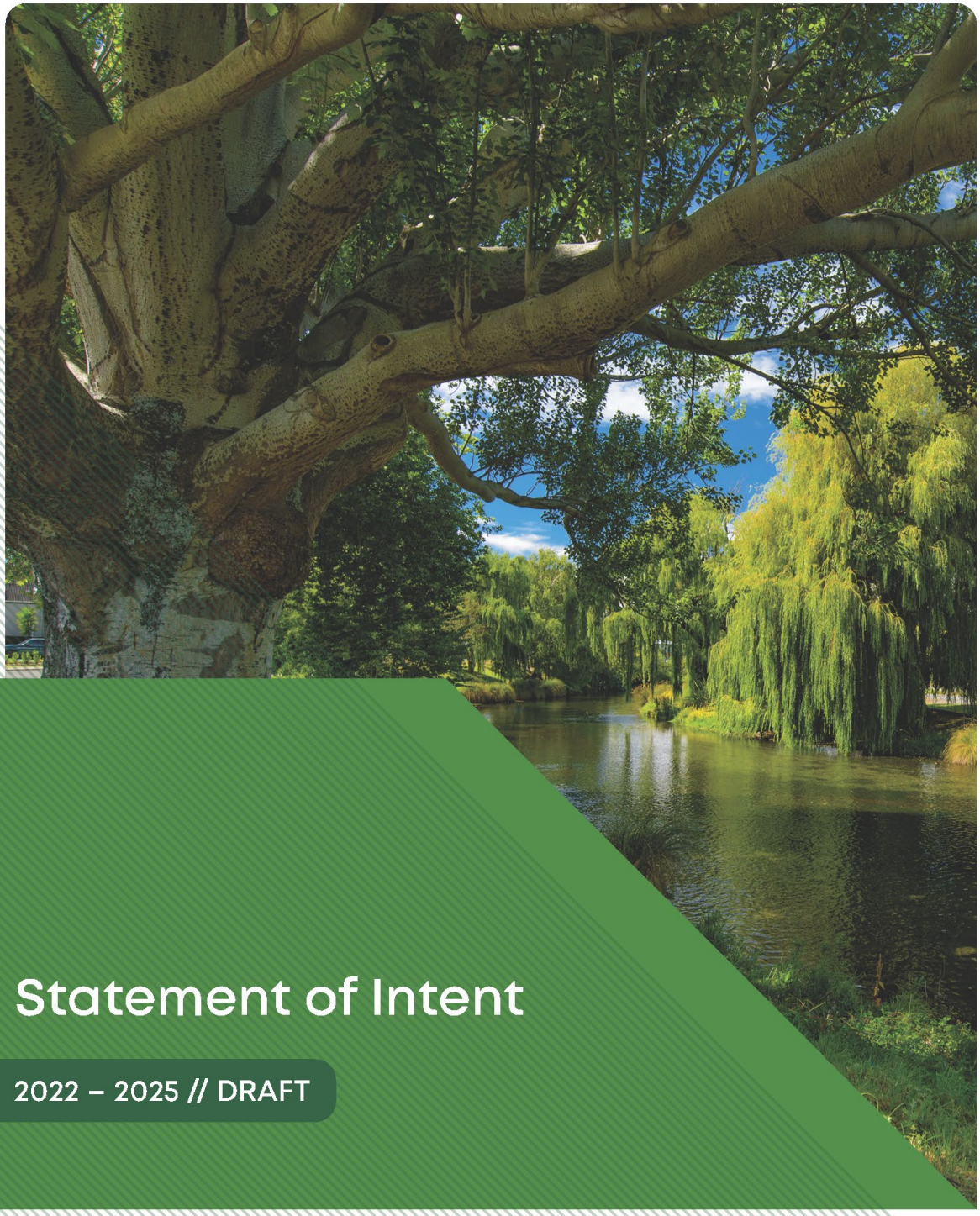
LGFA

New Zealand Local
Government Funding Agency
Te Pūtea Kāwanatanga ā-rohe



Statement of Intent

2022 – 2025 // DRAFT

1. Introduction

This Statement of Intent (SOI) sets out the nature and scope of the activities, objectives and performance targets for the New Zealand Local Government Funding Agency Limited (LGFA) for the three-year period 1 July 2022 to 30 June 2025.

LGFA is enabled under the Local Government Borrowing Act 2011 and is a council-controlled organisation (CCO) for the purposes of the Local Government Act 2002.

The SOI is prepared in accordance with section 64(1) of the Local Government Act 2002.

2. Nature and scope of activities

LGFA raises debt funding for the purpose of providing debt financing to New Zealand local authorities and CCOs (participating borrowers).

LGFA may raise debt funding either domestically and/or offshore in either NZ dollars or foreign currency.

LGFA only lends to participating borrowers that have entered into required relevant legal and operational arrangements and comply with the LGFA's lending policies.

In addition, LGFA may undertake any other activities considered by the LGFA Board to be reasonably related, incidentally to, or in connection with, that business.

3. Our purpose Ta tatou kaupapa

Benefiting local communities through delivering efficient financing for local government.

Ka whiwhi painga ngā hapori mā te whakarato pūtea tōtika ki ngā kaunihera.

4. Our values Ō mātau uara

We act with integrity E pono ana mātau	We are customer focused E arotahi ana mātau ki te kiritaki	We strive for excellence E whakapau kaha mātau kia hiranga te mahi	We provide leadership He kaiārahi mātau	We are innovative He auaha mātau
We are honest, transparent and are committed to doing what is best for our customers and our company	Our customers are our council borrowers, investors, and all other organisations that we deal with. We listen to them and act in their best interests to deliver results that make a positive difference	We strive to excel by delivering financial products and services that are highly valued at least cost while seeking continuous improvement in everything we do.	We are here for our stakeholders in being strategically minded, providing resilience and executing our strategy. We embrace a high-performance culture and can be relied upon to deliver results.	To meet our ever-changing customer requirements, we will encourage innovation and provide a diverse range of financial products and services.

5. Foundation objectives

The Shareholders' Agreement is a foundation document and states that, in accordance with the Local Government Act, in carrying on its business the objectives of the Company will be to:

(a) achieve the objectives of the Shareholders (both commercial and non-commercial) as specified in the Statement of Intent. The Shareholders agree that the Company shall carry on its business with a view to making a profit sufficient to pay a dividend in accordance with the Dividend Policy, but that the primary objective of the Shareholders with respect to the Company is that it optimises the terms and conditions of the debt funding it provides to Participating Local Authorities;

(b) be a good employer;

(c) exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so; and

(d) conduct its affairs in accordance with sound business practice.

This Statement of Intent sets out the company's strategic priorities, together with associated objectives and performance targets, which align with the foundation objectives and have been agreed with shareholders.

6. Strategic priorities

The following five strategic priorities encompass the foundation objectives and guide the LGFA Board and management in determining our strategy, objectives and associated performance targets.

Governance, capability and business practice

LGFA is committed demonstrating best practice corporate governance underpinned by sound business practice to ensure its long-term sustainability and success.

Optimising financing services for local government

LGFA's primary objective is to optimise the terms and conditions of the debt funding it provides to participating borrowers. Amongst other things, LGFA will achieve this by delivering operational best practice and efficiency across our lending products and services.

Environmental and social responsibility

LGFA recognises the risks inherent in climate change for councils and supports New Zealand's shift to a low-carbon economy. LGFA will exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so.

Effective management of loans

LGFA will ensure its loan book remains at a high standard by ensuring it understands each participating borrower's financial position and managing assets within an appropriate risk management framework to ensure shareholder value is not compromised.

Industry leadership and engagement

LGFA will take a proactive role to enhance the financial strength and depth of the local government debt market and will work with key central government and local government stakeholders on sector issues.

7. Objectives and performance targets

This section sets out LGFA's objectives and performance targets for SOI 2022-2025.

The financial performance targets are focused on the 2022-2023 year and, as applicable, are based on the financial forecasts outlined in section 8.

Governance, capability and business practice

Objectives	How we measure our performance
LGFA will:	
Demonstrate best practice corporate governance.	The Annual Report outlines our compliance with the eight core principles underpinning the NZX Corporate Governance Best Practice Code.
Set and model high standards of ethical behaviour.	LGFA has adopted a formal Code of Ethics, incorporating its Conflicts of Interest and Code of Conduct policies, which sets out the standards and values that directors and employees are expected to follow.
Achieve the shareholder-agreed objectives and performance targets specified in this Statement of Intent.	LGFA reports performance against objectives quarterly to shareholders and in our Annual Report.
Ensure products and services offered to participating borrowers are delivered in a cost-effective manner.	LGFA prepares annual operating budgets and monitors progress against these monthly. Financial performance is reported quarterly to shareholders and in our Annual Report.
Be a good employer by providing safe working conditions, training and development and equal opportunities for staff.	The Annual Report reports on our health and safety and wellbeing practices and policies, including Covid-related safety processes, compliance with the Health and Safety at Work Act, diversity and inclusion and capability and development.

Performance targets	2022-2023 target
Comply with the Shareholder Foundation Polices and the Board-approved Treasury Policy at all times.	No breaches
Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency.	LGFA credit ratings equivalent to NZ Sovereign.
LGFA's total operating income for the period to 30 June 2023.	> $18.3 million
LGFA's total operating expenses for the period to 30 June 2023.	< $8.3 million

Optimising financing services for local government

Objectives	How we measure our performance
LGFA will:	
Provide interest cost savings relative to alternative sources of financing.	Measure LGFA issuance spreads against other high grade issuers in the New Zealand domestic capital markets.
Offer flexible short and long-term lending products that meet the borrowing requirements for borrowers.	Measure LGFA's share of overall council borrowing. Survey participating borrowers on an annual basis.
Deliver operational best practice and efficiency for lending services.	Monitor settlements errors for new trades and cashflows. Survey participating borrowers on an annual basis.
Ensure certainty of access to debt markets, subject always to operating in accordance with sound business practice.	Maintain a vibrant primary and secondary market in LGFA bonds. Monitor participation by investors at our tenders through bid-coverage ratios and successful issuance yield ranges.

Performance targets	2022-2023 target
Share of aggregate long-term debt funding to the Local Government sector.	> 80%
Total lending to Participating Borrowers.	> $14,558 million
Conduct an annual survey of Participating Borrowers who borrow from LGFA as to the value added by LGFA to the borrowing activities.	> 85% satisfaction score
Successfully refinance existing loans to councils and LGFA bond maturities as they fall due.	100%
Meet all lending requests from Participating Borrowers, where those requests meet LGFA operational and covenant requirements.	100%

Environmental and social responsibility

Objectives	How we measure our performance
LGFA will:	
Assist the local government sector in achieving their sustainability and climate change objectives.	LGFA is committed to assist borrowers financing of projects that promote environmental and social wellbeing in New Zealand. Green, Social & Sustainability (GSS) loan applications from councils are appraised by the LGFA Sustainability Committee, with approved loans monitored for ongoing compliance.
Improve sustainability outcomes within LGFA.	LGFA is committed to reducing our carbon emissions and formalised processes to measure our greenhouse gas (GHG) emissions, as well as management plans to reduce our company's emissions.

Performance targets	2022-2023 target
Comply with the Health and Safety at Work Act 2015	No breaches
Maintain Toitū Carbon Zero certification	Carbon-zero certification maintained.
Meet reduction targets outlined in our carbon reduction management plan.	Reduction targets met.
Increase our GSS lending book	Two new participating borrowers enter into GSS loans.
Ensure Annual Report is prepared in compliance with applicable GRI Standards.	100%
Meet all mandatory climate reporting standards.	100%

Effective management of loans

Objectives	How we measure our performance
LGFA will:	
Proactively monitor and review each Participating Borrower's financial position, including its financial headroom under LGFA policies.	LGFA reviews all participating councils and CCOs financial statements on an annual basis and the agendas and management reports on an ongoing basis for all councils on the LGFA borrower watch-list. Participating borrowers are required to complete annual compliance certificates by the end of November each year.
Analyse finances at the Council group level where appropriate and report to shareholders.	
Endeavour to meet each participating borrower annually, including meeting with elected officials as required, or if requested.	Number of participating borrowers visited in a year.

Performance targets	2022-2023 target
Review each Participating Borrower's financial position, its headroom under LGFA policies.	100%
Arrange to meet each Participating Borrower at least annually, including meeting with elected officials as required, or if requested.	100%

7. Industry leadership and engagement

Objectives	How we measure our performance
LGFA will:	
Take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.	Report on actions undertaken and progress made on sector issues.
Assist the local government sector with significant matters such as COVID -19 response and the proposed Three Waters Reform Programme.	
Support councils and CCOs in the development of reporting disclosures of the impacts of sector activity on climate change.	

8. Financial forecasts

LGFA's financial forecasts for the three years to 30 June 2025 are:

Comprehensive income $m	Jun 23	Jun 24	Jun 25
Net Interest income	**16.8**	**18.4**	**17.2**
Other operating income	1.5	1.5	1.5
Total operating income	**18.3**	**19.9**	**18.7**
Approved Issuer Levy	0.8	0.3	0.3
Issuance & onlending costs	2.9	3.0	3.1
Operating overhead	4.7	4.9	5.2
Issuance and operating expenses	**8.4**	**8.3**	**8.6**
Net profit	**9.9**	**11.7**	**10.0**
Financial position (nominals) $m	**Jun 23**	**Jun 24**	**Jun 25**
Liquid assets portfolio	1,912	2,033	2,230
Loans to local government	14,558	15,567	16,270
Other assets	-	-	-
Total assets	**16,470**	**17,599**	**18,500**
Bonds on issue (ex Treasury stock)	15,335	16,407	17,258
Bills on issue	500	500	500
Borrower notes	303	339	369
Other liabilities	-	-	-
Total liabilities	**16,138**	**17,246**	**18,127**
Capital	25	25	25
Retained earnings	92	103	113
Shareholder equity	**117**	**128**	**138**

Ratios	Jun 23	Jun 24	Jun 25
Liquid assets/funding liabilities	12.2%	12.1%	12.7%
Liquid assets / total assets	11.6%	11.6%	12.1%
Net interest margin	0.12%	0.12%	0.11%
Cost to income ratio	45.9%	41.5%	46.3%
Return on average assets	0.06%	0.07%	0.05%
Shareholder equity/total assets	0.7%	0.7%	0.7%
Shareholder equity + BN/total assets	2.5%	2.7%	2.7%
Asset growth	6.5%	6.9%	5.1%
Loan growth	8.5%	6.9%	4.5%
Return on equity	9.3%	10.0%	7.8%
Capital ratio	12.7%	13.3%	13.7%

Note there is a level of uncertainty regarding the June 2024 and June 2025 financial years forecasts due to the uncertainty relating to the Three Waters Reform and the impact on councils.

Councils prepared their 2021-31 Long Term Plans (and borrowing forecasts) on the assumption that Three Water Reform was not progressing and we have made the same assumption with our forecasts. LGFA projects it could have between $4 to $5 billion of loans to councils in June 2024 that are related to Three Waters. There have been no decisions made to date regarding the transfer of assets and liabilities from councils to the proposed Three Water entities.

9. Dividend policy

LGFA primary objective is to maximise benefits to participating borrowers rather than shareholders. Consequently, it is intended to pay a limited dividend to shareholders.

The Board's policy is to pay a dividend that provides an annual rate of return to shareholders equal to LGFA fixed rate bond cost of funds plus 2.00% over the medium term.

At all times payment of any dividend will be discretionary and subject to the Board's legal obligations and views on appropriate capital structure.

10. Governance

Board

The Board is responsible for the strategic direction and control of LGFA's activities. The Board guides and monitors the business and affairs of LGFA, in accordance with the Companies Act 1993, the Local Government Act 2002, the Local Government Borrowing Act 2011, the Company's Constitution, the Shareholders' Agreement for LGFA and this SOI.

The Board comprises six directors with five being independent directors and one being a non-independent director.

The Board's approach to governance is to adopt best practice with respect to:

- The operation of the Board.
- The performance of the Board.
- Managing the relationship with the Company's Chief Executive.
- Being accountable to all Shareholders.

All directors are required to comply with a formal Charter.

The Board will meet on a regular basis and no fewer than six times each year.

Shareholders' Council

The Shareholders' Council is made up of between five and ten appointees of the Shareholders (including an appointee from the Crown). The role of the Shareholders' Council is to:

- Review the performance of LGFA and the Board, and report to Shareholders on that performance on a periodic basis.
- Make recommendations to Shareholders as to the appointment, removal, replacement and remuneration of directors.

- Make recommendations to Shareholders as to any changes to policies, or the SOI, requiring their approval.
- Ensure all Shareholders are fully informed on LGFA matters and to coordinate Shareholders on governance decisions.

11. Information to be provided to Shareholders

The Board aims to ensure that Shareholders are informed of all major developments affecting LGFA's state of affairs, while at the same time recognising both LGFA's obligations under NZX Listing Rules and that commercial sensitivity may preclude certain information from being made public.

Annual Report

The LGFA's balance date is 30 June.

By 30 September each year, the Company will produce an Annual Report complying with Sections 67, 68 and 69 of the Local Government Act 2002, the Companies Act 1993 and Financial Reporting Act 2013. The Annual Report will contain the information necessary to enable an informed assessment of the operations of the company, and will include the following information:

- Directors' Report.
- Financial Statements incorporating a Statement of Financial Performance, Statement of Movements in Equity, Statement of Financial Position, Statement of Cashflows, Statement of Accounting Policies and Notes to the Accounts.
- Comparison of the LGFA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Auditor's Report on the financial statements and the performance targets.
- Any other information that the directors consider appropriate.

Half Yearly Report

By 28 February each year, the Company will produce a Half Yearly Report complying with Section 66 of the Local Government Act 2002. The Half Yearly Report will include the following information:

- Directors' commentary on operations for the relevant six-month period.
- Un-audited half-yearly Financial Statements incorporating a Statement of Financial Performance, Statement of Movements in Equity, Statement of Financial Position and Statement of Cashflows.

Quarterly Report

By 31 January, 30 April, 31 July, and 31 October each year, the Company will produce a Quarterly Report. The Quarterly Report will include the following information:

- Commentary on operations for the relevant quarter, including a summary of borrowing margins charged to Participating Borrower's (in credit rating bands).
- Comparison of LGFA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Analysis of the weighted average maturity of LGFA bonds outstanding.
- In the December Quarterly Report only, commentary on the Net Debt/Total Revenue percentage for each Participating Local Authority that has borrowed from LGFA (as at the end of the preceding financial year).
- To the extent known by LGFA, details of all events of review in respect of any Participating Borrower that occurred during the relevant quarter (including steps taken, or proposed to be taken, by LGFA in relation thereto).
- Details of any lending to CCOs during the quarter and the amount of CCO loans outstanding.
- Commentary on sustainability initiatives.

Statement of Intent

By 1 March in each year the Company will deliver to the Shareholders its draft SOI for the following year in the form required by Clause 9(1) of Schedule 8 and Section 64(1) of the Local Government Act 2002.

Having considered any comments from the Shareholders received by 30 April, the Board will deliver the completed SOI to the Shareholders on or before 30 June each year.

Shareholder Meetings

The Board will hold an Annual General Meeting between 30 September and 30 November each year to present the Annual Report to all Shareholders.

The Company will hold a meeting with the Shareholders' Council approximately every six months – prior to the Annual General Meeting and after the Half Yearly Report has been submitted. Other meetings may be held by agreement between the Board and the Shareholders' Council.

12. Acquisition/divestment policy

LGFA will invest in securities in the ordinary course of business. It is expected that these securities will be debt securities. These investments will be governed by LGFA's lending and/or investment policies as approved by the Board and/or Shareholders.

Any subscription, purchase or acquisition by LGFA of shares in a company or organisation will, if not within those investment policies, require Shareholder approval other than as concerns the formation of wholly-owned subsidiaries and the subscription of shares in such wholly-owned subsidiaries.

13. Activities for which compensation is sought from Shareholders

At the request of Shareholders, LGFA may (at its discretion) undertake activities that are not consistent with its normal commercial objectives. Specific financial arrangements will be entered into to meet the full cost of providing such activities.

Currently there are no activities for which compensation will be sought from Shareholders.

14. Commercial value of Shareholder's investment

LGFA will seek to maximise benefits to Participating Local Authorities as Borrowers rather than Shareholders.

Subject to the Board's views on the appropriate capital structure for LGFA, the Board's intention will be to pay a dividend that provides an annual rate of return to Principal Shareholders equal to LGFA fixed rate bond cost of funds plus 2.00% over the medium term.

As the Shareholders will have invested in the LGFA on the basis of this limited dividend, the Board considered that at establishment the commercial value of LGFA was equal to the face value of the Shareholders' paid up Principal Shares - $25 million.

In the absence of any subsequent share transfers to the observed share transfers on 30 November 2012, the Board considers the current commercial value of LGFA is at least equal to the face value of the Shareholders' paid up Principal Shares of $25 million. This equates to a value per share of $1.00.

15. Accounting policies

LGFA has adopted accounting policies that are in accordance with the New Zealand International Financial Reporting Standards and generally accepted accounting practice. A Statement of accounting policies is attached to this SOI.

Statement of accounting policies

1. Reporting entity

The New Zealand Local Government Funding Agency Limited (LGFA) is a company registered under the Companies Act 1993 and is subject to the requirements of the Local Government Act 2002.

LGFA is a council-controlled organisation as defined under section 6 of the Local Government Act 2002. LGFA is a limited liability company incorporated and domiciled in New Zealand.

The primary objective of LGFA is to optimise the debt funding terms and conditions for participating borrowers.

The registered address of LGFA is Level 8, City Chambers, 142 Featherston Street, Wellington Central, Wellington 6011.

The financial statements are as at and for the year ended 30 June 2021.

These financial statements were authorised for issue by the Directors on 30 August 2021.

2. Statement of compliance

LGFA is an FMC reporting entity under the Financial Markets Conduct Act 2013 (FMCA). These financial statements have been prepared in accordance with that Act and the Financial Reporting Act 2013. LGFA's bonds are quoted on the NZX Debt Market.

LGFA is a profit orientated entity as defined under the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and they comply with NZ IFRS and other applicable Financial Reporting Standard, as appropriate for Tier 1 for-profit entities. The financial statements also comply with International Financial Reporting Standards (IFRS).

3. Basis of preparation

Measurement base

The financial statements have been prepared on a historical cost basis modified by the revaluation of certain assets and liabilities.

The financial statements are prepared on an accrual basis.

Functional and presentation currency

The financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless separately identified. The functional currency of LGFA is New Zealand dollars.

Foreign currency conversions

Transactions denominated in foreign currency are translated into New Zealand dollars using exchange rates applied on the trade date of the transaction.

Changes in accounting policies

LGFA does not consider any standards or interpretations on issue but not yet effective to have a significant impact on its financial statements.

Financial instruments

Financial assets

Financial assets, other than derivatives, are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents include cash on hand; cash in transit and bank accounts and deposits with an original maturity of no more than three months.

Purchases and sales of all financial assets are accounted for at trade date.

At each balance date, an expected credit loss assessment is performed for all financial assets and is calculated as either:

- Credit losses that may arise from default events that are possible within the next 12 months, where no significant increase in credit risk has arisen since acquisition of the asset, or
- Credit losses that may arise from default events that are possible over the expected life of the financial asset, where a significant increase in credit risk has arisen since acquisition of the asset.

Impairment losses on financial assets will ordinarily be recognised on initial recognition as a 12-month expected loss allowance and move to a lifetime expected loss allowance if there is a significant deterioration in credit risk since acquisition.

Financial liabilities

Financial liabilities, other than derivatives, are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Derivatives

Derivative financial instruments are recognised both initially and subsequently at fair value. They are reported as either assets or liabilities depending on whether the derivative is in a net gain or net loss position respectively.

Fair value hedge

Where a derivative qualifies as a hedge of the exposure to changes in fair value of an asset or liability (fair value hedge) any gain or loss on the derivative is recognised in profit and loss together with any changes in the fair value of the hedged asset or liability.

The carrying amount of the hedged item is adjusted by the fair value gain or loss on the hedged item in respect of the risk being hedged. Effective parts of the hedge are recognised in the same area of profit and loss as the hedged item.

Other assets

Property, plant and equipment

Items of property, plant and equipment are initially recorded at cost.

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant and equipment, less any estimated residual value, over its remaining useful life.

Intangible assets

Intangible assets comprise software and project costs incurred for the implementation of the treasury management system. Capitalised computer software costs are amortised on a straight-line basis over the estimated useful life of the software (three to seven years). Costs associated with maintaining computer software are recognised as expenses.

Other liabilities

Employee entitlements

Employee entitlements to salaries and wages, annual leave and other similar benefits are recognised in the profit and loss when they accrue to employees.

Revenue

Interest income

Interest income is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this rate to the principal outstanding to determine interest income each period.

Expenses

Expenses are recognised in the period to which they relate.

Interest expense

Interest expense is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense each period.

Income tax

LGFA is exempt from income tax under Section 14 of the Local Government Borrowing Act 2011.

Goods and services tax

All items in the financial statements are presented exclusive of goods and service tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Segment reporting

LGFA operates in one segment being funding of participating borrowers in New Zealand.

Judgements and estimations

The preparation of these financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts. For example, the fair value of financial instruments depends critically on judgements regarding future cash flows, including inflation assumptions and the risk-free discount rate.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and these estimates and underlying assumptions are reviewed on an ongoing basis. Where these judgements significantly affect the amounts recognised in the financial statements they are described in the following notes.

The financial statements as at 30 June 2021 include estimates and judgements of the potential impact of COVID-19 and the Three Waters Reform Programme on LGFA's financial position and performance. Whilst there has been no material impact on the estimates and judgements at the date these financial statements are authorised, it is noted that there is significant uncertainty with regards to the medium and long-term effects of COVID-19, as well as the outcome of Three Waters Reform Programme on the local government sector.

Resolution to Exclude the Public

Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Confirmation of the Finance Committee Public Excluded Minutes of 10 February 2022 C2. Report on overdue debtors as at 28 February 2022 and Debt write-offs 2021/22 C3. Rototuna Village: Public Realm Construction Contract Award C4. Municipal Pool Demolition and Site Restoration Delegation C5. CON00000830/2021 Toilet and Changing Room Design and Construction C6. Information Services - Spiker Software Solutions Limited C7. Information Services - Contract Renewals	) Good reason to withhold) information exists under) Section 7 Local Government) Official Information and) Meetings Act 1987)	Section 48(1)(a)

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

Item C1.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C2.	to protect the privacy of natural persons to maintain the effective conduct of public affairs through protecting persons from improper pressure or harassment	Section 7 (2) (a) Section 7 (2) (f) (ii)
Item C3.	to enable Council to carry out negotiations	Section 7 (2) (i)
Item C4.	to enable Council to carry out negotiations	Section 7 (2) (i)

Item C5.	to enable Council to carry out commercial activities without disadvantage	Section 7 (2) (h)
Item C6.	to enable Council to carry out negotiations	Section 7 (2) (i)
Item C7.	to enable Council to carry out negotiations	Section 7 (2) (i)